

## Affordable Housing Trust Fund Application

Applications should be submitted electronically to the City of Madison Community Development Division by noon of the first Friday of any month.

### ORGANIZATION INFORMATION

Project Title	Tennyson Ridge Apartments	Amount Requested	\$779,873
Name of Organization	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.		
Mailing Address	647 W. Virginia Street, Suite 200, Milwaukee, WI 53204		
Phone	Dennis (414)304-6934 Tom (608)334-6132		
FAX	Dennis (414)325-3124 Tom (608) 334-6132		
Admin Contact	Dennis Hanson	email address	dhanson@lsswis.org
Project Contact	Tom Sather (Project Manager)	email address	tom@satherco.com
Financial Contact	Tom Sather	email address	tom@satherco.com
Website	www.lsswis.org		
Legal Status	<input type="checkbox"/> Private      x Non-Profit LSS will be 51% owner of ownership LLC		
Federal EIN	39-0816846		
DUNS #	060460730		

Does your organization meet the definition of a Small Business Enterprise which includes small businesses, women owned business or minority owned business? (Yes to T.W. Sather Company, Inc. co-developer)      x Yes       No

### AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <http://www.cityofmadison.com/dcr/aaplans.cfm>.

### LIVING WAGE ORDINANCE

If funded, applicant hereby agrees to comply with City of Madison Ordinance 4.20. The Madison Living Wage for 2013 will be \$12.19 hourly.

### LOBBYING REGULATED

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

### CITY OF MADISON CONTRACTS

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

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

### SIGNATURE

Enter Name: Ronald A. Hauser, Chief Program Officer

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

Date: 11/1/13

**APPLICANT**

Please describe applicant's mission, program and years in existence. Including your organizations staffing and budget:

Tracing our roots to 1882, Lutheran Social Services (LSS) has been providing services for more than 130 years.

LSS is dedicated to helping people improve the quality of their lives. This mission is carried out through a dedicated staff of 1200 providing services in more than 300 program sites. Annually LSS impacts more than 115,000 lives through direct services, brief encounter contacts and community presentations.

LSS is comprised of five business units collectively forming a continuum of care. Business units include Housing Services, Change and Community Development, Community and Individualized Supports, Permanence Stability and Wellness, and Adoption and Out of Home Services. The business unit leadership works together to identify and provide needed supports across Wisconsin and Upper Michigan.

The annual operating budget for LSS is approximately \$60 million.

**PROJECT DESCRIPTION**

Please provide an overview of the project, including whether project is acquisition, rehab and/or new construction, type, size of unit created and the impact of your project.

The project is a proposed 72-unit, WHEDA LIHTC new construction apartment project located near Tennyson Lane and Eliot Lane on the site of a vacant, distressed and environmentally affected former poultry research facility. This infill redevelopment project is located with a QCT and City of Madison TID#40 and is an investment of \$11.7 million.

**AHTF PRIORITIES**

Please check which of the following objectives outlined in the Request for Proposals your proposal meets:

- Reduce the number of foreclosures or foreclosed properties
- Assist or create housing in areas with poor quality housing, high cost housing or negative neighborhood image
- x Assist or create workforce housing
- Reduce the number of individuals who are homeless (potentially with 30% CMI units and LSS services)

## AFFORDABLE HOUSING NEEDS

Please describe your knowledge of and experience in identifying the affordable housing needs of the City and the impact on the community.

LSS owns and operates 28 HUD low income housing communities and several non-subsidized housing programs. In addition LSS is project management at two communities not owned by LSS, and provides HUD Service Coordination and or Case Management services at more than 40 housing developments throughout Wisconsin and Upper Michigan.

LSS has previously successfully completed a HUD Section 811 grant application to provide subsidized housing in the City for persons with chronic mental illness.

