



December 21, 2009

Mr. Mark Olinger
Executive Director of the CDA
Room LL100, Madison Municipal Building
215 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53703

Reference: RFP No.: RFP8052-0-2009/DR – Burr Oaks Senior Housing Project

Dear Mr. Olinger:

We appreciate the opportunity to submit our proposal and qualifications for the redevelopment project known as Burr Oaks Senior Housing. Enclosed please find seven (7) copies of our proposal along with a CD containing the document as a PDF.

Horizon has 25 years of experience in the design, development, construction, and management of affordable multifamily housing and master-planned neighborhoods. We provide our clients with innovative development concepts, on-target design solutions, quality construction services, and excellent property management. As owners and managers ourselves, we understand the need to build high quality, efficient, and sustainable communities to achieve operational goals for years to come.

Horizon has teamed with Dimension IV Madison Design Group for this senior housing project. In its many years of business, Dimension IV has designed thousands of dwelling units and has been involved with numerous senior living developments. This experience will be essential to achieving building design solutions that are coordinated with the comprehensive neighborhood plan. Additionally, Dimension IV is experienced in working with the CDA and understands what needs to be accomplished to have a successful project.

We wish to underscore that if we are fortunate enough to work with you on this project, every person listed and each person you will meet during the selection process will work directly with you through the entire project. Simply stated, we firmly believe in having the people that you meet perform the work. And in our case, most of the work will be performed by principals of our firm.

Thank you for this opportunity!

Sincerely,

HORIZON DESIGN • BUILD • MANAGE

Daniel D. Fitzgerald
Principal
Enclosures (7)

PROPOSAL & STATEMENT OF QUALIFICATIONS

CITY OF MADISON
COMMUNITY DEVELOPMENT AUTHORITY
BURR OAKS SENIOR HOUSING PROJECT

MADISON, WISCONSIN

December 21, 2009



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FIRM PROFILE



Horizon Design•Build•Manage

5201 East Terrace Drive, Suite 300
Madison, Wisconsin 53718

Phone: 608.354.0852
Fax: 608.354.0902

Principals/Owners of Firm:

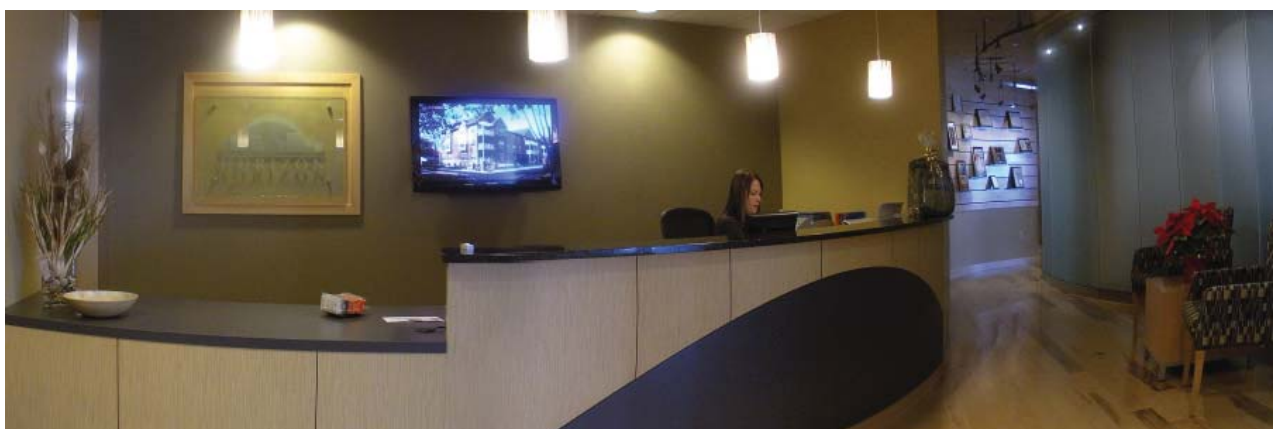
Chuck Heath, CEO
John Faust, President and CFO
John Thode, Director of Development
Philip Schultz, Managing Partner
Dan Fitzgerald, Director of Business Development

Single Point of Contact: Daniel Fitzgerald
Phone: 608.354.0852
Cell: 608.219.5282
Email: d.fitzgerald@horizondbm.com

Staff:

Horizon Design•Build•Manage staff consists of 54 full time and 60 part-time professionals and technical support people who surpass the expectations of our customers through unparalleled service. Horizon's core values are honesty, integrity, respect, and compassion for our clients and coworkers.

We qualify for and are approved under the City of Madison's Local Preference Purchasing Policy.



Horizon Office Reception Area, Madison

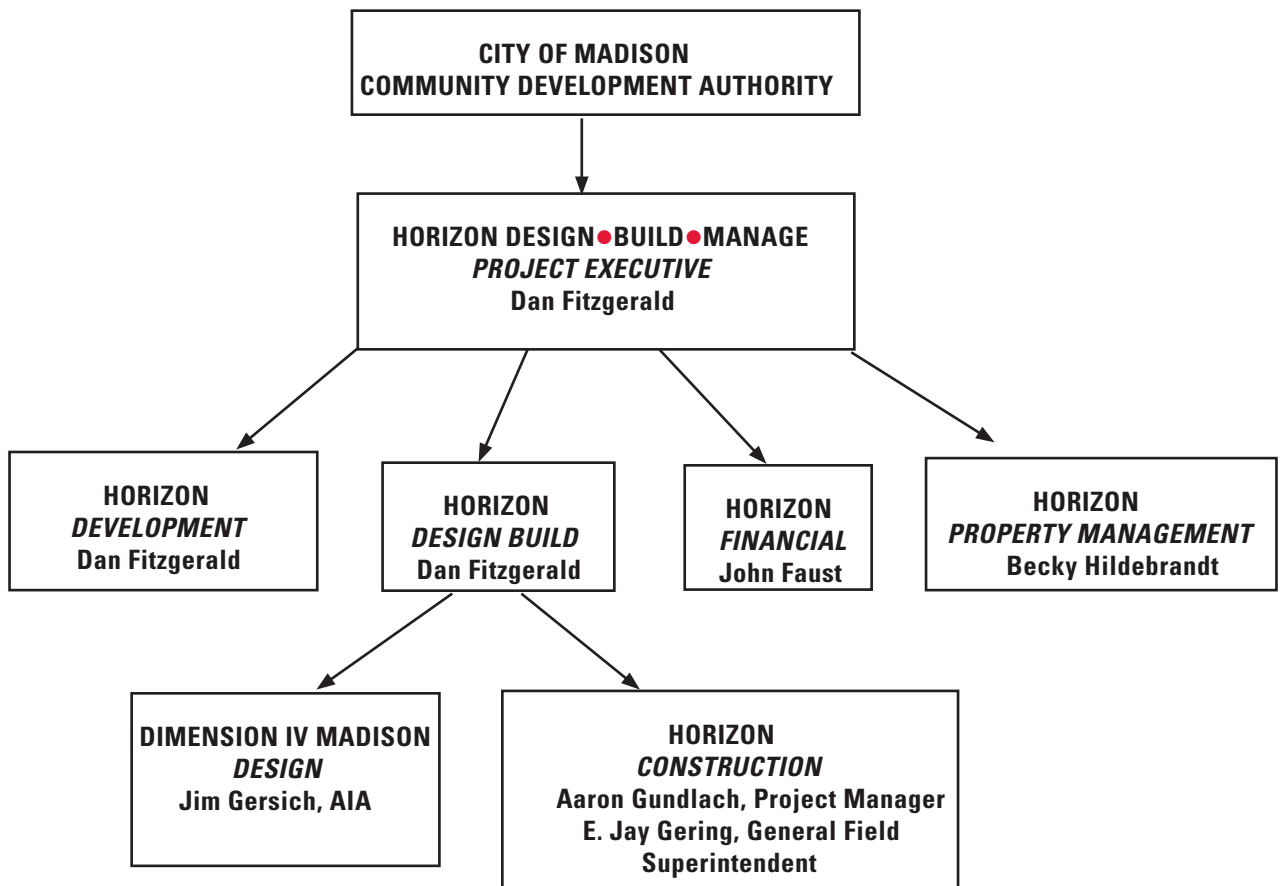
FIRM PROFILE

Brief History

Horizon has 25 years of experience in the design, development, construction, and management of affordable multifamily housing and master-planned multiuse neighborhoods. In addition, Horizon works extensively with nonprofit organizations throughout Wisconsin. Co-founded in 1984 by Chuck Heath, Horizon has grown steadily into a Design/Build industry leader by exhibiting outstanding performance and integrity. We provide our clients with innovative development concepts, on-target design solutions, quality construction services, and excellence in property management.

Horizon is one of the most experienced developers and builders of multifamily housing in the state. As owners and managers ourselves, we understand the need to build high quality, efficient, and sustainable communities to achieve operational goals for years to come.

Team Structure





Dan Fitzgerald

Dan has been working in the affordable housing industry since 1992. At Horizon he has been the developer for six tax credit developments and led a team on three projects that have had multiple phases. Recent senior housing work includes Applewood III Senior Housing in Dubuque, Iowa, Angell Park Senior Apartments in Sun Prairie, Prairie Oaks Senior Housing II in Verona, Cedar Creek Senior Housing I & II in Rothschild, and Frost Woods Senior Housing I & II in Monona. He has been an active member of the Wisconsin Assisted Living Association since 1992 and is active with WHEDA, where he serves on the Tax Credit Advisory Committee.

John Faust

John is the President and CFO of Horizon. He is passionate about providing older adult housing and has particular expertise in its development, financing, and management. At Horizon John has been involved in 26 developments with over 1,600 units that were financed with Section 42 tax credits and/or have had multiple phases. Some of his recent projects include Granville Heights Senior Apartments in Milwaukee, Angell Park Senior Apartments in Sun Prairie, Woodfield Village Senior Apartments in Green Bay, Cedar Creek Senior Housing I & II in Rothschild, and Frost Woods Senior Housing I & II in Monona.

Becky Hildebrandt

Becky is the Director of Property Management. She ensures that buildings are operated effectively, efficiently, and within budget. She works closely with the Leasing Manager to ensure the building is leased up and on time and with the Compliance Manager to ensure we are in compliance with Section 42 programs and regulations. Some of her experience includes Angell Park Senior Apartments in Sun Prairie, Frost Woods Senior Apartments in Monona, Greentree Glen Senior Apartments in Madison, Pheasant Branch Senior Apartments in Middleton, Sedgemeadow Senior Apartments in Elkhorn, and Westminster Senior Apartments in Madison.

Aaron Gundlach

Aaron has worked in the construction industry for 17 years. Some of his more recent senior housing projects include Granville Heights Senior Housing in Milwaukee and Cedar Creek Senior Housing in Rothschild. He has worked extensively with the WHEDA EBE requirements as the project manager for Teutonia Gardens, Boulevard Commons, and United Methodist Children’s Services in Milwaukee.

E. Jay Gering

E. Jay has worked in the construction industry for 20 years. Some of his recent senior housing projects include Uptown Commons in Chilton, Oak Park Place in Dubuque, Iowa, Angell Park Senior Apartment in Sun Prairie, All Saints Assisted Living in Madison, and Woodfield Village Senior Apartments in Green Bay.

Jim Gersich, AIA

Jim Gersich is a licensed architect and a principal of Dimension IV Madison Design Group. He will provide architectural design services for our team. Jim has over 35 years of professional experience and has designed numerous senior housing facilities. His most recent such project was Georgetown Villas in Grand Chute, Wisconsin, a senior housing campus with duplex independent living villas and a co-op apartment building of one-, two-, and three-bedroom apartments.



FIRM PROFILE

Green Initiatives

Horizon is committed to constructing sustainable, environmentally-friendly and efficient projects. Careful consideration is given in the early phases of the project to appropriately plan for and implement the most cost effective and financially feasible solutions. Horizon has LEED® Accredited Professionals on staff who are familiar with current issues and standards who are ready to assist in navigating through this process.

