

# Application for Neighborhood and Community Development Funds

Submit original and 15 complete copies of this application to the CDBG Office by 4:30 p.m. on the 15<sup>th</sup> of the month, to be reviewed by the CDBG Committee on the first Thursday of the following month. **When possible, please duplex your original and copies and send an electronic version to the assigned project manager (if known).**

Program Title:	Helping Low-Income, Elderly and People with Disabilities of South Madison By Improving Quaker Housing Security and Energy Efficiency	Amount \$200,000
Agency:	Quaker Housing, Inc.	Tax ID/EIN/FEIN: 23-7237719
Address:	2110 Fisher & 2025 Taft St., Madison, WI 53713-1928	DUNS #: 188-871-768
Contact Person:	Mary Lou Black	Telephone: 608-225-1594
Email:	freespirit200@tds.net	Fax: 608-442-5274

1. **Program Abstract:** Provide an overview of the project. Identify the community need to be addressed. Summarize the program's major purpose in terms of need to be addressed, the goals, procedures to be utilized, and the expected outcomes. Limit response to 150 words.

Quaker Housing, Inc. is a non-profit organization that manages a 72- unit, two-building (built 1971), HUD, low-income, elderly and disability housing complex. This project improves building security by installing video cameras and electronic key systems, increases energy efficiency by making improvements by installing two new boilers, 112 windows, and 35 air conditioners in sleeves, and by correcting a critical roof venting problem. The purpose is to address the community need of more well-maintained and safe low-income housing in a high crime, city targeted area. Goals and outcomes are to protect the elderly and frail residents from burglaries and acts of violence, measured by reducing area calls/complaints to the Madison police by 50% or more the first year; improve the efficient use of energy, measured by a 30% decrease in heating and cooling utility bills the first year; and recoup the cost of the project within three years, measured by property assessments.

2. **Target Population:** Identify the projected target population for this program in terms of age, residency, race, income eligibility criteria, and other unique characteristics or sub-groups.

The target population is the current and future people living at Quaker Housing Inc. (QHI). Applications are prioritized in two categories – 62 and over; 55-61 with a disability. Of the 70 residents currently renting, 70% (49) are black or African American, 28.6% (21) are white, and 1.4% (1) is Hispanic or Latino. 44% of the residents are female and 53% are male. Sixteen are handicapped or elderly handicapped, and nine of the current QHI residents were homeless when approved for Quaker Housing. Currently, the range in resident age is from 85 to 29. Their average age is 70. Residents pay 30% of their income for rent. Rents range from \$25/mo. - \$590/mo. The median rent is \$266/mo. According to the Dane County Housing Authority, the very low income category maximum is \$28,000/yr for 1 person and \$32,000/yr for two persons; the extremely low income category definition is a maximum of \$16,800/yr for one person and \$19,200 for a family of two. Quaker Housing has five residents who fit into the low income level and 65 who fit the extremely low income level.

\_\_\_\_64\_\_\_\_ # unduplicated individuals estimated to be served by this project.

\_\_\_\_6\_\_\_\_ # unduplicated households estimated to be served by this project.

3. **Program Objectives:** The 5-Year Plan lists 9 project objectives (A through N). Circle the one most

applicable to your proposal and describe how this project addresses that objective.

- |   |                                |
|---|--------------------------------|
| A. Housing – Existing Owner-Occupied      | G. Neighborhood Civic Places   |
| B. Housing – For Buyers                   | K. Community-based Facilities  |
| <u>C. Housing – Rental Housing</u>        | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise       |                                |

QHI is applying for the Housing Reserves Fund for a long term deferred loan, payable upon sale, transfer or change of use of the property; it addresses the program objective, **Housing-Rental Housing**, Outcome Objective D. The part of the objective that best applies is, “Improve the quality and/or diversity of units available to lower income individuals throughout the community. Funds will be applied to the . . . rehab of permanent . . . housing with rents at HOME rent levels.”