Current LSS programs serving the City include:

- *Off the Square Club*- a daytime drop in center for people with serious and persistent mental illness as well as homelessness. Emotional support, vocational and recreational opportunities, and structuring of individual schedules are available.
- *Outpatient Treatment Services*- intensive outpatient treatment for adults and adolescents dealing with addiction.
- *Pre-marriage workshops*
- *Self-Directed Supports* to individuals with disabilities. This program allows participants to remain as independent as possible, in a home of their own, through provision of supportive services that allows the individuals to be successful participants in their communities.
- *Dry Hooch*- linkage with LSS through Keith Lang, Executive Director for the Change and Community Development Business Unit. A retired Lieutenant Colonel having served as commander of an Army Reserve Combat Stress Control unit, Keith serves as a member of a committee appointed by leadership within the Wisconsin Department of Health Services and the Department of Veterans Affairs. The purpose of this group is to coordinate services to veterans and their families statewide using the resources of a diverse group of public agencies and private not-for-profit organizations. This includes connections with "Dry Hooch" a program located in Madison to serve veterans.

Through this experience and local programming, our connection with local congregations, and our Madison office LSS is cognizant of affordable housing needs and the impact that quality affordable housing has on a community.

Project Manager is a Madison native, UW-Madison MS Real Estate graduate and has worked in the development industry for more than 20 years including the development of 17 Section 42 LIHTC projects.

## PROPOSED PROJECT GOALS

Please provide the total number of units in the project, the number of affordable units in the project and the number of units assisted with requested funds in the project.

72 total units, all of which will be affordable. 26@60%CMI, 34@50%CMI, 6@40%CMI & 6@30%CMI. 9 units with requested funds in the project. 26% of the units are 1BR, 48% are 2BR and 26% are 3BR. This broad range of unit types is intended to flexibly serve a wide range of households.

## SERVICES INCLUDED IN PROPOSED PROJECT

Please describe any services (such as housing counseling or senior support) provided to the residents in this project.

LSS has a vast network of Housing Service Coordinators and Case Managers that will serve as the foundation of services to be provided by LSS at the project. Through the Community and Individualized Supports Business Unit, serving seniors, veterans, persons with mental health concerns and persons with disabilities, LSS will seek to provide individualized supportive services to residents of the community.

## POPULATION SERVED

Please describe the population you intend to serve (e.g., families, seniors, individuals with a disability).

Primary population served will be workforce/family, but none will be excluded. LSS has the capacity and experience to provide services to families, veterans and seniors, as well as individuals with disabilities.

**LOCATION**

Please identify the specific site address or target neighborhood and indicate why this site was chosen. Describe the neighborhood and surrounding community. Attach location map indicating project location. Identify if a market study has been done and if so, summarize the findings.

Site is located at the NEC of Tennyson Lane and Eliot Lane on Madison's north side (see attached). This infill site was selected due to excellent linkages with schools, employment, services and public transportation. Site is the only blighted property in the immediate area and could be very greatly improved with a LIHTC project. No new apartments in area.

What was the response of the alderperson of the district to this project?

Aldersperson Larry Palm is supportive of the project as is Lydia Maurer, the Vice-President and contact person for the Berkeley Oaks Neighborhood Association.

**MARKETING**

Please describe your marketing and rent up or home purchase plan.

The project will be professionally marketed and managed by The Oakbrook Corporation of Madison, WI who currently manage thousands of Section 42 units throughout Wisconsin and are regarded by WHEDA as an excellent property management company. Please see attached.

**PROJECT ACTIVITIES**

Please describe activities/benchmarks by timeline to illustrate how your project will be implemented (such as acquisition, finance closing, start of construction, end of construction, available for occupancy, rent-up; etc).

Activity/Benchmark	Estimated Month/Year of Completion
Submittal deadline to WHEDA for Section 42 tax credits	1/2014
Announcement of LIHTC tax credit awards	4/2014
Finance Closing & Construction Start	10/2014
Construction Completion & Occupancy	10/2015

**PUBLIC PURPOSE AND RISK**

Please describe the public purpose of your project and the risks associated with the project.

The public purpose of the project is to provide high-quality affordable housing to the citizens of Madison, revitalize a blighted property, remediate a contaminated site, increase the tax base and provide employment.