We will track the project through the Green Communities Criteria Checklist, a series of criteria which, to a large extent, mirror credits found in LEED® for Homes. We will also accrue 75 points or more on the EnergyStar scale, creating a highly energy-efficient building which will qualify for an EnergyStar designation. Equally importantly, in keeping with the City's vision and commitment of creating an ecologically, socially, and economically sustainable green capital city, we will also track the City's standard that incorporates the principles of sustainability, including energy and resource conservation. The goals are:

- Reduction of life-cycle cost
- Reduction of environmental impact
- Increased reliability

Examples of elements in the City's Policy for Energy Efficiency and Sustainability that we will readily incorporate into the project include:

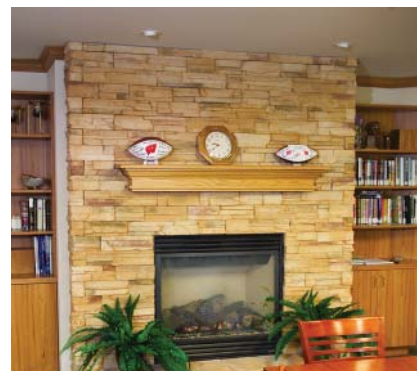
- Design Criteria for winter/summer temperature and humidity levels
- Expected Life of the building shell: 50 years
- Expected Life of windows and doors: 30 years
- Expected Life of HVAC systems: 20 years
- Expected Life of plumbing equipment: 25 years (10 years for water heaters and softeners)
- Energy Performance: 50% less energy than a comparable ASHRAE 2004 building

None of the following Unacceptable Design Practices will be included in the project:

- Electric heat, Two-pipe HVAC systems, PTAC units or Unit ventilators
- Fiberboard ductwork
- Locating ductwork or HVAC equipment in unheated spaces
- Use of R-22 refrigerant
- Locating windows at inaccessible locations



Westminster Senior Apartments, Madison





We will also follow the City's Policy with respect to:

- Illumination levels, Lighting power densities, Daylighting
- EnergyStar rated light fixtures and lamps
- Locally-produced, Rapidly-renewable and Easily-recyclable materials
- EPA "Cool Roof" criteria
- Low-maintenance vegetation and rain gardens
- Low-flow fixtures
- Indoor Air Quality
- Recycling of materials and construction waste

A recent development is a good example of Horizon's ability to develop, construct, and obtain certification for a green building: Fairway Springs in Park City, Utah achieved Silver Level Green Home status for the project owner. As the design-build general contractor on Parmenter Circle in Middleton, we were able to maximum the use of capital to provide a Green Communities® award-winning property, recognized as a first in Wisconsin for its extensive energy conservation and environmentally sustainable design features. Parmenter Circle was fully leased 14 months ahead of schedule.

Screening Procedures

Horizon Management Services utilizes a thorough resident screening process to properly maintain the living environment for all residents. Horizon abides by all Fair Housing requirements in this screening process and rents to all qualified persons who meet our credit and background criteria. Horizon Management Services is experienced with and accepts Section 8 Housing Vouchers. The Appendix includes Horizon's Rental Policy, Resident Selection Plan, Background Policy, and Credit Policy.

Marketing Strategy

In the Madison area alone, Horizon's solid track record demonstrates that we have created marketing strategies to successfully lease-up four (4) income-restricted independent apartment communities at, or ahead of, the lease-up schedule.

A strong Marketing Strategy starts during the development stages of the project. Early on we create an interest list which then converts to a waitlist once the project starts construction. The interest list is populated with names of seniors that show interest in the property during our grassroots development efforts. A potential resident could come from a neighborhood meeting, a presentation to a religious organization, from our direct mail survey, or the site signage. Horizon's staff has been trained to understand that a lead could come from anywhere so we need to always be listening.

To forecast the length of time it will take to lease-up this proposed property, Horizon will hire and work very closely with a third party market consultant to determine an absorption rate that is reflective of the market conditions. In the past, Horizon has been very successful in surpassing this forecast due to our efforts that begin early in the development stages. Horizon understands that the lease-up of a property is critical to the overall success of the project.

Please refer to the pro forma, located in the Finance Section, for the forecasted estimated time to lease-up this project.



FIRM PROFILE

Rental/Marketing Approaches

With any redevelopment plan the first project is always the pioneer. This concept will hold true for the Burr Oaks Neighborhood Plan. The success of the first building will pave the way for future phases. All aspects of the development, design, construction, and property management must be coordinated to the highest level to ensure this success. Horizon is committed to working with the CDA to ensure that this first phase is structured in a way to facilitate future success.

Horizon's proposal includes a commitment from the CDA to allocate 40 section 8 vouchers to this project. This will allow us to achieve a quick lease-up of the first phase and the ability to create a waitlist for the second phase. In addition to this, Horizon will open up its waitlist on other local properties and encourage those applicants to consider the Burr Oaks Neighborhood. A cost saving measure that Horizon can offer is to co-op/cost share their marketing and advertising expenses with our other properties.



PROJECT CONCEPT



Conceptual Plans/Renderings

Please see the rendering and conceptual plan for Phase I at the end of this section.

Project Site Commitment

Horizon and the project entity will commit to purchasing the site at the financial closing.

Financial Analysis

A financial analysis is provided in the Finance Section of this proposal.

LIHTC Market

Similar to trends in other states, the Wisconsin Low Income Housing Tax Credit program expanded dramatically in 2009 due to the availability of Disaster Credits. A total of \$43 million in competitive credit was available in 2009, compared with an average of \$10-15 million in years past. One hundred thirteen projects applied for credit in 2009, which is an increase of 54 projects from 2008 (+92%). Of the \$43 million available in competitive credit in 2009, over \$30 million was earmarked for projects in 33 Wisconsin counties. This created a large supply of tax credit investment opportunities, particularly in the Midwest, where 2008 floods were most prevalent. As a result, tax credit investors have been targeting only the "cleanest" deals that are well-located within large metropolitan areas. Looking forward to the 2010 tax credit application cycle, we expect these trends to continue. Disaster Credits will be available in 2010 and we anticipate the market for tax credit investors will be competitive. Horizon is actively pursuing relationships with local tax credit investors to attract financing for this project. We believe it will take a local investor to understand the dynamics of the Burr Oaks area and the City's commitment to revitalizing the neighborhood. The development team will need to work on Phase II and III simultaneously to assure investors that the City is committed to improving this neighborhood.

In order to put this application in the best possible position to receive tax credits, Horizon will carefully evaluate each scoring section. Based on our experience, the Burr Oaks tax credit application will achieve high marks in a number of the scoring categories. These categories include lower income areas, energy efficiency, local support, serves the lowest income residents, market appeal, universal design, financial participation, ownership characteristics, and development team. Horizon will ensure that the highest scores are achieved for in these areas and that other categories are discussed to evaluate potential scoring enhancements. The submittal deadline for the 2010 tax credit cycle is March 26, 2010.

PROJECT CONCEPT

General Market Analysis

Horizon has performed preliminary market research and determined that there is an unmet demand for independent affordable senior housing at the proposed site location. The challenge with quantifying the unmet demand is determining the primary target market area (TMA) and an appropriate capture rate given the uncertainty in this neighborhood. Attached in the Appendix is preliminary demographic data for the proposed project using 1 and 3 mile geographic boundaries. The following table summarizes our initial findings and provides an estimate for potential unmet demand in the market areas.

Target Market Area (TMA)	Unmet Demand (Households/Units)	Capture Rate (Percentage)	Unmet Demand (Households/Units)
1 - Mile	128	15%	19
3 - Mile	628	15%	94

One of Horizon's first tasks will be to hire a third party market consultant to verify the depth of the market and produce a market study that meets WHEDA's requirements. This market study will serve as the basis for many of the development assumptions relating to units, amenities, rents, and lease-up schedules.



EXPERIENCE



Section 42 Experience

Over the last five years Horizon has **developed, constructed, and financed 11 projects** with Section 42 tax credits. These projects have been a combination of private placements and syndications through Horizon's family of investors which include US Bank Community Development Corporation, Great Lakes Capital Fund, and DBT Community Development Corporation.

Given the nature of this opportunity and the revitalization that is occurring in this neighborhood, we feel that a private placement with a local investor will be the best financing opportunity. Horizon has presented this opportunity to US Bank Community Development Corporation and they have a strong interest. They will, however, need to see more information, such as a market study and tax credit reservation, before making a commitment. One advantage to working with a private investor versus a syndicator is that private investors have already raised their equity and their commitments are not contingent upon raising equity from other institutions. Please see the interest letter in the Appendix for more information.

Age Restricted Section 42 Project Experience

Horizon has 18 years of experience in developing age restricted Section 42 properties – the most experience of any developer in the State of Wisconsin. Over that time period, Horizon has developed 2,083 age-restricted residential units with a total cost in excess of \$165 million. Below is a list of our age restricted Section 42 projects:

Sugar Creek Senior Apartments, Verona
Wesley Park Senior Apartments, Janesville
Hillcrest Senior Apartments, Beloit
Courtyard Senior Apartments, Appleton
Parkside Village Senior Apartments, Delavan
Riverplace Senior Apartments, Janesville
Country View Senior Apartments, Waunakee
Gateway Senior Apartments, Waupun
Fairview Senior Apartments, Jefferson
Fox Meadow Senior Apartments, Evansdale, Iowa
Waterview Senior Apartments I & II, Sheboygan
Hawthorne Senior Apartments, Waterloo
Cottonwood Trails Senior Apartments, Cudahy
The Phoenix Senior Apartments, Portage
White Oaks Senior Housing, Greenfield
Brookside Senior Housing I & II, Davenport, Iowa
Clare Heights Senior Apartments, Milwaukee
Hillside Woods Apartment Homes I, Delafield
Prairie Oaks Senior Housing II, Verona
Crest View of Woodland Ridge, Greenfield
Westminster Senior Housing, Madison
Prairie Hill of Woodland Ridge, Greenfield
Frost Woods Senior Apartments, Monona
Cedar Creek Senior Housing, Mosinee
Water Tower View at Woodland Ridge, Greenfield
Woodfield Village Senior Apartments, Green Bay
Cedar Creek Senior Housing II, Mosinee
Angell Park Senior Apartments, Sun Prairie

Granville Heights Senior Condominiums, Milwaukee
Uptown Commons Senior Apartments, Chilton
Applewood III Senior Apartments, Dubuque, Iowa
Clare Meadows I & II, Franklin
Maple Ridge Apartments, Reedsburg
Highland Apartments I & II, Watertown



Westminster Senior Housing, Madison



Granville Heights, Milwaukee

EXPERIENCE

Develop-Design-Build/One-Stop Shop Experience

Horizon is uniquely qualified to provide develop-design-design-build services for this project. Our company is structured specifically for this delivery method and has completed in excess of \$200 million of design-build work in the past three years. The advantage of utilizing the design-build process is the ability to coordinate all phases of the project under one roof. We systematically lead the project through the design, development, financing, and construction stages to enhance efficiency, maintain schedule and budget, and reduce risks for the owner. A higher level of coordination is achieved when all parties engage in work that is carried out in one office and supervised by experienced staff members. Horizon's strength is managing this process with the overall goal of providing the highest quality product possible for the client.

Total Project Budget Experience

Horizon's extensive experience in development, construction, and property management put us in a unique position to manage the Total Project Budget. We have developed 63 residential projects and are very familiar with budgeting for all required soft costs. Similarly, Horizon's ongoing experience with multifamily construction provides accurate hard cost budgeting at an early stage in project development. Horizon's management arm manages more than 2,500 multifamily units and is very experienced with operating costs we can project for each development. As a team, Horizon's experience and collective data set allows for the most accurate Total Project Budget. The time spent on this budgeting process allows us to move forward with known pricing and minimized risk for the client.



Alta Mira, Menomonee Falls



Real Estate Development Experience

The Horizon Group of Companies includes Horizon Development Group, Inc. which began 25 years ago. We have earned an enviable reputation for surpassing expectations of owners and investors. The reasons are simple: we are clear and realistic from the beginning about costs, projections and timing. Our attention to detail is evident throughout all of our development projects. There is something satisfying when owners and investors reach the end of a development and know that the development has performed as promised. As your development partner, from the initial planning stage through final completion, we are committed to providing complete client satisfaction.

