Agenda
HOME Program Commission Meeting
Municipal Building, 625 52nd Street - *Room 308,* Kenosha, WI
Tuesday, November 1, 2016
5:30 pm

Alderperson Dave Paff
Alderperson Anthony Kennedy
Alderperson Curt Wilson

Committee Member Anita Faraone
Committee Member Ron Frederick
Committee Member Scott Haraty

Call to Order
Roll Call
Citizens Comments

Approval of the Minutes of the Meeting Held September 13, 2016

1. 2017 HOME Program Description. PUBLIC HEARING

2. Consideration of HOME Program Rental Rehabilitation Loan Funding from Varin/Library Park II, LLC for the proposed Residences at Library Park Apartments at 720 59th Place. (District 2) PUBLIC HEARING

Committee Member's Comments

IF YOU ARE DISABLED AND NEED ASSISTANCE, PLEASE CALL 653-4030 BY NOON OF THIS MEETING DATE TO MAKE ARRANGEMENTS FOR REASONABLE ON-SITE ACCOMMODATIONS.

HOME PROGRAM COMMISSION
Minutes
September 13, 2016

MEMBERS PRESENT: Alderperson Anthony Kennedy, Alderperson Dave Paff, Alderperson Curt Wilson, Anita Faraone, Ronald Frederick

MEMBERS EXCUSED: Scott Haraty

STAFF PRESENT: Mike Maki

The meeting was called to order at 5:15 pm by Alderperson Kennedy, roll call was taken.

Citizens Comments - No Citizens Comments

A motion was made by Alderperson Wilson and seconded by Alderperson Paff to approve the October 28, 2015 minutes. The motion passed. (Ayes 5, Noes 0)

1. **Election of Chairperson and Vice Chairperson of the HOME Program Commission**

A motion was made by Alderperson Wilson and seconded by Ms. Faraone to nominate Alderperson Paff as Chairperson. The motion passed. (Ayes 5, Noes 0)

Alderperson Kennedy passed the gavel to Alderperson Paff.

A motion was made by Alderperson Kennedy and seconded by Alderperson Wilson to nominate Ms. Faraone as Vice Chairperson. The motion passed. (Ayes 5, Noes 0)

2. **Amendment to the HOME Program Policies and Procedures. PUBLIC HEARING**

Mike Maki, Community Development Specialist, presented the recommended changes.

Alderperson Paff said the in the past, Habitat for Humanity was the CHDO, is that still true? Mr. Maki stated that Habitat is till a CHDO, but they are not eligible for this pool of funds. They are no longer eligible since they are receiving CDBG funds. Alderperson Paff asked if the homeowner would apply to the Commission? Mr. Maki said no, to Community Development and Inspections, with approval by the Housing Authority.

Public hearing opened, no comments, public hearing closed.

Ms. Faraone asked why is the maximum loan going from 100% to 125% of the property value? Mr. Maki said property values have dropped and the Mayor wants to make a bigger impact on this neighborhood. Ms. Faraone asked why they want to make more exceptions to the credit score. Mr. Maki said they are required by HUD to do underwriting. The applicant's credit score may be low because of issues like medical problems or credit card debt. We could make exceptions if the mortgage and auto payments are current. Ms. Faraone asked why this is limited to a certain area. Mr. Maki

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said Administration is looking to impact a specific area. Ms. Faraone asked if we are subject to discrimination actions. Mr. Maki said no.

A motion was made by Ms. Faraone and seconded by Alderperson Kennedy to approve the Amendment.

Alderperson Paff asked if this would hinder the program. Mr. Maki said this was a directive from Administration.

Mr. Frederick asked if we find this is too restrictive, can we alter the requirements. Mr. Maki said yes.

Ms. Faraone made a motion to add student loans and medical as an exception to approve a credit score lower than 600. Alderperson Kennedy agreed. The amendment passed. (Ayes 5, Noes 0)

A motion was made by Alderperson Kennedy and seconded by Alderperson Wilson to approve the motion as amended.

Alderperson Kennedy asked how many have applied outside the restricted area. Mr. Maki said one (1) loan had been approved and one (1) application is in the process.

Alderperson Paff asked how much HOME money is allotted this year? Mr. Maki said about $380,000. There is $160,000 for new loans plus the 2017 funds.

The motion passed. (Ayes 5, Noes 0)

Commissioner's Comments

Alderperson Kennedy suggested that this information be taken to the Mayor by the Chairperson prior to the Common Council meeting.

A motion was made by Ms. Faraone and seconded by Alderperson Wilson to adjourn. The meeting adjourned at 5:40 pm.

Meeting Minutes Prepared by: Kay Schueffner, Community Development & Inspections

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THE CITY OF KENOSHA
CHART A BETTER COURSE

HOME PROGRAM COMMISSION
Staff Report - Item 1

Tuesday, November 1, 2016 at 5:30 pm
Municipal Building
625 52nd Street - Room 308 - Kenosha, WI 53140

2017 HOME Program Description. PUBLIC HEARING

NOTIFICATIONS AND APPROVAL REQUIREMENTS:

This item will also be reviewed by the Common Council.

LOCATION AND ANALYSIS:

1. The proposed 2017 HOME Program description, subject to public comments, is attached. This document, which is required by the department of Housing and Urban Development (HUD) outlines the City's allocation of Federal FY 2017 HOME funds, as well as new Program Income and funds from previous years.

2. The 2017 HOME Program funding is estimated to be $380,600.00. The amount is based on our 2016 HOME Grant award. The funding amount will be adjusted if the FY 2017 allocation is more or less than what is indicated in the Program Description, by applying the same percentage of funding increase/decrease to each activity noted below.

3. The City has approximately $656,000 of existing Program Income (PI). PI has been generated from loan repayments and proceeds of home sales.

4. The City also has $625,845.44 of HOME Entitlement funds from previous years.

5. Through 2017, it is estimated that the City will receive approximately $63,000 of additional PI from HOME loan repayments. Of this additional PI, ten (10%) percent or $6,300 of the estimated/actual amount can be designated as Program Administration (PA) funds.

6. The proposed 2017 HOME Program Description permits commitment of funds to the following HOME Program activities:
   a. Homeowner Rehabilitation
   b. Home Buyer Purchase Assistance City-wide
   c. Down payment and/or Closing Costs Assistance Grant
   d. Tenant-Based Rental Assistance (TBRA) for Elderly (without disabilities), Elderly Veterans and/or Elderly with Disabilities
   e. Acquisition and/or rehabilitation of homebuyer properties by a CHDO or sub-recipient
   f. New construction of single-family homes by a CHDO or sub-recipient
   g. Rental Unit Rehabilitation

7. Additionally, the City has the ability to fund CHDO Operating funds, which are five (5%) percent of the total HOME Program Allocation, as permitted through the HOME Program Description. It is recommended to fund the entire five (5%) percent.

8. The following HOME Program funding allocations are recommended for 2017.

ACTIVITY	FUNDING AMOUNT
Program Administration *(10% of HOME Program Allocation)*	$38,060.00
PA funds *(additional Administration funds generated from Program Income)*	$14,400.42
Tenant-Based Rental Assistance	$220,000.00
Homeowner Rehabilitation Loans	$727,239.97
Second Mortgage Loans, Closing Cost and Down Payment Assistance	$150,000.00
HOME-Eligible Homebuyer Costs *(Repairs, Utilities, etc)*	$2,000.00
Community Housing Development Organizations – Operating Funds	$19,030.00
Community Housing Development Organizations – Activities *(minimum 15% CHDO) Reserve + additional existing funds)*	$600,000.00
Rental Unit Rehabilitation	$200,000.00
TOTAL ESITMATED 2016 HOME PROGRAM ACTIVITY FUNDING *(existing and proposed 2016 Entitlement Funds)*	$1,970,730.39

9. Public comments will be received until final Adoption by the Common Council.

10. The proposed 2017 HOME Program Description will be forwarded onto the Common Council for final approval.

RECOMMENDATION:

A recommendation is made to approve the proposed 2017 HOME Program Description.

Mike Maki, Community Dev Specialist

Jeffrey B. Labahn, Director

/u2/acct/cp/ckays/1HOME PROG/2016/2016-Nov1/Staff-2017Description.doc

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)
2017 PROGRAM DESCRIPTION

Use of Funds

The City of Kenosha intends to use its 2017 HOME funds for Program Administration and for eligible HOME Program activities as outlined below. The 2017 HOME Program Description is designed to allow flexibility in the allocation and commitment of funds to a variety of eligible HOME Program housing activities.

The City is funding these particular activities in this plan in order to be consistent with its Consolidated Plan, and to insure local housing activities are consistent with neighborhood revitalization strategies already adopted by the City.

Program Administration

The City of Kenosha will use 10% of its 2017 HOME allocation for payment of administrative and planning costs of the HOME Program. These costs include the reasonable costs of overall program management, coordination, monitoring, and evaluation of HOME activities by the City of Kenosha. The City will also set aside 10% of eligible HOME Program Income for allowable HOME Program administrative costs.

City of Kenosha Eligible HOME Program Activities

The City of Kenosha may use available 2017 HOME allocation to support the following types of activities undertaken by the City, Community Housing Development Organizations (CHDOs), Sub-recipients or Private Developers:

A) Homeowner Rehabilitation
B) Home Buyer Purchase Assistance city-wide
C) Down Payment and/or Closing Cost Assistance Grant
D) Tenant-Based Rental Assistance (TBRA) for Elderly, Elderly Veteran and/or Elderly with Disabilities households
E) Acquisition and/or rehabilitation of homebuyer properties by a CHDO or sub-recipient.
F) New Construction of Single Family Homes by a CHDO or sub-recipient.
G) Rental unit Rehabilitation

Community Housing Development Organizations (CHDOs)

A minimum of 15% of HOME funds is reserved for use by eligible CHDOs. The City of Kenosha has chosen to set aside 30% of its 2017 HOME funds for eligible CHDOs to undertake eligible HOME Program activities listed above.

The City will allow CHDOs to request a maximum developer/general contractor fee of 15% of the total project cost of each HOME funded project they undertake and complete. Additional funding for CHDO projects may be made available from other HOME Program funds.

The City could also set aside up to $25,000 for CHDO administrative expenses. The HOME Program regulations allow CHDO administrative expenses up to 5% of the City's total annual HOME Grant. CHDOs will need to submit an application to the City which includes their operating budget sources and use of funds to support their application for CHDO administrative expenses. The application will be reviewed by the City's HOME Program Commission with a recommendation to the City Finance Committee and Common Council for review and consideration.

HOME Program Income

HOME Program Income funds will be used to fund eligible HOME Program activities and funding set-asides for eligible CHDOs and/or sub-recipients to carry out HOME eligible activities, including housing rehabilitation projects, homeowner rehabilitation loans, homebuyer assistance, tenant-based rental assistance, rental property rehabilitation and single family new construction. In addition, up to 10% of eligible program income may be used for HOME Program allowable administrative expenses.

Anticipated 2017 HOME Program Entitlement and Program Income Funds: (2017 Entitlement funds based on the 2015 allocation)

Activity		*Home Funding*	*Match Funding (25%)*
Administration	(2017 Funds)	$38,060.00	$0
Eligible Housing Activities	(2017 Funds)	$209,330.00	$52,332.50
CHDO Set-Aside	(2017 Funds)	$114,180.00	$28,545.00
CHDO Operating Funds	(2017 Funds)	$19,030.00	$0.00
TOTAL 2017 HOME FUNDING		***$380,600.00***	***$80,877.50***

Estimated 2017 HOME Program Income (Estimated $63,000 of loan repayments, less 10% Program Administration)	$56,700.00
Estimated Program Administration (10%)	$6,300
TOTAL ESTIMATED 2017 HOME PROGRAM INCOME FUNDING	***$63,000***

The City also has $824,200.00 of previous years Entitlement funds and Program Income.

Proposed Allocation of HOME Program Entitlement and Program Income Funds:

ACTIVITY	*FUNDING AMOUNT*
Program Administration (10% of 2017 HOME Program Allocation)	$38,060.00
PA funds (additional Administration funds generated from Program Income)	$14,400.42
Tenant-based Rental Assistance	$220,000.00
Homeowner Rehabilitation Loan Program	$727,239.97
Second Mortgage Loans, Closing Cost and Down Payment Assistance	$150,000.00
HOME-eligible Homebuyer Costs (Repairs, Utilities, etc.)	$2,000.00
Community Housing Development Organizations – Operating Funds	$19,030.00
Community Housing Development Organizations – Activities (30% of 2017 Allocation and existing funds)	$600,000.00
Rental Unit Rehabilitation *	$200,000.00
TOTAL ESTIMATED 2017 HOME PROGRAM FUNDING	***$1,970,730.39***

*$500,000.00 of 2016 funding for Rental Unit Rehabilitation is proposed to fund an application on file. If the funds are not committed in 2016, the Rental Unit Rehabilitation total in the 2017 plan will include an additional $500,000.00.

RENTAL HOUSING REHABILITATION

The City may utilize HOME Program funds to support the acquisition and/or rehabilitation of affordable Rental Housing units. Eligible projects may be existing one or more multifamily buildings with rental units on a single site, or multiple sites that are under common ownership, management and financing. In no case shall funding be provided for a unit to be converted to a rental unit if the existing use or former use was owner-occupied housing. The project should also utilize private funds, Low Income Housing Tax Credits, Low Income Housing Revenue Bonds or other grant /loan programs to help leverage the HOME funds.

Units that are rehabilitated with HOME funds must meet all applicable state and local codes, rehabilitation standards and ordinances, including the *City of Kenosha Minimum Housing Rehabilitation Standards.* All assisted units are required to meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. The property must be maintained in accordance with these property standards throughout the affordability period.

Rehabilitation of rental housing utilizing HOME funds will require a 5 to 15-year affordability period for the HOME Assisted Units. The HOME Assisted Units will be "fixed units" as opposed to "floating" HOME units for the entire affordability period. HOME Assisted Units must be comparable to non-HOME Assisted Units in terms of amenities, number of bedrooms, square footage and location in the building.

The household occupying such rental units shall be families or individuals whose income does not exceed 50% of Kenosha County median family income as published annually by the US Department of Housing and Urban Development (HUD). Low HOME Rent Limits will apply to all designated HOME units. The 50% HOME Rent Limits less any tenant paid utilities would apply to all other 50% CMI designated Assisted Senior Units. Determination of the minimum number of HOME Assisted Units per project and maximum per-unit HOME subsidy will be calculated according to all HOME Program standards, including, pro-rata (fair share test), the HOME per unit subsidy limit and subsidy layering analysis to determine the funding gap to be financed to provide the HOME affordable units.

The City's subsidy layering evaluation requirements are included in the next section below. The City may use the subsidy layering review done by WHEDA for the Low Income Tax Credit Program to ensure that no more than the necessary amount of HOME Program funds are invested in any one project to provide affordable housing.

RENTAL HOUSING REHABILITATION SUBSIDY LAYERING REVIEW, UNDERWRITING AND MARKET ANALYSIS

HUD establishes subsidy limits annually on the amount of HOME funds that may be invested in affordable rental housing on a per-unit basis per locality.

Before committing HOME funds to a project that combines the use of any other local, state or federal assistance, the City must evaluate the proposed project in accordance with the guidelines that it has adopted, to ensure that the City does not invest any more HOME funds than are necessary to provide affordable rental housing. The guidelines, referred to as Subsidy Layering Guidelines, are incorporated as part of the City of Kenosha HOME Program Description, Consolidated Plan and Policies and Procedures.

The City of Kenosha will use the following types of subsidy layering review before committing HOME Program funds to any rental housing rehabilitation project:

A) A subsidy layering review produced by HUD when the other source of funding is provided by HUD, and HUD conducts a subsidy layering review;

B) Subsidy layering analysis produced by the Wisconsin Economic and Housing Development Authority when Low Income Housing Tax Credit (LIHTC) is used, and WHEDA conducts an evaluation to determine whether there are excess tax subsidies;

C) A subsidy layering analysis produced by the developer and reviewed by the City of Kenosha in accordance with the guidelines presented in HUD Notice CPD 98-1. These guidelines include review of the following documents supplied by the developer/applicant:

- Sources & Uses of Funds: As part of the application process, the City of Kenosha will require a Sources and Uses of Funds Statement for the proposed project with supportive documentation, including lender commitment letter(s), documentation of owner cash equity and any deferred developer fees. This should reflect the project development budget and should list:

  1. All proposed sources (both private and public) of the funds and dollar amounts for each respective source; and

  2. All uses of funds (including acquisition costs, rehabilitation or new construction costs, financing costs, and professional fees) associated with the project.

- Certification of Governmental Assistance: The applicant/developer must provide a formal certification as to whether or not additional governmental assistance will be provided to the project, and if so, what kind of assistance.

- *Project Development Budget:* The City of Kenosha will review the project development budget to determine whether the development costs are necessary and reasonable. The budget is to include all costs associated with the development of the project, regardless of the funding sources.

  1. "Reasonableness" of costs should be based on all of the following factors:

     a) Cost of comparable projects in the same geographical area;

     b) The qualifications of the cost estimators for the various budget line items; and

     c) Comparable costs published by recognized industry cost index services.