The QHI project focuses on improving the quality of the units and the lives of the residents living in the units. The security systems are critical to keeping away the problem people described by the Executive Director and Resident Manager of QHI, Dwight Fenderson, as, “trespassers and petty criminals finding their way on the property looking for something to steal or offering drugs, alcohol or prostitution to residents.” The current locking system at Quaker Housing is the use of regular keys at the doors to the outside. It is not effective. The security system needed will keep more of the unwanted people out the buildings because the electronic keys need to be approved and duplicated by management. For the few unwanted visitors who do get in, the video cameras located inside, at the doors and on the grounds will enable management to identify and track their movement. This grant writer called Officer Jody Nelson, area Community Officer, to describe this project and ask for help in obtaining data on the number of complaint calls Madison police get from Quaker Housing over a three-month period. This data will again be gathered and compared with the original data six months after the new security equipment is installed.

As stated in the previous section on target population, residents are quite diverse, with 70% falling into the Black or African American population. This figure was just 40% in 1999. QHI will continue to provide housing to the low and extremely low income people regardless of what their nationality is. The population will continue to be diverse. The South Park Street area where the two QHI apartments are located (Fisher and Taft Streets) is considered by the city to be a CDBG target area with 51% or more individuals having income of less than or equal to 80% of the area median income. The rents are at HOME rent levels with residents paying just 30% of their income. Rents vary from \$25 per month to \$590 per month, with an average of \$266 per month. In addition, the acquisition of high energy efficient air conditioners, windows, boilers and the correction of a faulty roof venting system all directly contribute to improving of the quality and value of the building, conserving energy, and adding to the ability of QHI to continue to provide 100% payment of resident utilities (through subsidies) by decreasing energy costs.

Mary Charnitz, a Grant Administrator of the City of Madison CDBG funds, toured the Quaker Housing facility several weeks ago, and encouraged QHI to also submit this request to the **Acquisition/Rehab Reserve Fund** for a long term deferred loan. That way if the city looks favorably upon our request as we hope they will, they can determine which area it better fits. Objective K is, “Physical improvement of community service facilities - Create or improve safe, accessible, energy efficient and well-maintained community and neighborhood.” The justification for this category is the same as that for the category above. Also, QHI has the need to improve accessibility to two additional units, and this is included on QHI’s Five-Year Plan (see attachment). This current request does not ask for funds for accessibility.

The security equipment will improve the safety of the living environment, and the other improvements: new windows, air conditioning, boilers and correcting the roof venting system apply in the improving energy efficiency section of this objective. These create well-maintained buildings. The current air conditioners were installed 15 years ago. Their expected life is 12 years (they have been well cared for). The boilers were installed over 25 years ago and are serviceable only at a very high cost because the parts are old and

becoming obsolete. The windows are the original ones installed in 1971. There have been significant improvements in windows, boilers and air conditioners since that time.

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

Acquisition/ Rehab	<input type="checkbox"/>	New Construction, Acquisition, Expansion of Existing Building	Futures	<input type="checkbox"/>	Prototype
	<input type="checkbox"/>	Accessibility		<input type="checkbox"/>	Feasibility Study
	<input checked="" type="checkbox"/>	Maintenance/Rehab		<input type="checkbox"/>	Revitalization Opportunity
	<input type="checkbox"/>	Other		<input type="checkbox"/>	New Method or Approach
Housing	<input checked="" type="checkbox"/>	Rental Housing	Homeless	<input type="checkbox"/>	Housing
	<input type="checkbox"/>	Housing For Buyers		<input type="checkbox"/>	Services

5. **Budget:** Summarize your project budget by estimated costs, revenue, and fund source.