With more than 25 years invested in our own projects, we know how important the early design process is to an owner. True design is much more than just “blueprints.” Horizon’s design process encompasses everything from project visioning, development services, deal structuring, market research, to much more. We use a comprehensive approach to ensure that the project will be completed correctly, on time and within budget:

- Project visioning
- Strategic analysis and market research
- Deal structuring
- Financing
- Team building, consensus building, and coordination
- Design conceptualization
- Site analysis, site selection and planning
- Entitlement process management

As owners ourselves, we know how important it is to build for the long term. Quality building is intelligent building. We know where to save money today and make smart decisions for tomorrow. We choose the best materials at the best price, manage a competitive bid process and provide project reporting so our clients know the status of the project every step along the way. You can rely on our proven expertise to deliver quality workmanship that will meet or exceed your expectations:

- Preconstruction budgeting
- Value engineering
- Owner representation
- Integrated design-build
- General contracting
- Construction management
- Project commissioning

We manage for profitability. As property managers, we know firsthand how our management decisions affect the bottom line. We understand the need to constantly monitor leasing efforts, set performance goals and compensate people based on results. We know what products are most effective to help keep maintenance costs down. Our clients reap the benefits of our experience and research:

- Property management
- Financial analysis and accounting services
- Leasing and marketing services
- Service contract management
- Buildings and grounds maintenance services
- Entitlement compliance



EXPERIENCE

Here is a partial list of senior housing projects that we have developed, built and are property managing:

- Frost Woods Senior Housing, Monona, Wisconsin
- Westminster Senior Housing, Madison, Wisconsin
- Cedar Creek Senior Housing I & II, Mosinee, Wisconsin
- Woodfield Village Senior Apartments, Green Bay, Wisconsin
- Alta Mira Senior Housing, Menomonee Falls, Wisconsin
- Clare Meadows Senior Housing, Franklin, Wisconsin
- Wesley Park Senior Apartments, Janesville, Wisconsin
- Hillcrest Senior Apartments, Beloit, Wisconsin
- Courtyard Senior Apartments, Appleton, Wisconsin
- Parkside Village Senior Apartments, Delavan, Wisconsin
- Gateway Senior Apartments, Waupun, Wisconsin
- Fairview Senior Apartments, Jefferson, Wisconsin
- Fox Meadow Senior Apartments, Evansville, Iowa
- Waterview Senior Apartments, Sheboygan, Wisconsin
- Hawthorne Senior Apartments, Waterloo, Wisconsin
- Cottonwood Trails Senior Apartments, Cudahy, Wisconsin
- White Oaks Senior Housing, Greenfield, Wisconsin
- Uptown Commons Senior Apartments, Chilton, Wisconsin
- Angell Park Senior Apartments, Sun Prairie, Wisconsin

Entitlement and Permitting

As developers and design-builders, we take the lead on entitlement and permitting in all municipalities. In order for us to understand each line item of the Total Project Budget referenced previously, we need an in-depth understanding of the entitlement process. Horizon uses a very detailed development checklist during the entitlement process to ensure that all details are attended to. This list has been developed over the years as a way to proactively manage each project. The Project Executive is responsible for each item on this checklist and sees that the overall project remains on track.

Fast Tracking Experience

We have extensive experience with fast tracking. With our ability to manage all aspects of development, design, and construction, our firm experiences reduced risk with this unified process compared to other firms that may have a more disjointed delivery process.

Horizon intends to fast track the entire process, not just the construction phase, to ensure that this project completes as soon as possible for occupancy. Please see our Fast Track Schedule under the Preliminary Project Schedule Section.



Workload and Financial Commitments

Horizon has the capacity to dedicate a team to this project immediately. We have four, highly qualified development managers on staff that hold management/ownership positions within the company. Additionally, we have jobs completing their construction this fall, providing the necessary capacity in our Construction Department. Although we are optimistic about a number of opportunities that we are currently pursuing, we have the structure in place to handle twice our current work load. Horizon is excited about this opportunity and **we fully commit** to the design, construction, lease-up and ongoing ownership and property management of a first-quality Burr Oaks Senior Housing project, and to a healthy, continuing public-private partnership with CDA for the future phases anticipated at Burr Oaks.

Multiphase Project Experience

Horizon is very experienced in leading multiphase developments. Ten years ago Horizon made a decision to pursue the development of senior campuses instead of stand alone type senior housing projects. We have been very successful in this endeavor; in the past decade Horizon has been fortunate to develop the following multiphase senior campuses:

- Highland Village, Watertown, Wisconsin
- Prairie Oaks Neighborhood, Verona, Wisconsin
- The Clare Meadows Campus, Franklin, Wisconsin
- Cedar Creek, Rothschild, Wisconsin
- Woodland Ridge, Greenfield, Wisconsin
- All Saints Neighborhood, Madison, Wisconsin

Together there are in excess of 50 buildings in these multiphase projects. A primary reason these developments are successful is that they introduce different levels of senior care and living options within the community.

We envision two future phases of the Burr Oaks project, continuing our public-private partnership with CDA. Please refer to the architectural drawings that follow at the end of this section.

In-Fill Site Experience

Horizon has completed many infill projects in its 25 years of senior housing development. Our experience has shown that seniors enjoy living near the amenities and services often available to urban infill sites. A successful senior development is generally located near linkages such as a library, drug store, grocery store, bank, religious facilities, mass transportation, shopping and restaurants. By definition, these would be considered infill sites. Our development team continuously seeks opportunities in areas that provide these amenities as our history has shown us that these will be the most desired and most successful projects.

We have also found that communities are willing to accept senior housing as an infill solution in an existing neighborhood, whereas they may be less accepting of other types of multifamily developments.

EXPERIENCE

Nonprofit Experience

Over the past twenty-five years Horizon has emerged as a leader in the development, construction, and management of Senior Living Communities, not only for our own company, but also for the many nonprofit partners we serve. We understand the need to work with local nonprofits and to serve the neighborhoods in which they are located.

At Horizon, we strive to bring our values of **Honesty, Integrity, Respect, and Compassion** to everything that we do. Our experience and value system have allowed us to create valuable relationships with several nonprofit organizations. We have had the pleasure of providing residential development and construction services to the following nonprofit partners:

- Catholic Charities of Madison, Wisconsin
- First Lutheran Church of Janesville, Wisconsin
- Midwest Affordable Housing, Whitefish Bay, Wisconsin
- The Franciscan Sisters of Chicago, Illinois
- The Franciscan Sisters of St. Clare, Franklin, Wisconsin
- Watertown Memorial Hospital, Watertown, Wisconsin
- The Franciscan Friars of the Assumption, Burlington, Wisconsin
- Sinsinawa Dominicans, Sinsinawa, Wisconsin

In each case Horizon is viewed not just as a builder, but a **partner** in the development of senior living communities. An example of this is the All Saints Neighborhood on the west side of Madison, Wisconsin. Horizon worked closely with Catholic Charities of Madison to develop a senior living campus. The continuum of care will include a 144-unit independent, senior living apartment building; six duplex condominium buildings; a 108-unit apartment style condominium building; and a 58-unit CBRF assisted living community.

At Horizon our mission is not about building bricks and mortar, it is about creating communities that serve the housing, health, social, and spiritual needs of seniors, most of whom live on restricted, and often very low, fixed incomes. We focus on providing seniors with a high quality living environment at an affordable cost.



Preliminary Project Schedule and Major Milestones

Our preliminary, fast track project schedule, with major milestones is on the following page.



**BURR OAKS SENIOR HOUSING
Fast Track Milestone Schedule**

Category	Schedule Item	Complete By	Responsibility
Concept	Finalize concept plan and program documents	12/21/09	Horizon
Concept	Project awarded to Developer	01/15/10	CDA
Concept	Execute consultant agreements (architect, engineer, landscape)	01/20/10	Horizon
Concept	First Neighborhood Meeting	01/27/10	DimIV/Horizon
Schematic	Begin schematic design	01/28/10	DimIV
Schematic	Draft schematic design to Horizon for review	02/07/10	DimIV
Schematic	Horizon provides schematic comments to design team	02/10/10	Horizon
Concept	Second Neighborhood Meeting	02/15/10	DimIV/Horizon
Schematic	Final schematic design complete for CDA review	02/23/10	Horizon
Schematic	Submit schematic design to CDA for review and approval	02/24/10	Horizon
Schematic	CDA meeting: review schematic design and provide approval	03/10/10	CDA
Entitlement pre-submittal	Plan Commission pre-submittal meeting	03/10/10	DimIV/Horizon
Entitlement	Submit schematic design to UDC for informational review	03/10/10	DimIV
Entitlement	Informational presentation to UDC (general feedback)	03/17/10	DimIV
Financing	Tax credit application due to WHEDA	03/26/10	Horizon
Schematic	Update schematic design to reflect UDC comments	03/24/10	DimIV
Entitlement	UDC submittal for meeting #1 (seeking initial approval)	03/31/10	DimIV
Entitlement	UDC meeting #1 (seeking initial approval)	04/21/10	DimIV
Design Dev	Begin Design Development	04/22/10	DimIV
Design Dev	Modify design per UDC #1 comments	05/10/10	DimIV
Entitlement	Plan Commission submittal	05/12/10	Horizon
Financing	Tax credit award announcement	05/25/10	Horizon
Entitlement	Receive City of Madison staff comments	07/07/10	Horizon
Entitlement	Complete any Plan Commission presentation materials, boards, etc.	07/10/10	DimIV
Entitlement	Plan Commission Meeting / Public Hearing	07/12/10	Horizon
Entitlement	UDC submittal for meeting #2 (seeking final approval)	07/14/10	DimIV
Design Dev	Horizon and Owner Design Development Sign Off	07/18/10	Horizon
Entitlement	Common Council	07/20/10	Horizon
Constr Docs	Begin Construction Document design (8 weeks)	07/20/10	DimIV
Entitlement	UDC meeting #2 (seeking final approval)	07/21/10	DimIV
Design Dev	Modify design per UDC #2 comments	07/25/10	DimIV
Entitlement	UDC submittal for meeting #3 (allow extra meeting)	07/28/10	DimIV
Entitlement	Submit revised plans per staff comments, City routes for approval	07/30/10	DimIV
Entitlement	UDC meeting #3 (allow extra meeting)	08/04/10	DimIV
Constr Docs	50% Construction Documents complete	08/17/10	DimIV
Entitlement	Final approval - Zoning	08/24/10	DimIV
Entitlement	Final approval - Traffic Engineering	08/24/10	DimIV
Entitlement	Final approval - Fire	08/24/10	DimIV
Entitlement	Final approval - Engineering	08/24/10	DimIV
Entitlement	Final approval - Planning	08/24/10	DimIV
Entitlement	Final approval - Lighting	08/24/10	DimIV
Entitlement	Final approval - Urban Design	08/24/10	DimIV
Entitlement	Final project approval obtained from all departments	08/24/10	DimIV
Construction	Submit Notice of Intent	09/01/10	Horizon
Construction	Obtain erosion control permit	09/01/10	Horizon
Constr Docs	95% Construction Documents complete	09/01/10	DimIV
Constr Docs	100% set reviewed by Horizon	09/07/10	Horizon
Constr Docs	100% Construction Documents complete	09/13/10	DimIV
Entitlement	Issue plan set to City of Madison for full permitting	09/14/10	DimIV
Construction	Fast Tracking Footings and Foundations	09/15/10	Horizon
Construction	Horizon issues plans to subs for bidding	09/15/10	Horizon
Entitlement	Zoning documents and land division instruments recorded	09/21/10	Horizon
Entitlement	City of Madison full building permit	09/28/10	Horizon
Financing	Loan Closing	09/29/10	Horizon
Construction	Construction Start (surveying, staking, site work)	10/01/10	Horizon
Construction	Construction Complete (8 months)	05/31/11	Horizon



EXPERIENCE

GMP Contract Provided

Given our experience with this product type, Horizon is comfortable establishing a GMP at the time of the tax credit application submittal. This assumes that the scope of work is not altered from the program documents that are the basis of the tax credit application.



