



Federal Funds (HOME, CDBG, EECBG) Development 2018-2019 Application

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2018-8754; Federal Funds (HOME, CDBG, EECBG) for 2018-2019 Housing Development & Capital Improvement Projects. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on September 19, 2018**. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	Four-unit apartment for formerly homeless families		
Amount of Funds Requested:	\$ _____	Type of Project:	☒ Housing ☐ Community Facility
Name of Applicant:	Sunny Side Development		
Mailing Address:	1231 E. Dayton St. Madison, WI 53703		
Telephone:	(608) 239-8500	Fax:	_____
Admin Contact:	same	Email Address:	paul@sunnysidedevelopment.org
Project Contact:	same	Email Address:	_____
Financial Contact:	same	Email Address:	_____
Website:	sunnysidedevelopment.org		
Legal Status:	☐ For-profit ☒ Non-profit		
Federal EIN:	82-5451776	DUNS #:	_____
Registered on SAM:	☒ 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/aaFormsID.cfm>.

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. Applicants may find more information on registering on the [City Clerk's website](#).

CITY OF MADISON CONTRACTS

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

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

SIGNATURE OF APPLICANT

Enter Name: Paul Schechter

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

Date: 9/18/2018

PROPOSAL OVERVIEW

1. Describe the primary community need(s) the proposed project seeks to address and the expected outcomes. (Please limit response to 500 words including spaces).

There is acute need for extremely affordable housing within Dane County, which has some of the most expensive housing in Wisconsin. There is also recognition that environmental sustainability is required to address issues of climate change. The proposed project will directly address both of these issues by rehabilitating an existing 4-unit apartment such that external energy inputs are reduced to near zero and rents are affordable to very low-income, formerly homeless families.

2. Please provide an overview of the project, how it meets the criteria outlined in the Request for Proposals and the risks associated with the project. (Please limit response to 500 words including spaces).

Sunny Side Development will purchase an existing 4-unit apartment located in Madison's 'Targeted Rehab Area' and partner with the Road Home to provide permanent supportive housing to formerly homeless families. A LURA will restrict 2 units to 30% AMI, 1 to 35% AMI and 1 to 40% AMI. Risks include bad debt or potential vacancy if family incomes do not fit with LURA restrictions. The project includes a solar PV installation, green space for children to play, and case management for all families.

3. Describe the proposed project's consistency with adopted planning documents, including the City of Madison Comprehensive Plan, neighborhood plan(s) and any other relevant plans.

This project aligns well with three major City of Madison Plans, as described below:

Imagine Madison Comprehensive Plan Update

Madison's original Comprehensive Plan published in 2006 has recently been updated with a new Imagine Madison Comprehensive Plan, whose final version is expected to be released September 21, 2018. In the 'Neighborhoods and Housing' Chapter, Strategies 2, 4, 5 and 6 correlate quite well with our proposed project. Strategy 2 encourages a mix of housing types with an emphasis on 'middle housing', which includes 4-unit properties that we are developing. Strategy 4 discusses several ways to increase affordable housing in Madison and suggests distributing such housing instead of concentrating it, which is best done with smaller sized properties such as a 4-unit. Strategy 5 is perhaps the most relevant to this project. It calls on an increase in permanent supportive housing and supportive services for the homeless. Our project will provide long-term housing for families who have experienced homelessness and will connect such families to weekly case management from the Dane County Road Home, which will increase their chance of success. Finally, Strategy 6 encourages the rehabilitation of existing housing stock, particularly in ways that improve energy efficiency.

Safe & Sound – A Community Plan to Prevent and End Homelessness in Dane County – 2016

The Safe & Sound Plan of 2016 specifically addresses two areas that our project will target: permanent supportive housing (Section 3.2) and ending family homelessness (Section 3.6). Section 3.2.2 of the Safe & Sound plan has the specific objective of creating "40 new units of permanent supportive housing for families" Section 3.3.3 states: "Conduct a landlord-outreach campaign to establish commitments for additional units of existing housing in the private market for people experiencing homelessness".

Sustainable Madison Plan

The City of Madison drafted its first plan to implement sustainable development in 2004 with the "Building a Green Capital City: A Blueprint for Madison's Sustainable Design and Energy Future". In 2009, the Sustainable Design and Energy Committee was formed, whose name was later changed to the Sustainable Madison Committee (SMC). In 2011, the SMC developed the Madison Sustainability Plan, which has ten sub-sections, each with specific goals. The objectives of our project align well with many of the City's sustainability efforts, but in particular it directly addresses the sub-sections of 'Carbon & Energy' and 'Affordable Housing', in the Sustainable Madison Plan as described below.

Carbon & Energy

The Carbon & Energy sub-section of the Sustainable Madison Plan has a goal of reducing carbon emissions by 80% by the year 2050. Two ways in which to achieve this are identified as 'Systematically upgrade existing buildings, equipment and infrastructure' and 'obtaining 25% of energy from clean sources by 2025'. Our project addresses both of these goals with energy efficiency building upgrades and the installation of 12kW of PV solar electric generation.

Affordable Housing

The Affordable Housing sub-section lists "Upgrade energy efficiency and sustainable materials use in low-income housing" and "Provide more green affordable housing" as goals, which is exactly what this project intends to do.

4. Describe the target population(s) this project intends to serve (e.g. low-income families, seniors, special needs populations, etc.)

The targeted population for this project is formerly homeless families with children. Specifically, we are targeting families who make between 30% - 40% of Dane County Average Median Income or less with a family size of 3 or 4 individuals. The Road Home of Dane County, which has been working with homeless families in Dane County since 1999, has identified 2BR/1 bath units as the greatest need for homeless families currently, which is our target housing type. As shown in our Tenant Selection Plan, the Road Home will be instrumental in helping us find ideal tenants and provide case management supportive services to those families.