- *Proforma:* The City of Kenosha will determine the reasonableness of the rate of return on equity investment by looking at the applicants proforma (project income and expense statement). The proforma should include achievable rent levels, market vacancies, and operating expenses. It should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow. The proforma should represent, at a minimum, the term of the HOME affordability requirements (20 years) or longer if any other funding sources require longer affordability terms.

- The subsidy guidelines can also be used to determine the appropriate level of HOME funds to be used in a project absent of any other governmental assistance.

- The City will utilize the underwriting guidelines in its Policies and Procedures and will assess whether there is adequate market demand prior to commitment of HOME funds.

Home Sales Policy

Homes for sale through the City of Kenosha HOME Program will be advertised and sold on a first-come-first-served basis.

HOMEBUYER APPLICANT REQUIREMENTS

Citizenship

Applicants to purchase properties for sale through the City of Kenosha's HOME Program must be US citizens or have "Qualified Alien" status under Section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Income

Eligibility for buyers through the HOME Program is based on annual household income. Total annual household income cannot exceed 80% of the County's median income per family size as determined by HUD. In accordance with the federal HOME Program Rules, the City has chosen to use Federal Income Tax IRS Form 1040 adjusted gross income to determine annual income. All homebuyers must sign IRS Form 4506 "Request for Copy of Tax Form" and the City will request a copy of the applicant's federal tax return transcript from the IRS. For IRS tax returns older that six months, the City will require an updated income verification, including third party verification of employment and recent earnings statements.

Ability to Obtain Mortgage Financing

Potential homebuyers must have the ability to obtain a Fixed Rate mortgage loan from a private lender or the City for a minimum of 80% of the purchase price of the property offered for sale (non City owned properties), or a minimum of 57% of the purchase price of the City properties offered for sale. The minimum financing is based on a 3% down payment. Where the homebuyer provides a larger downpayment, the minimum financing obtained through a private lender or the City may be reduced.

Down Payment Requirement and Down Payment Assistance

All homebuyers are required to provide a 3% down payment at closing. The down payment may be from the buyer's personal savings or from a Down Payment Assistance Grant provided through the Federal Home Loan Bank, City of Kenosha, or other source of down payment assistance.

The City may provide a Down Payment Assistance Grant to eligible homebuyers through HOME Program funds. The Down Payment Assistance Grant will require the homebuyer to pay a minimum of 25% of the required downpayment amount, or $1,000, whichever is greater. The Homeowner will be required to live in home for minimum of five years, or the grant amount will be required to be paid back in full, less a 20% reduction for every year the homeowner resides in the home.

Down Payment Assistance for VA Loan Borrowers

The City may provide a Down Payment Assistance Grant of up to $5,000 for eligible Veterans Administration Loan borrowers. Down Payment Assistance Grants will be a lien filed on the property and will be forgiven provided the homeowner resides at the property for a period of 5 years after purchasing the property. Where the homeowner lives in the home less than 5 years, the grant amount will be required to be paid back in full, less a 20% reduction for every year the homeowner resides in

the home.

Primary Residence and Owner Occupied Single Family Deed Restriction

HOME assisted property must be occupied as the homebuyer's primary residence. The City will place a Deed Restriction on the property at the time of property transfer: "This property is a single family dwelling and will always remain a single family dwelling and owner occupied for as long as it remains on the land." The homebuyer cannot own any other residential property at time of closing.

A deed restriction will also be recorded on properties that have utilized a mortgage to complete owner-occupied rehabilitation through the Rehabilitation Loan Program.

Homebuyer Counseling Requirement

All homebuyers receiving assistance through the City's HOME Program must participate in homebuyer training offered through a HUD certified Local Housing Counseling Agency and provide the City with certification they have successfully completed such training.

Mortgage Subordinations

The City will process requests for mortgage subordinations from homebuyers for their HOME funded second mortgage under the following criteria:

A) By refinancing their first mortgage, the borrower will be able to lower their interest rate, monthly payment and/or loan term.

B) The borrower will be able to convert from an ARM to a fixed rate mortgage.

C) The borrower will be taking out an equity loan or refinancing for purposes of doing home improvements, purchasing a car or for college costs.

D) The City will require a 90% Loan to Value limit on equity loans, and a maximum of 125% Loan to Value limit on refinancing where the borrower is able to lower their interest rate, payment or loan term. The Loan to Value ratio will include the City's HOME second mortgage balance.

E) The City will use the Assessed Value as determined by the City Assessor's Office, Estimated Market Value consistent with valuation modules permitted by the first mortgage's loan program, or appraised value, whichever is higher, to determine the property value.

F) Closing costs and fees for the proposed refinancing loan or equity loan must be no more than 3% of the proposed new loan amount.

Written requests for mortgage subordinations from homebuyers with a HOME second mortgage will be accepted and reviewed by City staff. A report and recommendation will be submitted to the City of Kenosha Housing Authority Board of Commissioners for review and consideration. A processing fee of $100 will be charged to the borrower upon approval and processing the mortgage subordination.

HOME PROGRAM ASSISTANCE TO BUYERS

Second Mortgage Purchase Assistance

HOME funded second mortgage purchase assistance will be provided for up to 40% of the purchase price of homes sold by the City of Kenosha. HOME second mortgage purchase loans will be written as deferred payment loans at 0% interest for up to the first fifteen (15) years, then monthly payments will be required for the next fifteen (15) years at an interest rate of 3% annually.

On a case-by-case basis, subject to final approval by the Kenosha Housing Authority Board, the City may offer a second mortgage loan where repayment is deferred until time of sale or when the property ceases to be the principal residence of the homebuyer. This provision is also available to existing holders of City Second Mortgage Loans when refinancing. Repayment shall not be required until the borrower sells the home or it is no longer their principal residence. Such loans shall be subject to a "deferred loan fee" of 10% of the original loan amount at the time of repayment.

Second mortgage purchase assistance loans will continue to be made available to income eligible homebuyers purchasing new homes city-wide. These purchase assistance loans will be provided for up 17% of the purchase price of the home. HOME second mortgage purchase loans for eligible homebuyers will be written as deferred payment loans at 0% interest for the first ten (10) years, then monthly payments will be required for the next twenty (20) years at an interest rate of 3% annually.

In all cases, the second mortgage will be based on the financing gap, less the amount of the first mortgage and required down payment. As part of its underwriting review, the City will evaluate debt-to-income (dti) ratio for all applicants. Generally, the front end dti should not be any greater than 30%, including the first mortgage principal and interest, taxes and insurance, and the back-end dti should be less than 45%. Where the front-end dti is greater than 30% or the back-end dti is greater than 45%, the City may provide a second mortgage for a larger amount than the financing gap to reduce the front-end dti to 30% or less, or to reduce the back-end dti to 45% or less.

Closing Cost Assistance

The City may provide a Closing Cost Assistance Grant, up to 3% of the purchase price, to eligible homebuyers through HOME Program funds. The Homeowner will be required to live in home for minimum of five years, or the grant amount will be required to be paid back in full, less a 20% reduction for every year the homeowner resides in the home.

Recapture and Resale Provisions

The City of Kenosha anticipates that some of the first-time Homebuyer (FTHB) assistance provided with HOME funding will be a development subsidy used by the City or developer (HOME fund recipient) to produce affordable housing units. In those instances, it is expected that some of this subsidy will be a project development subsidy and this subsidy amount may not be recaptured.

Recapture Option

This option will be used by the City to recapture the HOME funded second mortgage purchase assistance loans provided to the homebuyers if the HOME recipient decides to sell the house within the required affordability period. The homeowner is able to sell the property at whatever price the market will bear. Recaptured funds are considered HOME Program Income to be reused for any HOME-eligible activity.

The City of Kenosha will also require that rental housing developers who have been assisted with HOME funding be subject to recapture provisions in the event the owner/developer sells their property before the period of affordability has expired:

- Five (5) years when the per unit of HOME funds is less than $15,000
- Ten (10) years where the amount of HOME funds provided is $15,000 to $40,000
- Fifteen (15) years where the per unit amount of HOME funds is greater than $40,000

Affordability periods for home ownership assistance through the HOME Program

HOME Funds Provided (Per Unit) *	***Affordability Period***
Less than $15,000	5 Years
$15,000 to $40,000	10 Years
Greater than $40,000	15 Years

**Per unit HOME Program assistance for home ownership is based on the amount of the HOME mortgage purchase assistance provided to the homebuyer. For example, if the City's HOME funded second mortgage to the buyer is $25,000, the affordability period on the home is 10 years. Therefore, the City will provide second mortgage purchase loans with monthly payments deferred for 10 years at 0% interest. After the initial 10 years, the loan converts to a 3% monthly installment loan at 3% interest for a 20-year term.*

Resale Option

The resale option will only be used by the City in those cases where the homebuyer declines to accept a HOME funded second mortgage to purchase a HOME Buyer Program property. This option ensures that the HOME-assisted unit remains affordable over the entire affordability term. Resale requirements under the "resale option" include the following:

A) The new purchaser must meet HOME Program income eligibility requirements (annual adjusted income below 80% of Kenosha County median income for family size).

B) The new purchaser must occupy the property as their principal place of residence.

C) The sales price must be affordable to the new buyer.

D) Affordability is defined as: Monthly payment for principal, interest, taxes and insurance (PITI) cannot exceed 40% of the purchasers gross annual income.

E) The seller is entitled to a "fair return" on their investment upon sale of the property. "Fair Return" on investment for purposes of the City's HOME Program includes the homeowner's initial investment (first mortgage, down payment and closing costs) and any documented capital improvements to the property completed after the initial sale.

Enforcement of the Recapture or Resale Options

The City will use the following legal instruments to meet and enforce the requirements of the recapture or resale restrictions:

HOME Requirement	Recapture Option	Resale Option
Principal Residence	Deed Restriction & HOME Lien	Deed Restriction & HOME Lien
Affordability Period	Promissory Note & HOME Lien	Deed Restriction & HOME Lien
Repayment of HOME Subsidy	Promissory Note & HOME Lien	Deed Restriction & HOME Lien
Fair Return to Owner	N/A	Deed Restriction & HOME Lien
Affordable Resale Price	N/A	Deed Restriction & HOME Lien
Subsequent Buyer's Income	N/A	Deed Restriction & HOME Lien

* HOME Lien is a document recorded as a "Rider" with the HOME Program Mortgage securing repayment of the HOME subsidy.

Matching Funds

The City of Kenosha intends to satisfy the Federally-mandated match requirements by using a combination of the eligible forms of match outlined in Section 92.220 of the HOME Program regulations. The City and all sub-recipients will document "match" on a per-project basis.

Funding Reduction and Adjustment Based on Actual HUD Allocation

If the 2017 funding level is more or less than the $380,600 as indicated in this program description, each program activity will be adjusted by applying the same percent of funding increase or decrease equally to each activity.

Applicability of this HOME Program Description

The 2017 HOME Program Description shall supersede any and all previous HOME Program Descriptions in regard to the purposes and use of HOME Program funds.

Approved by City of Kenosha HOME Program Commission:
Approved by Common Council:
Amended by Common Council:

CITY OF SECOND MORTGAGE PURCHASE ASSISTANCE POLICY

Homes for sale through the City of Kenosha HOME Program will be advertised and sold on a first-come-first-served basis. All applicants, including persons assisted through the Second Mortgage Purchase Assistance Program that is used to purchase any eligible home within the City of Kenosha, shall be subject to the following Applicant Requirements.

Applicant Requirements

Applicants must meet the following requirements:

- U.S. citizenship or "Qualified Alien" status (as defined by HUD)
- 18 years of age or older
- Must meet the City's income limits for HOME Program
- Cannot own any real estate at time of closing
- Good verifiable credit rating
- Adequate verifiable income to support home ownership
- Must have 3% in funds to be used towards down payment plus closing costs
- Must complete a HUD accredited Homebuyer Counseling Course

When the purchase contract is signed, a $500 earnest money deposit is required and will be credited toward the down payment. Obtaining first mortgage loan financing from private sources is the responsibility of the applicant.

FOR FURTHER INFORMATION CONTACT

Department of Community Development & Inspections
625 52nd Street, Room 308
Kenosha, WI 53140
Phone: 262.653.4030
Hours: 8:00 A.M. - 4:30 P.M.

2017 HOME Program Review & Approval Schedule

Date	*Activity*
By 11/18/16	Publish Public Notice for City of Kenosha Consolidated Plan/Annual Plan for CDBG and HOME Funds and Activities with a 30 Day Comment Period
12/19/16	Finance Committee Review and Consideration of 2017 Annual Plan/Consolidated Plan and 2017 HOME Program Description (Public Hearing)
12/19/16	Common Council Review and Consideration of 2017 Annual Plan/Consolidated Plan and 2017 HOME Program Description

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THE CITY OF KENOSHA
CHART A BETTER COURSE

HOME PROGRAM COMMISSION
Staff Report - Item 2

Tuesday, November 1, 2016 at 5:30 pm
Municipal Building
625 52nd Street - Room 308 - Kenosha, WI 53140

Consideration of HOME Program Rental Rehabilitation Loan Funding from Varin/Library Park II, LLC for the proposed Residences at Library Park Apartments, 720 59th Place. (District 2) PUBLIC HEARING

NOTIFICATIONS AND APPROVAL REQUIREMENTS:

Alderperson Fox, District 2, has been notified. This item will also be reviewed by the Finance Committee with final approval by the Common Council.

ANALYSIS:

1. ***Project Developer:*** The attached HOME Program Rental Development Program application is being submitted by Varin/Library Park II, LLC for the proposed Residences at Library Park Apartments. This will be a $10.7 million, 49-unit building with forty-two (42) affordable units and seven (7) market-rate units. The project is being developed in the former YMCA building, located at 720 59th Place.

2. ***Proposed Developer:*** Varin/Library Park II, LLC, Highland Park, IL

3. ***Proposed Project Financing:***

Equity from Low Income Housing Tax Credit	$4,915,956
Equity from Historic Tax Credits	$3,306,022
Permanent Loan Financing	$632,000
Federal Home Loan Bank (AHP)	$630,000
TIF Funds (City of Kenosha)	$300,000
WEDC Grant	$250,000
Developer Equity (Deferred Fees)	$197,842
General Partner Equity Contribution	$100
Subtotal Financing	$10,231,920
HOME Program Loan (Gap Financing)	$500,000
TOTAL FINANCING	$10,731,920

4. ***Unit Summary:*** Forty-nine (49) total units consisting of:
   a. Twelve (12) Low Income Housing Tax Credit units for persons with income at or below thirty (30%) percent of Kenosha County Median Income.
   b. Eighteen(18) Low Income Housing Tax Credit units for persons with income at or below fifty (50%) percent of Kenosha County Median Income **(including eleven (11) HOME-Assisted Units)**.
   c. Twelve (12) Low Income Housing Tax Credit units for persons below sixty (60%) percent of Kenosha County Median Income.
   d. Seven (7) Market-rate units.

5. ***Unit Mix and Initial Rents:*** Initial contract rents on the HOME and Tax Credit Units, not including renter paid utilities, will be:

TYPE	COST	UNITS	UNIT TYPE
Studio (30% KCMI)	$259.00	4	Tax Credit
Studio (50% KCMI)	$477.00	4	Tax Credit
1 Bedroom (30% KCMI)	$264.00	5	Tax Credit
1 Bedroom (50% KCMI)	$497.00	11	HOME
1 Bedroom (60% KCMI)	$613.00	8	Tax Credit
2 Bedroom (30% KCMI)	$315.00	3	Tax Credit
2 Bedroom (50% (KCMI)	$592.00	3	Tax Credit
2 Bedroom (60% KCMI)	$742.00	3	Tax Credit
3 Bedroom (60% KCMI)	$838.00	1	Tax Credit
Studio	$840.00	4	Market Rate
1 Bedroom	$890.00	2	Market Rate
2 Bedroom	$1,075.00	1	Market Rate

a. The units designated as HOME units must remain affordable for a minimum of fifteen (15) years under the HOME Program rules. After fifteen (15) years, the HOME units will remain affordable units under the Tax Credit Program for an additional fifteen (15) years.

b. HOME rents are to be set at the "Low HOME Rent" limits as established by HUD for the Kenosha County market.

c. All of the Low Income Housing Tax Credit Units typically have a 30-year affordability period.

6. ***Home Loan Request:***

a. A $500,000 HOME Program funded loan to be used for gap financing to pay for eligible construction costs. The 2016 Funding Plan allocates a total of $670,254 towards Rental Unit Rehabilitation.

b. The applicant is requesting a loan of $500,000 at two (2%) percent simple interest for a twenty (20) year term with annual interest payments of $10,000 beginning in year four (4) after project stabilization. The lump sum payment of principal in the amount of $500,000 would be due in year twenty (20) by 2036.

c. A HOME Program financing gap analysis as well as the twenty (20) year proforma prepared by the Developer is attached with their application.

d. HOME Program Rules do not allow final commitment of HOME funds until Letters of Commitment from all funding sources are provided. The final funding source, the Affordable Housing Program (AHP) Grant through the Federal Home Loan Bank, will not be awarded until December 2016. Final underwriting will be required at that time.