Uptown Commons, Chilton



Cedar Lake Village, Plainfield, Illinois



All Saints Retirement Center, Madison

REFERENCES



Nonprofit Clients List

Midwest Affordable Housing, Whitefish Bay, Wisconsin
Catholic Charities of Madison, Wisconsin
The Franciscan Sisters of Chicago, Illinois
Watertown Memorial Hospital, Watertown, Wisconsin
The Franciscan Sisters of St. Clare, Franklin, Wisconsin
First Lutheran Church of Janesville, Wisconsin
The Franciscan Friars of the Assumption, Burlington, Wisconsin
Sinsinawa Dominicans, Sinsinawa, Wisconsin

Resume of Residential Property Management Experience

Horizon Management Services provides management and administrative expertise for commercial real estate and residential properties. As owners ourselves, we truly understand the bottom line. Prudent management of assets, together with consistent rental income, allows us to focus on understanding your needs, while meeting our own.

Horizon Management Services includes more than 40 dedicated real estate professionals. We are comprised of principals, on-site managers, maintenance personnel, certified compliance specialists, financial, marketing, and clerical staff who work in concert towards our clients' success. Horizon manages 48 residential properties with 2,567 units. Thirty-four of the properties, including 1,756 units, are financed with Section 42 tax credits.

We know our markets; we learn our clients' needs; we carry out our responsibilities in an honest and sincere manner. It is a management service style that is valued by everyone.

Concept of Equity

We anticipate that the CDA will use the funds received in the development of this project to assist in the acquisition, demolition, and relocation of additional properties that are part of the future phases. The funds from this project that we expect the CDA to have available are listed under the next heading. We have identified additional properties that would benefit the overall goals of the Burr Oaks Neighborhood in the Phase III plan at the end of the Experience Section.

Proposed Private/Public Partnership Concepts

Horizon is proposing to split the development fee earned on this project with the CDA on a 30% for the CDA and 70% for Horizon basis. In addition to this development fee, Horizon will work with the equity investor to negotiate a percentage of the annual cash flow to also be given to the CDA. In our past experience, the equity investor will require 20-30% of the annual cash flow and the remainder is provided back to the developer and/or managing member as an incentive management fee. Horizon is proposing to split the incentive management fee with the CDA on a 90% to the CDA and 10% to Horizon basis.

Other ways that we would appreciate the CDA assisting the partnership include allocating 40 Section 8 vouchers for Phase I; City surveying, land assembly/CSM, and street engineering; selling the land to the partnership LLC for \$1; assistance with the City approval process; and providing accommodations for neighborhood meetings.

REFERENCES

Phasing Concept

We have envisioned a three-phase project that would ultimately build-out the entire block bounded by Park Street on the east, Badger Road on the south, Cypress Way on the west, and Hughes Place on the north. The only private-party entity remaining on the block would be the McDonald's.

Our vision matches, and nicely dovetails, with the Burr Oaks Neighborhood Senior Housing Plan of July 27, 2009. Future phases add key programmatic elements found in the Plan.

Phase I (fall, 2010 construction project) would include 60 one- and two-bedroom dwellings with underground parking provided in a 1:1 ratio, an appropriate amount of surface parking for visitors and tenants with two cars, and common spaces such as beauty shop, club room, library, exercise room, computer area, etc., all per the Plan. Exterior features would include patios, drive-under canopy, pergola, green roof with walking path, at-grade walking paths, planting gardens and rain gardens. We have also taken into account the potential adjustment of Cypress Way at its intersection with Badger Road, in anticipation of the proposed municipal realignment of Cypress Way as seen on proposed master plans for the areas south of Badger Road.

Phase II would include the acquisition of the existing child day care center, Early Childhood Learning Center, South Park, at 833 Hughes Place. While we anticipate this acquisition could be expensive, it would allow us to add a second, connected building of similar character and 45 one- and two-bedroom senior housing dwelling units. This new facility would have its own main entry off Hughes Place and a 1:1 underground parking ratio. It could be under the same, or a different, ownership team, but regardless, Horizon would provide the property management services. As we experience the lease-up of the Phase 1 60-unit building, we will be able to predict when Phase II will take place. The Phase II building will have many of the same inside and exterior amenities.

We are very excited also about our Phase III vision. Additional properties east of Phase I along Badger Road, and a land-swap with the Police Department to have their staff parking east of the new police station, would make for a sizeable property to develop a true community of its own. With this Phase III project we would be able to add first-floor space for the several programmatic elements envisioned in the Plan, such as possible offices and programming spaces for Central Hispano, a possible assisted living facility (licensed as a CBRF), adult day care and a possible senior center. In fact, two upper floors of additional senior apartments would also be possible in the three-story building.



Willow Pointe Memory Care, Verona



Potential components of the three phase project include:

- Child Day Care Center of approximately 3,000 to 5,000 square feet, plus fenced-in play areas and its own drive-under canopy entry.
- New facilities for Central Hispano.
- Sixty (60) surface parking stalls to support the Third Phase.
- Senior Center of 5,000 to 10,000 square feet with its own drive-under canopy and patio.
- Adult Day Care Center, related in proximity to the Senior Center.
- A wing of Assisted Living, possibly a memory care facility, of 10 to 20 residents.
- Additional drive-under canopy relating to mid-block on Badger Road, for other potential first floor functions.
- Additional 40 to 50 dwelling units of Third-Phase senior apartments, with underground parking.
- Total number of senior independent living apartments on site would be 145 to 155.
- A beautiful, thoughtfully designed and secure campus that would create its own sense of neighborhood.

Our vision for this important block in South Madison expresses the joys, hopes and expectations of the Burr Oaks Neighborhood Senior Housing Plan; the start of the transition of the entire Badger Road Neighborhood; and we are eager to be a part of that transition and ultimate success!

Other Companies on Our Team

We have teamed with Dimension IV Madison Design Group to provide architectural design services for this senior housing project for several reasons, not the least of which is continuing a design-build relationship we established together many years ago.

Dimension IV Madison Design Group, and its predecessor, HSR Associates of Madison, have been active in the housing market in Madison since 1974. Over the past 35 years Dimension IV Madison staff have designed thousands of dwelling units, including hundreds of senior living projects. Dimension IV Madison is highly respected in the senior living and assisted living markets, with a further expertise in memory care facilities.

Examples of their current and related project experience include:

- Senior Housing at Sacred Heart Monastery, Franklin, Wisconsin.
- CDA Revival Ridge (formerly known as Allied Drive Redevelopment, Phase I), Madison, Wisconsin.
- Oakwood Lutheran Homes, East and West Campuses (Oakwood Village), Madison, Wisconsin.
- CDA Truax Park Apartments Redevelopment, Phase I, Madison, Wisconsin.
- Heritage Senior Living, Monona, Wisconsin.
- Bell Tower Place Senior Living, West Allis, Wisconsin.



Heritage Senior Living, Monona -- Dimension IV Madison Project

REFERENCES

Dimension IV Madison Design Group is a firm of 17 design professionals and technical support staff in the disciplines of architecture, interior design, engineering, landscape architecture, and planning. At this time Dimension IV Madison is the only design consultant we have brought on board, although other specialty firms may be added later.

Very early-on, in anticipation of preparing this proposal, Horizon made the decision to approach Dimension IV Madison Design Group and ask them to exclusively be a member of our team for Burr Oaks Senior Housing Project for the following reasons:

- They are specialists in Senior Living Facilities
- Two or more of their principals are always active on every project.
- Horizon has a proven track-record with them, having completed several successful projects in the past.
- They always deliver what's promised on schedule.
- Rarely is there any problem or issue resulting from their design efforts.
- They are hard-working, honest people with cultural traits similar to our own.
- We have a high degree of respect for each other and our mutual success.
- They have a proven track-record with CDA.

In short, Horizon and Dimension IV Madison Design Group are more than pleased to be partnering with each other on this important undertaking.



Bell Tower Place Senior Living -- Dimension IV Madison Project

FINANCE



Financial Statements

Horizon will provide company financial statements upon request.

Financial/Bank References

M & I Bank
Todd Cegelski, 608-252-5826
One West Main Street
Madison, Wisconsin 53703

Dubuque Bank & Trust
Douglas Horstmann, 563-589-2000
Duane Frick, 563-589-2180
1398 Central Avenue
Dubuque, Iowa 52001

Bonding Capacity and History

Horizon Construction has the ability to bond up to \$70 million with Liberty Mutual Insurance. Our account representative with Liberty Mutual is Marie Majcher, who may be contacted at 414-577-2316. Horizon currently has approximately \$8.3 million in bonds outstanding, leaving ample capacity for this project. Horizon has never defaulted on any bond obligation.

Estimated Cost to Build

Horizon has been constructing three-story, wood-frame buildings for 12 years. Our database of historic costs, along with years of feedback from our property management division, provides our design team and project managers with the best access at estimating information and also allows us to make value enhancing product changes that will benefit the long-term operational and financial performance of this asset.

Horizon has experience with this product type and has bid out five senior housing tax credit projects in the State of Wisconsin in the last few months. With this information, Horizon is proposing a construction budget of \$85.03 per square foot. This construction budget is supported by the financial pro forma and will allow for a high quality building that will serve as a catalyst for future phases.

Financing Plan

We are confident that the Burr Oaks development will receive an award of tax credits in the 2010 application cycle. With its strong community support, the financial support of the City, and with the Horizon's development experience, the project will score extremely well. Due to the fallout of investment capital in 2008, WHEDA found itself with returned credits and provided us with an opportunity to find an investor and lender for a similar project located in Chilton, Wisconsin. US Bank provided the equity and debt and we were able to close by year end and open the building before July 31, 2009.

We are currently working on closing a tax credit property this year for US Bank (senior housing, Menomonee Falls), along with another property (senior housing, Greenfield) in the spring of 2010. US Bank has expressed interest in being involved in Burr Oaks Senior Housing as well. Due to their closing and current underwriting workload, they will not have time to look at any new deals until after the first of the year. Currently we believe we will be able to finance the project with US Bank equity and debt, along with Home Funds. The Home Funds could be replaced with Exchange Funds depending on availability.

FINANCE

Financial Analysis

CREDIT COST		CREDIT COST		CREDIT COST		CREDIT COST	
UNITS	64.25	60	60	60	60	60	60
APPLICABLE FRACTION	100.00%						
ANNUAL RENT INCREASE	2.00%						
ANNUAL EXPENSE INCREASE	3.00%						
FEDERAL HISTORIC CREDITS	680.00%						
TOTAL HARD COSTS/PER UNIT	79,593						
TOTAL DEVELOPMENT COST/PER UNIT	109,126						
IRR (TAX BENEFIT ALL IN)	11.53%						
12.01%							

FINANCING	PRINCIPAL	INTEREST AMORTIZATION PERIOD	MONTHLY PAYMENT	TERM	MONTHLY PAYMENT
MORTGAGE	1,640,000	7.25%	30	18	11,417
HOME Funds	419,000	3.00%	30	15	1,767
CITY	0	0.00%	0	0	0
DEFERRED DEVELOPER FEE	0	0.00%	0	0	0
GRANTS	0	0.00%	0	0	0
CONSTRUCTION LOAN	3,600,000	6.00%	0	0	0

EXPENSES	YEAR	PUPY	COMP
Advertising	5,400	90	
Management Fee	26,685	445	
OVERSIGHT FEE	0	0	
Offices	11,296	198	
Office Expenses	4,300	72	
Accounting/Audit	6,250	104	
HFA Compliance Fee	2,100	35	
Books & Supplies	14,000	235	
Travel & Maintenance	16,000	269	
Senior Services	1,500	25	
Turnover	6,600	110	
Permit Control	750	12	
Project Site Expense	4,700	77	
Elevator	2,800	47	
Electric	17,100	285	
Gas	20,100	335	
Water & Sewer	17,100	285	
Storm Drainage	8,000	136	
Storm Removal	3,000	51	
Trash Removal	14,400	240	
Insurance	53,838	897	
Real Estate Taxes	0	0	
Miscellaneous	0	0	
TOTAL OPERATING EXPENSES	247,289	4,121	0
ANNUAL REPLACEMENT RESERVES:	19,500	330	0