5. How many unduplicated individuals are estimated to be served by this project: 12 - 16

How many unduplicated households are estimated to be served by this project: 4

6. Please describe whether/how this project relates to efforts undertaken by other community groups or agencies.

There are a number of groups in the Madison area that offer affordable housing development, these include Common Wealth Development, Porchlight, Gorman & Company, and Stone House Development. There is a similar number that strive to improve environmental sustainability including Renew Wisconsin, 350 Madison, and the Sierra Club. However, to our knowledge there are very few (if any) organizations in the Madison area where affordable housing and sustainability are both central to their overall mission. In fact, we have found that sustainability often takes a backseat when associated with affordable housing development. Certain green measures are implemented, but too often they are overshadowed by waste in acquisition/rehab projects, which replace materials that still have several years of useful life. One reason our nonprofit was formed was to counter this ideology by emphasizing energy efficiency in all of our projects. We feel we are fairly unique in our mission to promote both affordable housing and sustainable design.

7. Describe the response and level of support of the alderperson of the district in which the proposal is located. What issues or concerns with the project did s/he identify, if any?

We attempted to contact a number of Alders via email and phone, who have parts of the 'Target Rehab Area' within their districts and two responded. The following is the response from those who were successfully reached:

David Ahrens, District 15: David said he was "very positive" on a small development that provided housing for formerly homeless families. He is familiar with the Road Home and feels they do good work. While he supports affordable housing developments in general, he feels that concentrating large amounts of such types of housing in one location can be problematic, and cited the 60-unit Rethke Terrace Development in particular, which is in his district. He empathized with our project, stating that we would likely have to go through similar legwork as larger projects despite a much smaller size. However, he felt such projects were needed because they help distribute affordable housing throughout a community.

The Alder was then asked what he felt the neighborhood response to such a project would be. David said without a specific address he was not sure yet, but in general, he felt most of his residents would not have a problem with the project however almost all would want to know about it. He recommended contacting him again after funding and potential locations were secured, to discuss a potential neighborhood meeting.

Sheri Carter, District 14: Sheri was positive about the project although she mentioned that certain areas of her district were restricted from all publically-funded affordable housing development, because concentrations of such development were already high enough. She requested to see the 'Target Rehab Area' to verify that it did not coincide with restricted areas in her district. Sheri also feels that smaller-sized properties are good candidates for affordable housing and likes the fact that our project is emphasizing sustainable design.

8. Describe the neighborhood input process, including notification to and input from the nearby Neighborhood Association(s), either already underway or planned. If that process has begun, please summarize its results to date.

Sunny Side Development will work with the local Alder of the district in which the property resides to select the best method of receiving input from the surrounding neighborhood. Because there will be no zoning or floorplan changes to the existing property, it is possible that a full neighborhood meeting will not be needed and input and response may be solicited electronically. However, when a suitable property is identified, we will notify the Alder and Neighborhood Association of our plans to create affordable housing at this property and solicit their feedback on the best way to

engage with neighbors that may have questions or concerns about the development.

9. Will any business or residence, including rental tenants, be temporarily or permanently displaced as a result of the proposed activities? ☐ Yes ☐ No ☒ Unknown

If yes, please describe your relocation plan, including assistance you will offer to those displaced by the project.

This project is an acquisition/rehab of an existing 4-unit rental property that will likely have tenants already living in some or all of the units. The intention is to purchase a property that is in good condition with only minor rehab needs. Therefore, it is anticipated that none of the existing tenants will need to move, even temporarily, during the rehabilitation. Should temporary relocation be required, tenants will be provided free accommodation in a nearby motel.

10. The follow repayment terms will be selected for the project as offered in the Request for Proposals (Please check one):

☒ **Option 1:** Zero percent, long-term deferred loan payable upon sale, transfer, or change in the use of the property. The promissory note will require repayment of either a percentage of the appraised value after rehab or construction, based on the amount of the CDD funds invested in the property, or a percentage of the net proceeds, whichever is less.

☐ **Option 2:** Long-term deferred loan - principal plus 2% accrued simple interest, payable upon sale, transfer, or change in the use of the property. Repayment will be equal to the amount of the CDD funds awarded, plus 2% simple interest accrued over the life of the loan.

☐ **N/A-** Agency is renting space.

AGENCY OVERVIEW

11. Describe the Agency's Mission Statement and explain how this project supports the Mission Statement.

The mission of Sunny Side Development is to create affordable, sustainable housing in Wisconsin. This project perfectly aligns with our mission statement because 100% of the units will be affordable to formerly homeless families and net energy inputs of the existing building will be brought to levels close to zero. The project also aligns well with our vision statement. We are interested in developing smaller affordable housing units, so as to not concentrate low-income families and to help distribute affordable housing throughout a wider community. Also, we would like to focus on existing properties so as to preserve the embodied energy of built infrastructure and to reduce project costs in comparison to new construction. This project achieves all of these goals.

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

Name	Company	Role in Development	Contact Person	Phone
Paul Schechter	Sunny Side Development	Lead Developer	Paul Schechter	608-239-8500
Paul Schechter	Sunny Side Development	Property Management	Paul Schechter	608-239-8500
Kristin Rucinski	The Road Home	Case Management Supportive Services	Kristin Rucinski	608-294-7998X302
Becky Haag	Compliance Specialists, LLC	HUD Compliance	Becky Haag	608-513-5634
Burke O'Neil	Full Spectrum Solar	Solar installer	Burke O'Neil	608-217-8774

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13. Please describe the development team's experience using federal HOME, CDBG or EECBG funds.