EXPENDITURES	TOTAL PROJECT COSTS	AMOUNT OF CD REVENUES	AMOUNT OF NON-CD REVENUES	SOURCE OF NON-CD FUNDED PORTION
<b>A. Personnel Costs</b>				
1. Salaries/Wages (attach detail)	0			
2. Fringe Benefits	0			
3. Payroll Taxes	0			
<b>B. Non-Personnel Costs</b>				
1. Office Supplies/Postage	0			
2. Telephone	0			
3. Rent/Utilities	0			
4. Professional Fees & Contract Services	0			
5. Work Supplies and Tools	0			
6. Other:	0			
<b>C. Capital Budget Expenditures</b> (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)	0			
2. Other Capital Costs:	\$250,000	Deferred Loan \$200,000	\$50,000	In-kind and QHI Operating Budget
<b>D. TOTAL (A+B+C)</b>	<b>\$250,000</b>	<b>\$200,000</b>	<b>\$50,000</b>	

**Additional Budget Detail for CHI Project:**

- a) Cost of Vents – approx. \$17,100 for materials and labor estimating that 30% need to be fixed or replaced,
- b) Replace two boilers with high efficiency ones in Fisher St. building - \$27,000 for boilers and labor
- c) Surveillance cameras - \$19,000 for equipment and labor for 23 cameras – inside and outside of the building,
- d) Electronic keying system - \$12,000 for equipment and labor,
- e) Windows – 110 high efficiency windows in 55 units (76% of total number of windows needed) @ \$1,000 per window, \$110,000,
- f) High efficiency air conditioners – 35 (50% of the total number of air conditioners needed) with 9 costing \$4,500 and 26 costing \$10,400 (cheaper models to replace), \$14,900 for the equipment;

labor to install equipment will be furnished by QHI staff.

Requested CDBG funds in the form of a long term deferred loan is **\$200,000.**

6. Action Plan/Timetable

Describe the major actors and activities, sequence, and service location, days and hours which will be used to achieve the outcomes listed in # 1.

Estimated Month of Completion

(If applicable) Use the following format: (Who) will do (what) to (whom and how many) (when) (where) (how often). A flowchart may be helpful.

Please See Attachment J titled, "Action Plan/Timeline for Quaker Housing Projects 2010 – 2015."

7. What was the response of the alderperson of the district to the project?

The Alderperson for the district that Quaker Housing is a part of is Julia Kerr. Verbally Julia said to write that she is very supportive of this project and has been a long-time supporter of Quaker Housing.

8. Does agency seek funds for property acquisition and/or rehab? [If applicable, describe the amount of funds committed or proposed to be used to meet the 25% match requirements (HOME or ESG) with its qualifications.]

<input type="checkbox"/>	No	Complete Attachment A		
<input checked="" type="checkbox"/>	Yes	Complete Attachment B and C and <u>one</u> of the following:	<input checked="" type="checkbox"/>	D Facilities
			<input type="checkbox"/>	E Housing for Buyers
			<input checked="" type="checkbox"/>	F Rental Housing and Proforma

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)

No                       Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

No                       Yes - Complete Attachment B, C, F, and H

11. Do you seek ESG funds for services to homeless persons?

No                       Yes - Complete Attachment I

12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

<input type="checkbox"/>	Future Fund (Attachment A)	<input type="checkbox"/>	Housing for Resale (Attachment E)
<input checked="" type="checkbox"/>	Property Description (Attachment B)	<input checked="" type="checkbox"/>	Rental Housing and Proforma (Attachment F)
<input checked="" type="checkbox"/>	Capital Budget (Attachment C)	<input type="checkbox"/>	CHDO (Attachment G)

X Community Service Facility (Attachment D)

     Scattered Site Funds Addendum (Attachment H)

     ESG Funding Addendum (Attachment I)

13. Affirmative Action: If funded, applicant hereby agrees to comply with City of Madison Ordinance 39.02(9) 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/aaForms.cfm>.
14. Non-Discrimination Based on Disability: Applicant shall comply with Section 39.05, Madison General Ordinances, Nondiscrimination Based on Disability in City-Assisted Programs and Activities. Under section 39.05(7) of the Madison General Ordinances, no City financial assistance shall be granted unless an Assurance of Compliance with Sec. 39.05 is provided by the applicant or recipient, prior to the granting of the City financial assistance. Applicant hereby makes the following assurances: Applicant assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, entitled "Nondiscrimination Based on Disability in City Facilities and City-Assisted Programs and Activities," and agrees to ensure that any subcontractor who performs any part of this agreement complies with sec. 39.05, where applicable, including all actions prohibited under section 39.05(4),. MGO." <http://www.cityofmadison.com/dcr/aaForms.cfm>