**EXPERIENCE AND CAPACITY**

Please describe your organizations affordable housing development experience, qualifications of proposed project staff, financial capacity of your organization to secure financing and to complete your proposed project and past performance that will contribute to the success of the proposed program. List how many affordable housing units your organization has created in the past five years. If you have provided property management in the past, please describe your experience including number of years experience, number of units managed and performance record.

LSS owns and manages 28 HUD subsidized affordable housing projects totaling 404 units, market rate apartments totaling 70 units, and project management of an additional 30 units. Currently under development with LSS are 8 units of affordable housing through the HUD Section 811 program and a 50 unit Section 42 that LSS is the co-developer for.

Tom Sather has been involved in the Section 42 affordable housing industry and has developed/co-developed 17 projects totaling more than 1,300 units. Opened in the past five years are X projects comprising X units.

Please provide qualifications and relevant contact information for all members of your development team. Indicate, if any, qualify as a Small Business Enterprise.

Name	Relationship	Email Address	Phone
Don Bernards Kurt Muchow	Tax Credit Accountant Financing/Civil Eng.	<a href="mailto:Donald.bernards@bakertilly.com">Donald.bernards@bakertilly.com</a> <a href="mailto:kmuc@vierbicher.com">kmuc@vierbicher.com</a>	(608)444-4009 (608)524-6468
Stan Ramaker Jeff Donovan	Architect Builder	<a href="mailto:stan@ramakerllc.com">stan@ramakerllc.com</a> <a href="mailto:jdonovan@northcentralconstruction.com">jdonovan@northcentralconstruction.com</a>	(920)539-9444 (920-929-9400)
Wayman Lawrence Tom Klein	Tax Credit Attorney Property Manager	<a href="mailto:wlawrence@foleylaw.com">wlawrence@foleylaw.com</a> <a href="mailto:tklein@oakbrookcorp.com">tklein@oakbrookcorp.com</a>	(608)258-4263 (608)238-2600
Also please see attached			

**PERIOD OF AFFORDABILITY**

Please describe the period of affordability (income and rent restricted) for your project.

The period of affordability will be a minimum of 30-years, regulated by a Land Use Restriction Agreement (LURA) with WHEDA.

**REFERENCES**

Please list at least three references whom are familiar with your affordable housing work.

Name	Relationship	Email Address	Phone
Bill Boerigter	WHEDA	<a href="mailto:Bill.Boerigter@wheda.com">Bill.Boerigter@wheda.com</a>	(608)267-1450
Mary Wright	WHEDA	<a href="mailto:mary.wright@wheda.com">mary.wright@wheda.com</a>	(608)266-6622
Dave Vaske	Iowa Finance Authority	<a href="mailto:dave.vaske@iowa.gov">dave.vaske@iowa.gov</a>	(515)725-4900

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**PLEASE COMPLETE THIS SECTION IF PROPOSING A RENTAL HOUSING PROJECT (Skip to Page 11 if proposing a ownership project)**

1. Provide the following information for rental housing projects (list each address with unit number separately).

Address/Unit Number	# Bedrooms	Req. Amount of AHTF \$	Projected Income Category* To be Served	Projected Monthly Unit Rent	Includes Utilities?
Address to be assigned Please see attached Unit Mix and Rent Schedule	1,2 and 3			\$405-\$995	All except unit elec.

\*Less than or equal to 30% CMI, 31-50% CMI, 51-60% CMI, 61-80% CMI, >80% CMI.

2. Identify if your project includes any of the following features (Check all that apply):

- Incorporates accessibility features X
- Incorporates energy efficiency features X
- Involves lead paint removal
- Involves asbestos removal (in demolition) X

Please describe the level of accessibility that you plan to provide.

The project will be fully accessible per WHEDA highest point scoring accessibility standards.

3. Please describe the energy efficient features you plan to provide and indicate the resulting monthly utility saving to the renter or owner.