Sunny Side Development has limited experience with HOME, CDBG and EECBG funding, which is why we are partnering with two groups that have more experience in these areas: the Dane County Road Home and Compliance Specialists, LLC. The Road Home has developed two projects using HOME funds and currently owns 30 units themselves. They have also co-developed three projects with Stone House Development, in which they offer supportive services to 27 units. Compliance Specialists have been providing compliance services for affordable housing projects since 1993. They have extensive experience with Section 42 and all forms of HUD funding compliance, including HOME. Memorandums of Understanding between Sunny Side Development and both of these two organizations are attached to this application. Notwithstanding the above, Sunny Side Development is made of a team with broad-ranging real estate and affordable housing experience. Its founder, Paul Schechter, has been involved in real estate since 2005 and currently owns seven properties with a total of 45 units. He is particularly passionate about intentional communities that increase the quality of life of their members, while decreasing environmental impact and costs through shared resources. In 2010 he developed and co-founded the HAUS Project, a nonprofit affordable housing cooperative dedicated to environmental sustainability. Other projects include several student housing and single-family home properties. In addition to housing, Paul has been involved in several commercial real estate projects including two New Market Tax Credit deals and one mixed-use office/retail commercial property.

The six additional board members and five advisory members of Sunny Side Development consist of individuals with wide-ranging experience that help fulfil our mission. Our team includes professionals in real estate and environmental law, nonprofit governance, community development, cooperative housing, renewable energy generation, social work, and property management.

14. Please describe the capacity of your agency to secure the total financing necessary to complete your proposed project, and past performance that will contribute to the success of the proposed program.

Sunny Side Development has been granted a preapproval letter from Summit Credit Union for the first mortgage of this 4-unit property, which is attached. This preapproval was issued in part because Sunny Side's director, Paul Schechter, has personally guaranteed the mortgage with his own personal assets and credit. A copy of the director's Personal Financial Statement is available upon request.

15. Indicate by number the following characteristics for your agency's current staff and Board of Directors.

DESCRIPTOR	STAFF	BOARD
GENDER		
Female		2
Male	1	5
Unknown/Other		
TOTAL GENDER	1	7
AGE		
Less than 18 yrs old		
18-59 Yrs	1	7
60 and older		
TOTAL AGE	1	7
RACE*		
White/Caucasian	1	6
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
MULTI-RACIAL:		

Black/AA & White/Caucasian		
Asian & White/Caucasian		
Am Indian/Alaskan Native & White/Caucasian		
Am Indian/Alaskan Native & Black/AA		
Balance/Other		1
TOTAL RACE	1	7
ETHNICITY		
Hispanic or Latino		1
Not Hispanic or Latino	1	6
TOTAL ETHNICITY	1	7
PERSONS WITH DISABILITIES	0	0

*These categories are identified in U.S. Department of Housing and Urban Development (HUD) Standards.

16. List Percent of Staff Turnover: 0%

Divide the number of resignations or terminations in calendar year 2017 by total number of budgeted positions. Do not include seasonal positions. Explain if you had 20% or more turnover rate. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

N/A

17. The following attachments are included with this application:

- ☐ Housing – Owner-Occupied Development (Complete Attachment A and Budget Workbook)
☒ Housing – Rental Development (Complete Attachment B and Budget Workbook)
☐ Neighborhoods- Community-Based Facilities (Complete Attachment C and Budget Workbook)

Note: Proposals for Community-Based Facilities should only complete Worksheet 1 (Agency Overview), Worksheet 2 (Capital) and 3 (Expenses) in the Budget Workbook. Proposals for residential developments should complete the entire Budget Workbook.

ATTACHMENT B- Housing Development- Rental Development

1. Identify the source of federal funds the agency will accept for the project: ☒ HOME ☐ CDBG ☒ EECBG

2. What is the total number of units to be assisted with HOME, CDBG or EECBG funds and the amount of HOME, CDBG or EECBG requested per affordable unit? Indicate whether any of the units will be supported by Section 8 project-based vouchers.

The total number of units in the project is 4 and all 4 units will be assisted with both HOME and EECBG funds. The amount of HOME funds requested is \$80,000/unit. The amount of EECBG funds requested is \$3,240/unit..

3. If the single-purpose entity will be owned, in part, by a for-profit company, will a non-profit organization have a controlling interest in the property or a statutory Right of First Refusal to acquire such interest?

N/A. The project in its entirety will be owned by a non-profit organization.

4. Identify, and describe the experience and qualifications of the entity that will manage the property, including maintaining property standards, ongoing compliance, and annual reporting requirements in accordance with contract requirements and/or federal regulations. How many units does that entity currently manage?

The Property will be managed by Sunny Side Development, whose director has almost 14 years of property management experience and has been a full-time landlord for the last 6 years. Paul Schechter currently oversees the management of 45 units in two states. Long term maintenance contracts have been established with local maintenance professionals and onsite staff are employed to ensure smooth rent collection, vacancy lease-up, bill-pay, and lawncare. All current properties are privately owned and do not require federal compliance. Meticulous profit and loss statements have been kept since 2005 and all income has been reported on federal tax returns which are available upon request.

5. Who will be responsible for monitoring compliance with federal regulations and requirements?
Are they trained on federal requirements?

Federal compliance for all HOME units will be conducted by Compliance Specialists, LLC, which has been doing compliance for the affordable housing industry since 1993. Their director, Becky Haag is a leading compliance expert in the Low Income Housing Tax Credit program and HUD affordable housing programs. With over 25 years of affordable housing experience, her experience ranges from Director of Compliance for the largest owner and developer of Tax Credit developments in the Midwest to underwriting home loans to the formation of BH Compliance & Consulting, Compliance Resources, Inc., and now Compliance Specialists, LLC. She has received her Housing Credit Certified Professional (HCCP) and Certified Occupancy Specialist (COS) accreditations along with attending many continuing education programs and workshops.