**(See attachment N for actual signatures to this proposal.)**

Signature: Naomi Carter Date: 9/1/2010  
President-Board of Directors/Department Head

Signature: Dwight Fenderson Date: 9/1/2010  
Executive Director

For additional information or assistance in completing this application, please contact the CDBG Office at 267-0740.

ATTACHMENT B

COMPLETE IF PROJECT INVOLVES PURCHASE, REHAB, OR CONSTRUCTION OF ANY REAL PROPERTY:

INFORMATION CONCERNING PROPOSALS INVOLVING REAL PROPERTY

ADDRESS	ACTIVITY (Circle Each Applicable Phase)	NUMBER OF UNITS		Number of Units Currently Occupied	Number of Tenants To Be Displaced?	APPRAISED VALUE:		PURCHASE PRICE (If Applicable)	ACCESSIBLE TO INDIVIDUALS WITH PHYSICAL HANDICAPS?		PRIOR USE OF CD FUNDS IN BUILDING?
		Prior to Purchase	After Project			Current	After Rehab/Construction		Currently?	Post-project?	
2110 Fisher St. and 2025 Taft St.	Purchase <u>Rehab</u> Construct	NA	NA	70	none	Current insurance documents show appraised value in 2010 as \$3,698,500 plus the value of the land	\$200,000 - \$300,000 more	NA	Yes	Yes	Yes
	Purchase Rehab Construct										
	Purchase Rehab Construct										

**CAPITAL BUDGET**

Amount and Source of Funding: ***	TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)						
	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**
<b>Acquisition Costs:</b>							
Acquisition	-						
Title Insurance and Recording	-						
Appraisal	-						
*Predvlpmnt/feasibilty/market study	-						
Survey	-						
*Marketing/Affirmative Marketing	-						
Relocation	-						
Other: _____	-						
<b>Construction:</b>							
Construction Costs	<u>\$200,000</u>	<u>\$200,000</u>	<u>CDBG Deferred Loan</u>	<u>\$5,250</u>	In-kind for installation, removal and disposal of air conditioners		
Soils/site preparation	<u>0</u>						
Construction management	<u>\$4,000</u>			<u>\$4,000</u>	<u>QHI Operating Budget</u>		
Landscaping, play lots, sign	<u>0</u>						
Const interest	<u>0</u>						
Permits; print plans/specs	<u>\$630</u>			<u>\$630</u>	<u>QHI Operating Budget</u>		
Other: _____	<u>0</u>						
<b>Fees:</b>							
Architect	<u>0</u>						
Engineering	<u>0</u>						
*Accounting	<u>\$4,000</u>			<u>\$4,000</u>	<u>QHI Operating Budget</u>		
*Legal	<u>\$6,000</u>			<u>\$6,000</u>	<u>CHI Operating Budget</u>		
*Development Fee	<u>0</u>						
*Leasing Fee	<u>0</u>						
Other: _____	<u>0</u>						
<b>Project Contingency:</b>	<u>\$20,000</u>						
<b>Furnishings:</b>	<u>0</u>						
<b>Reserves Funded from Capital:</b>							



Operating Reserve	<u>\$30,120</u>			<u>\$30,120</u>	<u>CHI Operating Budget</u>		
Replacement Reserve	<u>0</u>						
Maintenance Reserve	<u>0</u>						
Vacancy Reserve	<u>0</u>						
Lease Up Reserve	<u>0</u>						
Other (specify):	<u>0</u>						
Other (specify):	<u>0</u>						
<b>TOTAL COSTS:</b>	<b><u>\$250,000</u></b>			<b><u>\$50,000</u></b>	<b>CHI Operating Budget</b>		

\* If CDBG funds are used for items with an \*, the total cost of these items may not exceed 15% of the CDBG amount.