The project will be maximally energy efficient per WHEDA highest point scoring standards. Of particular benefit to tenants, who are only responsible for paying unit electricity, all appliances will be Energy Star and all lighting will be fluorescent.

4. For projects that include rehabilitation, have you completed a capital needs plan for this property? Describe.

n/a

5. Please describe the proposed terms of the AHTF loan you are requesting.

Either a non-amortizing loan in the amount of \$779,873 with a 0% interest rate and a minimum term of 17 years payable upon sale or change of use or a loan in the amount of \$1,162,000 with a fixed interest rate of 2.7% or less, an amortization schedule of 30 years and a minimum term of 17 years.

6. If your proposal includes new construction, please check one of the following: Housing is located in an area that does not have a high concentration of low-income housing.   
 Housing is part of a larger neighborhood revitalization effort.

7. Real Estate Project Data Summary

Enter the site address (or addresses) for the proposed project and answer the identified questions by column for each address site.

Address:	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	Appraised Value Current	Appraised Value After Project Completion	Purchase Price or Construction Cost	Accessible Current?	Post-Project Accessible?
NEC Tennyson Lane and Eliot Lane (see attached). Address of site to be determined by City.	0	72	n/a	n/a	\$610,000	\$11.7million	\$11.7million	No	Yes

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	Appraised Value Current	Appraised Value After Project Completion	Purchase Price or Construction Cost	Accessible Current?	Post-Project Accessible?
Address:									
Address:									
Address:									
Address:									



**CAPITAL BUDGET**

8. Enter the proposed project capital budget. Identify the financing source and terms and whether the funds have been already committed or are proposed. Place a C next to source if funds have already been committed and a P next to source if the fund source is proposed. Ex.: Acquisition: \$300,000 AHTF (P), \$120,000 from Anchor Bank @5% interest/15 years (C).

	TOTAL	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms
<b>Acquisition Costs:</b>							
Acquisition	610000	510000	AHTF 0% Interest	100000	TIF		
Title Insurance and Recording	15000						
Appraisal	4500						
Predelptmnt/feasibility/market study	6000						
Survey	inc						
Marketing	25000						
Relocation	n/a						
Other (List)							
RE Taxes	5000						
<b>Construction:</b>							
Construction Costs	7380000						
Soils/Site Preparation	575000			225000	TIF	100000	SAG Grant
Construction Mgmt	inc						
Landscaping, Play Lots, Signage	inc						
Construction Interest	360000						
Permits; Print Plans/Specs	180000						
Other (List)							
Contingency & Insurance	389000						
<b>Fees:</b>							
Architect	185000	69873	AHTF 0% Interest	10000	TIF		
Engineering	45000						
Accounting	70000						
Legal	155000			15000	TIF		
Development Fee	1180000	200000	AHTF 0% Interest				
Leasing Fee	0						
Other (List)	0						
<b>Project Contingency:</b>							
Furnishings:	65000						
Reserves Funded from Capital:	0						
Operating Reserve	315000						
Replacement Reserve	0						
Maintenance Reserve	0						
Vacancy Reserve	0						
Lease Up Reserve	150000						
Other: (List)							
Misc Contingency	30000			350000		100000	
<b>TOTAL COSTS:</b>	11744500	779873		350000		100000	

The balance of funding will be via \$6,926,650 in tax credit and a 1<sup>st</sup> mortgage loan at 35 year amortization, 6.5% interest of \$3,587,977