RECOMMENDATION:

A recommendation is made to approve the HOME Rental Development Program application based on the attached Conditions of Approval.

Mike Maki, Community Dev Specialist

Jeffrey B. Labahn, Director

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THE CITY OF KENOSHA
CHART A BETTER COURSE

Conditions of Approval
Varin/Library Park II, LLC
Rental Development Application
720 59th Place
November 1, 2016

1. The requested HOME Program Loan will be subject to the following Conditions of Approval:

   a. Submission of Letters of Commitment from all funding sources identified in the application.

   b. Final underwriting of the project by Staff.

   c. All HOME-funded rehabilitation must meet requirements of the Lead Safe Housing Rule.

   d. Review of work write-ups or plans, specifications and cost estimates as well as completion of an initial inspection by Staff to determine what work is needed.

   e. Loan amount and purpose: $500,000 loan for gap financing to cover eligible construction costs.

   f. HOME Loan closing to occur within thirty (30) days after Developer closes on First Mortgage Construction Loan.

   g. Two (2%) percent simple interest on the principal amount of $500,000.

   h. Twenty (20) year term with annual payments beginning in Year Four (4) after project stabilization (per the Developer's proforma).

   i. Annual payment of simple interest: $10,000.00

   j. Lump sum payment of the $500,000 principal due in Year Twenty (20) – 2036.

   k. The eleven (11) HOME designated units to remain affordable for a fifteen (15) year period as required by the US Department of Housing and Urban Development (HUD) HOME Program requirements. These eleven (11) units would continue to remain affordable for a total of thirty (30) years under the Low Income Housing Tax Credit Program. Fifty (50%) percent County Median Income (CMI) limits would apply to these HOME units.

   l. The thirty-one (31) other affordable units are required to remain affordable under the Low Income Housing Tax Credit Program for a period of thirty (30) years.

2. The following documents will be prepared for the proposed HOME Loan:
   a. HOME Program Agreement
   b. Disbursing Agreement
   c. Land Use Restriction Agreement
   d. Real Estate Mortgage
   e. Promissory Note

   These documents will be provided to the Developer for their review and acceptance. The HOME Program Commission will then review the documents for approval and forward them to the City Finance Committee and Common Council for final consideration.

3. Upon approval of the conditional funding by the Common Council, the applicant is authorized to proceed with the preparation of the HOME Loan documents noted above.

KENOSHA HOME LOAN
RESIDENCES AT LIBRARY PARK
KENOSHA, WISCONSIN
10/26/2016

$500,000 LOAN

LOAN PAYMENT RESTRUCTURE

Year	Description	Principal	Interest	Annual Payment	Principal Balance
1 (2017)	No payment	$ -	$ -	**$ -**	$ 500,000
2 (2018)	No payment	$ -	$ -	**$ -**	$ 500,000
3 (2019)	No payment	$ -	$ -	**$ -**	$ 500,000
4 (2020)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
5 (2021)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
6 (2022)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
7 (2023)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
8 (2024)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
9 (2025)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
10 (2026)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
11 (2027)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
12 (2028)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
13 (2029)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
14 (2030)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
15 (2031)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
16 (2032)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
17 (2033)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
18 (2034)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
19 (2035)	Interest only @ 2%	$ -	$ 10,000	**$ 10,000**	$ 500,000
20 (2036)	Interest @ 2% and lump sum payment of Principal and Deferred Interest	$ 500,000	$ 10,000	**$ 510,000**	$ 500,000
	Totals	**$ 500,000**	**$ 170,000**	**$ 670,000**	

TERMS

The repayment of the HOME loan was approved to have a term of 20 years and an interest rate of 2%.
No payments are proposed in Year 1 - Year 3; in Year 4 - Year 19, interest-only payments are required.
A lump sum payment of Principal, along with the interest, will be paid in Year 20.

HOME Application

THE CITY OF KENOSHA
CHART A BETTER COURSE

APPLICATION FOR HOME RENTAL REHABILITATION PROGRAM
Form #CDI321 (rev. 8/16)

APPLICANT DATA

Applicant: Legacy Property Management Services, LLC Contact: David Nankin

Address: 2008 St. Johns Ave

City: Highland Park State: IL Zip: 60035-3535

Phone: 847-432-9700 Fax: E-mail: dnanking@legacypm.com

Is applicant an officially certified Community Housing Development Organization (CHDO)?

☐ Yes ☒ No ☐ Application Pending

PROPOSAL SUMMARY

Development Name: Residences at Library Park

Address: 720 59th Place Kenosha, WI 53140

Project Type

☐ Rehabilitation
☒ Acquisition/Rehab

Unit Type

☐ Single Family
☐ Duplex
☐ Triplex
☒ Multifamily (4 +)

Unit Data

Total Units 49
Total HOME-assisted Units 11

Occupancy Targeting

☒ No Special Targeting
☐ Elderly
☐ Disabilities/Special Needs
☒ Other 12 units will be set aside and targeted towards veterans

FUNDING SUMMARY

Total Development Cost: $ 10,731,920

HOME Funds Requested: $ 500,000

Is your organization requesting CHDO Operational Funds? Yes ☐ No ☒

Amount Requested: $

DEVELOPMENT TEAM

Each member of the development team must submit a resume that lists qualifications, address, and telephone number.

Developer:	Legacy Property Management Services, LLC		
Owner:	Varin/Library Park II, LLC		
General Partner/Managing Member:	Midwest Affordable Housing Corporation	% of GP/MM	51
General Partner/Member:	Legacy Property Management Services, LLC	% of GP/MM	49
Contractor:	Camosy Construction		
Management Company	Horizon Management Services, Inc.		
Consultant:	Baker Tilly Virchow Krause, LLP		
Architect:	Partners in Design Architects		

List any direct or indirect, financial, or other interests a member of the development team may have with another member of the team. List "none" if there are no identities of interests. Use a separate sheet if needed.

None

Site Information

1. Will real estate be acquired for this development (purchase or donation)? Yes ☒ No ☐
   If no, skip to question 4.

2. Name(s) of Current Owner(s): Varin/Library Park II, LLC Phone: 847-432-9700
   Address: 2008 St. Johns Ave
   City: Highland Park State: IL Zip: 60035-3535

3. What form of control does the applicant have over the proposed site/existing building(s)?
   ☒ Deed ☐ Option ☐ Purchase Contract ☐ Other ☐ None
   Expiration date of contract or option: _____ *Attach documentation*

4. Is site properly zoned for the proposed development? ☒ Yes ☐ No *Attach documentation*

5. Are all utilities available to the site? ☒ Yes ☐ No *Attach documentation*

6. Total acres in the site: 1.55

7. Total number of buildings (existing or to be constructed): 1
   Gross Floor Area of All Buildings: 76,069
   Residential Floor Area: 46,342 Non-residential Floor Area: 29,727

8. Attach the following documents:

Site Location Map	*A detailed map indicating where the proposed development is to take place*
Site Plan	*For new construction, a detailed map indicating exactly where the proposed development sits on the site.*
Floor Plans	*Provide floor plans for all floors with all units indicated.*

Davis Bacon Review

1. Number of HOME-assisted units identified in the HOME Unit Summary section above:
   If the answer is 12 or more, continue with the remaining question(s) in this section. 11

2. Has the applicant obtained wage determinations from the Department of Labor? Yes ☐ No ☐

3. Has the applicant factored these into the development budget? Yes ☐ No ☐

4. Provide a narrative on the applicant's experience with Davis Bacon and how compliance will be achieved on this proposal.

Unit Summary

List all units, indicate which are HOME assisted.

a. HOME-assisted	b. # of Bedrms	c. Number of Units	d. Contract Rent	e. Utility Allowance	f. Gross Rent	g. Square Feet/ Unit	h. Income Restriction (at or below 50% AMI)
☐	0	4	259	91	350	956	30%
☐	0	4	477	91	568	956	50%
☐	1	5	264	112	376	785	30%
☒	1	11	497	112	609	785	50%
☐	1	8	613	112	725	785	60%
☐	2	3	315	138	453	1296	30%
☐	2	3	592	138	730	1296	50%
☐	2	3	742	138	880	1296	60%
☐	3	1	838	179	1017	1500	60%
☐	0	4	840	0	840	956	MKT
☐	1	2	890	0	890	785	MKT
☐	2	1	1075	0	1075	1296	MKT

Rental Assistance

1. Do any of the HOME-assisted units receive or will receive rental assistance? Yes ☐ No ☒
   - ☐ Section 8 Project Based Assistance
   - ☐ Section 8 Vouchers/Certificates
   - ☐ State Assistance
2. Number of units receiving assistance _____
3. Number of years in the rental assistance contract _____

<u>NOTE</u>: If any type of assistance is to be received, documentation from the appropriate agency must be included with the application.

Monthly Utility Allowance Calculations (Per City of Kenosha Housing Authority Utility Allowances)

Utilities	Type of Utility	Utilities Paid By		Enter Allowances by Bedroom Size 0-Bdr	1-Bdr	2-Bdr	3-Bdr	__ Bdr
Heating	Gas	☐ Owner	☒ Tenant	39	50	66	80	
A/C	Electric	☐ Owner	☒ Tenant	25	30	35	45	
Cooking	Electric	☐ Owner	☒ Tenant	5	6	8	8	
Lighting	Electric	☐ Owner	☒ Tenant					
Hot Water	Gas	☐ Owner	☒ Tenant	10	12	13	17	
Water		☐ Owner	☒ Tenant	6	7	8	13	
Sewer		☐ Owner	☒ Tenant	6	7	8	16	
Trash		☒ Owner	☐ Tenant					
Total Utility Allowance for Units				91	112	138	179	

NOTE: Documentation of all utility calculations must be included with applications.

☐ HUD ☐ RD
☐ Utility Company Name
☒ Local PHA Name Kenosha Housing Authority

Equipment Included with Unit

☒ Range ☒ Refrigerator ☒ Disposal
☒ Dishwasher ☐ Air Conditioner ☒ Kitchen Exhaust Fan
☐ On-Site Laundry ☒ Washer/Dryer Hook-up ☐ Security System in Unit
☒ Other: Central Air, Patio/Balcony (select units), Blinds

Amenities or Additional Services Provided

Surface Parking – 52 spots
Exercise Room
Security Locked Building
Onsite Leasing Office
Resident Computer Center
Storage Units

PROPOSAL FUNDING DETAIL

List funds to be supplied by other sources (permanent sources). These sources, plus the HOME funds request, must equal the Total Development Cost on Page 1. **Attach letters of commitment from funding sources.** Applicants should provide match of at least 25 percent of their HOME request. See Attachment A for description.

Loans

Lender: 1st mortgage
Amount: $632,000
Contact & Phone:
Interest Rate: 3.5%
Term: 15
Annual Debt Service: $ 34,056
BMIR: Yes ☒ No ☐
Value: $

Lender: TIF – KABA (USING AS MATCH)
Amount: $ 300,000
Contact & Phone: Keith G. Bosman
Interest Rate: 3.00%
Term:
Annual Debt Service: $ 29,000 Escalating at 3% interest
BMIR: Yes ☒ No ☐
Value: $

Grants

Grantor:
Amount: $
Contact & Phone:
Match: Yes ☐ No ☐

Grantor:
Amount: $
Contact & Phone:
Match: Yes ☐ No ☐

Other Sources
(Donations, In-kind Services, Forbearance of Fees)

Source: WEDC
Amount/Value: $ 250,000
Contact & Phone:
Match: Yes ☐ No ☐

Source: GP Equity Contribution
Amount/Value: $ 100
Contact & Phone:
Match: Yes ☐ No ☐

Source: FHLB – AHP
Amount/Value: $ 630,000
Contact & Phone: Tim Klont & 312-565-5700
Match: Yes ☐ No ☐

Source: Deferred Developer Fee
Amount/Value: $ 197,843
Contact & Phone:
Match: Yes ☐ No ☐

Source: LIHTC Equity
Amount/Value: $ 4,915,956
Contact & Phone: Bryan Hollander & 410-772-2793
Match: Yes ☐ No ☐

Source: Historic Equity

Amount/Value: $ 3,306,022

Contact & Phone: Bryan Hollander & 410-772-2793

Match: Yes ☐ No ☐

DEVELOPMENT COST DETAIL

The Development Cost Detail should be completed **in full detail**.

Who prepared the cost estimate? (Name & Title):	Baker Tilly, Legacy, & Camosy Construction		
Itemized Cost		**Total Development Cost**	**Do Not Use This Space**
To Purchase Land & Buildings			
Land			
Existing Structures			
Demolition			
Other			
For Site Work			
Site Work		424,614	
Off-Site Work			
For Rehabilitation & New Construction			
New Building			
Rehabilitation		6,436,924	
Bond Premium		80,574	
General Requirements		395,685	
Contractor Overhead		126,540	
Contractor Profit		429,483	
Building Permit Fee			
For Contingency			
Construction Contingency		754,382	
Other			
For Architectural & Engineering Fees			
Architect Fee – Design		365,000	
Architect Fee – Supervision			
Real Estate Attorney		75,000	
Consultant or Processing Agent			
Property/Survey Fee		8,500	
Engineering Fee			
Other			
For Interim Costs			
Construction Insurance		40,000	
Construction Interest		235,238	

Construction Loan Origination Fee		135,000		
Title and Recording		12,000		
Taxes				
SUBTOTAL		9,518,940		

DEVELOPMENT COST DETAIL (CONTINUED)

Itemized Cost		Total Development Cost		Do Not Use This Space
For Financing Fees & Expenses				
Bond Premium				
Credit Report				
Permanent Loan Origination Fee		15,000		
Permanent Loan Credit Enhancement				
Cost of Issuing Underwriters Discount				
Title and Recording				
Counsel's Fees		20,000		
Cost Certification Fee				
Other				
For Soft Cost				
Property Appraisal (Feasibility)		11,000		
Market Study		15,000		
Environmental Report		13,700		
Tax Credit Fees		44,000		
Rent-Up				
Consultants		50,000		
Cost Certification & Accounting		76,952		
For Syndication Costs				
Organizational (Partnership)		50,000		
Bridge Loan Fees and Expenses				
Tax Opinion		5,000		
Other				
For Developer's Fees				
Developer's Overhead				
Developer's Fee		762,000		
Other				
For Project Reserves				
Rent-Up Reserve		15,000		
Operating Reserve		135,328		
Other				

Other				
SUBTOTAL		1,212,980		
SUBTOTAL FROM PREVIOUS PAGE		9,518,940		
TOTAL		10,731,920		

Operating Revenues & Annual Expenses

(Please attach a twenty-year pro forma.)

Annual Revenue

Unit Size		Contract Rent		Number of Units		Total Monthly Rent			Annual Rent
0	Bedroom(s)	259	x	4	=	1036	x12	$	12,432
0	Bedroom(s)	477	x	4	=	1908	x12	$	22,896
1	Bedroom(s)	264	x	5	=	1320	x12	$	15,840
1	Bedroom(s)	497	x	11	=	5467	x12	$	65,604
1	Bedroom(s)	613	x	8	=	4904	x12	$	58,848
2	Bedroom(s)	315	x	3	=	945	x12	$	11,340
2	Bedroom(s)	592	x	3	=	1776	x12	$	21,312
2	Bedroom(s)	742	x	3	=	2226	x12	$	26,712
3	Bedroom(s)	838	x	1	=	838	x12	$	10,056
0	Bedroom(s)	840	x	4	=	3360	x12	$	40,320
1	Bedroom(s)	890	x	2	=	1780	x12	$	21,360
2	Bedroom(s)	1075	x	1	=	1075	x12	$	12,900
							Subtotal:	$	319,620
							Other Income (Laundry, Vending, etc.):	$	7,425
							Total:	$	327,045
							Less Vacancy Rate (7%):	$	(22,893)
							NET INCOME:	$	304,152

What is the estimated annual percentage increase in annual income? 2 %

Annual Expenses

Administrative			*Operating*		
Marketing	$	3,524	Elevator	$	
Management	$	18,249	Gas (Heating/Hot Water)	$	11,930
Legal	$	2,777	Lighting & Misc. Power	$	7,239
Accounting/Audit	$	8,352	Water & Sewer	$	8,000
Other: Administrative, Compliance Fee	$	5,765	Trash Removal	$	4,455
			Payroll, including taxes	$	50,000
			Insurance	$	13,475
			Other: Pest Control, Ground Lease	$	11,769
Total Administrative Cost	$	38,667	***Total Operating Cost***	$	106,868

Maintenance			*Taxes*		
Decorating	$		Real Estate Taxes	$	43,000
Repairs	$	10,858	Other:	$	
Exterminating	$				
Ground Expense	$	3,267			
Other: General Maintenance	$	19,243			
Total Maintenance Cost	$	33,368	***Total Real Estate Taxes***	$	43,000

What is the estimated annual percentage increase in annual expenses? 3%

TOTAL ANNUAL EXPENSES:$	221,903
ANNUAL REPLACEMENT RESERVE:$	14,700
ANNUAL DEBT SERVICE:$	44,056

Annual Debt Service refers to annual amount owed to a lending institution for a loan taken out to implement the project.