\*\* Note: Each amount for each source must be listed separately, i.e. Acquisition: \$30,000 HOME, \$125,000 CRF.

\*\*\* Identify if grant or loan and terms.

**Additional Budget Detail for CHI Project:**

- g) Cost of Vents – approx. \$17,100 for materials and labor estimating that 30% need to be fixed or replaced,
- h) Replace two boilers with high efficiency ones in Fisher St. building - \$27,000 for boilers and labor
- i) Surveillance cameras - \$19,000 for equipment and labor for 23 cameras – inside and outside of the building,
- j) Electronic keying system - \$12,000 for equipment and labor,
- k) Windows – 110 high efficiency windows in 55 units (76% of total number of windows needed) @ \$1,000 per window, \$110,000,
- l) High efficiency air conditioners – 35 (50% of the total number of air conditioners needed) with 9 costing \$4,500 and 26 costing \$10,400 (cheaper models to replace), \$14,900 for the equipment; labor to install will be furnished by QHI staff.

Total cost of the project is \$250,000. Requested CDBG funds are in the form of a long term deferred loan, **\$200,000.**

**FACILITIES**

A. Recap: Funds would be applied to:

\_\_\_ acquisition only;  X  rehab; \_\_\_ new construction; \_\_\_ acquisition and rehab or construction

B. State your rationale in acquiring or improving this space. (i.e., lower costs, collaborative effort, accessibility, etc.)

Rationale for improving this space is:

- Lower costs of utilities with energy efficient improvements so QHI can keep rents low and pay utilities through Section 8.
- Ability to heat all units this winter – costs of some boiler parts are extremely high because the boilers are so old.
- Increase security and welfare of our elderly and frail population by installing video cameras and electronic locking system
- Decrease crime in and around the complex. Free up city police to answer calls in other areas of the city.
- Improve the building to increase its value and continue to have waiting lists to get into QHI.

C. What are the current mortgages or payments on property (including outstanding CDBG loans)?

<u>Amount</u>	<u>Name</u>
---------------	-------------

Primary mortgage payment is \$9,499.26 per month to Midland Loan services, Chicago, Ill. The current principal balance is \$1,104,037.76.

The City of Madison has loaned \$282,240 in three separate long-term deferred loans to Quaker Housing. There are no other mortgages.

D. If rented space: NA Quaker Housing owns the buildings.

1. Who is current owner?
2. What is length of proposed or current lease?
3. What is proposed rental rate (\$/sq. ft. and terms) and how does this compare to other renters in building or in area?

E. If this is new space, what is the impact of owning or leasing this space compared to your current level of space costs? It is not a new space.

F. Include:

1. A minimum of two estimates upon which the capital costs are based.  
(Be sure to base your labor costs on enforcement of Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)

Estimates are found in attachment M.

2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.

See top half of the table in Attachment J titled, "Action Plan/Timetable for Quaker Housing Projects 2010 – 2015". You will find the plans for the vent work on the roof and the drawings for the camera placement located in their estimates in Attachment M.

3. If you own the building: A copy of your long range building improvement plan and building maintenance plan. (Include a narrative describing what the building needs and how you expect to maintain it over time.)

The long range plan which includes maintenance planning is found in the bottom half of the Table titled, "Action Plan/Timeline for Quaker Housing Projects 2010 – 2015" found in Attachment J. The cost for these things will come from future grants and the reserve fund that QHI will be able to build up if they receive this deferred loan from the city.