SITE INFORMATION

6. Provide your assessment of the market conditions of the neighborhood (including anticipated demand for the proposed target populations). Explain why this site or area was chosen. If a specific site has not been identified, what criteria do you use to assess the appropriateness of a site and neighborhood for an assisted housing project?

According to the January, 2018 “Point-In-Time” survey of homeless people in Dane County, there are currently 205 families in the county that are experiencing homelessness. Even though this an improvement from 2017 numbers, the goal of the City and County governments is to eradicate homelessness in their jurisdictions completely, which is still far from complete. The Road Home participates in the coordinated entry program, which maintains a list of dozens of families in need of housing at any given time. It is clear that the demand for affordable housing in this demographic currently far outweighs available supply.

Although a specific site has not yet been identified, we do have several criteria that will be used in finding an appropriate property. The property needs to be located in the City-identified ‘Targeted Rehab Area’ and preference will be given to properties close to local amenities and transportation infrastructure. Also, the property must have open, green space that has the ability to be fenced-in, for children to play. Finally, the building must have an unobstructed, south-facing roof so solar PV can be installed.

7. Identify the distance the following amenities are from the proposed site.

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store		
Public Elementary School		
Public Middle School		
Public High School		
Job-Training Facility, Community College, or Continuing Education Programs		
Childcare		
Public Library		
Neighborhood or Community Center		
Full Service Medical Clinic or Hospital		
Pharmacy		
Public Park or Hiking/Biking Trail		
Banking		
Retail		
Other (list the amenities):		

8. If a site has been identified, what is the distance between the proposed site and the nearest seven-day per week transit stops? List the seven-day transit stop location and describe any other transit stops (include street intersections and schedule) located near the proposed site.

N/A because a site has not yet been identified.

9. Describe the impact this housing will have on the schools in this area. Please include information on school enrollment data (e.g. at capacity, above capacity, below capacity); how this housing development will impact the schools’ enrollment; and approximately how many elementary and middle school children are projected to live at the proposed housing development based on your proposed unit mix and previous housing experience.

A site has not yet been selected, so the closest elementary and middle schools are not yet known. That being said, the project will likely add less than 10 children to the local school system and therefore the impact will likely be minimal.

SITE AMENITIES

10. Describe the exterior and common area amenities that will be available to tenants and guests, including parking (and cost, if any).

Because the targeted tenant demographic is families with children, only sites with ample outdoor green space will be eligible for selection. We intend to fence-in children play space and include playground equipment in the backyard. Other exterior amenities will likely include offstreet parking, and potentially a shared garage.

11. Describe the interior apartment amenities, including plans for internet service (and cost, if any) and a non-smoking environment.

We are seeking a 4-unit apartment with 2BR/1Bath units. No smoking will be permitted inside the building and internet service will be included in the rent for all units. There will likely be a common basement that has free laundry for residents and potentially storage space, which will be offered free of charge if available.

12. What fees, if any, will be charged to residents of the proposed building (e.g. parking, laundry, pet fees, etc.)?

In an effort to maintain accountability of energy consumption, tenants will be responsible for paying their own utility costs, other than water/sewer. However, these costs are anticipated to be very low because significant energy efficiency upgrades and a solar electric installation will be made. Parking and laundry will be provided free of charge. The determination of what pets will be acceptable and if any pet fees will be charged will be made after a property has been selected.

HOUSING INFORMATION & UNIT MIX

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

ADDRESS #1:		Unknown as of yet					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Bedrooms									
		# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
40%	0	0	0	4	0	0			723		
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
Sub-total	0	0	0	4	0	0					
Market*	0	0	0	0	0	0					
Total Units	0	0	0	4	0	0	Notes:				

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

ADDRESS #2:		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
Sub-total	0	0	0	0	0	0					
Market*	0	0	0	0	0	0					
Total Units	0	0	0	0	0	0	Notes:				

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

14. Utilities included in rent: ☐ Water/Sewer ☐ Electric ☐ Gas ☐ Free Internet In-Unit ☐ Other:

15. Describe the number and percent of accessible units proposed for each of level of accessibility. For rehab, describe the accessibility modifications that will be incorporated into the existing housing.

This development is targeting homeless families and emphasizing environmental sustainability. Therefore, accommodation for individuals with physical disabilities is not a specific priority for this development. However, we will make every effort to make the two ground-floor units as accessible as possible, but there is not extra money in the development budget for expensive accessibility upgrades.

16. Describe the energy efficient features you plan to provide, the energy standard to be achieved, and the resulting estimated monthly utility savings for the project and for the tenant.

Our commitment to environmental sustainability will be highlighted with this project. We plan on retrofitting the existing property with energy efficiency improvements in line with Focus on Energy's Multifamily Energy Savings Program. Such improvements will include increased insulation, air sealing, high efficiency lighting and HVAC and other measures that tighten the outer-envelope to increase energy efficiency and reduce expenses for the tenants. In addition, we will install 12kW of photovoltaic solar panels which will reduce electricity costs to near zero, on an annualized basis. This will save families an additional ~\$150/mn and teach children and adults alike, the benefits of solar energy.

17. For proposals that include rehabilitation and where a site has been identified, have you completed a capital needs assessment for this property? If so, summarize the scope and cost; Attach a copy of the capital needs assessment.

A site has not been identified as of yet, however, once a site has been selected a residential building inspection and an energy audit will be performed on the property to determine the exact rehab scope of work. For purposes of this application, an approximate scope of work has been provided based on assumptions of the size and expected quality of the targeted property.