Projected Schedule

	Month/Year
Site Option/Contract	10/31/2014
HOME Environmental Review	10/1/16
Site Acquisition	10/31/2014
Zoning Approval	12/15
Site Analysis	10/1/16

Other Loans and Grants	
Type and Source	Loan - TIF
Application	N/A
Award	300,000

Construction Loan Application	
Conditional Commitment	11/1/16
Firm Commitment	12/1/16

Other Loans and Grants	
Type and Source	Loan - AHP
Application	6/16
Award	630,000-12/1/16

Permanent Loan Application	
Conditional Commitment	11/1/16
Firm Commitment	12/1/16

Other Loans and Grants	
Type and Source	Loan - WEDC
Application	10/1/16
Award	250,000

Plans and Specifications	12/1/16
Working Drawing	12/1/16
Construction Start	2/1/17

Closing and Transfers of Property	2/1/17
Completion of Construction	12/1/17
Lease-up	5/31/18

Subsidy Layering Analysis

Attach a copy of the Project Subsidy Layering Analysis completed by:

1. U.S. Department of Housing & Urban Development (HUD); or
2. The Wisconsin Housing and Economic Development Authority (WHEDA); and

3. A subsidy layering analysis produced by the applicant and verified by the City of Kenosha in accordance with the guidelines presented in HUD Notice CPD 98-1. These guidelines include review of the following documentation to be supplied by the developer/applicant:

   - ***Sources & Uses of Funds:*** As part of the application process, the City of Kenosha will require a Sources and Uses of Funds Statement for the proposed project with supportive documentation. This should reflect the project development budget and should list:

     a) All proposed sources (both private and public) of the funds and dollar amounts for each respective source; and

     b) All uses of funds(including acquisition costs, rehabilitation or new construction costs, financing costs, and professional fees) associated with the project.

   - ***Certification of Governmental Assistance:*** The applicant/developer must provide a formal certification as to whether or not additional governmental assistance will be provided to the project, and if so, what kind of assistance.

   - ***Project Development Budget:*** The City of Kenosha will review the project development budget to determine whether the development costs are necessary and reasonable. The budget is to include all costs associated with the development of the project, regardless of the funding sources.

     a) "Reasonableness" of costs should be based on all of the following factors:

        (1) Cost of comparable projects in the same geographical area,

        (2) The qualifications of the cost estimators for the various budget line items, and

        (3) Comparable costs published by recognized industry cost index services.

   - ***Proforma:*** The City of Kenosha will determine the reasonableness of the rate of return on equity investment by looking at the applicants proforma (project income and expense statement). The proforma should include achievable rent levels, market vacancies and operating expenses. It should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow. The proforma should represent, at a minimum, the term of the HOME affordability requirements (20 years) or longer if any other funding sources require longer affordability terms.

   - The subsidy guidelines can also be used to determine the appropriate level of HOME funds to be used in a project absent any other governmental assistance.

Proposal Narrative Statements

Please address the following topics with brief narrative statements. Attach the narratives to the end of this application.

Project Location and Housing Needs

1. Briefly describe the proposed development and the need for affordable rental housing where the proposed development is to take place. Also describe the neighborhood where the development is to be located, how the project will relate to its surroundings. If a site specific market study or community housing plan has been completed, applicant may substitute it for the narrative (please attach).

2. Explain the efforts made to solicit input from the neighborhood for this specific proposal.

3. How does the proposed development address the priorities and strategies identified in the City of Kenosha Consolidated Plan?

Match

Please describe how the organization will provide "matching" funds for the HOME Program. (see Appendix A for eligible sources of match).

The project will be utilizing a TIF loan of $300,000 to help finance the costs. This money will be loaned into the project at a 3% rate for 10 years as reflected in the submitted financial analysis. Per Exhibit 8-2 of the Match Attach A, Tax Increment Financing is an acceptable source of match.

ATTACHMENTS

The following attachments are MANDATORY unless otherwise indicated. Failure to submit mandatory attachments may result in rejection of the application.

- ☒ Letters of financial commitments
- ☒ Site control documentation
- ☒ Notices to Sellers/Donators – N/A
- ☒ Proper zoning documentation
- ☒ Detailed site location map
- ☒ Site Plan (New Construction only) – N/A
- ☒ Preliminary specifications/drawings
- ☒ Rehabilitation work order (Rehabilitation only) –N/A
- ☒ Market study/housing plan (if available)
- ☒ Evidence of utility availability
- ☒ Davis Bacon Narrative (if applicable) – N/A
- ☒ Lead-Based Paint Narrative (if applicable) – N/A
- ☒ Draft Section 3 Plan
- ☒ Relocation Documents (if applicable) – N/A
- ☒ Proposal narratives
- ☒ Twenty year pro forma
- ☒ Development Team Qualifications
- ☒ LP Agreement/LLC Documents (if applicable) – NA
- ☒ Financial statement of the organization
- ☒ Documentation of utility calculations

STATEMENT OF ASSURANCES

The applicant hereby assures and certifies with respect to the application that:

1. It possesses legal authority to make application and to execute a housing program.

2. Its governing body has duly adopted or passed as an official act, a resolution, motion or similar action authorizing the person identified as the official representative of the applicant to submit the final statement, all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the submission of the final statement, and to provide such additional information as may be required.

3. The conflict of interest provisions of 24 CFR 92.356 apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving funds. None of these persons may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter, and that it shall incorporate or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purpose of this certification.

4. It will comply with the regulations, policies, guidelines, and requirements with respect to the acceptance and use of federal funds for this federally-assisted program.

5. It will comply with all parts of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously, as well as with other applicable laws.

Other Federal Requirements Applicable to the HOME Program

1. Site and Neighborhood Standards (24 CFR 92.202 and 24 CFR 983.6(b)).

2. Fair Housing and Equal Opportunity per:
   a) 24 CFR 92.202
   b) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. Seq.)
   c) Fair Housing Act (42 U.S.C. 3601-3620)
   d) Executive Order 11063 (amended by Executive Order 12259)
   e) Age Discrimination Act of 1975 as amended (42 U.S.C. 6101), and
   f) Other Federal requirements at 24 CFR 5.105(a)

3. Affirmative Marketing; Minority Outreach (24 CFR 92.351).

4. Handicapped Accessibility per Section 504 of the Rehabilitation Act of 1973 (implemented at 24 CFR Part 8), for Multi-family buildings only, 24 CFR 100.205 (implements the Fair Housing Act).

5. Equal Opportunity Employment, Executive Order 11246 (implemented at 41 CFR Part 60).

6. Section 3 Economic Opportunity, Section 3 of the Housing and Urban Development Act of 1968 (implemented at 24 CFR Part 135).

7. Outreach in Contracting with Minority Business Enterprises (MBEs) and Woman Business Enterprises (WBEs), Executive Orders 11625, 12432 and 12138 and 24 CFR Part 85.36(e).

8. Labor – Davis-Bacon Act (24 CFR 92.354) – applicable to projects with 12 or more HOME assisted units.
9. Conflict of Interest (24 CFR 92.356).

10. Debarred Contractors (24 CFR Part 5) and (Executive Order 11246).

The undersigned certifies that all of the information contained in this application and all information provided in support of this application, funding through the HOME Investment Partnership Program (HOME), is true and accurate to the best of my knowledge. Representations made in the application will be the basis of the written HOME Agreement if funding is awarded and, as such, will be used to monitor performance.

The Applicant understands and agrees that if false information is provided, or the applicant fails to provide any of the documentation necessary to support the information in this application, the City of Kenosha will disqualify the application from consideration. Activities, commitments, and representations offered in the application that are not subsequently made a part of the project as funded, shall be considered a material contract failure, and may result in a repayment of all HOME funds and/or suspension from Program participation. The applicant further understands and agrees that said application is subject to, and must conform with, all laws, rules, and regulations pertaining to the HOME Program. Failure to comply with all HOME requirements will result in the repayment of all HOME funds and/or suspension from Program participation.

The applicant shall not, in the provision of services, or in any other matter discriminate against any person on the basis of sex, race, religion, sexual orientation, color, national origin, ancestry, disability, age, or political affiliation.

The applicant will at all times indemnify and hold the City of Kenosha harmless against all losses, costs, damages, expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to the Corporation's acceptance, consideration, approval, or disapproval of this request and the issuance or non-issuance of HOME funds herewith.

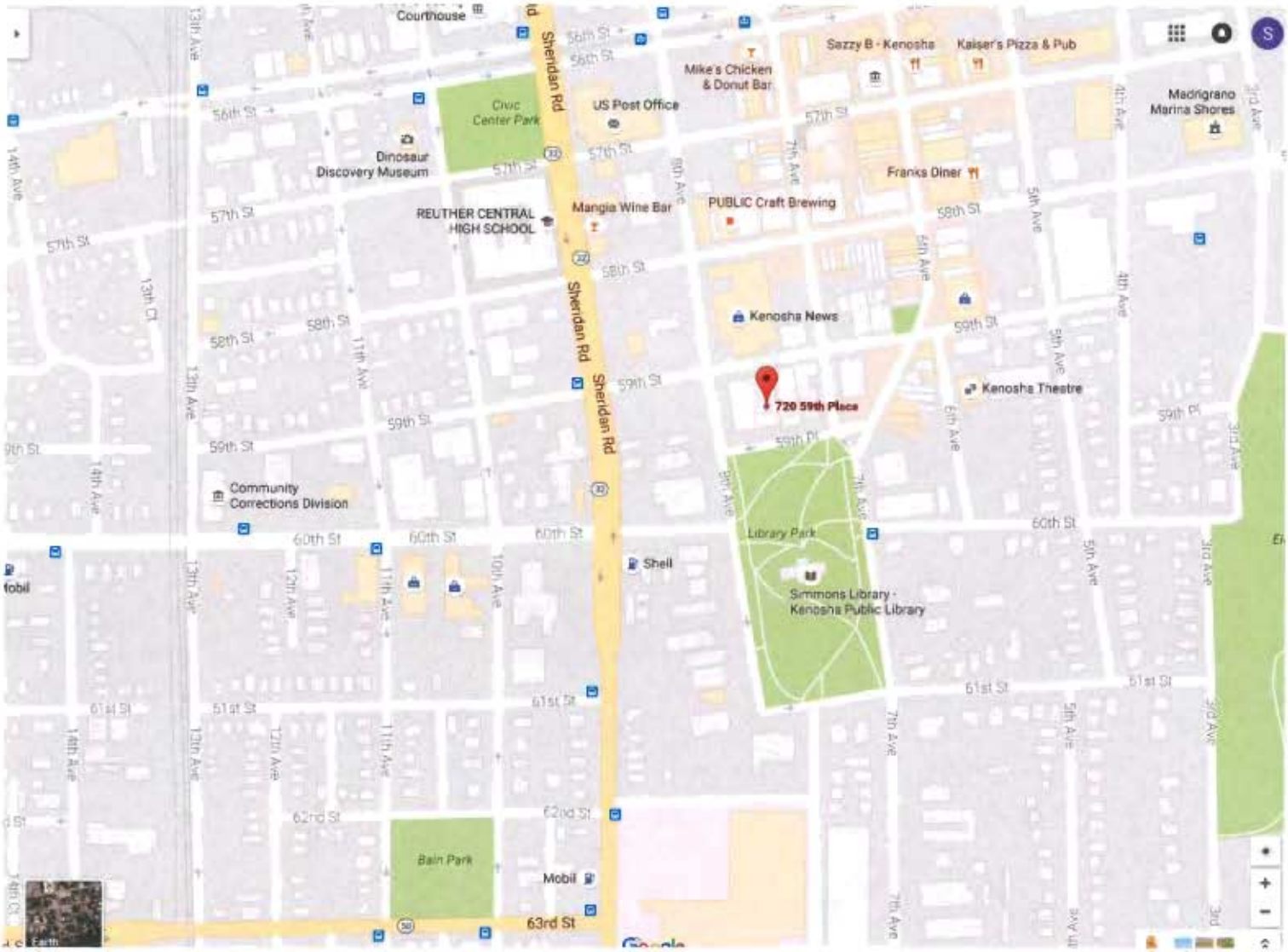
This certification must be signed by the individual authorized to execute the City of Kenosha HOME Program Agreement:
Legacy Property Management Services, LLC

Print Name: David Nankin Print Title: Managing Member

Signature: Date: 9/15/2016

Site Location

SITE LOCATION MAP



Preliminary Drawings/Specs

VARIN/LIBRARY PARK, LLC

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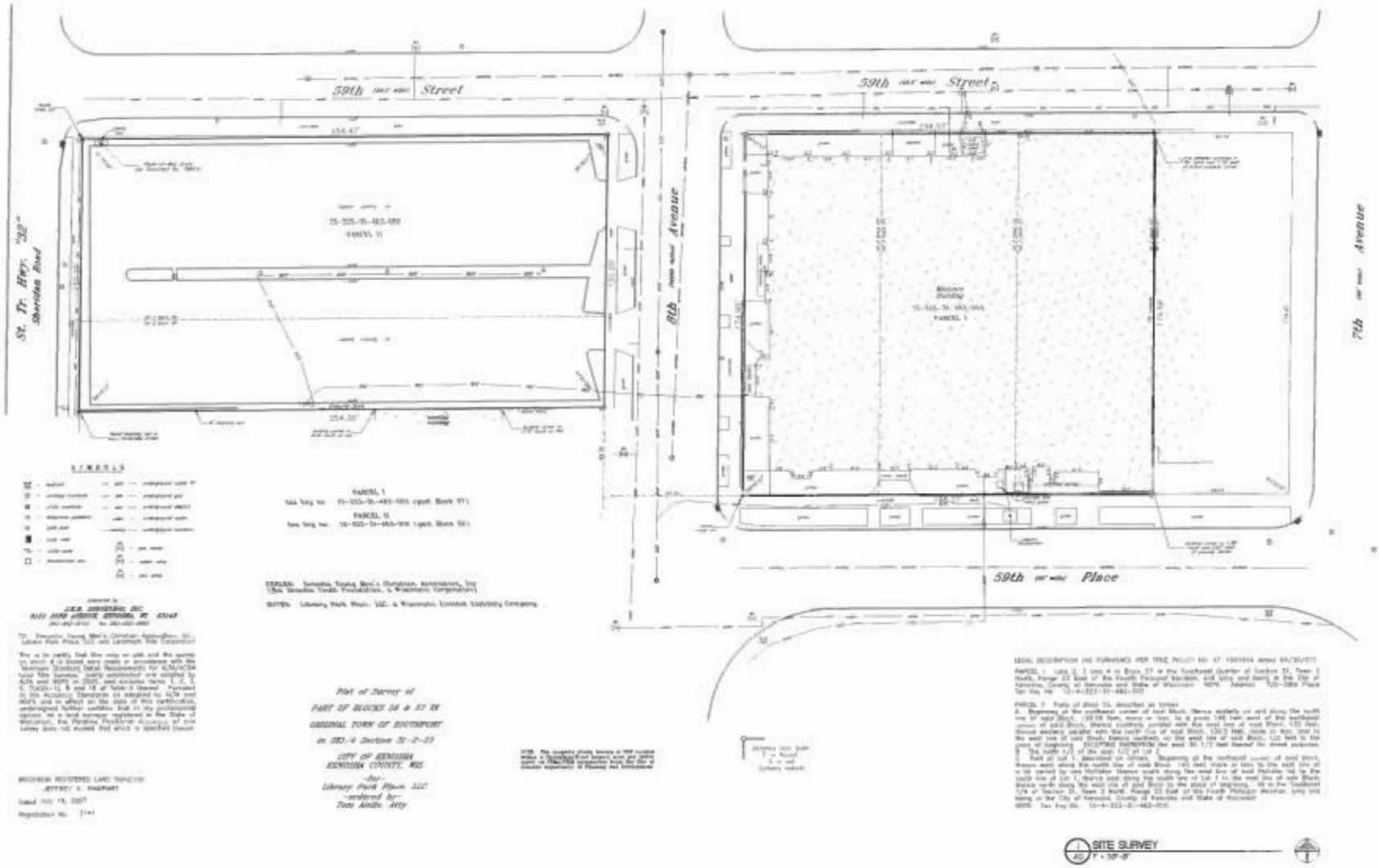
KENOSHA, WISCONSIN 53140

STATE REVIEW SET

Partners in Design
ARCHITECTS

THE RESIDENCES AT LIBRARY PARK
STATE REVIEW SET

DATE: 05.22.15
NUMBER: 457.09.001



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SITE SURVEY

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A1.1

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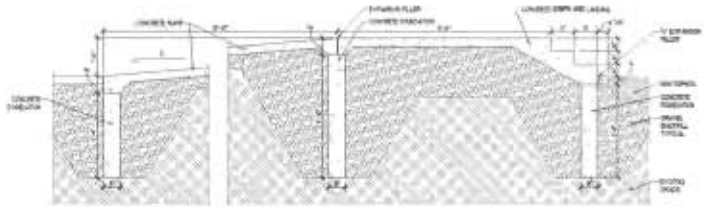
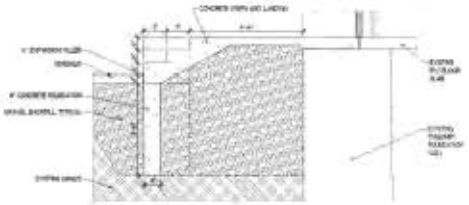