**RESIDENTIAL RENTAL PROPERTY**

A. Provide the following information for rental properties:

Table A: RENTAL						
		Site 1		Site 2		Site 3
Unit #	# of Bedrooms	Amount of CD \$	Use of CD Funds*	Monthly Unit Rent	Includes Utilities?	Household Income Category
72	72	\$200,000 requested	Purchase electronic locking system for doors to the outside, security video cameras, correct a roof venting problem for the kitchen and bathrooms, purchase two high efficiency boilers, air conditioners for 35 units, and windows for 56 units.	30% of residents' income. Ranges from \$25 – \$590 per month.	Yes	30%

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards.

All required permits will be obtained and inspections will be performed per city ordinances and requirements.

In a phone call to Fritz from city planning on 9-1-2010, the permits for this project will cost:

- a) Vents - approx. \$100 for one building and \$80 for the other = \$180
- b) Boilers - \$27 each = \$54
- c) Video cameras - none required except QHI will need a licensed electrician to put in an outlet or junction box, and that will cost \$10 for each building = \$20
- d) Electronic keying system; \$30 per building = \$60
- e) Air conditioners - \$0
- f) Windows - \$10 per 1,000 of construction per building. So if CHI does 40 units (80 windows) in one building, the cost is \$80 and 15 units in another building (30 windows) the cost is \$30 for a total of \$110.

Total amount for permits for the entire project is approximately **\$631**.

C. Describe briefly your tenant selection criteria and process.

See Attachment K for HUD approved Tenant Selection Plan.

- D. Does the project include plans to provide support services to assisted residents or to link assisted residents to appropriate services? If yes, describe.

Quaker Housing recently received funding for an on-site Service Coordinator for the elderly residents and residents with disabilities. On-site services are also currently provided through Care WI. and South Madison Coalition. This current project focuses on resident security and purchase of high energy efficient equipment. The added security will provide a safer environment for the service providers as well as for the residents.

(Please note: We are not able to show all – we can't make it fit and still be readable - of the Total Project Proforma spreadsheet of Attachment F below. So we are also attaching a copy of the full spreadsheet by itself to the e-mail that we send to the city as we submit this application.)

Quaker Housing, Inc.  
10 Year Forecast

002/002

Replacement  
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QUAKER HOUSING INC