18. Real Estate Project Data Summary

If a site has been identified, enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	# of Units Accessible Current?	Number of Units Post- Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	Enter Address 1								
Address:	Enter Address 2								
Address:	Enter Address 3								

INTEGRATED SUPPORTIVE HOUSING UNITS

19. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) if serving populations requiring intensive case management or ongoing supportive services. Provide a detailed description of the type and level of supportive services (such as assessment and referral, on-site intensive case management, etc.) that will be provided to residents of the proposed project.

Please see the attached Memorandum of Understanding between Sunny Side Development and the Road Home of Dane County, which describes the details of the supportive services the Road Home will provide to the tenants of the project.

20. What, if any, financial support will be offered to help finance the provision of support services to tenants? Attach a letter from the service provider(s) detailing the services to be provided to residents of the supportive housing units, the cost of those services and how they will be financed (i.e., through the development, fundraising, existing program dollars, etc.)

Please see the attached MOU between Sunny Side Development and the Road House. The MOU states that the Road House will participate in the management fees that the property collects. This is anticipated to be a 50-50 split but the exact supportive service compensation will be determined after a specific property is selected and its associated costs are determined. The executive directors of both organizations have agreed that this is a mission-oriented project with housing for homeless families being the number one priority. Every effort will be made to provide fair and adequate compensation to all stakeholders involved in this mission, as limited resources permit.

TENANT SELECTION

21. Describe your plans to incorporate flexible tenant selection criteria for households who are connected to supportive services, in order to provide housing opportunities for persons or families who would otherwise face common obstacles to obtaining housing (e.g., poor credit or rental histories, criminal conviction records, etc.)

Please see the attached Tenant Selection Plan.

22. Describe the proposed development's minimum occupancy standards that will prevent or reduce over-housing residents in such limited affordable housing opportunities.

In general we will abide by the industry standard: two individuals per bedroom guidelines with exceptions for children ages 2 and under. However, certain additional exceptions may be made to this rule on a case-by-case basis. Factors affecting exceptions may include: family size, children's age, number of unrelated individuals habitating a unit, and bedroom and apartment square footage. Under no circumstance will municipal zoning maximum occupancy limits be exceeded. All residents living in a unit must be listed on the lease at the time of move-in. If non-listed residents are found to be living in

a unit and reasonable accommodations cannot be made to ensure that municipal codes are being followed and the health and safety of all occupants is being maintained, lease termination may occur.

PROPOSAL TIMELINE

23. Describe activities/benchmarks by month/year to illustrate how your project will be implemented. At a minimum, please include: site control, financing secured, acquisition, start of construction/rehab, end of construction/rehab, available for occupancy, submission of completion report/final draw request.

Activity/Benchmark	Estimated Month/Year of Completion
Submit development funds application to CDD	9/19/2018
Notice of award	12/2019
Complete search for appropriate 4-unit in target rehab area and obtain site control	2/2019
Obtain common council approval	3/2019
Receive residential inspection, energy audit and develop scope of work. Close on property	4/2019
Commence rehab and start lease-up	5/2019
Finish rehab and complete lease-up	7/2019

Tenant Selection Plan – 4-unit apartment

The target population for all units of the 4-unit acquisition/rehab apartment (herein known as ‘the Project’) are families who have previously experienced homelessness or are currently threatened with homelessness and have an Adjusted Gross Income of 40% of the Dane County Average Median Income or less. Given this background, the following tenant selection plan will be used in determining which tenants are offered housing at the Project.

I. No displacement policy.

- a. The Project will rehab an existing building that will likely be occupied with existing tenants. Per HOME funding guidelines, no federal dollars will be used to subsidize housing for families whose AGI is greater than 60% of average median income. Therefore, because of our non-displacement policy, we shall only seek properties whose existing tenants already meet this criteria.
- b. Should the Project include existing tenants who earn above 40% of AMI but less than or equal to 60% of AMI, such tenants will be allowed to continue their current leases and resign new leases, should they so choose, assuming no disqualifying tenancy behavior occurs. Rent will continue at current lease rate or at 30% of their total household income, whichever is less.
- c. Currently vacant units and those which become vacated as families identified in I(b) voluntarily leave, shall be filled in a manner that is described in section II below.

II. Tenant Selection Policy

- a. Given at least 30 days notice of a pending vacancy, the Road Home will identify an appropriate homeless family to fill the vacancy. The appropriate family will be the highest priority applicant on the Dane County Housing Consortium list that also meets all of the following three criteria:
 - i. Total household income is not above LURA restrictions for the particular vacant unit.
 - ii. Family passes all other HOME eligibility criteria, as determined by Compliance Specialists, LLC
 - iii. The family size is appropriate for a 2BR/1Bath apartment, which will be not more than 2 individuals per bedroom excluding children age 2 and younger.
- b. When an appropriate family has been identified using the steps above, they will fill out a tenant application to be submitted to property management. Management will evaluate the application based on general screening criteria. Given the likelihood of a challenging housing history, applicants will not be denied unless all four of the following criteria is considered very negative:
 - i. Eviction record
 - ii. Credit score
 - iii. Criminal record
 - iv. Behavioral issues at past residences
- c. All applicants must have a personal interview with both property management and case management prior to an application decision being made. Should specific areas of concern be identified on an application, the personal interview will be used to develop a plan to reduce the risk of any such occurrences happening again. Should an applicant be denied for any reason, including risk of health and safety to other residents at the Property, the denial will be clearly explained to applicant and alternative housing options will be discussed.