9. Total Project Proforma **Please see attached 30-year proforma**  
 Enter total Revenue and Expense information for the proposed project for a 30 year period of affordability.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Revenue:</b>															
Gross Income															
Less Vacancy/Bad Debt															
<b>Income from Non-Residential Use*</b>															
<b>Total Revenue</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Expenses:</b>															
Office Expenses and Phone															
Real Estate Taxes															
Advertising, Accounting, Legal Fees															
Payroll, Payroll Taxes and Benefits															
Property Insurance															
Mtc, Repairs and Mtc Contracts															
Utilities (gas/electric/fuel/water/sewer)															
Property Mgmt															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Other(List)															
<b>Total Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service:</b>															
First Mortgage															
Second Mortgage															
Other (List)															
<b>Total Debt Service</b>															
<b>Total Annual Cash Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service Reserve</b>															
<b>Cash Flow</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
<b>Revenue:</b>															
Gross Income															
Less Vacancy/Bad Debt															
<b>Income from Non-Residential Use*</b>															
<b>Total Revenue</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Expenses:</b>															
Office Expenses and Phone															
Real Estate Taxes															
Advertising, Accounting, Legal Fees															
Payroll, Payroll Taxes and Benefits															
Property Insurance															
Mtc, Repairs and Mtc Contracts															
Utilities (gas/electric/fuel/water/sewer)															
Property Mgmt															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Other (List)															
<b>Total Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service:</b>															
First Mortgage															
Second Mortgage															
Other (List)															
<b>Total Debt Service</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Annual Cash Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service Reserve</b>															
<b>Cash Flow</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

%
%

**Assumptions**

Vacancy Rate  
Annual Increase  
Other

**RENT AND EXPENSE ASSUMPTIONS**

**RESIDENTIAL RENTS**

Unit Type	# Units	Mo. Rent	Ann. Rent
1 bedroom (30%)	3	405.00	14,580
1 bedroom (40%)	2	555.00	13,320
1 bedroom (50%)	4	705.00	33,840
1 bedroom (60%)	10	860.00	103,200
1 bedroom (market)	0	950.00	0
2 bedroom (30%)	3	485.00	17,460
2 bedroom (40%)	4	665.00	31,920
2 bedroom (50%)	11	850.00	112,200
2 bedroom (60%)	16	995.00	191,040
2 bedroom (market)	0	1,150.00	0
3 bedroom (50%)	19	975.00	222,300
<b>TOTAL</b>	<b>72</b>		<b>739,860</b>

Tennyson Lane - Madison, WI  
72 Units - 30 Yr Cash Flow

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
<b>INCOME</b>									
Gross Potential Income	739,860	754,657	769,750	785,145	800,848	816,865	833,203	849,867	866,864
Less: Vacancy	(51,790)	(52,826)	(53,883)	(54,960)	(56,059)	(57,181)	(58,324)	(59,491)	(60,680)
<b>NET RENTAL INCOME</b>	\$ 688,070	\$ 701,831	\$ 715,868	\$ 730,185	\$ 744,789	\$ 759,685	\$ 774,878	\$ 790,376	\$ 806,183
Other Income	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717
<b>EFFECTIVE GROSS INCOME</b>	\$ 698,070	\$ 712,031	\$ 726,272	\$ 740,797	\$ 755,613	\$ 770,725	\$ 786,140	\$ 801,863	\$ 817,900
<b>EXPENSES</b>									
Administration	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735
Marketing & Advertising	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334
Payroll	60,700	62,521	64,397	66,329	68,318	70,368	72,479	74,653	76,893
Utilities	47,000	48,410	49,862	51,358	52,899	54,486	56,120	57,804	59,538
Contracted Services	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337
Maintenance and Repairs	43,900	45,217	46,574	47,971	49,410	50,892	52,419	53,991	55,611
Insurance	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002
Real Estate Taxes	86,400	88,992	91,662	94,412	97,244	100,161	103,166	106,261	109,449
Management Fee	41,884	42,722	43,576	44,448	45,337	46,244	47,168	48,112	49,074
<b>TOTAL EXPENSES</b>	\$ 348,884	\$ 358,932	\$ 369,273	\$ 379,915	\$ 390,868	\$ 402,141	\$ 413,742	\$ 425,683	\$ 437,972
<b>NET OPERATING INCOME</b>	\$ 349,186	\$ 353,099	\$ 356,999	\$ 360,882	\$ 364,745	\$ 368,585	\$ 372,398	\$ 376,180	\$ 379,928
Replacement Reserve	21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565	27,362
<b>NOI AFTER RESERVES</b>	\$ 327,586	\$ 330,851	\$ 334,084	\$ 337,279	\$ 340,434	\$ 343,544	\$ 346,606	\$ 349,614	\$ 352,565
<b>DEBT SERVICE</b>									
Mortgage Interest Expense	232,038	229,352	226,486	223,429	220,166	216,685	212,971	209,009	204,780
Principal Payments	40,104	42,790	45,655	48,713	51,975	55,456	59,170	63,133	67,361
Mortgage Insurance	0	0	0	0	0	0	0	0	0
<b>TOTAL DEBT SERVICE</b>	\$ 272,141	\$ 272,141	\$ 272,141	\$ 272,141	\$ 272,141	\$ 272,141	\$ 272,141	\$ 272,141	\$ 272,141
<b>NET CASH FLOW</b>	\$ 55,444	\$ 58,710	\$ 61,942	\$ 65,138	\$ 68,293	\$ 71,403	\$ 74,465	\$ 77,473	\$ 80,424
DCR	1.20	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.30
\$3,587,977	1	13	25	37	49	61	73	85	97
	12	24	36	48	60	72	84	96	108