1 A1.2 WEST ENTRANCE STAIR AND RAMP SECTION



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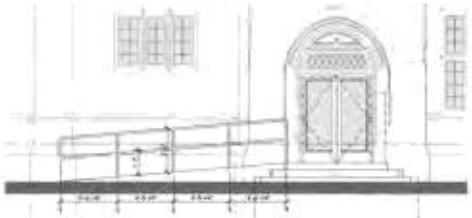
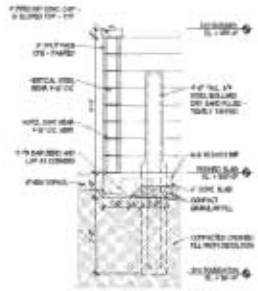


3 A1.2 WEST ENTRANCE STAIR & RAMP ELEVATION

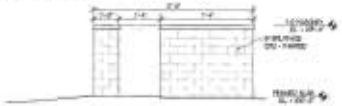
4 A1.2 WEST ENTRANCE STAIR AND RAMP PLAN



4 A1.2 WALL SECTION

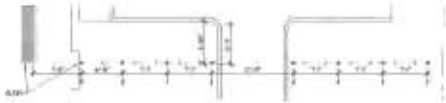
7 A1.2 TRASH ENCLOSURE PLAN

1 A1.2 DOOR DETAIL

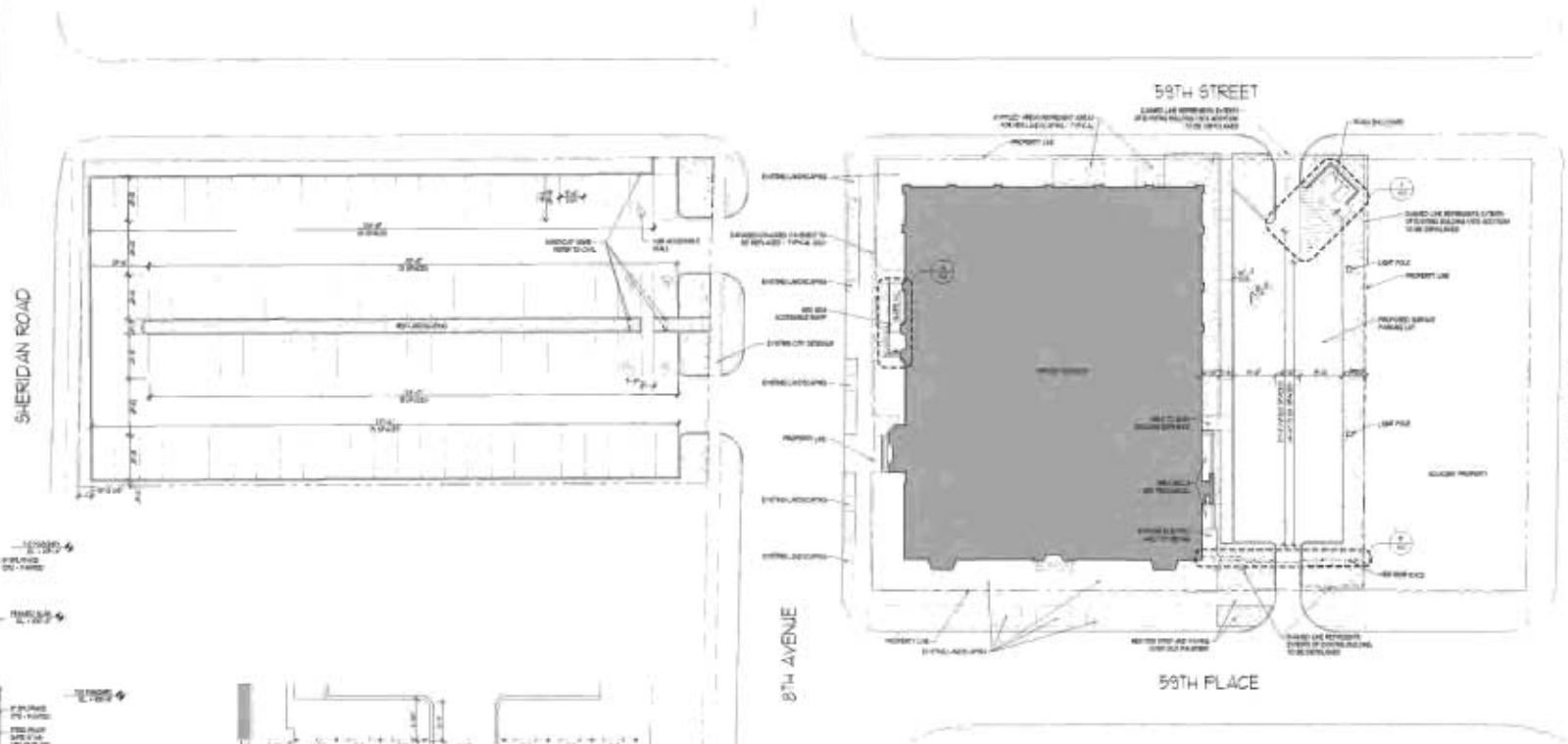


8 A1.2 SIDE ELEVATION

1 A1.2 FRONT ELEVATION



9 A1.2 SOUTH FENCE PLAN



1 A1.2 ARCHITECTURAL SITE PLAN

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ARCHITECTURAL SITE PLAN

PartnersinDesign
ARCHITECTS

4/14/2015
PAB TOC
2013.05

A1.2

BASEMENT FLOOR ROOM FINISH SCHEDULE

ROOM NAME	NO.	FLOOR	BASE	WALLS NORTH	WALLS EAST	WALLS SOUTH	WALLS WEST	CEILING FINISH	HT.	PAINT WALLS	PAINT CEIL.	REMARKS
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

BASEMENT FLOOR DOOR SCHEDULE

NO.	SIZE	MATERIAL DOOR	MATERIAL FRAME	TYPE DOOR	TYPE FRAME	HDW SET	REMARKS
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

LEGEND

[illegible]

GENERAL NOTES

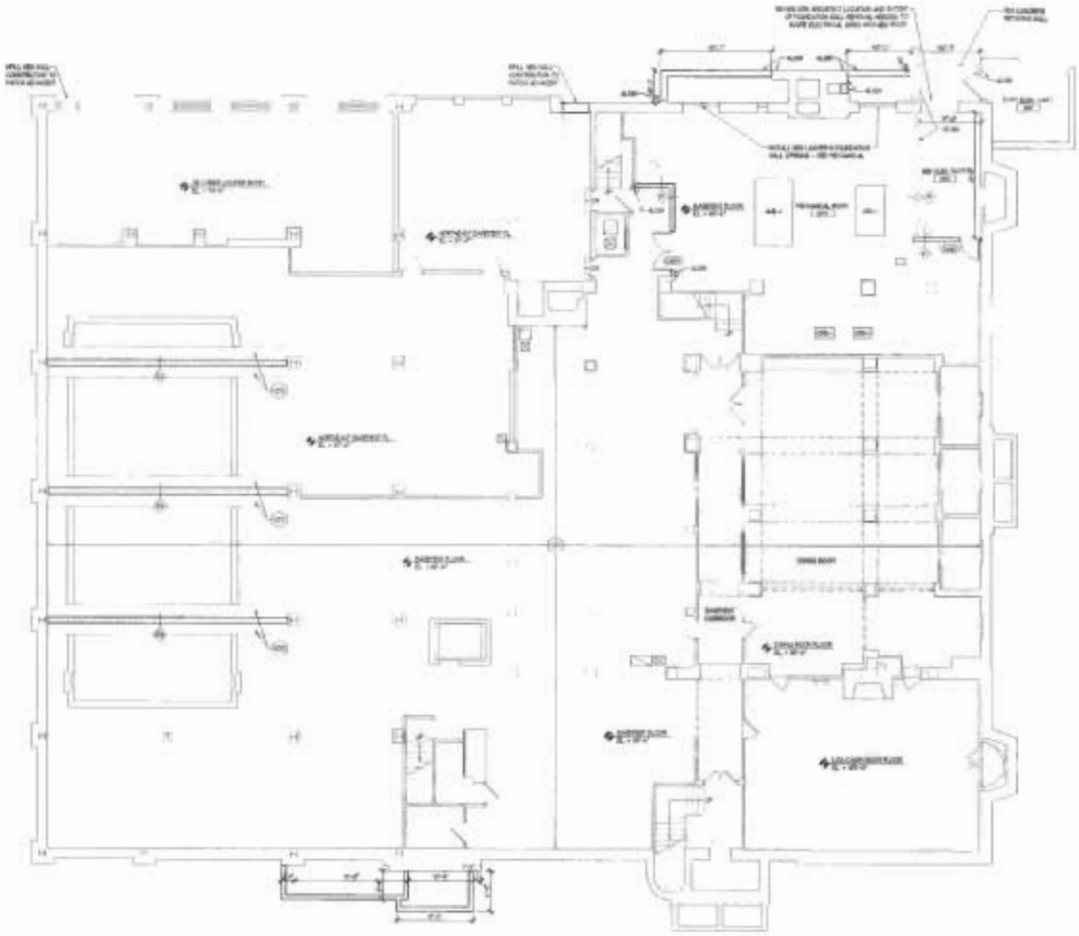
[illegible]

FLOOR PLAN KEY NOTES

[illegible]

WALL TYPES

[illegible]



BASEMENT FLOOR PLAN

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BASEMENT FLOOR PLAN

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1310 60th Street, Suite 200
Kenosha, WI 53143
PH: (262) 652-4000

1310.0601

PAB TJC

09.22.15

A3.0

FIRST FLOOR DOOR SCHEDULE

No.	Size	Material: Door	Material: Frame	Type: Door	Type: Frame	HDW Set	Remarks
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]

FIRST FLOOR ROOM FINISH SCHEDULE

Room Name	No.	Floor	Base	Walls: North	Walls: East	Walls: South	Walls: West	Ceiling: Paint	Ceiling: Other	Paint: Walls	Paint: Ceiling	Remarks
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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TYPICAL UNIT ROOM FINISH SCHEDULE

Room Name	Floor	Base	Walls: North/East	Walls: South/West	Ceiling: Paint	Ceiling: Other	Paint: Walls	Paint: Ceiling	Remarks
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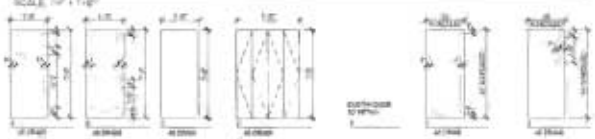
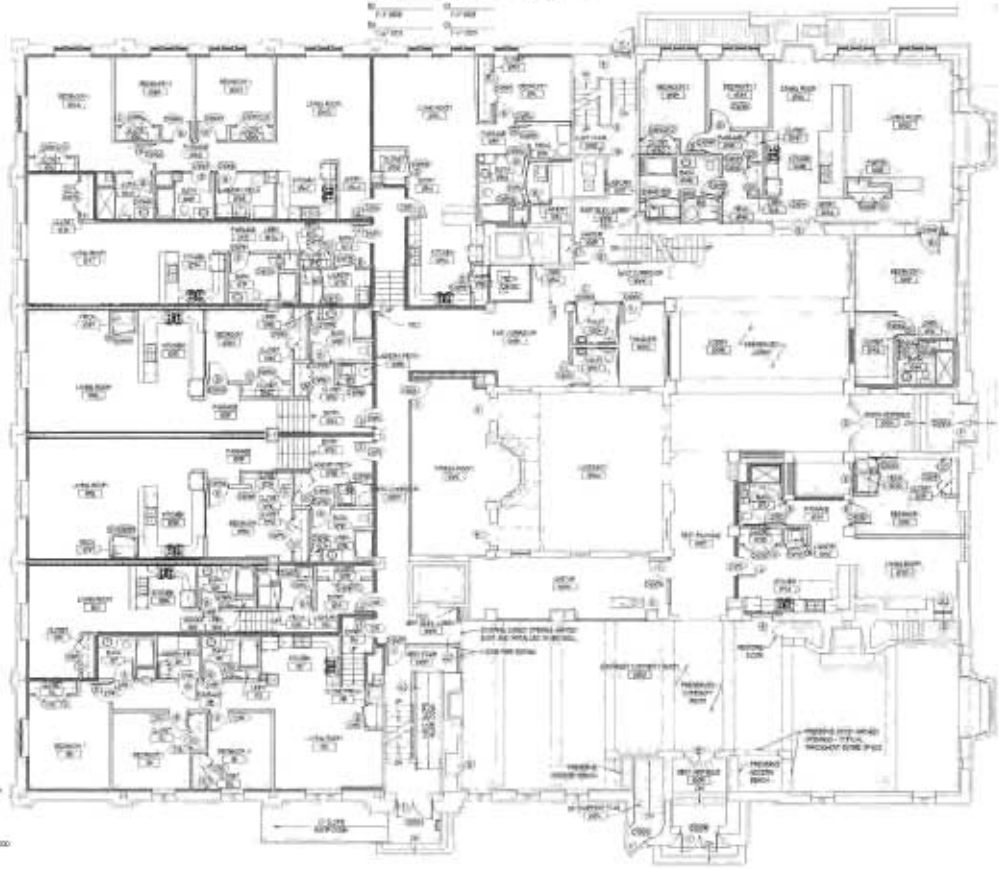
DOOR TYPES

SCALE: 1/4" = 1'-0"



FRAME TYPES

SCALE: 1/4" = 1'-0"



FLOOR PLAN LEGEND

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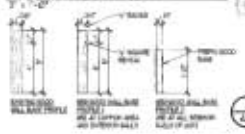
WALL BASE DETAILS

3" = 1'-0"



FIRST FLOOR PLAN

1/A3.1 1/8" = 1'-0"

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FIRST FLOOR PLAN

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[illegible]

[illegible]

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A3.1

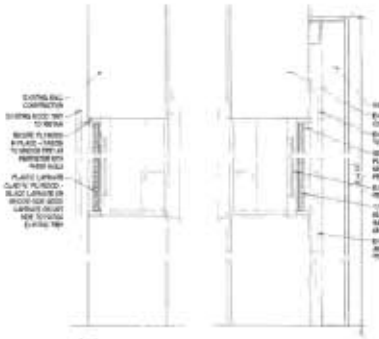
LEGEND

GENERAL NOTES

WALL TYPES

FLOOR PLAN KEY NOTES

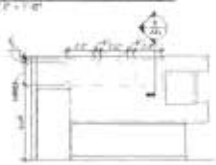
FLOOR PLAN KEY NOTES (CONT'D)