MEMORANDUM OF UNDERSTANDING

This MOU between Sunny Side Development (Owner and Management Agent) and The Road Home Dane County (Supportive Services Provider) outlines the referral and services offered to homeless families to obtain and maintain housing at a yet to be determined 4-unit property within the City of Madison's 'Target Rehab Area' herein known as the Project.

Roles and Responsibilities

- A. Four affordable two-bedroom units provided by Sunny Side Development at the Project will be made available to families with children who are homeless or at the risk of becoming homeless.
- B. The Road Home will provide referrals during the duration of the Project. These referrals will be made directly to the management agent and will be for families that are homeless or at risk of becoming homeless. Sunny Side Development will provide at least a 30-day notice to The Road Home prior to a pending unit vacancy occurrence.
- C. The Road Home will provide support services that are housing-focused and also holistic in nature. Each family has its own strengths and challenges and the support provided will match each unique family's situation.

These services include, but are not limited to:

- a. Receive referrals at community-wide housing placement meetings
 - b. Assist applicants as needed through the housing application process
 - c. Provide financial guidance/assistance with the financial needs of the tenants for security deposit or rent when available
 - d. Provide support services for the needs of the adults and children to assist with their success in obtaining and maintaining housing
 - e. Mediate any concerns between tenants and landlord that might arise
 - f. Connect families with other community and educational resources.
- D. The Road Home understands that while it is the primary supportive services provider for homeless families at the proposed property, tenants will have a choice of service provider regardless of this agreement.
 - E. The Road Home will participate in the management fees and any excess revenues collected by the project which will cover partial expenses of supportive services and referral services provided by The Road Home.

Experience

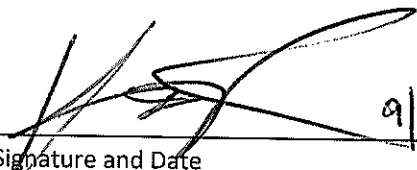
The Road Home provides opportunities to homeless children and their families to achieve self-determined goals and affordable, stable housing. The agency has nineteen years of experience working with families experiencing homelessness. A professional case manager, likely based out of the main office at 890 W Wingra Dr., will work with the four families to reach goals identified by the family.

SIGNED:

The Road Home Dane County:

Kristin Rucinski, Executive Director

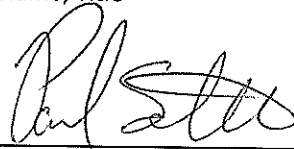
Name, Title

 9/18/18
Signature and Date

Sunny Side Development

Paul Schechter, Executive Director

Name, Title

 9/18/2018
Signature and Date



"Affordable Housing Compliance & Consulting"

September 17, 2018

TO: Paul Schechter
Executive Director
Sunny Side Development

VIA EMAIL

Dear Mr. Schechter –

Compliance Specialists would be happy to provide compliance services for the four-unit affordable housing acquisition/rehab proposed by Sunny Side Development. We have over 25 years of affordable housing compliance experience and can provide HUD compliance, including all necessary income and other regulatory verifications required by HOME funding. Below I have noted the compliance guarantee, the items that are reviewed and the workflow of the compliance process. The charge per file reviewed is \$75 per file and \$100 per hour charged for initial review and set-up of project.

Compliance Proposal

1 COMPLIANCE GUARANTEE

The Consulting Services shall be as follows:

- a) Providing Compliance Monitoring in accordance with HUD HOME funding Program regulations and guidelines (**See 1.1 below**)
- b) Ensuring compliance of federal and state policies/regulations
- c) Ensuring all tenants are income eligible
- d) Ensuring HUD HOME funding fundamentals are adhered to

1.1 ITEMS REVIEWED

Compliance Services will include tracking and complying with the following:

- | | |
|--------------------------------|---------------------------|
| • Lease Terms | • Unit Set-Asides |
| • Rent Limits | • Special Elections |
| • Income Limits | • Utility Allowances |
| • Income & Asset Verifications | • Tax Credit Applications |

- Income & Asset Calculations
- Annual Recertification's
- All other property specific compliance terms set forth by state housing agency.
- Miscellaneous "LIHTC Compliance" related issues that may arise.

Tenant Certification Workflow

Compliance Specialists, LLC

- Provide Compliance Specialists, LLC with the application (or recertification questionnaire) and all completed verifications and self affidavit's*.
 - Application/Recertification: Make sure that all questions are answered and all income/asset sources are acknowledged. If something does not apply, then a line should be drawn through the answer or they should indicate "0" or "N/A". The document must be signed and dated.
 - Verifications & Self Affidavits*: Make sure that all questions are answered or acknowledged. There can be no blank lines. The document must be signed and dated.
- Fax or e-mail the paperwork to me at (608) 836-1147 or becky@compliance-resources.com.

Affidavits:

*Self affidavits. These are documents that obtain information directly from the tenant when a third party is not involved or when other forms of income/asset verifications cannot be obtained. NOTE that these affidavits **must be within 120 days** of the certification effective date. These affidavits include:

1. Under \$5,000 Asset Certification:
2. Self employed affidavits
3. Home owner/Real Estate affidavits
4. Marital Status affidavit
5. Zero Income Affidavit
6. Non child support Affidavit
7. Telephone Conversation Reports

Under \$5,000 Asset Certification is used when the household's combined assets are under \$5,000, including when the household has zero assets. This certification must include all the assets and their approximate values that are listed on the Application or Recertification. The expected interest or dividend should also be included. Note that all questions on the form must be answered and all columns acknowledged. If something is \$0 or not applicable, the resident must acknowledge they have read the question by drawing a line through the answer or indicating "0" or "N/A". The document must be signed and dated.