RENTS	MONTHLY	ANNUAL	PER UNIT	PER MONTH
D Unit - 1 Bath	660	7,920	660	660
D Unit - 1 Bath	660	7,920	660	660
D Unit - 1 Bath	660	7,920	660	660
D Unit - 1 Bath	660	7,920	660	660
A Unit - 1 Bath	900	10,800	900	900
A Unit - 1 Bath	900	10,800	900	900
A Unit - 1 Bath	900	10,800	900	900
A Unit - 1 Bath	900	10,800	900	900
C Unit - 1-1/2 Baths	1,040	12,480	1,040	1,040
C Unit - 1-1/2 Baths	1,040	12,480	1,040	1,040
C Unit - 1-1/2 Baths	1,040	12,480	1,040	1,040
SUBTOTAL	44,620	535,440	44,620	38,945

MARKET RATE	MARKET RATE	MARKET RATE	MARKET RATE
D Unit - 1 Bath	660	660	0
A Unit - 1 Bath	900	900	0
C Unit - 1-1/2 Baths	1,040	1,040	0
SUBTOTAL	44,620	44,620	29,645

MANAGER UNIT	MANAGER UNIT	MANAGER UNIT	MANAGER UNIT
1	1,040	0.10	0.10
60	45,660	38.945	38.945
GRAND TOTAL	61	46,700	39.045

COMMON AREA	TOTAL SQUARE FEET	YEAR 1	YEAR 2, THEREAFTER
Residential	10,502	72.18%	8.00%
Commercial	56,162	10.00%	10.00%
OTHER INCOME (PER UNIT PER MONTH)			\$5.00

PARKING	NUMBER OF STALLS	RATE	COST
Focus on Energy Grant	60	\$0.00	\$0.00
SO FT	0	\$0.00	\$0.00

INTEREST RATE RESERVES:	RESERVES:	RESERVES:
FEDERAL	35.00%	0.00%
STATE	35.00%	0.00%
PASSIVE LOSSES	35.00%	0.00%
(0=NO; 1=YES)		
ASSET MANAGEMENT FEE	1	2.500

INCOME ASSUMPTIONS:	INCOME ASSUMPTIONS:	INCOME ASSUMPTIONS:
D Unit - 1 Bath	43	418
D Unit - 1 Bath	43	418
D Unit - 1 Bath	43	418
D Unit - 1 Bath	43	418
A Unit - 1 Bath	54	794
A Unit - 1 Bath	54	794
A Unit - 1 Bath	54	794
A Unit - 1 Bath	54	794
C Unit - 1-1/2 Baths	54	929
C Unit - 1-1/2 Baths	54	929
C Unit - 1-1/2 Baths	54	929

MONTHS IN FIRST YEAR	MONTHS IN FIRST YEAR	MONTHS IN FIRST YEAR
01-Jun-11	01-Jun-11	01-Jun-11
14	14	14
2009	2009	2009

DATE PLACED IN SERVICE	DATE PLACED IN SERVICE	DATE PLACED IN SERVICE
01-Jun-11	01-Jun-11	01-Jun-11
14	14	14
2009	2009	2009

STANDARD	STANDARD	STANDARD
General Requirements	240,000	240,000
Contractor Profit	269,231	269,231
Developer Fees	701,710	701,710
Related Party Limitation (N/A)	896,417	896,417

ALLOCATIONS:	ALLOCATIONS:	ALLOCATIONS:
INCOME & LOSS	0.01%	0.00%
TAX CREDITS	0.01%	0.00%
CONTRIBUTIONS	0.00%	0.00%
RESIDUAL	70.00%	0.00%
RELOCATIONS	0	0
EQUITY CONTRIBUTIONS	100	0
TOTAL HORIZON	100	0

PAYMENT SCHEDULE:	PAYMENT SCHEDULE:	PAYMENT SCHEDULE:
Equity Closing	03/01/10	30.00%
50% Completion	01/01/11	0.00%
75% Completion	03/01/11	0.00%
100% Completion	06/01/11	70.00%
Qualified Occupancy	10/01/12	10.00%
Permanent Financing	11/01/12	10.00%
TOTAL EQUITY	4,488,363	

DEPRECIABLE LINES	DEPRECIABLE LINES	DEPRECIABLE LINES
COMMERCIAL COSTS	39	27.5
LAND IMPROVEMENTS	15	15
ORGANIZATION COSTS	5	5
MORTGAGE COSTS	16	16
COMPLIANCE FEE	15	15
OPERATING DEFICIT GUARANTEE COSTS	6	6
SELLING COMMISSION AND COST OF SALE	6.00%	6.00%



Burr Oaks Development

CREDITS & RENTUP

CHS CREDIT

SECTION 42 ACQUISITION

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
APPLICABLE FRACTION	100.00%	100.00%	100.00%	100.00%	100.00%	FEDERAL	STATE									
ANNUAL CREDIT RATE	3.47%	9.00%	9.00%	9.00%	9.00%	20.00%	0.00%									
ELIGIBLE COSTS	0	0	0	7,762,960	7,762,960	0	0									
QUALIFYING COSTS	0	0	0	7,762,960	7,762,960	0	0									
ANNUAL CREDIT AMOUNT	0	0	0	698,666	698,666	0	0									
HOUSING AUTHORITY ALLOCATIOF	2,000,000	2,000,000	2,000,000	#N/A	#N/A	0	0									
ALLOWED CREDIT AMOUNT	0	0	0	698,666	698,666	0	0									

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
LOW INCOME CREDIT	0	616,185	698,666	698,666	698,666	698,666	698,666	698,666	698,666	698,666	698,666	82,481	0	0	0	0
ENERGY CREDIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CHS CREDIT	0	616,185	698,666	698,666	698,666	698,666	698,666	698,666	698,666	698,666	698,666	82,481	0	0	0	0
ANNUAL CREDIT	0	62	70	70	70	70	70	70	70	70	70	8	0	0	0	0
GENERAL PARTNER	0	616,123	698,598	698,598	698,598	698,598	698,598	698,598	698,598	698,598	698,598	82,473	0	0	0	0
LIMITED PARTNER	0	616,185	698,666	698,666	698,666	698,666	698,666	698,666	698,666	698,666	698,666	82,481	0	0	0	0

RENT UP SCHEDULE

	2011	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Units Rented	0	0	0	0	0	13	8	21	26	30	34	36	36	196
Total Rented	0	0	0	0	0	13	21	26	30	34	36	36	36	196
Average Rent	666	666	666	666	666	666	666	666	666	666	666	666	666	666
Total Units Available	60	60	60	60	60	60	60	60	60	60	60	60	60	720
Gross Rent	0	0	0	0	0	39,965	38,985	39,965	39,965	39,965	39,965	39,985	39,985	279,995
Vacant Units	60	60	60	60	60	47	39	34	30	26	24	24	24	524
Rent lost/vacancy	0	0	0	0	0	31,322	25,990	22,658	19,993	17,327	15,994	15,994	15,994	148,277
Net Rent	0	0	0	0	0	8,663	13,995	17,327	19,993	22,658	23,991	23,991	23,991	130,618
Occupancy Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	21.67%	35.00%	43.33%	50.00%	56.67%	60.00%	60.00%	60.00%	27.22%

	2012	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Units Rented	1	1	4	6	6	5	4	3	0	0	0	0	0	0
Total Rented	37	38	42	48	53	57	60	60	60	60	60	60	60	635
Vacant Units	23	22	18	12	7	3	0	0	0	0	0	0	0	0
Rent lost/vacancy	15,328	14,661	11,996	7,997	4,665	1,999	0	0	0	0	0	0	0	56,645
Net Rent	24,657	25,324	27,990	31,966	35,320	37,966	39,985	39,985	39,985	39,985	39,985	39,985	39,985	423,175
Occupancy Percentage	61.67%	63.33%	70.00%	80.00%	88.33%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	88.19%
Credits	430,844	10,674	38,815	52,400	38,815	27,170	17,467	0	0	0	0	0	0	616,185

FINANCE

Burr Oaks Development											
COST											
	BUILDING			Land Improvements	Personal Property	Amortization	Non-amortization	CHS Eligible	Grants	Eligible Basis by rate	
	Total Cost	Residential	Commercial							4%	9%
PURCHASE OF LAND & BUILDING:											
LAND:											
Land	0							0			
Demolition	0							0			
Total Land	0							0			
SITE IMPROVEMENTS											
Site Work	120,000	120,000	0					0	0	120,000	
Landscape	0	0	0	0		0		0	0	0	
Sewer & Water	0	0	0	0				0	0	0	
Land Improvements	20,000	0	0	20,000				0	0	20,000	
Total Site Improvements	140,000	120,000	0	20,000				0	0	140,000	
BUILDINGS:											
New Construction	3,861,000	3,861,000	0		0			0	0	3,858,000	
Contingency	200,050	200,050	0					0	0	200,050	
General Requirements	240,060	240,060	0					0	0	240,060	
Contractor Overhead	80,020	80,020	0					0	0	80,020	
Contractor Profit	254,464	254,464	0					0	0	254,464	
Parking	0	0	0					0	0	0	
Miscellaneous	0	0	0					0	0	0	
Total Building	4,635,594	4,635,594	0					0	0	4,632,594	
ENERGY INCENTIVES											
	0		0		0			0	0	0	
TOTAL HARD COSTS	4,775,594	4,755,594	0	20,000	0	0	0	0	0	4,772,594	

Burr Oaks Development											
COST											
	BUILDING			Land Improvements	Personal Property	Amortization	Non-amortization	CHS Eligible	Grants	Eligible Basis by rate	
	Total Cost	Residential	Commercial							4%	9%
SOFT COSTS:											
Sponsor / Co-Development Fee	200,000	200,000	0					0	0	200,000	
Development Fee	500,000	500,000	0					0	0	500,000	
Tax Credit Fee	71,867	71,867	0					0	0	0	
Accounting Fees	5,500	5,500	0					0	0	5,500	
Legal Building	10,000	10,000	0					0	0	10,000	
Personal Property	39,700		0		39,700			0	0	39,700	
Miscellaneous Building:											
Architect Fees	210,000	210,000	0					0	0	210,000	
Developer Attorney	8,000	8,000	0					0	0	8,000	
Consultants - Engineering	22,000	22,000	0					0	0	22,000	
Construction Insurance	16,715	16,715	0					0	0	16,715	
Construction Interest	75,000	75,000	0					0	0	75,000	
Construction Loan Origination Fee 1.00%	36,000	36,000	0			36,000		0	0	36,000	
Construction Letter of Credit	0	0	0					0	0	0	
Real Estate Taxes (Construction)	10,000	10,000	0					0	0	10,000	
Impact Fee	0	0	0				0	0	0	0	
Appraisal	4,500	4,500	0				0	0	0	4,500	
Market Study	6,500	6,500	0					0	0	6,500	
Environmental Reports	4,000	4,000	0					0	0	4,000	
Title & Recording	8,000	8,000	0					0	0	8,000	
Inspection Fees	9,000	9,000	0					0	0	9,000	
Surveys	7,500	7,500	0					0	0	7,500	
Cost Certification & 10%	6,500	6,500	0					0	0	6,500	
Development Contingency	20,000	20,000	0					0	0	20,000	
Total Miscellaneous Building	443,715	443,715	0			36,000	0	0	0	443,715	
Financing Fees & Expenses:											
Legal Fees	20,000	0	0			20,000		0	0	0	
Application Fee	0	0	0			0		0	0	0	
Permanent Financing Point 1.00%	16,400	0	0			16,400		0	0	0	
Due Diligence	0	0	0			0		0	0	0	
Title & Recording	0	0	0			0		0	0	0	
Total Financing Fees	36,400	0	0			36,400		0	0	0	
Organizational Legal	1,500	0	0			1,500		0	0	0	
Tax Opinion	0	0	0			0		0	0	0	
Syndication Legal	0	0	0			0	0	0	0	0	
Syndication Fee	0	0	0			0		0	0	0	
Whecla Compliance fee	3,000	0	0			0	3,000	0	0	0	
Marketing / Leasing Agent	98,000	0	0			98,000	0	0	0	0	
Construction Interest Lease-Up Period	104,308	0	0			0	104,308	0	0	0	
Lease-Up Expense Reserve	45,000	0	0			0	45,000	0	0	0	
Operating Reserve	213,000	0	0			0	213,000	0	0	0	
TOTAL SOFT COSTS	1,771,989	1,231,081	0		39,700	99,500	365,308	0	0	1,198,915	
TOTAL DEVELOPMENT COSTS	6,547,583	5,986,675	0	20,000	39,700	171,900	365,308	0	0	5,971,508	
Less: CHS credit											
	0		0							0	
Plus: Qualified Census Tract Adjustment											
										1,791,452	
TOTAL ELIGIBLE BASIS										7,762,960	