Tennyson Lane - Madison, WI  
72 Units - 30 Yr Cash Flow

	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20	YEAR 21	YEAR 22	YE
	919,923	938,321	957,088	976,230	995,754	1,015,669	1,035,983	1,056,702	1,077,836	1,099,393	1,121,381	
	(64,395)	(65,682)	(66,996)	(68,336)	(69,703)	(71,097)	(72,519)	(73,969)	(75,449)	(76,958)	(78,497)	
\$	855,528	872,639	890,092	907,893	926,051	944,572	963,464	982,733	1,002,388	1,022,436	1,042,884	\$
	12,434	12,682	12,936	13,195	13,459	13,728	14,002	14,282	14,568	14,859	15,157	
\$	867,962	885,321	903,028	921,088	939,510	958,300	977,466	997,016	1,016,956	1,037,295	1,058,041	\$
	19,379	19,961	20,559	21,176	21,812	22,466	23,140	23,834	24,549	25,286	26,044	
	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	9,031	9,301	
	84,023	86,544	89,140	91,814	94,569	97,406	100,328	103,338	106,438	109,631	112,920	
	65,059	67,011	69,021	71,092	73,224	75,421	77,684	80,014	82,415	84,887	87,434	
	48,448	49,902	51,399	52,941	54,529	56,165	57,850	59,585	61,373	63,214	65,110	
	60,768	62,591	64,469	66,403	68,395	70,447	72,560	74,737	76,979	79,288	81,667	
	20,764	21,386	22,028	22,689	23,370	24,071	24,793	25,536	26,303	27,092	27,904	
	119,598	123,186	126,881	130,688	134,608	138,647	142,806	147,090	151,503	156,048	160,729	
	52,078	53,119	54,182	55,265	56,371	57,498	58,648	59,821	61,017	62,238	63,482	
\$	477,038	490,828	505,022	519,630	534,667	550,143	566,072	582,468	599,344	616,714	634,593	\$
	390,925	394,493	398,006	401,458	404,843	408,157	411,394	414,548	417,612	420,581	423,448	
	29,899	30,796	31,720	32,672	33,652	34,662	35,702	36,773	37,876	39,012	40,182	
\$	361,025	363,697	366,286	368,786	371,191	373,496	375,693	377,775	379,736	381,569	383,266	\$
	190,320	184,840	178,994	172,755	166,099	158,997	151,420	143,335	134,708	125,504	115,684	
	81,821	87,301	93,148	99,386	106,042	113,144	120,722	128,807	137,433	146,637	156,458	
	0	0	0	0	0	0	0	0	0	0	0	
\$	272,141	272,141	272,141	272,141	272,141	272,141	272,141	272,141	272,141	272,141	272,141	\$
	88,884	91,556	94,144	96,645	99,050	101,354	103,551	105,634	107,595	109,428	111,124	
	133	134	135	136	136	137	138	139	140	140	141	
	133	145	157	169	181	193	205	217	229	241	253	
	144	156	168	180	192	204	216	228	240	252	264	