Self Employed Affidavit is used when the household is self-employed. All lines must be filled in and the documentation requested on the form attached, typically last year's tax return. The form must be signed and dated.

Home Owner/Real Estate Affidavit is used when the household owns their own home. All questions must be answered and the requested explanation provided. The form must be signed and dated.

Marital Status Affidavit is used when the household member is separated from their spouse. All questions must be answered and the requested explanation provided. The form must be signed and dated.

Zero Income Affidavit is used when a household member has no income from any source. All questions on the affidavit must be answered and explanations provided as requested. This document must be signed and dated.

Non child support affidavit is used when the household indicates that they do not received child support for any or all of their children. All questions on the affidavit must be answered and explanations provided as requested and include the name(s) of the child they're referencing. This document must be signed and dated

Telephone Conversation Report is used to clarify information that the tenant/applicant has provided on the application or recertification. This is typically used when you have a question about something that was provided or if the third party verification comes back with something considerably different than what the applicant/tenant noted. Make sure that the document is filled out completely.

Please let me know if you have any questions or comments.

Sincerely,

Becky Haag, HCCP, COS
Compliance Specialist



September 18, 2018

Sunny Side Development Ltd
Attn Paul Schechter
1231 E Dayton St
Madison, WI 53703

Dear Paul,

I am pleased to provide you with this pre-approval letter for the financing of a yet to be determined property. I have performed a cursory review of the application information provided thus far and this letter serves to confirm that the initial review of information provided is very positive.

This letter is not a commitment to lend. Prior to the issuance of a commitment letter, we must complete a full underwriting evaluation.

Please feel free to contact me directly with any questions regarding this letter.

This preapproval will expire on January 31, 2019.

Highest Regards,

A handwritten signature in black ink, appearing to read "Julie Spitzack", written over the printed name.

Julie A Spitzack
VP Business Services

APPLICANT & PROJECT NAME: **Sunny Side Development, 4-unit apartment**

1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2017 Actual.

Account Description	2017 Actual	2018 Budget	2019 Proposed
A. PERSONNEL			
Salary (including benefits)	N/A	44,000	60,000
Taxes	N/A		
Subtotal A	-	44,000	60,000
B. OPERATING			
All "Operating" Costs	N/A	24,578	15,000
Subtotal B	-	24,578	15,000
C. SPACE			
Rent/Utilities/Maintenance	N/A		
Mortgage/Depreciation/Taxes	N/A		
Subtotal C	-	-	-
D. SPECIAL COSTS			
Subcontracts	N/A		
Deposits to Reserves	N/A		
Debt Service (Excl Mortgage)	N/A		
Other: (Specify)			
Solar Grants	N/A		100,000
Subtotal D	-	-	100,000
Total Operating Expenses:	-	68,578	175,000
REVENUE			
Direct Public Grants	N/A		
Direct Public Support	N/A		500
Indirect Public Support	N/A		
Miscellaneous Revenue	N/A		247,500
Restricted Funds Released	N/A		
Program Income	N/A		7,000
Total Income	-	-	255,000
Net Income	-	(68,578)	80,000

APPLICANT & PROJECT NAME:

Sunny Side Development, 4-unit apartment

2. CAPITAL BUDGET

Enter ALL proposed project funding sources.

FUNDING SOURCES

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
Summit Credit Union	\$ 116,120	N	5%	25	25	8146
Subordinate Loan-Lender Name:						
HOME Funds	\$ 320,000	Y	-	-	-	-
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
EECBG	\$ 12,958	Y	-	-	-	-
AHP Loan						
City-AHF Deferred Loan						
City-AHF Interest/Cash Flow Loan						
City-TIF Loan						
Other-Specify Grantor:						
Focus on Energy Rebate	\$ 4,000					
Other-Specify Grantor:						
Other-Specify Grantor:						
Tax Credit Equity	\$ 9,720					
Historic Tax Credit Equity						
Deferred Developer Fees						
Owner Investment						
Other-Specify:						
Total Sources	\$ 462,798					

Construction Financing			
Source of Funds	Amount	Rate	Term (monthly)
Construction Loan-Lender Name:			
Bridge Loan-Lender Name:			
Tax Credit Equity:			
Total	\$ -		

Estimated pricing on sale fo Federal Tax Credits:

Remarks Concerning Project Funding Sources:

Rehab costs will come directly from HOME and EECBG awards and can be held in escrow by Title Company until draws by qualified contractors are

APPLICANT:

Sunny Side Development

3. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Acquisition	375,000
Title Insurance and Recording	450
Appraisal	600
Predvlpmnt/feasibility/market study	900
Survey	0
Marketing	0
Relocation	0
Other (List)	
Other closing costs	750
Construction:	
Construction Costs	23,880
Demolition	0
Soils/Site Preparation	0
Construction Mgmt	0
Construction Interest	0
Permits; Print Plans/Specs	0
Landscaping, Play Lots, Signage	7,500
Other (List)	
Solar PV	36,000
Fees:	
Architect	0
Engineering	0
Accounting	0
Legal	1,200
Development Fee	0
Leasing Fee	0
Park Impact Fees	0
Other (List)	
	0
Project Contingency:	6,738
Furnishings:	0
Reserves Funded from Capital:	
Operating Reserve	4,780
Replacement Reserve	0
Maintenance Reserve	5,000
Vacancy Reserve	0
Lease Up Reserve	0
Other: (List)	
	0
TOTAL COSTS:	462,798

APPLICANT:

Sunny Side Development

4. PROJECT PROFORMA

Enter total revenue and expense information for the proposed project for a 30 year period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	31,066	31,677	32,311	32,967	33,616	34,286	34,974	35,674	36,387	37,115	37,857	38,614	39,387	40,174	40,978	41,797
Less Vacancy/Pad Debt	2,114	2,217	2,262	2,307	2,353	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868	2,926
Income from Non-Residential Use*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	28,882	29,460	30,049	30,650	31,263	31,886	32,526	33,176	33,840	34,517	35,207	35,911	36,629	37,362	38,109	38,871
Expenses:																
Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	8,355	8,522	8,693	8,866	9,044	9,225	9,409	9,597	9,789	9,985	10,185	10,388	10,596	10,808	11,024	11,245
Advertising, Accounting, Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll, Payroll Taxes and Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	1,800	1,836	1,873	1,910	1,948	1,987	2,027	2,068	2,109	2,151	2,194	2,238	2,283	2,328	2,375	2,423
Mtc. Repairs and Mtc Contracts	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,973	5,073	5,174	5,278	5,383
Utilities (gas/electric/fuel/water/sewer)	1,920	1,958	1,998	2,038	2,078	2,120	2,162	2,205	2,250	2,295	2,340	2,387	2,435	2,484	2,533	2,584
Property Mgmt	1,444	1,473	1,502	1,532	1,563	1,594	1,626	1,659	1,692	1,726	1,760	1,795	1,831	1,868	1,905	1,943
Operating Reserve Pmt	100	102	104	106	108	110	113	115	117	120	122	124	127	129	132	135
Replacement Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
Lawn & snow	900	918	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance	600	612	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	19,119	19,501	18,331	18,697	19,071	19,453	19,842	20,239	20,643	21,056	21,477	21,907	22,345	22,792	23,248	23,713
Net Operating Income	9,763	9,958	11,718	11,952	12,192	12,435	12,684	12,938	13,196	13,460	13,730	14,004	14,284	14,570	14,861	15,159
Debt Service:																
First Mortgage	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146
Total Annual Cash Expenses	27,265	27,647	26,477	26,843	27,217	27,599	27,988	28,385	28,789	29,202	29,623	30,053	30,491	30,938	31,384	31,859
Total Net Operating Income	1,617	1,812	3,572	3,806	4,046	4,289	4,538	4,792	5,050	5,314	5,584	5,858	6,138	6,424	6,715	7,013
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	1,617	1,812	3,572	3,806	4,046	4,289	4,538	4,792	5,050	5,314	5,584	5,858	6,138	6,424	6,715	7,013
A/E/C/Clty Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.																
DCR Hard Debt	1.20	1.22	1.44	1.47	1.50	1.53	1.56	1.59	1.62	1.65	1.69	1.72	1.75	1.79	1.82	1.86
DCR Total Debt	1.20	1.22	1.44	1.47	1.50	1.53	1.56	1.59	1.62	1.65	1.69	1.72	1.75	1.79	1.82	1.86

Assumptions

Vacancy Rate
Annual Increase Income
Annual Increase Expenses
Other

7.0%
2.0%
2.0%

APPLICANT:

Sunny Side Development

3. PROJECT PROFORMA (cont.)

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

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	42,633	43,486	44,356	45,243	46,148	47,071	48,012	48,972	49,952	50,951	51,970	53,009	54,069	55,151
Less Vacancy/Bad Debt	2,994	3,044	3,105	3,167	3,230	3,295	3,361	3,428	3,497	3,567	3,638	3,711	3,785	3,861
Income from Non-Residential Use*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	39,639	40,442	41,251	42,076	42,917	43,776	44,651	45,544	46,455	47,384	48,332	49,298	50,284	51,290

Expenses:

Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	11,470	11,699	11,933	12,172	12,415	12,663	12,917	13,175	13,438	13,707	13,981	14,261	14,546	14,837
Advertising, Accounting, Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll, Payroll Taxes and Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	2,471	2,520	2,571	2,622	2,675	2,728	2,783	2,838	2,895	2,953	3,012	3,072	3,134	3,197
Mtc. Repairs and Mic Contracts	5,491	5,601	5,713	5,827	5,944	6,063	6,184	6,308	6,434	6,562	6,694	6,828	6,964	7,103
Utilities (gas/electric/fuel/water/sewer)	2,636	2,688	2,742	2,797	2,853	2,910	2,968	3,028	3,088	3,150	3,213	3,277	3,343	3,410
Property Mgmt	1,982	2,022	2,062	2,104	2,146	2,189	2,232	2,277	2,323	2,369	2,416	2,465	2,514	2,564
Operating Reserve Pmt	137	140	143	146	149	152	155	158	161	164	167	171	174	178
Replacement Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Total Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	24,187	24,671	25,164	25,668	26,181	26,705	27,239	27,783	28,339	28,906	29,484	30,074	30,675	31,289
	15,462	15,771	16,086	16,408	16,736	17,071	17,412	17,761	18,116	18,478	18,848	19,225	19,609	20,001

Debt Service:

First Mortgage	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Total Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual Cash Expenses	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146	8,146
Total Net Operating Income	32,333	32,817	33,310	33,814	34,327	34,851	35,385	35,929	36,485	37,052	37,630	38,220	38,821	39,435
Debt Service Reserve	7,316	7,625	7,940	8,262	8,590	8,925	9,266	9,615	9,970	10,332	10,702	11,079	11,463	11,855
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHF City Interest Loan	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.

DCR Hard Debt	1.90	1.94	1.97	2.01	2.05	2.10	2.14	2.18	2.22	2.27	2.31	2.36	2.41	2.46
DCR Total Debt	1.90	1.94	1.97	2.01	2.05	2.10	2.14	2.18	2.22	2.27	2.31	2.36	2.41	2.46

Assumptions

Vacancy Rate
Annual Increase Income
Annual Increase Expenses
Other

7.0%
2.0%
2.0%