Burr Oaks Development
INCOME EXPENSE & CASH FLOW

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
INCOME:																
GROSS RENTAL INCOME	279,895	482,619	482,271	502,116	512,158	522,401	532,849	543,506	554,376	565,464	576,773	588,308	600,074	612,075	624,317	636,803
COMMERCIAL INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS VACANCIES RESIDENTIAL	(146,277)	(56,645)	(39,382)	(40,189)	(40,973)	(41,792)	(42,628)	(43,480)	(44,350)	(45,237)	(46,142)	(47,065)	(48,006)	(48,966)	(49,945)	(50,944)
LESS VACANCIES COMMERCIAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RENTAL INCOME	130,618	425,974	442,889	461,947	471,185	480,609	490,221	500,026	510,026	520,227	530,631	541,243	552,068	563,109	574,372	585,859
OTHER INCOME	980	3,378	3,378	3,446	3,515	3,585	3,657	3,730	3,805	3,881	3,959	4,038	4,119	4,201	4,285	4,371
PARKING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING INCOME	131,598	429,352	446,267	465,393	474,700	484,194	493,878	503,756	513,831	524,106	534,590	545,281	556,187	567,310	578,657	590,230
LESS OPERATING EXPENSES	140,061	250,226	259,575	266,059	273,760	281,698	289,849	298,248	306,893	315,791	324,951	334,378	344,083	354,071	364,353	374,837
NET OPERATING INCOME	(8,463)	179,126	186,692	199,335	200,940	202,506	204,029	205,508	206,938	208,317	209,639	210,903	212,104	213,239	214,304	215,393
NON-OPERATING INCOME (EXPENSE):																
INTEREST INCOME-RESERVE	0	315	868	1,442	2,040	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662
MAINTENANCE REPLACEMENT RESERV	0	0	0	0	0	(21,549)	(22,411)	(23,307)	(24,239)	(25,209)	(26,217)	(27,266)	(28,357)	(29,491)	(30,671)	(31,897)
INTEREST EXPENSE	(73,110)	(141,868)	(134,349)	(132,869)	(131,287)	(129,595)	(127,785)	(125,948)	(123,775)	(121,557)	(119,181)	(116,637)	(113,911)	(110,900)	(107,659)	(104,504)
ENGINEERING FEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION	(128,446)	(231,485)	(226,531)	(223,729)	(223,575)	(220,613)	(218,855)	(218,857)	(218,855)	(218,857)	(218,857)	(218,855)	(218,857)	(218,855)	(218,857)	(218,265)
AMORTIZATION	(13,052)	(22,375)	(22,375)	(22,375)	(22,375)	(20,767)	(2,475)	(2,475)	(2,475)	(2,475)	(2,475)	(2,475)	(2,475)	(2,475)	(2,475)	(2,358)
	(214,603)	(395,414)	(382,388)	(377,531)	(375,197)	(379,861)	(368,864)	(367,856)	(366,694)	(365,435)	(364,059)	(362,572)	(360,938)	(359,150)	(357,201)	(354,361)
REPORT. INCOME/(LOSS)	(223,071)	(216,288)	(184,696)	(178,196)	(174,257)	(177,355)	(164,835)	(162,318)	(159,746)	(157,118)	(154,430)	(151,669)	(148,834)	(145,911)	(142,897)	(139,070)
DEPRECIATION	128,446	231,485	226,531	223,729	223,575	220,613	218,855	218,857	218,855	218,855	218,857	218,855	218,857	218,855	218,857	218,265
AMORTIZATION	13,052	22,375	22,375	22,375	22,375	10,767	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,358
ADD/(LESS) ACCRUED FEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADD/(LESS) ACCRUED INTEREST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADD INTEREST TO DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL	141,498	253,860	248,906	246,104	245,960	231,379	221,330	221,332	221,330	221,330	221,332	221,330	221,332	221,330	221,332	220,624
PRINCIPAL REDUCTION	0	(9,775)	(24,454)	(25,934)	(27,517)	(29,209)	(31,019)	(32,956)	(35,028)	(37,247)	(39,623)	(42,167)	(44,893)	(47,814)	(50,944)	(54,300)
OPERATING CASH FLOW	(81,573)	27,797	39,756	41,974	44,176	24,815	25,476	26,059	26,556	26,866	27,280	27,495	27,695	27,696	27,491	27,263
REPLACEMENT RESERVE	(10,500)	(18,420)	(19,157)	(19,923)	(20,720)	0	0	0	0	0	0	0	0	0	0	0
RENT-UP RESERVE	99,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL RESERVES	89,031	(18,420)	(19,157)	(19,923)	(20,720)	0	0	0	0	0	0	0	0	0	0	0
ASSET MANAGEMENT FEE	(1,468)	(2,575)	(2,652)	(2,732)	(2,814)	(2,898)	(2,985)	(3,075)	(3,167)	(3,262)	(3,360)	(3,461)	(3,564)	(3,671)	(3,781)	(3,895)
DEFERRED DEVELOPMENT FEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INCENTIVE MANAGEMENT FEE	(4,792)	(12,563)	(13,523)	(14,450)	(15,342)	(16,199)	(17,044)	(17,879)	(18,703)	(19,513)	(20,307)	(21,084)	(21,844)	(22,587)	(23,314)	(24,025)
TAX BENEFIT ONLY EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH FLOW	(0)	2,041	5,394	5,796	6,193	6,575	6,747	6,895	7,017	7,111	7,176	7,210	7,212	7,180	7,113	7,008
Debt Service Coverage	(0.26)	1.06	1.12	1.13	1.13	1.14	1.14	1.15	1.15	1.15	1.16	1.16	1.16	1.16	1.16	1.15
Debt service Coverage 1st Mtr.	(0.24)	1.17	1.30	1.30	1.31	1.32	1.32	1.32	1.33	1.33	1.33	1.33	1.34	1.34	1.33	1.33

FINANCE

Burr Oaks Development OPERATING EXPENSES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	INITIAL YEAR
OPERATING EXPENSES:																	
Advertising	3,150	5,495	5,659	5,829	6,004	6,184	6,370	6,561	6,758	6,960	7,169	7,384	7,606	7,834	8,069	8,311	5,400
Management Fee	7,896	25,791	27,376	27,924	28,482	29,053	29,633	30,225	30,830	31,446	32,075	32,717	33,371	34,039	34,719	35,414	0
OVERSIGHT FEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Rent Credit	6,500	11,477	11,822	12,178	12,542	12,914	13,305	13,705	14,116	14,539	14,975	15,425	15,887	16,364	16,855	17,361	11,280
Office Expense	2,508	4,375	4,507	4,642	4,781	4,924	5,072	5,224	5,381	5,542	5,709	5,880	6,056	6,238	6,425	6,618	4,300
Accounting/Audit	6,260	6,359	6,500	6,747	6,949	7,158	7,372	7,593	7,821	8,058	8,298	8,546	8,803	9,067	9,339	9,619	6,250
HFA Compliance Fee	2,100	2,137	2,201	2,267	2,335	2,405	2,477	2,551	2,628	2,707	2,788	2,872	2,958	3,046	3,136	3,228	2,100
Office Salaries:	8,713	15,197	15,653	16,123	16,607	17,105	17,618	18,146	18,691	19,252	19,829	20,424	21,037	21,668	22,318	22,987	14,896
Repairs & Maintenance	21,000	36,600	37,729	38,961	40,327	41,727	43,164	44,638	46,150	47,702	49,294	50,928	52,604	54,322	56,084	57,891	36,000
Senior Services	875	1,526	1,572	1,619	1,668	1,718	1,769	1,822	1,877	1,933	1,991	2,051	2,113	2,176	2,241	2,309	1,500
Turnover	3,850	6,716	6,817	7,124	7,338	7,558	7,785	8,019	8,259	8,507	8,762	9,025	9,296	9,575	9,862	10,158	6,600
Pest Control	420	733	755	777	801	825	849	875	901	928	956	985	1,014	1,045	1,076	1,108	720
Grounds Expense	2,835	4,945	5,093	5,246	5,404	5,566	5,733	5,905	6,082	6,264	6,452	6,646	6,846	7,050	7,262	7,480	4,800
Elevator	1,633	2,849	2,934	3,023	3,113	3,207	3,303	3,402	3,504	3,609	3,717	3,829	3,944	4,062	4,184	4,309	2,800
Electric	9,975	17,399	17,921	18,459	19,013	19,583	20,170	20,776	21,399	22,041	22,702	23,383	24,085	24,807	25,551	26,318	17,100
Gas	11,725	20,452	21,065	21,697	22,348	23,019	23,709	24,420	25,153	25,908	26,685	27,485	28,310	29,159	30,034	30,935	20,100
Water & Sewer	4,460	9,524	9,810	10,104	10,407	10,719	11,041	11,372	11,713	12,064	12,426	12,799	13,183	13,579	13,986	14,406	9,360
Snow Removal	3,500	6,105	6,288	6,477	6,671	6,871	7,077	7,290	7,508	7,734	7,966	8,205	8,451	8,704	8,965	9,234	6,000
Trash Removal	1,785	3,114	3,207	3,303	3,402	3,504	3,609	3,718	3,829	3,944	4,062	4,184	4,310	4,439	4,572	4,710	3,050
Insurance	8,400	14,652	15,092	15,544	16,011	16,491	16,986	17,495	18,020	18,561	19,118	19,691	20,282	20,890	21,517	22,162	14,400
Real Estate Taxes	31,405	54,780	56,424	58,116	59,860	61,656	63,505	65,410	67,373	69,394	71,476	73,620	75,829	78,103	80,446	82,860	53,638
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	140,061	250,226	259,575	266,058	273,760	281,688	289,849	298,248	306,893	315,791	324,951	334,378	344,083	354,071	364,353	374,937	
OP EXP % OF NET RENT INC	107.23%	58.74%	57.09%	57.59%	58.10%	58.61%	59.13%	59.65%	60.17%	60.70%	61.24%	61.78%	62.33%	62.88%	63.44%	64.00%	
TOTAL OPER EXP PER UNIT	2,194	3,926	4,058	4,175	4,296	4,420	4,548	4,679	4,815	4,954	5,097	5,245	5,397	5,553	5,714	5,880	
LESS TAXES, AUDIT & COMPLIANCE FE	1,527	2,983	2,962	3,047	3,134	3,223	3,315	3,409	3,506	3,606	3,709	3,815	3,924	4,036	4,152	4,271	
LESS TAXES, INSURANCE, UTILITIES	1,218	2,224	2,304	2,369	2,435	2,504	2,574	2,646	2,721	2,797	2,876	2,957	3,040	3,126	3,214	3,304	
INTEREST EXPENSE:																	
MORTGAGE	0	51,173	122,000	120,798	119,493	118,087	116,572	114,939	113,180	111,283	109,240	107,038	104,665	102,107	99,352	96,382	1,606,318
HOME FUNDS	0	17,586	12,340	12,071	11,793	11,507	11,213	10,909	10,596	10,273	9,941	9,599	9,246	8,882	8,508	8,122	162,566
CITY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NON-AMORTIZING LOAN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TIF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BRIDGE LOAN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION LOAN	73,110	75,110	0	0	0	0	0	0	0	0	0	0	0	0	0	0	146,219
TOTAL INTEREST EXPENSE	73,110	141,869	134,340	132,869	131,287	129,595	127,785	125,848	123,775	121,557	119,181	116,637	113,911	110,990	107,859	104,504	1,915,124

AFFIRMATIVE ACTION



Intent to Comply

Horizon's policy and unwavering commitment is to provide equal opportunities in employment. As always, it is our intent to comply with the Affirmative Action Ordinance of the City of Madison.