Tennyson Lane - Madison, WI  
72 Units - 30 Yr Cash Flow

	YEAR 26	YEAR 27	YEAR 28	YEAR 29	YEAR 30
	1,213,819	1,238,095	1,262,857	1,288,114	1,313,876
	(84,967)	(86,667)	(88,400)	(90,168)	(91,971)
\$	1,128,851 \$	1,151,428 \$	1,174,457 \$	1,197,946 \$	1,221,905 \$
	16,406	17,734	17,069	17,410	17,758
\$	1,145,257 \$	1,169,163 \$	1,191,526 \$	1,215,356 \$	1,239,664 \$
29,313	30,192	31,098	32,031	32,992	32,992
10,469	10,783	11,106	11,440	11,783	11,783
127,092	130,905	134,832	138,877	143,044	143,044
98,408	101,360	104,401	107,533	110,759	110,759
73,282	75,481	77,745	80,077	82,480	82,480
91,917	94,674	97,515	100,440	103,453	103,453
31,407	32,349	33,319	34,319	35,348	35,348
180,902	186,329	191,919	197,677	203,607	203,607
68,715	70,090	71,492	72,921	74,380	74,380
\$	711,505 \$	732,163 \$	753,427 \$	775,315 \$	797,845 \$
\$	433,752 \$	435,999 \$	438,099 \$	440,041 \$	441,818 \$
45,226	46,582	47,980	49,419	50,902	50,902
\$	388,527 \$	389,417 \$	390,119 \$	390,622 \$	390,916 \$
69,369	55,789	41,299	25,840	9,344	9,344
202,772	216,352	230,842	246,302	262,797	262,797
0	0	0	0	0	0
\$	272,141 \$	272,141 \$	272,141 \$	272,141 \$	272,141 \$
\$	116,385 \$	117,276 \$	117,977 \$	118,481 \$	118,775 \$
1.43	1.43	1.43	1.44	1.44	1.44
301	313	325	337	349	349
312	324	336	348	360	360

6. Enter the proposed project capital budget. Identify the financing source and terms and whether the funds have been already committed or are proposed. Place a C next to source if funds have already been committed and a P next to source if the fund source is proposed. **Ex.: Acquisition: \$300,000 AHTF (P), \$120,000 from Anchor Bank @5% interest/15 years (C).**

	TOTAL	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms
<b>Acquisition Costs:</b>							
Acquisition	0						
Title Insurance and Recording	0						
Appraisal	0						
Pred/pmnt/feasibility/market study	0						
Survey	0						
Marketing	0						
Relocation	0						
Other (List)	0						
<b>Construction:</b>							
Construction Costs	0						
Soils/Site Preparation	0						
Construction Mgmt	0						
Landscaping, Play Lots, Signage	0						
Construction Interest	0						
Permits; Print Plans/Specs	0						
Other (List)	0						
<b>Fees:</b>							
Architect	0						
Engineering	0						
Accounting	0						
Legal	0						
Development Fee	0						
Leasing Fee	0						
Other (List)	0						
<b>Project Contingency:</b>							
Furnishings:	0						
Reserves Funded from Capital:	0						
Operating Reserve	0						
Replacement Reserve	0						
Maintenance Reserve	0						
Vacancy Reserve	0						
Lease Up Reserve	0						
Other: (List)	0						
<b>TOTAL COSTS:</b>	0	0	0	0	0	0	0



**DEVELOPMENT TEAM**  
**Tennyson Ridge – Madison, WI**

The development team proposed for Tennyson Ridge brings a wealth of development experience to the project including extensive Section 42 development experience.

**DEVELOPER**

Dennis Hanson  
Director, Lutheran Social Services of  
Wisconsin and Upper Michigan, Inc.  
647 W. Virginia Street, Suite 200  
Milwaukee, WI 53204  
[dhanson@lsswis.org](mailto:dhanson@lsswis.org)

Lutheran Social Services (LSS) has been providing services for more than 130 years. LSS owns and operates 28 HUD low income housing communities and several non-subsidized housing programs. In addition, LSS is property manager at two communities not owned by LSS, and provides HUD service coordination and/or case management services at more than 40 housing developments in Wisconsin and Upper Michigan.