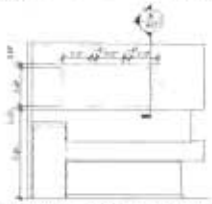
SECTION • SOUTH VESTIBULE WINDOWS

INTERIOR ELEVATION • MAILBOXES

SECTION • STUDIO UNITS



INT. ELEV. • KITCHEN CLERESTORY



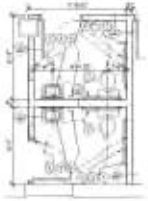
INT. ELEV. • KITCHEN CLERESTORY

TOILET ACCESSORIES LEGEND

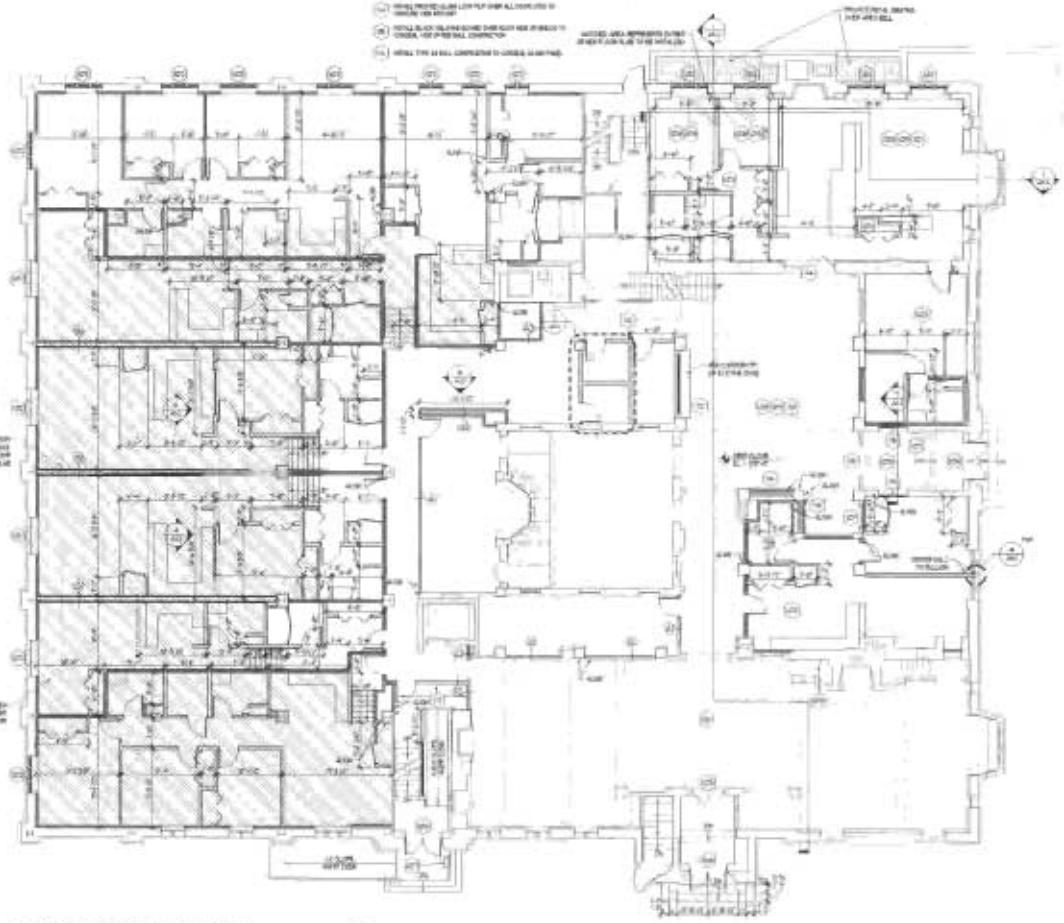
NO.	DESCRIPTION	MANUFACTURER	MODEL #
[illegible]	[illegible]	BRADLEY	[illegible]
[illegible]	[illegible]	BRADLEY	[illegible]
[illegible]	[illegible]	BRADLEY	[illegible]
[illegible]	COLD WATER EXPOSED	SELECTIVE SIMS	
[illegible]	WALL MOUNTED SOAP DISPENSER	BRADLEY	[illegible]
[illegible]	WALL MOUNTED TOWEL - BRAVED	BRADLEY	[illegible]
[illegible]	PAPER TOWEL DISPENSER/WASTE RECEPTACLE	BRADLEY	[illegible]

FIXTURE CLEARANCES

ACCESSORY MOUNTING HEIGHTS



ENLARGED TOILET ROOM PLAN



FIRST FLOOR DIMENSION PLAN

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FIRST FLOOR DIMENSION PLAN

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451.05.001

PAB TCC

09.12.19

A3.2

SECOND FLOOR DOOR SCHEDULE

NO.	SIZE	MATERIAL DOOR	MATERIAL FRAME	TYPE DOOR	TYPE FRAME	HDW SET	REMARKS
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

SECOND FLOOR ROOM FINISH SCHEDULE

ROOM NAME	NO.	FLOOR	BASE	WALLS NORTH	WALLS EAST	WALLS SOUTH	WALLS WEST	CEILING PATT.	CEILING HT.	PAINT WALLS	PAINT CLG	REMARKS
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

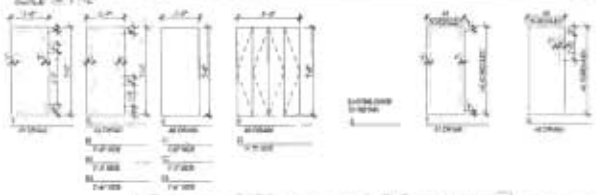
TYPICAL UNIT ROOM FINISH SCHEDULE

ROOM NAME	FLOOR	BASE	WALLS NRS-CONST	WALLS EXISTING	CEILING PATT.	CEILING HT.	PAINT WALLS	PAINT CLG	REMARKS
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

DOOR TYPES

SCALE: [illegible]

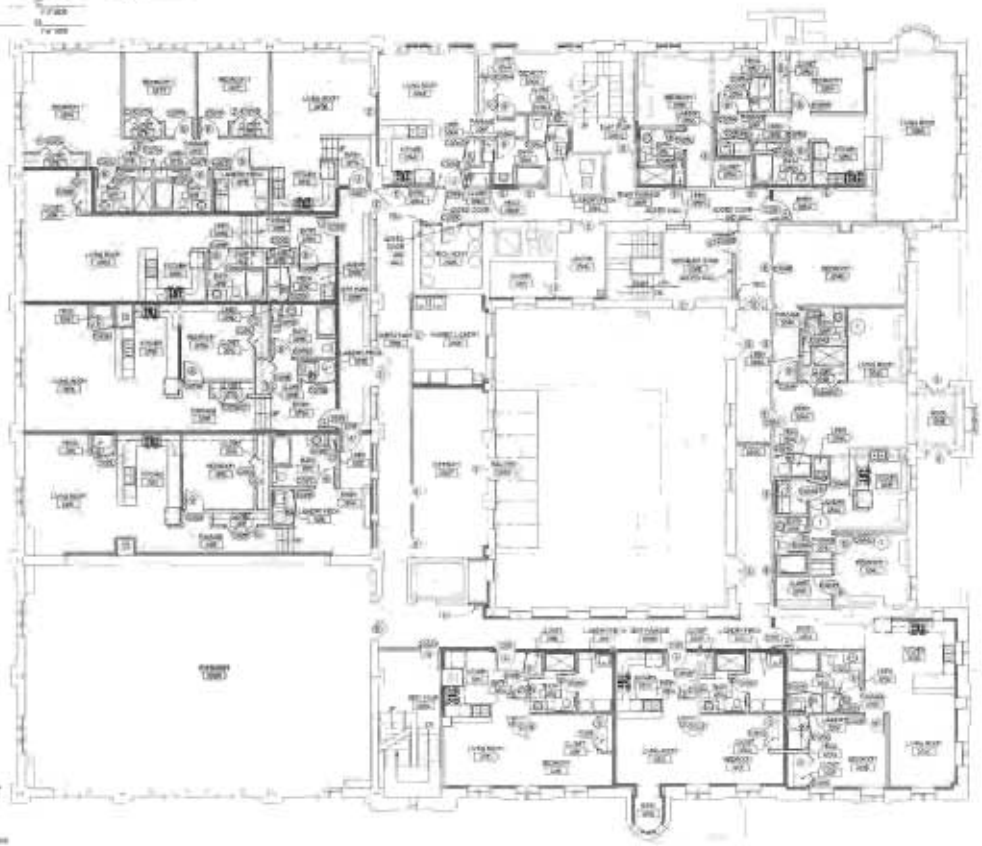


FRAME TYPES

SCALE: [illegible]

FLOOR PLAN KEYNOTES

1. [illegible]
2. [illegible]

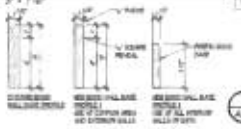


FLOOR PLAN LEGEND

[illegible]

WALL BASE DETAILS

3" = 1'-0"



SECOND FLOOR PLAN
A3.3 1/8" = 1'-0"

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SECOND FLOOR PLAN

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[illegible]

[illegible]

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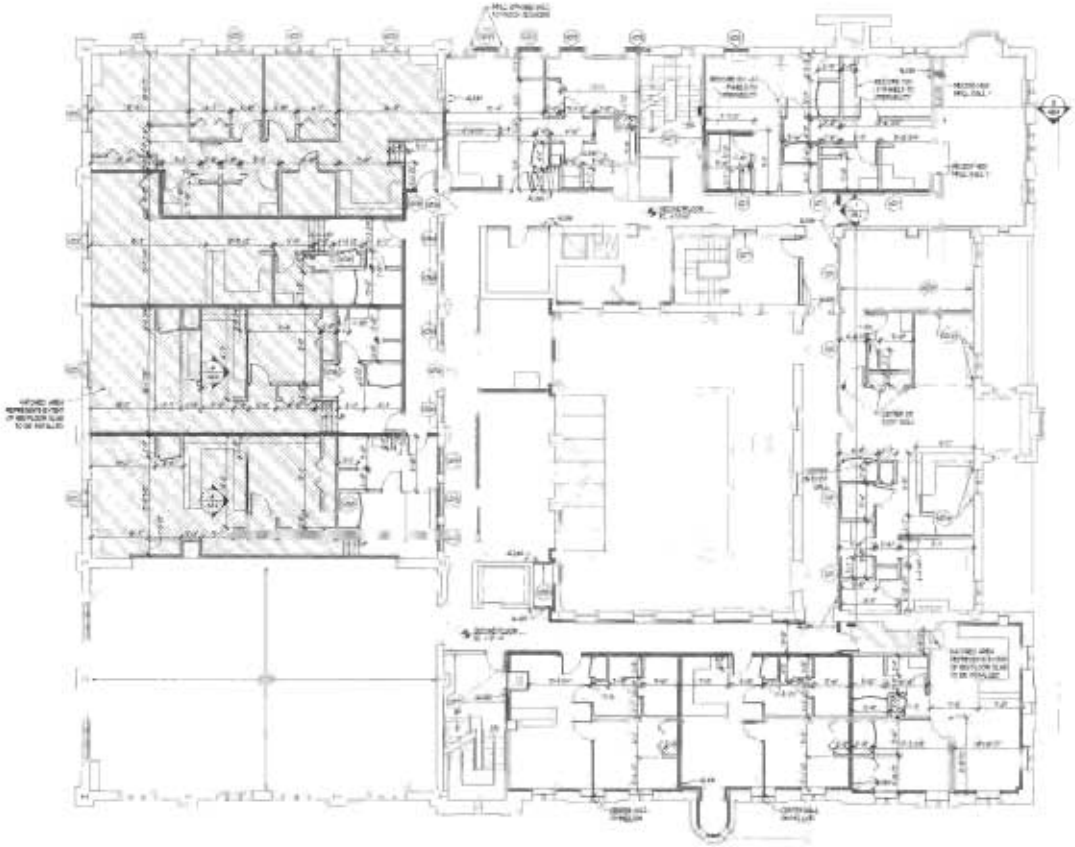
A3.3

LEGEND

GENERAL NOTES

WALL TYPES

FLOOR PLAN KEY NOTES



SECOND FLOOR DIMENSION PLAN

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SECOND FLOOR DIMENSION PLAN, WALL TYPES, DETAILS AND NOTES

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A3.4

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THIRD FLOOR DOOR SCHEDULE

NO.	SIZE	HARDWARE		TYPE			HEAD DETAIL	REMARKS
		DOOR	FRAME	DOOR	FRAME			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

UNIQUE UNIT ROOM FINISH SCHEDULE

UNIT	FLOOR	BASE	WALLS			CEILING	REMARKS
			NORTH / SOUTH	EAST / WEST			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

THIRD FLOOR ROOM FINISH SCHEDULE

ROOM NAME	NO.	FLOOR	BASE	WALLS				CEILING		PAINT			REMARKS
				NORTH	EAST	SOUTH	WEST	PATT.	MT.	WALLS	CLG.		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

TYPICAL UNIT ROOM FINISH SCHEDULE

ROOM NAME	FLOOR	BASE	WALLS				CEILING		PAINT			REMARKS
			NORTH / SOUTH	EAST / WEST			PATT.	MT.	WALLS	CLG.		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

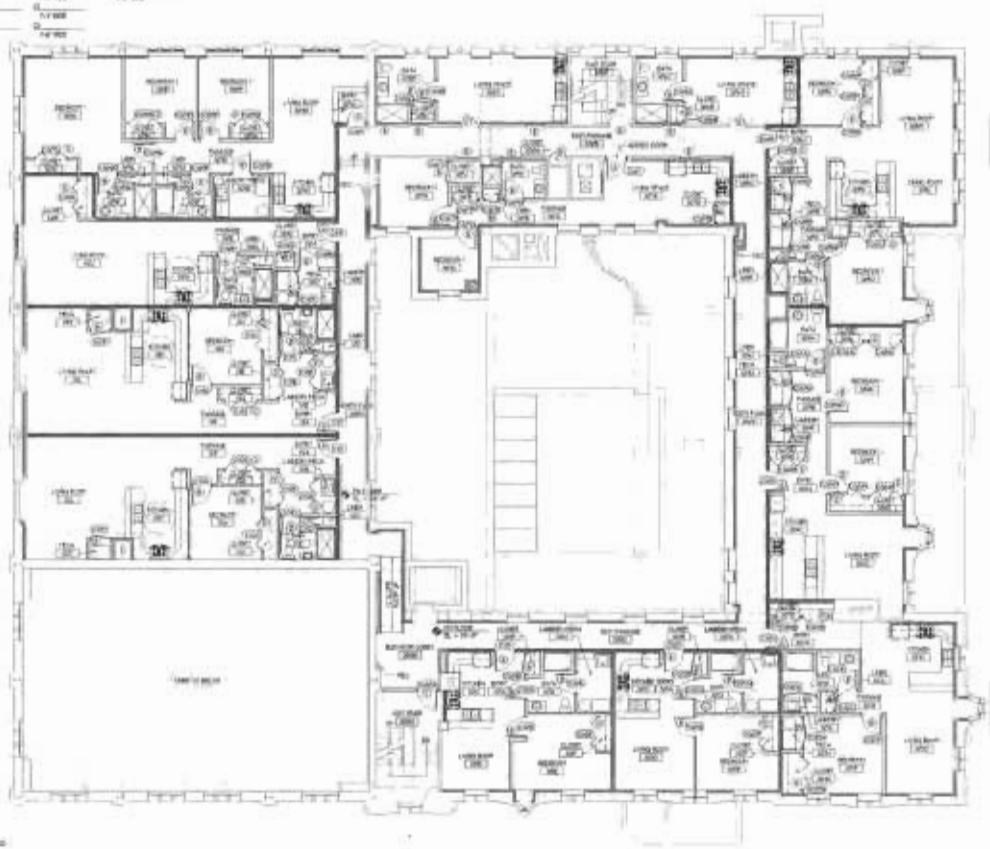
[illegible]

DOOR TYPES

SCALE: [illegible]

FRAME TYPES

SCALE: [illegible]



FLOOR PLAN LEGEND

[illegible]

WALL BASE DETAILS

[illegible]

STAIR DETAIL

A3.5 SCALE: 1/2" = 1'-0"

THIRD FLOOR PLAN

A3.5 1/8" = 1'-0"

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THIRD FLOOR PLAN

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[illegible]

[illegible]

[illegible]

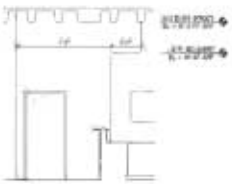
A3.5

LEGEND

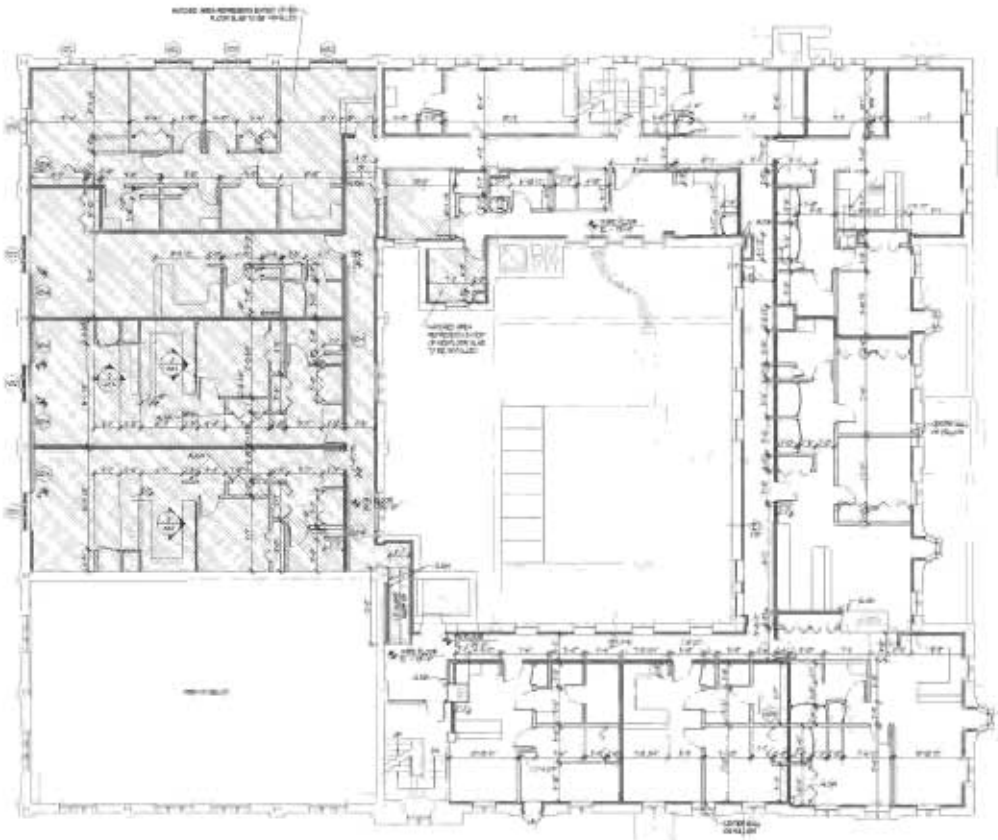
GENERAL NOTES

WALL TYPES

FLOOR PLAN KEY NOTES



2 INTERIOR ELEVATION • UNIT 310



A3.4 THIRD FLOOR DIMENSION PLAN

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THIRD FLOOR DIMENSION PLAN

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FOURTH FLOOR ROOM FINISH SCHEDULE