Experience with SBE, MBE, DBE, M/WBE and EBE

Horizon is proud of its past experiences with SBE, MBE, DBE, WBE, M/WBE, and EBE programs. Horizon has embraced opportunities to work with these groups and is experienced in integrating their talents throughout the project. Horizon just completed an apartment building in Milwaukee for United Methodist Children's Services which had an MBE/WBE participation level of over forty-six (46) percent.

Since the beginning of WHEDA's EBE program, Horizon has built six tax credit projects with EBE goals and has awarded over \$6.75 million dollars of work to EBE contractors. Horizon has completed the following projects in recent years, all of which exceeded WHEDA's requirements and goals for EBE participation.

Property	Location	MBE/EBE Subcontractors	MBE/EBE %
Boulevard Commons	Milwaukee, WI	12 Subs/Suppliers	48.30%
United Methodist Children's Services	Milwaukee, WI	16 Subs/Suppliers	46.70%
Teutonia Gardens	Milwaukee, WI	10 Subs/Suppliers	36.97%
Granville Heights	Milwaukee, WI	13 Subs/Suppliers	26.17%
Parmenter Circle	Middleton, WI	8 Subs/Suppliers	22.53%
Angell Park	Sun Prairie, WI	9 Subs/Suppliers	17.19%

In the past, Horizon has taken the following steps to ensure that goals are met:

- Advertise in local publications, halls, churches, and social groups that minority contractors may be members of.
- Sponsor pre-bid EBE project education meetings, coordinate meetings with Madison's Affirmative Action office, and coordinate meetings with WHEDA.
- Confirm EBE contractors have ordered plans for bidding.
- Follow-up with EBEs during bid process to verify participation, solicit additional EBE bids as need.
- Meet EBE goals through procurement, project subcontract stratification, and subcontractor selection.
- Share outcome of bid process with CDA and WHEDA.
- Identify categories in need of further participation.
- Encourage subcontractors to hire local help for training, labor, and long-term employment.

AFFIRMATIVE ACTION

For Burr Oaks, we have set the following goals for ourselves:

- If the WHEDA EBE goal is 25%, our goal will be 30%.
- We will set a goal 5% higher than the City's goal.
- We will set a goal to recruit and hire 10 employees from the Burr Oaks Neighborhood.

Outreach Work

Horizon will implement a Workforce Development Initiative for this project. To demonstrate our commitment to the neighborhood, Horizon will place a second job trailer on the project site that will be utilized to promote employment opportunities and other community outreach. Horizon will provide experienced human resource personnel with regular office hours in the trailer. The goal of this initiative is to assist area residents with employment opportunities through resume building, mock interviews, and general assistance in seeking work. Additionally, each subcontractor will have a goal to hire full and part-time time employees from the surrounding neighborhood.

Horizon understands the importance of forming partnerships with the neighborhood community groups, such as the YMCA, YWCA, MAP, and START to accomplish these goals. These community groups have the personal knowledge of the people in the neighborhood to provide invaluable aid in communicating the opportunities we will offer.

A major goal is to assist people in the neighborhood with employment opportunities. As well as our trailer staffed by human resources personnel, we will ensure that subcontractors and suppliers are available at job fairs and outreach sessions to take job applications and answer questions. Prior to the job fairs and outreach sessions, we will hold planning sessions with the community groups to ensure the fullest possible participation by neighborhood residents and to ensure that we utilize all possible opportunities the project provides.

Job fairs and planning sessions will also offer advice in a number of best practices, such as how to interview and how to use the resources available in their neighborhood. We will take advantage of the neighborhood association to provide information to neighborhood residents and to promote the employment opportunities and services that will be available. We will attend these meetings to provide information on the project and to answer any questions.

We will schedule a special pre-bid meeting to foster minority firm partnerships in the bidding process, and we will take advantage of any opportunity that arises to provide a smaller subcontractor a mentoring opportunity with a more experienced firm.

Horizon is particularly committed to mentoring, and has itself mentored Maures Development, LLC, which is an emerging development company in Milwaukee. With Horizon's assistance, Maures Development was the first company owned by an African-American woman to be awarded low income housing tax credits in the United States. Maures Development, LLC obtained financing for Teutonia Gardens, a 24-unit, mixed-used development in Milwaukee. This project was very successful and has local and national awards.

Horizon views these community outreach efforts not merely as beneficial to the project's construction, but to the long-term success of the project, because they increase the economic stability of the neighborhood.

APPENDIX



Rental Policy

Resident Selection Plan

Background Policy

Credit Policy

Demographic Data

Financing Partner Interest Letter

Reference Letters



View to NE at Badger Rd and Cypress Way

Hughes Place

Cypress Way

20' front setback

30' rear setback

Existing Parking

Gardens

Existing Parking

canopy

2 BR

2 BR

1 BR

2 BR

club room

1 BR

1 BR

beauty etc.

patio

1 BR

2 BR

1 BR

patio

Rain Gardens and Gardens

35' rear setback

to parking below

Green Roof Area

1 BR w/den

1 BR

1 BR

2 BR

1 BR

1 BR

12 parking

2 BR

1 BR

1 BR

2 BR

1 BR

1 BR

25' front setback

patio w/ pergola

W. Badger Rd.

60 units

Phase 1

north

0 5 10 25 50ft

12-21-09



Phase 2
Potential
Mixed-Income
Building
45 units
3 flrs

Hughes Place

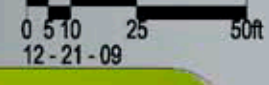
Cypress Way



Phase 1
60 units
3 flrs

W. Badger Rd.

105 units total **Phase 2** north



Phase 2
Potential
Mixed-Income
Building
45 units
3 flrs

Hughes Place

20' front setback

20' front setback

to parking below

Existing Parking

Police Station

New Parking

60 spaces

Cypress Way

31'

Building Connector

30' rear setback

fenced child care play area

Potential
Child Day Care
3,400sf

Rain Gardens and
Gardens

canopy

canopy

Bus Transfer
Point

canopy

club room

2 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

Green Roof Area

1 BR w/den

1 BR

1 BR

1 BR

2 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

1 BR

35' rear setback

to parking below

12 parking

Possible
Assisted Living

canopy

canopy

Possible Senior
Center 1st Flr
6,000sf

Phase 3
Possible
Multi-Use
Building

Possible
1st Floor Adult
Day-Care

25' front setback

W. Badger Rd.

Phase 3



0 5 10 25 50ft
12-21-09





Horizon Management Services

SENIOR PROPERTY

RENTAL POLICY

Horizon Management Services, Inc. (Horizon) is an equal opportunity housing provider and will not discriminate because of race, color, religion, sex, handicap, familial status, lawful source of income, marital status, sexual orientation, military discharge status, physical appearance, political beliefs or national origin. The Horizon rental policy also complies with all applicable Federal, State and local statutes and ordinances with respect to discrimination.

Horizon does restrict residency at senior properties on the basis of age. As is allowed under the Federal Fair Housing Amendments Act of 1988, housing for older persons may limit occupancy to persons 55 years of age. Horizon does not permit anyone under the age of 50 years to reside in our senior apartment homes. Thus, each apartment must be occupied by at least one or more persons 55 years of age or older and no one under 50 years of age at the date of move in.

This is allowed under the Federal Housing Amendments Act of 1988 and the 1991 Wisconsin Act of 295. For more information or a copy of the Federal Fair Housing Act, please contact Horizon at (608) 354-0900.

Horizon Management Services, Inc.
5201 East Terrace Drive, Suite 300
Madison, WI 53718
Phone: 608-354-0900
Fax: (608) 608-354-0903



**HORIZN MANAGEMENT SERVICES RESIDENT SELECTION PLAN
RESIDENT SELECTION PLAN RESIDENT SELECTION PLAN**

Horizon uses the following criteria and standards in selection and evaluation of our applicants for residency. It is important that you read this information to decide whether our apartment community is right for you, before you complete the attached application. We encourage you to ask any questions about our resident selection plan and our application process.

1. Horizon is an equal opportunity housing provider and will not discriminate because of race, color, religion, sex, handicap, familial status, or national origin. The Horizon Rental Policy also complies with all applicable Federal, State and local statutes and ordinances with respect to Fair Housing and discrimination.

We can and do restrict the residency in our Horizon managed community homes on the basis of age. The Federal Housing Amendments Act of 1988 and the 1991 Wisconsin Act 295 allows housing providers to limit occupancy to persons 55 years of age or older and no one under age 50 years. Thus, each apartment must be occupied by at least one or more persons 55 years of age or older and no one under 50 years of age at the date of move in.

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination with the U.S. Department of Housing and Urban Development, Assistant Secretary for Fair Housing and Equal Opportunity by calling 1-800-669-9777.

2. Horizon guards the privacy of individuals according to the Federal Privacy Act of 1974 and ensures the protection of such individual's records that we maintain. Horizon shall not disclose any personal information contained in its records to any person or agency unless the individual about whom such information is requested shall give written consent to such disclosure (as permitted in the Authorization for Release of Information Form in the attached application). This privacy in no way limits our ability to collect needed information to determine eligibility, or evaluate an applicant's suitability for tenancy.
3. Applicants must meet the HUD-established income limits for total household income for eligibility and admission in our Horizon managed community homes. Applicants who meet the age and income criteria will always have the opportunity to apply for residency. Horizon provides eligible applicants to complete a waiting list application if a vacancy does not exist. The waiting list is managed by and retained at the Leasing Department of the corporate office. Applicants are placed on the waiting list according to the date that their paperwork, plus proof of age and a \$100 refundable deposit, is received in the corporate office. The paperwork is date and time stamped immediately upon its receipt in the corporate office.
The waiting list identifies who is next to be contacted for a vacant apartment when an opening occurs. If there is not a waiting list at the time of a vacancy, Horizon will select the next

applicant on a first-come, first-serve basis who meets the eligibility criteria.

**HORIZON MANAGEMENT SERVICES RESIDENT SELECTION PLAN
RESIDENT SELECTION PLAN RESIDENT SELECTION PLAN**

4. Pursuant to HUD, the Department of Housing and Urban Development, (Section 4350.3, CHG-24) and the Fair Housing Amendment Act of 1988 of the Federal Register (Section 100.202, Vol. 54, No. 13) regulations, Horizon may consider extenuating circumstances in evaluating information obtained during the screening process to assist in determining the suitability of an applicant for tenancy. Regulations do not require that a “dwelling be made available to an individual whose tenancy would interfere with other residents enjoyment of the property; would constitute a direct threat to the health or safety of other individuals; would result in substantial physical damage to the property of others; or would adversely affect the financial stability of the property”. Horizon will complete landlord, personal and criminal background references during the application process. Horizon can deny admission using verified information on past behavior and/or conduct to document that applicant’s ability, either alone or with assistance, to comply with the lease and other rules governing residency.

5. The applicant must answer all questions on this application. Applications will not be considered unless they are fully completed with instructions followed. The information in this application will be used to determine eligibility for an apartment. This information will be verified. Any false, misleading or incomplete information may result in a determination of ineligibility. The applicant is responsible to notify Horizon in writing immediately regarding any changes of information reported in the application, particularly regarding income. **WARNING:** Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentation of any material fact involving the use of or obtaining federal funds.

***Properties located within the City of Madison: City of Madison Equal Opportunities Ordinance applies:**
Applications will be considered for those applicants who decline to disclose their Social Security Number on applications when such disclosure is not compelled by state or federal law.

6. An applicant can not move in until Horizon has provided written notification of approval and a lease is signed and in effect. If the application is approved with residency following, only those persons listed in this application will occupy the apartment, and the resident/s will maintain no other place of residency.

7. Horizon will investigate applicant’s credit and financial responsibility, rental and evictions history, and the statements made in this application, and to obtain a consumer credit report on the applicant from a consumer reporting agency that compiles and maintains files of consumers of a nationwide basis.