**PROJECT MANAGER/CO-DEVELOPER**

Thomas W. Sather  
President & CEO, The T.W. Sather Company, Inc.  
6527 Normandy Lane, Suite 201  
Middleton, WI 53719  
(608)334-6132  
[sather@silverstonepartners.com](mailto:sather@silverstonepartners.com)

Tom has been a full-time professional real estate developer for more than 20 years. Tom has developed and co-developed seventeen Section 42 apartment projects in Wisconsin and Iowa and is President, CEO and majority shareholder of Silverstone Partners, Inc which owns and asset manages fourteen Section 42 apartment projects totaling more than 1,000 units. A list of Tom's development experience is attached.

**ATTORNEY**

Katherine Rist  
Partner, Foley and Lardner  
150 E. Gilman Street  
Madison, WI 53703  
(608)258-4317  
[krist@foley.com](mailto:krist@foley.com)

Katie is a partner specializing in Section 42 and other real estate matters at Foley & Lardner, S.C. Since the enactment of the Tax Reform Act of 1986 which created the Section 42 program, Foley and Lardner has represented investors, syndicators, lenders, non-profit

organizations, housing authorities and for-profit developers in hundreds of Section 42 transactions.

#### ACCOUNTING & TAX CREDIT ADVISOR

Don Bernards

Partner & CPA, Baker Tilly

Ten Terrace Court

Madison, WI 53707-7398

(608)240-2643

[Donald.Bernards@bakertilly.com](mailto:Donald.Bernards@bakertilly.com)

Don is a partner in the Real Estate Group with Baker Tilly Virchow Krause, LLP, an affiliate of Baker Tilly International, the 8<sup>th</sup> largest network of independent accounting and consulting firms in the U.S. Don is the office's leading expert in client services relating to Section 42 projects and has helped to raise over \$500,000,000 of such funds over the past five years.

#### PROPERTY MANAGEMENT FIRM

Tom Klein

President, Oakbrook Corporation

2 Science Court

Madison, WI 53744

(608)238-2600

[tklein@oakbrookcorp.com](mailto:tklein@oakbrookcorp.com)

Tom is the president of Oakbrook Corporation which is one of the Midwest's leading residential property management firms, managing over 7,000 apartments. Oakbrook Corp has managed all of Tom's Section 42 projects since their inception. A list of the affordable housing properties they currently manage is attached.

#### GENERAL CONTRACTOR

Jeff Donovan

Partner and Co-Founder, NorthCentral Construction

631 S. Hickory

Fond du Lac, WI 54935

(920)929-9400

[jdonovan@northcentralconstruction.com](mailto:jdonovan@northcentralconstruction.com)

NorthCentral Construction is one of the most active apartment builders in the Midwest and specializes in Section 42 projects, having built and/or renovated more than 1,000 units for Tom alone. A list of affordable housing properties they have constructed is attached.

#### ARCHITECT

Stan Ramaker

Excel Engineering/Ramaker LLC

100 Camelot Drive

Fond du Lac, WI 54935

(920)920-539

[stan@ramakerllc.com](mailto:stan@ramakerllc.com)

Stan is another long time team member and specializes in Section 42 projects. Stan has also worked on projects with Tom totaling more than 1,000 units. A list of affordable housing projects is attached.

FINANCING/CIVIL ENGINEERING

Kurt Muchow

Principal, Vierbicher

400 Viking Drive

Reedsburg, WI 53959

[kmuc@vierbicher.com](mailto:kmuc@vierbicher.com)

Kurt and Vierbicher have worked with Tom in the past in the role of coordinating environmental remediation grant funding and civil engineering work. Founded in 1976, Vierbicher provides planning and community development and economic development services, municipal and civil engineering, survey and GIS services and water and environmental related services.