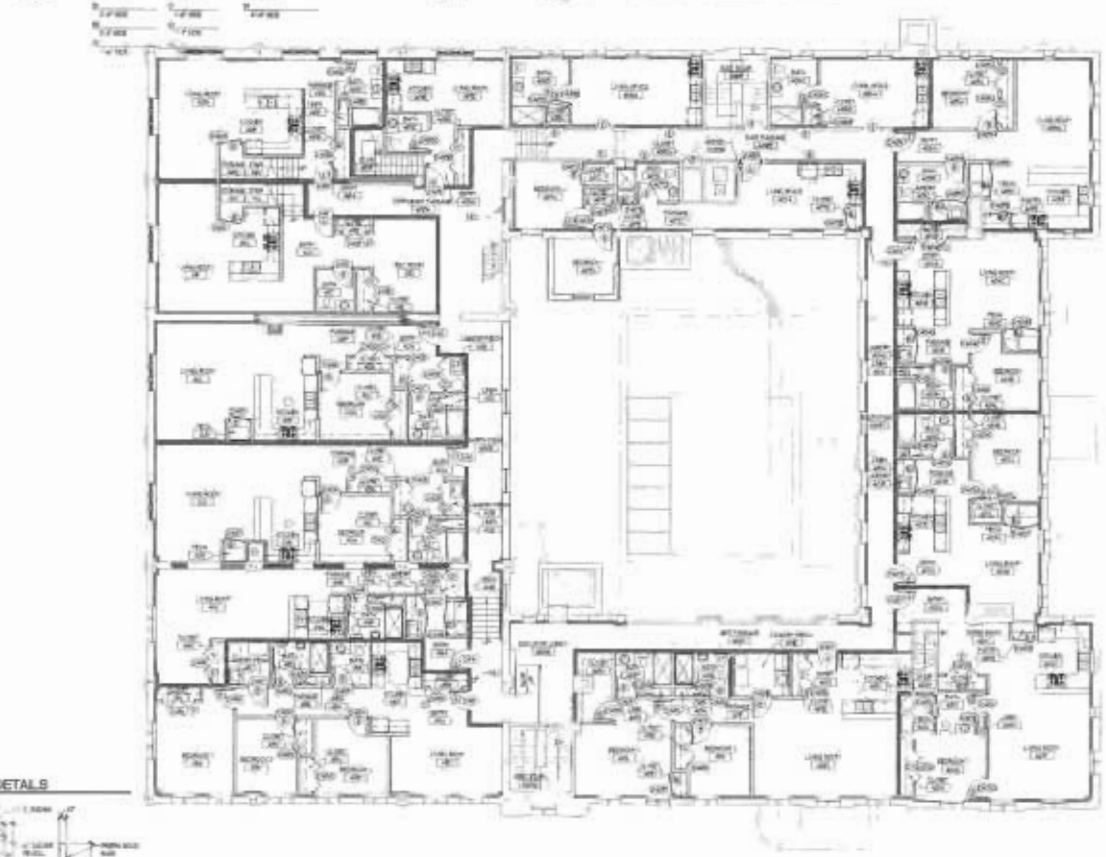
ROOM NAME	NO.	FLOOR	BASE	WALLS				CEILING		PAINT			REMARKS
				NORTH	EAST	SOUTH	WEST	MAT'L	HT.	WALLS	CLG		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TYPICAL UNIT ROOM FINISH SCHEDULE

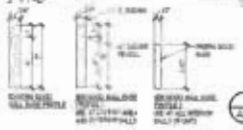
ROOM NAME	FLOOR	BASE	WALLS			CEILING		PAINT		REMARKS
			NEW CONST	EXISTING		MAT'L	HT.	WALLS	CLG	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DOOR TYPES
SCALE 1/4" = 1'-0"

FRAME TYPES
SCALE 1/4" = 1'-0"



WALL BASE DETAILS
3" = 1'-0"



FOURTH FLOOR PLAN
1/8" = 1'-0"

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FOURTH FLOOR PLAN

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4/14/2020

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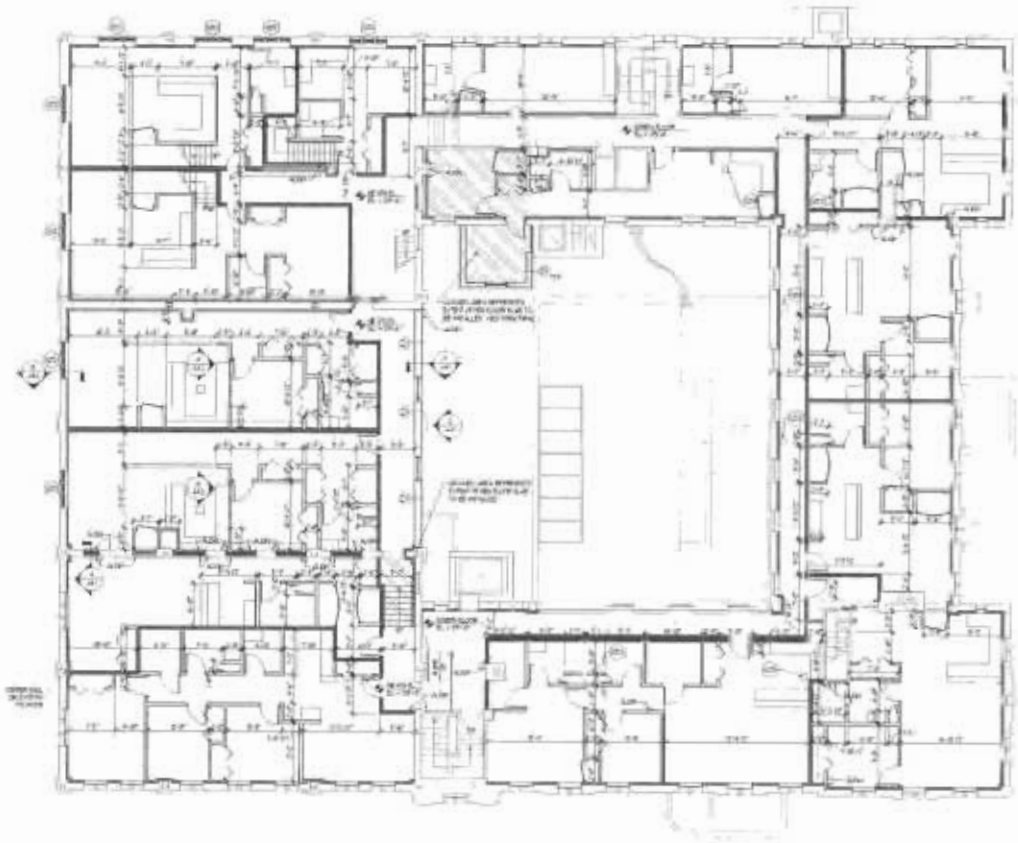
LEGEND

GENERAL NOTES

FLOOR PLAN KEY NOTES

WALL TYPES



FOURTH FLOOR DIMENSION PLAN

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FOURTH FLOOR DIMENSION PLAN

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FIFTH FLOOR DOOR SCHEDULE

NO.	SIZE	MATERIAL DOOR	MATERIAL FRAME	TYPE DOOR	TYPE FRAME	HDW. SET	REMARKS
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

FIFTH FLOOR ROOM FINISH SCHEDULE

ROOM NAME	NO.	FLOOR	BASE	WALLS				CEILING		PAINT			REMARKS
				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

TYPICAL UNIT ROOM FINISH SCHEDULE

ROOM NAME	FLOOR	BASE	WALLS			CEILING		PAINT		REMARKS
			HDW. CORT.	EXHAUSTING		FINIS.	H	WALLS	C.G.	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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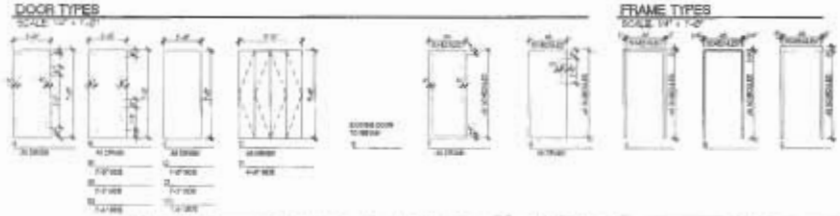
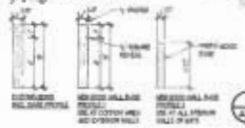
DOOR TYPES

FRAME TYPES



WALL BASE DETAILS



FIFTH FLOOR PLAN

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THE RESIDENCES AT LIBRARY PARK
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FIFTH FLOOR PLAN

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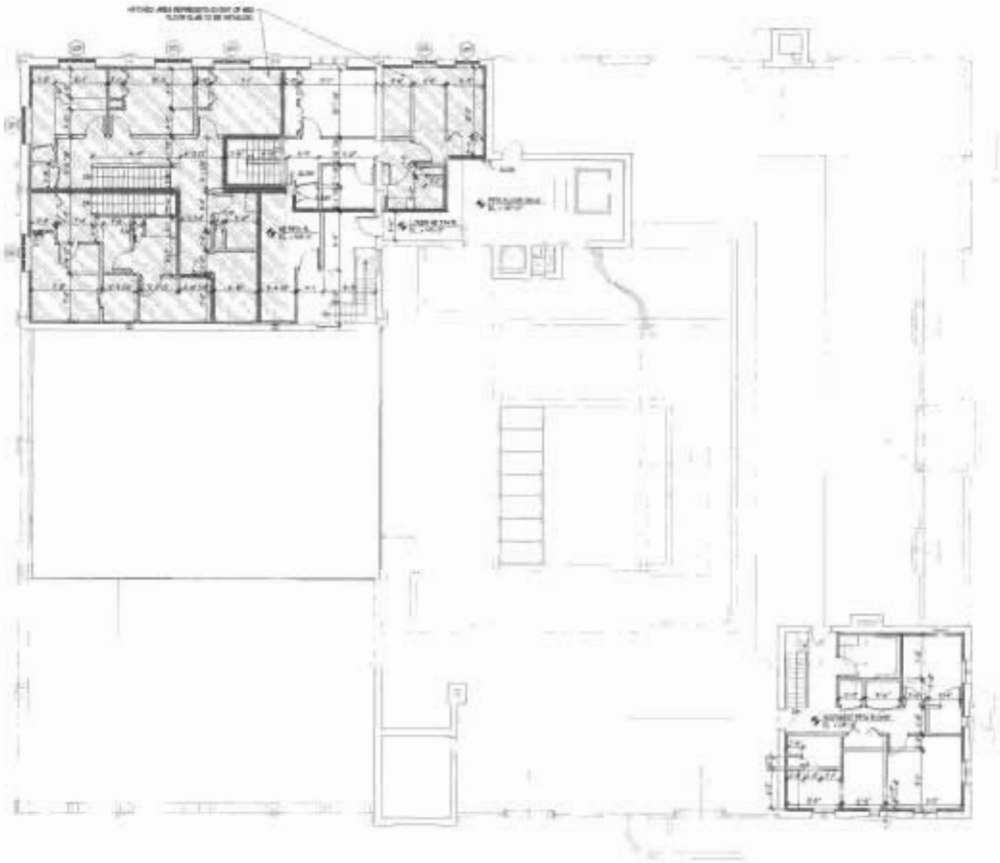
GENERAL NOTES

WALL TYPES

FLOOR PLAN KEY NOTES



FIFTH FLOOR DIMENSION PLAN

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FIFTH FLOOR DIMENSION PLAN

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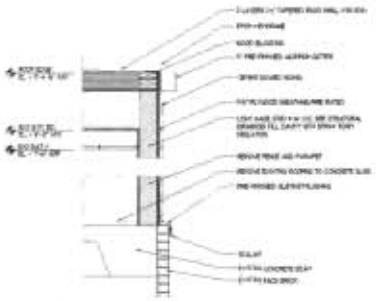
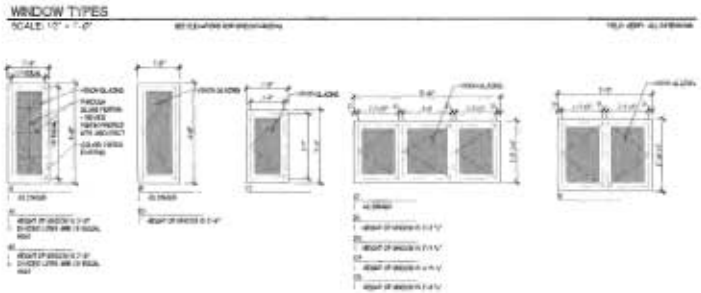


SECTION THROUGH SOUTH WALL

WINDOW TYPES



PROPOSED ELEVATION KEY NOTES

SOUTH ELEVATION • FOURTH FLOOR ADDITION

SOUTH ELEVATION

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SOUTH ELEVATION

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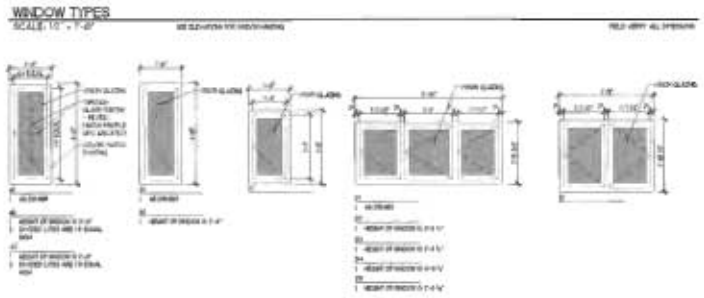
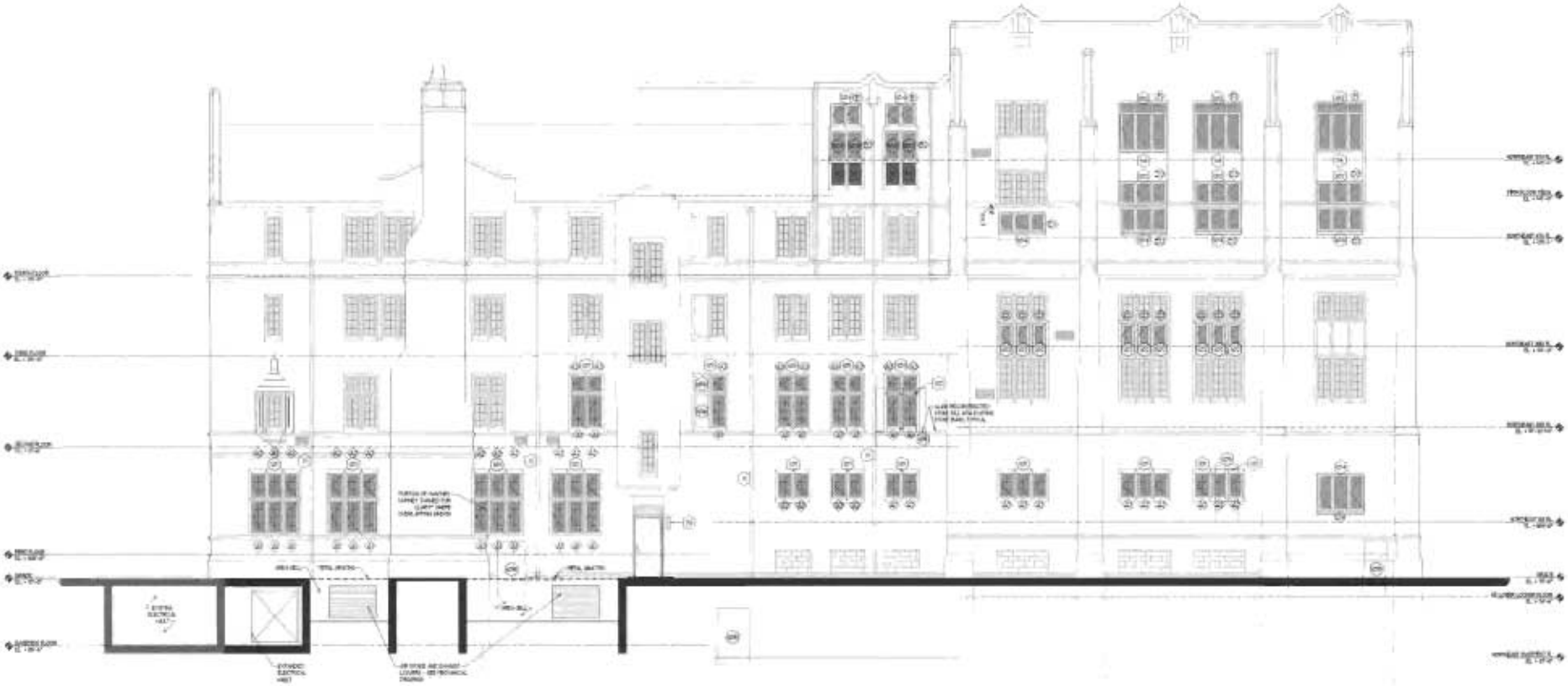
WINDOW TYPES