09/22/2010 14:08 FAX 18084425274

	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
<b>Revenue</b>											
Rent Income	495,584	515,407	538,024	557,465	579,763	602,954	627,072	652,155	678,241	705,371	733,585
Other Income	9,107	2,271	2,362	2,457	2,555	2,657	2,763	2,874	2,989	3,108	3,233
<b>Total Income</b>	<b>504,691</b>	<b>517,679</b>	<b>538,386</b>	<b>559,921</b>	<b>582,318</b>	<b>605,611</b>	<b>629,835</b>	<b>655,029</b>	<b>681,230</b>	<b>708,479</b>	<b>736,818</b>
<b>Expenses</b>											
Wages, Taxes & Benefits	178,947	192,052	199,734	207,723	216,032	224,674	233,661	243,007	252,727	262,836	273,350
Professional Fees	20,000	17,800	18,512	19,252	20,023	20,823	21,656	22,523	23,424	24,351	25,335
Administrative Costs	15,800	16,432	17,089	17,773	18,484	19,223	19,992	20,792	21,623	22,488	23,388
Tenant Expenses	7,270	7,561	7,863	8,178	8,505	8,845	9,199	9,567	9,949	10,347	10,761
Utilities	70,500	73,320	76,253	79,303	82,475	85,774	89,205	92,773	96,484	100,343	104,357
Building Operations & Maintenance	48,100	50,024	52,025	54,106	56,270	58,521	60,862	63,296	65,828	68,461	71,200
Interest on Mortgage	86,709	78,826	75,849	75,024	74,150	73,217	72,226	71,176	70,061	68,878	67,624
Property & Liability and Mortgage Insurance	17,600	18,304	19,036	19,798	20,590	21,413	22,270	23,160	24,087	25,050	26,052
Depreciation	137,600	139,704	141,892	144,168	146,535	148,996	151,556	154,218	156,987	159,866	162,861
<b>Total Expenses</b>	<b>562,526</b>	<b>591,823</b>	<b>608,254</b>	<b>625,325</b>	<b>643,063</b>	<b>661,488</b>	<b>680,627</b>	<b>700,512</b>	<b>721,171</b>	<b>742,632</b>	<b>764,828</b>
<b>Net Income</b>	<b>(57,835)</b>	<b>(74,144)</b>	<b>(69,868)</b>	<b>(65,404)</b>	<b>(60,745)</b>	<b>(55,875)</b>	<b>(50,791)</b>	<b>(45,483)</b>	<b>(39,941)</b>	<b>(34,153)</b>	<b>(28,110)</b>
<b>Cash adjustments:</b>											
Add back Depreciation	137,600	139,704	141,892	144,168	146,535	148,996	151,556	154,218	156,987	159,866	162,861
Capital Improvements	(20,000)	(25,000)	(40,000)	(45,000)	(50,000)	(55,000)	(60,000)	(60,000)	(65,000)	(70,000)	(75,000)
Deposits to reserves for replacement	(19,056)	(19,818)	(20,611)	(21,435)	(22,293)	(23,185)	(24,112)	(25,076)	(26,079)	(27,123)	(28,208)
Deposits to operating reserves	-	(5,000)	(10,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(25,000)	(30,000)	(35,000)
Withdrawals from reserves for replacement	-	-	10,000	20,000	20,000	22,000	22,000	22,000	24,000	24,000	24,000
Increase (decrease) in A/P and other liabilities	(20,100)	-	-	-	-	-	-	-	-	-	-
Paydown of mortgage principal	(12,091)	(12,824)	(13,601)	(14,426)	(15,300)	(16,233)	(17,224)	(18,274)	(19,389)	(20,572)	(21,826)
Other Adjustments	(3,600)	-	-	-	-	-	-	-	-	-	-
<b>Net cash Increase (decrease)</b>	<b>4,918</b>	<b>2,918</b>	<b>(2,188)</b>	<b>(2,097)</b>	<b>(1,803)</b>	<b>703</b>	<b>1,429</b>	<b>7,384</b>	<b>5,577</b>	<b>2,018</b>	<b>(1,283)</b>
Operating cash balance - beginning	17,957	22,875	25,792	23,605	21,508	19,704	20,407	21,836	29,220	34,798	36,816
Operating cash balance - ending	22,875	25,792	23,605	21,508	19,704	20,407	21,836	29,220	34,798	36,816	35,533
<b>Replacements Reserve Balance - beginning</b>											
7,593	26,649	46,467	57,078	58,514	60,806	61,991	64,103	67,179	69,259	72,381	72,381
Deposits to Reserve	19,056	19,818	20,611	21,435	22,293	23,185	24,112	25,076	26,079	27,123	28,208
Withdrawals from Reserve	-	-	(10,000)	(20,000)	(20,000)	(22,000)	(22,000)	(22,000)	(24,000)	(24,000)	(24,000)
<b>Replacement Reserve Balance - ending</b>	<b>26,649</b>	<b>46,467</b>	<b>57,078</b>	<b>58,514</b>	<b>60,806</b>	<b>61,991</b>	<b>64,103</b>	<b>67,179</b>	<b>69,259</b>	<b>72,381</b>	<b>76,589</b>
<b>Operating Reserves Balance - beginning</b>											
-	-	5,000	15,000	35,000	55,000	75,000	95,000	115,000	140,000	170,000	170,000
Deposits to Reserves	-	5,000	10,000	20,000	20,000	20,000	20,000	20,000	25,000	30,000	35,000
Withdrawals from Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Reserves Balance - ending</b>	<b>-</b>	<b>5,000</b>	<b>15,000</b>	<b>35,000</b>	<b>55,000</b>	<b>75,000</b>	<b>95,000</b>	<b>115,000</b>	<b>140,000</b>	<b>170,000</b>	<b>205,000</b>
<b>Inflation assumed</b>	<b>4.0%</b>										