RESIDENT SELECTION PLAN - FLOW CHART FOR APPLICATIONS
RESIDENT SELECTION PLAN RESIDENT SELECTION PLAN FLOW CHART FOR

ACTION: **RESPONSIBLE PARTY:**
WAITING LIST APPLICATION OFFERED AS NO VACANCY

1. Prospective Resident/family receives tour of the property.
2. Completes Waiting List Application:

Requirements for Waiting List Application:

Waitlist App
Income & Asset Worksheet
Proof of Age
Signed & Dated

- | | |
|---|---|
| <ol style="list-style-type: none">3. Forward completed Application to Horizon office.4. Application date stamped upon receipt to office.5. File made, deposit delivered to Accounting, and Applicant added to Waitlist.6. Acknowledgment of Waitlist sent to Applicant and confirmation to Resident Manager. | <ol style="list-style-type: none">3. Resident Manager.4. Receptionist. |
|---|---|

APPLICATION OFFERED WITH VACANCY

1. Waiting List Applicants reviewed with Resident
2. Applicants called in the order of their Waitlist, offered apartment and applicant must decide within 48 hours.
** If Waiting List exhausts, the first applicant to complete an application on a first-come, first-serve basis holds the apartment.*
3. Completes the Application within one week of the offer:

Requirements for Application:

Complete Section 42 Application with all questions answered.
Proof of Age
Social Security Cards
Signed & Dated

4. App forwarded to Horizon office.
5. App date stamped upon receipt to the office.

6. File made with Application reviewed for completeness and submitted to Compliance for determination of eligibility.

ACTION: _____ **RESPONSIBLE PARTY:**
APPLICATION OFFERED WITH VACANCY
Continued

7. Compliance Process:

└

Section 42:
1 to 3 weeks for determination and evaluation

8. Letter of final determination sent to Applicant.
9. File returned to Leasing and Resident Manager called.

<u>Approved:</u> Resident Manager gets start date from new resident which is within 30 days from approval date.	<u>Denied:</u> Usually denied because over income or unsuitable.
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10. Lease documents sent to property.



AUTHORIZATION TO CONDUCT BACKGROUND CHECK
HORIZON MANAGEMENT SERVICES, INC.

Initial Applications:

Horizon will conduct background checks on all adult household members as a part of our residential screening process at all Horizon Management Services, Inc. properties. Horizon will obtain written consent from all adult members of the household prior to conducting checks.

During Residency:

If after entering into a Lease Agreement, unsolicited information is made available to Horizon concerning a particular resident warranting a Conviction Record check or further research, Horizon reserves the right to investigate. Tenancy may be terminated based on the results of such investigation.

**Grounds for denial of an Application for Residency
or Termination of Tenancy based on Conviction Record:**

1. Any applicant convicted, released from incarceration, parole, or probation for a felony within 5 years of the application date will be denied residency. If an applicant is convicted, released from incarceration, parole, or probation for a felony more than 5 years previous to the application date, in addition to being convicted, released from incarceration, parole, or probation for a misdemeanor within 3 years of the application date, the applicant will be denied residency. Horizon reserves the right to make exceptions, should it be determined that the misdemeanor does not place a Horizon managed property or its residents at risk.
2. Any applicant convicted, released from incarceration, parole, or probation for any drug related crime within 3 years of the application date, including possession of drug paraphernalia, will be denied residency.
3. Conviction of a misdemeanor will not be reason for denial of residency, unless the misdemeanor was for reasons including but not limited to; drug related offenses, theft, indecency, indecent exposure, battery, or property damages.
4. Any applicant that has been convicted of more than 5 misdemeanors may be denied residency, at Horizon's discretion, regardless of the reasons.
5. Any applicant owing previous landlord money for rent or damages will be denied residency at any Horizon managed property.

Effective November 1, 2007



***Properties located within the City of Madison: City of Madison General Ordinances apply.**

Time Limits on Exclusions. The exclusion for certain convictions shall not apply if more than two (2) years has elapsed since the applicant or member of the tenant or applicant's household was placed on probation, paroled, released from incarceration or paid a fine for the offenses set forth in Paragraph 1 unless the offense in one which must be reported under the Sex Offender Reporting Requirement of Sc. 973.048, Wis. Stats.

Effective November 1, 2007



CREDIT CHECK POLICY HORIZON MANAGEMENT SERVICES, INC.

Horizon will conduct credit checks as a part of our residential screening process at any property accepting applications for residency. All adult members of the household will be screened for credit worthiness. Horizon will obtain a written consent from all adult members of the household prior to conduction the credit check. Horizon will consistently apply this policy to all applications for residency at all of Horizon Development Group properties.

The following credit scores will be applied to each credit check to determine approval:

1. Scores between 171 to 300 will be approved
2. Scores between 170 to 145 will be approved conditionally
3. Scores between 144 or less will be denied

Applicants who are conditionally approved will be required to have a co-signer. The Co-Signer must accompany the applicant to the lease signing and is required to sign as guarantor on the lease.

For all applicants who are denied, Horizon will allow a pre-approved Co-Signer. All Co-Signer's are required to sign an authorization allowing Horizon to conduct a credit check. All Co-Signers are required to have a credit score of 171 or higher. If the Co-Signer is approved Horizon will continue to process the application. If the applicant is approved the Co-Signer must accompany the applicant to the lease signing and is required to sign as guarantor on the lease.

Applicants who are denied for the following will not be given the option of a Co-Signer:

1. Any applicant owing previous landlord money for rent or damages will be denied residency at Horizon's discretion.
2. Any applicant with a history of eviction may be denied residency at Horizon's discretion.

Madison, WI
 Dane County
 53713



Prepared |
 Date: 12/11/2009

1. Households per Income Category

Units 60
 Stabilized 55.8

1 Mile radius

	Total	55-64	65-74	75+
Total Households	652	289	198	165
Less than \$15,000	180	87	42	51
\$15,000 - \$24,999	128	65	25	38
\$25,000 - \$34,999	157	63	41	53
\$35,000 - \$49,999	20	5	8	7
\$50,000 - \$74,999	71	44	16	11
\$75,000 - \$99,999	64	16	48	0
\$100,000 - \$149,000	9	0	4	5
\$150,000 - \$199,999	23	9	14	0
\$200,000 +	0	0	0	0

2. Current Supply

Name of Apartment	# of units	Year Built
Total Units	0	

3. Market Potential

Madison, WI	
Eligible Households	265
(x) % of Renter Occupied Units	26.00%
<i>Income Eligible Renter Households</i>	69
(+) 30% of Home Owners that are Income and Age Qualified	30.00%
<i>Total Eligible Renter/Owner Households</i>	128
(-) Existing Supply	0
<i>Unmet Demand</i>	128
(x) 15% goal of market to capture	15.00%
Market Potential Units	19

Penetration Rate	46.97%
Penetration Rate Stabilized	43.69%
Saturation Rate	46.97%
Saturation Rate Stabilized	43.69%

Madison, WI
 Dane County
 53713



Prepared |
 Date: 12/11/2009

1. Households per Income Category

Units 60
 Stabilized 55.8

3 Mile radius

	Total	55-64	65-74	75+
Total Households	4,663	2,074	1,168	1,421
Less than \$15,000	731	269	192	270
\$15,000 - \$24,999	803	237	205	361
\$25,000 - \$34,999	638	234	194	210
\$35,000 - \$49,999	152	53	53	46
\$50,000 - \$74,999	986	516	193	277
\$75,000 - \$99,999	539	301	150	88
\$100,000 - \$149,000	469	254	136	79
\$150,000 - \$199,999	126	71	24	31
\$200,000 +	219	139	21	59

2. Current Supply

Name of Apartment	# of units	Year Built
Chapel Valley Apartments	110	1999
Total Units	110	

3. Market Potential

Madison, WI	
Eligible Households	1,531
(x) % of Renter Occupied Units	26.00%
<i>Income Eligible Renter Households</i>	398
(+) 30% of Home Owners that are Income and Age Qualified	30.00%
<i>Total Eligible Renter/Owner Households</i>	738
(-) Existing Supply	110
<i>Unmet Demand</i>	628
(x) 15% goal of market to capture	15.00%
Market Potential Units	94

Penetration Rate	8.13%
Penetration Rate Stabilized	7.56%
Saturation Rate	9.56%
Saturation Rate Stabilized	8.89%



Commercial Real Estate
One South Pinckney Street
MK-WI-2008
Madison, WI 53703

June 12, 2009

Mr. John Faust
Horizon DBM
5201 East Terrace Drive, Suite 300
Madison, WI 53718

Re: Potential Senior Housing Development
Madison, WI

Dear Mr. Faust:

This letter of interest ("Letter") is intended to confirm that U.S. Bank is interested in working with Horizon Development on the senior housing transaction that the Madison CDA is pursuing in Madison's Burr Oaks neighborhood. We are looking forward to seeing this development come to fruition and hope to participate in the financing structure by providing both construction and permanent debt, provided that Section 8 vouchers will be available to the residents. Please keep us informed as the RFP process continues to move forward.

This Letter is not intended to convey or constitute a commitment, promise or offer to lend on the part of U.S. Bank. Rather, we wish to convey our willingness to participate as the deal structuring and underwriting moves ahead and hopefully issue a formal proposal as the process moves forward. Thank you for the opportunity to serve your lending needs.

Sincerely,

A handwritten signature in cursive script that reads "Karyn Knaak". The signature is written in black ink and is positioned above the printed name and title.

Karyn Knaak
Vice President



Franciscan Sisters of St. Clare, Inc.

7732 South 51st Street

Franklin, Wisconsin 53132

Tel. (414) 421-8257

Fax (414) 421-7869

"Desire above all things to have the spirit of God and his holy action" - St. Clare

May, 1, 2007

To Whom It May Concern:

The Franciscan Sisters of St. Clare have been working with the Horizon Design Build Manage Group for over ten years in the development and construction of our 200 unit Senior Living Community in the City of Franklin and our 59 unit mid rise St. Clare Terrace Assisted Living Community in the City of Milwaukee.

Throughout the entire visioning, design, development, financing and construction process, Horizon has exhibited the highest level of integrity and commitment to building and managing these beautiful communities which meet the physical and spiritual needs of seniors as they age. Horizon's expertise at managing the entire process from initial concept through completion and leasing is a great advantage to us so that we can remain focused on the spiritual needs of the people we serve.

We highly recommend the development, construction, and management services offered by Horizon and would not hesitate to work with Horizon again on future projects.

Sincerely,

FRANCISCAN SISTERS OF ST. CLARE, INC.

Sister Mary Celine Stein

Sister Mary Celine Stein, FSSC
President



CATHOLIC CHARITIES

DIOCESE OF MADISON

Providing Help. Creating Hope.

www.ccmadison.org

ADMINISTRATION OFFICE

702 S. High Point Road
P. O. Box 46550
Madison, WI 53744-6550
(608) 821-3100

FORT ATKINSON OFFICE

22 N. Third Street
Fort Atkinson, WI 53538
(920) 563-9375

FRANKLIN STREET OFFICE

30 S. Franklin Street
Madison, WI 53703
(608) 256-2358
(800) 236-4673

JANESVILLE OFFICE

2020 E. Milwaukee Street, Suite 9
Janesville, WI 53545
(608) 752-4906

MONTELLO OFFICE

230 Central Avenue
Montello, WI 53949
(608) 297-8931

YELLOWSTONE DRIVE OFFICE

426 S. Yellowstone Drive, Suite 100
Madison, WI 53719
(608) 833-4800



Participating Agency



Accredited Council on Accreditation of
Services for Families and Children, Inc.

November 10, 2009

This letter is being written as a reference for Horizon Development Company.

I have worked with Horizon for the past 15 years through our mutual involvement in Fairview Apartments (a 55 bed Senior Apartment facility) and the development of the All Saints Neighborhood campus which currently consists of 144 apartments, a 58 bed assisted living/memory care facility, 12 condominiums and 4 cottages.

Horizon has acted in the design build capacity on all our projects. They have provided positive leadership in all phases of the process from obtaining loans, designing buildings, site development, zoning and construction. They excel at maintaining a schedule and meeting deadlines. Horizon consistently provides quality construction, reasonable pricing and willingness to follow-up and address problems in a timely fashion.

I am greatly pleased with their work and plan to use Horizon Development for future projects.

Sincerely,

Brian Cain
President