SCALE: 1/2" = 1'-0"



PROPOSED ELEVATION KEY NOTES



EAST ELEVATION

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THE RESIDENCES AT LIBRARY PARK
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EAST ELEVATION

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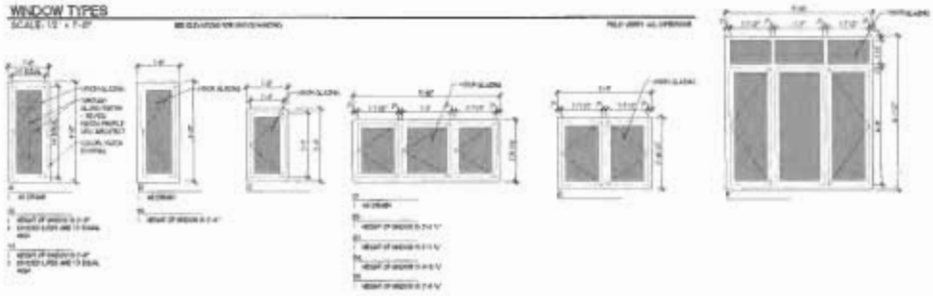
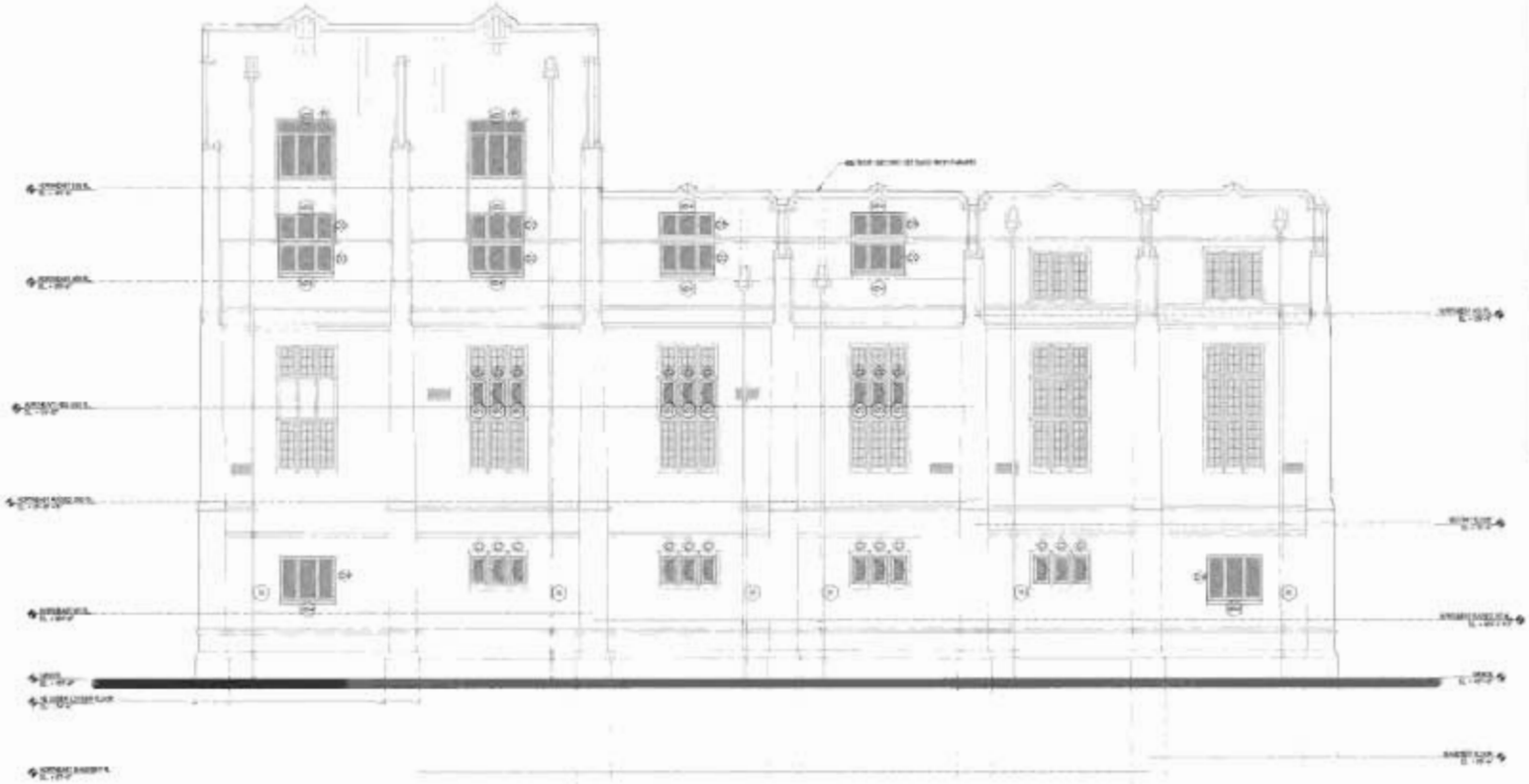
WINDOW TYPES

SCALE: 1/2" = 1'-0"



PROPOSED ELEVATION KEY NOTES



NORTH ELEVATION

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NORTH ELEVATION

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Market Study

The Residences at Library Park Apartments

Multifamily
WHEDA Compliant Market Study

Kenosha, WI
January 2016

Prepared by:

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Executive Summary

Introduction

Legacy Property Management Services ("Developer") has acquired a five-story vacated building located on the southeast corner of the 8th Avenue and 59th Street intersection in the City of Kenosha, Kenosha County, Wisconsin for the adaptive reuse and conversion into the Residences at Library Park, a proposed forty-nine unit Low-Income Housing Tax Credit ("LIHTC") development. The proposed development will consist of the construction of one, five-story garden style building containing 12, studio units (956 square feet), 26, one bedroom units (785 square feet), 10, two bedroom units (1,296 square feet), and 1, three bedroom unit (1,500 square feet).

The Developer proposes to set aside forty-two of the units for residents earning 30, 50, and 60 percent or less of the Kenosha County Area Median Income ("AMI") using the Wisconsin Housing and Economic Development Authority ("WHEDA") LIHTC Program with the remaining seven units being rented at the prevailing market rental rates. In addition, the Developer is also proposing to target approximately 25 percent of the total unit count (twelve units) to the general population and Veterans eligible for long term care services.

The subject redevelopment site is centrally located within the City of Kenosha, Wisconsin. More specifically, the site is located on the southeast corner of the 8th Avenue and 59th Street intersection. The existing site is currently made up of the existing Kenosha YMCA located at 720 59th Place, a vacated five-story masonry structure. The immediate area surrounding the site is made up of a variety of uses including park space, small multifamily developments, commercial, medical and retail uses, as well as residential single-family homes to the south. Lake Michigan is approximately 0.4 miles to the east of the subject site.

Purpose

This market study was prepared in accordance with the most recent WHEDA Market Study Guidelines as published by WHEDA as of the date of this report for the purpose of assisting the Developer to determine the availability of WHEDA tax credits or financing for the project.

This market study will assess whether sufficient potential demand exists for the introduction of forty-nine multifamily rental units into the proposed development site's housing market. Potential demand is defined as the pool of income-qualified households that can afford the proposed rents. In this study, demand will be qualified by identifying the following: the lease-up period, the date of estimated sustained occupancy (93 percent occupied at underwritten rents and expenses) in the primary market, and the effect of the newly renovated project on the existing market. The market study will further assess the market demand compatibility for the unit rental rates and other development amenities associated with the proposed forty-nine unit rental development.

Methodologies

Methodologies used by Baker Tilly Virchow Krause, LLP ("Baker Tilly") include the following:

> The primary market area ("PMA") must first be established before the influences of supply and demand can be assessed. The PMA is defined as the geographic area from which a property is expected to draw the majority of its residents. PMAs are established using a variety of factors including, but not limited to:

- A detailed demographic and socioeconomic evaluation
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
- Personal observations by the field analyst
- An evaluation of existing housing supply characteristics and trends.

- A site visit is conducted in order to identify competing multifamily developments. The site visit is used to measure the overall strength of the apartment market. This is achieved through an evaluation of existing occupancy and rent levels, unit mix, and overall quality of product. In addition, the site visit establishes those projects that are most likely directly comparable to the proposed property. Both Section 42 LIHTC developments and market rate developments that offer unit and project amenities similar to the proposed development are included in the analysis based on the site visit.

- Economic and demographic characteristics of the area are evaluated. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the proposed project opens and when it achieves a stabilized occupancy.

  This market study utilizes demographic data obtained from both the US Census and ESRI, a nationally recognized third party provider of demographic data, demographic estimates and demographic projections. Specifically, the data provided by ESRI is known as ESRI Business Analyst Online ("ESRI BAO"). These sources for demographic data are deemed as reliable. Given the transitional nature of the analysis by ESRI BAO, the demographic data presented in this report is a combination of actual 2010 and forecasted 2015 and 2020 demographic data sets. According to ESRI BAO, the latest most reliable Census data is used in their demographic estimates and projections.

- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development.

- A determination of estimated achievable market rent for the proposed subject development is conducted. Using a Rent Comparability Grid, the features of the proposed development are compared with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an estimated achievable market rent for a unit comparable to the proposed unit.

- An analysis following WHEDA market study guidelines of the subject project's required capture of the number of income-appropriate households within the PMA is conducted. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Baker Tilly also conducts a comparison of all existing and planned LIHTC housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.

Sources

Baker Tilly uses various sources to gather and confirm data used in each analysis. These sources include the following:

- The 2010 US Census
- ESRI Business Analyst Online ("ESRI BAO")
- U.S. Department of Labor
- Local chamber of commerce officials
- Local economic development officials
- Property management for each comparable property included in the survey
- Local planning, zoning, and building officials
- Local housing authority representatives

Report Limitations

The intent of this report is to collect and analyze data to forecast the market success of the subject property within an agreed to time period. Baker Tilly relies on a variety of sources of data to generate this report. These data sources are not always verifiable. Baker Tilly, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Baker Tilly is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Proposed Project Description Summary

The Residences at Library Park Development Overview Summary	
Project Name:	The Residences at Library Park
Project Location:	720 59th Place Kenosha, WI 53140
Project Description:	The proposed Residences at Library Park apartments will consist of the adaptive reuse and conversion of the existing, vacated Kenosha YMCA building into a total of forty-nine units made of the following unit mix: 12, studio units (956 square feet), 26, one bedroom units (785 square feet), 10, two bedroom units (1,296 square feet), and 1, three bedroom unit (1,500 square feet). The existing masonry building will total five stories in height served by a centralized elevator.
# of Units:	49
# of Income Restricted Units:	42
AMI Target Market:	The Developer proposes to set aside forty-two of the units for residents earning 30, 50 and 60 percent or less of the Kenosha County AMI using the WHEDA LIHTC Program with the remaining seven units being rented at the prevailing market rental rates.
Tenancy Restrictions:	None, open to all ages. The Developer is also proposing to target approximately 25 percent of the total unit count (twelve units) to the general population and Veterans eligible for long term care services.
Existing Site Conditions:	The proposed development site is currently improved with the existing, vacated Kenosha YMCA building. The existing building consists of five stories with a masonry exterior.
Current Occupancy	N/A
Utility Arrangement:	Trash removal will be included in the rent while residents will be responsible for their own water, sewer, gas for hot water and heating, and unit electric for cooking, lighting, and air conditioning.
Project Based Rental Assistance:	N/A
Unit Amenities	Proposed unit amenities and building attributes will generally include the following: electric self-cleaning oven/range, refrigerator, dishwasher, garbage disposal, microwave, in-unit washer/dryer, carpet, central air-conditioning, window blinds, and balconies (in select units).
Common Area Amenities:	The proposed development amenities and building attributes will generally include the following: elevator, management office with on-site resident manager, meeting/activity room, computer center, fitness center, controlled access with intercom system, storage lockers, and Wi-Fi access
Parking:	Surface parking (52 stalls included in the rent)

The Residences at Library Park Development Overview Summary (continued)	
On-Site Supportive Services:	The proposed project will not provide long-term services, nor charge fees related to the long-term services to residents, but will rather refer residents to an area Aging and Disability Resource Center ("ADRC") and/or other area local partners in order that they find services and resources and service providers most appropriate for the residents.
Construction Start Date:	October 2016
Occupancy Date:	September 2017

Proposed Project Unit Matrix

The Residences at Library Park
Proposed Unit Matrix

# of Units	Unit Type	% of AMI*	Net Rent $/Mo.	Utility Allowance	Gross Rents	2015 Kenosha County Maximum Rent	Size (SF)
4	Studio	30%	$277	$91	$368	$368	956
4	Studio	50%	$497	$91	$588	$613	956
4	Studio	MKT	$840	$91	$931	N/A	956
5	1 BR/1 BA	30%	$282	$112	$394	$394	785
11	1 BR/1 BA	50%	$517	$112	$629	$657	785
8	1 BR/1 BA	60%	$638	$112	$750	$789	785
2	1 BR/1 BA	MKT	$890	$112	$1,002	N/A	785
3	2 BR/1-2 BA	30%	$335	$138	$473	$473	1,296
3	2 BR/1-2 BA	50%	$617	$138	$755	$788	1,296
3	2 BR/1-2 BA	60%	$767	$138	$905	$946	1,296
1	2 BR/1-2 BA	MKT	$1,075	$138	$1,213	N/A	1,296
1	3 BR/2 BA	60%	$868	$179	$1,047	$1,094	1,500
49	**Total Units**						

Note: Trash removal will be included in the rent while residents will be responsible for their own water, sewer, gas for hot water and heating, and unit electric for cooking, lighting, and air conditioning.

Major Findings and Conclusions

Below is a summary of the general findings and recommendations with respect to the market.

> Based on the scope of the research conducted and the analyst's professional opinion, sufficient potential demand likely exists for the introduction of forty-nine rental units at the proposed site in Kenosha, Wisconsin. The site location and scope of development make the proposed development marketable in the prevailing rental market. Based on the scope of the research conducted, the unit mix, unit sizes, rents and amenities are appropriate for the intended use and targeted market and the development is consistent with the competition within the PMA.

> Based on the scope of the research conducted and the analyst's professional opinion, the proposed development is likely feasible from a market perspective, and a market likely exists for the development as proposed. The prospect for long-term performance of the property is positive given the housing, demographic trends, and economic factors. Although the proposed development may directly compete for residents with the comparable developments, the proposed development will not have a material negative impact on the existing housing market including the LIHTC Section 42 housing, other affordable housing properties (Section 8, 515, 236, and public housing), or market rate housing. Based on discussions with numerous managers of competing developments in the PMA, the key to the long-term success of the proposed development is proactive management. Also based on the research conducted, we have no recommendations for improvement or modifications to the proposed project.

> The site possesses convenient vehicular linkages with easy connections to the major roadways in the City of Kenosha. The site will not benefit from significant drive-by exposure as all surrounding roadways are lightly traveled. This may be somewhat mitigated by the height of the proposed development (five stories). In addition, the site will not benefit from pedestrian linkages due to the lack of a significant amount of commercial uses and/or services near the site. Therefore, the site is deemed as an average location for multifamily housing.

> The following development strengths and weaknesses were noted during the course of this analysis:

Strengths

- The site maintains strong transportation linkages with quick and convenient access to other areas of Kenosha. The subject site is located just east of several Kenosha bus transit routes with connections throughout the city.
- The site is located directly north of Library Park and Simmons Library and 0.4 miles west of Lake Michigan offering several recreational opportunities.
- The site is located ¼ mile to the north of the United Hospital System Kenosha Medical Center Campus.
- The subject site has a Walkscore of 89 out of 100. This location is considered "Very Walkable" meaning most errands can be accomplished by foot.
- The overall population is projected to increase by approximately 265 people per year for the five years ending in 2020, resulting in an overall gain of 1.0 percent. The number of households is projected to increase at a rate of about 105 per year for a gain of 1.1 percent.
- The multifamily rental market in the PMA is considered strong by generally accepted standards, with a total of twenty-seven vacancies for a 0.8 percent vacancy rate. Of the twenty-seven vacancies, seven were noted within the LIHTC Section 42 developments for a 1.7 percent vacancy rate, and twenty vacancies were noted in the market rate developments for a 0.8 percent vacancy rate.
- The subject property is consistent with all other competition with respect to most important categories including unit mix, rental rates, and amenities offered. The subject development is superior to the competition with respect to unit sizes. Therefore, the proposed development would be competitive in the PMA rental marketplace.

- The most recently constructed LIHTC family development in the PMA (5th Avenue Lofts) is exhibiting very high absorption rates indicating a need for rental units targeting 30 to 60 percent AMI households. The first thirty units at 5th Avenue Lofts will be ready for occupancy January 30, 2016 and the second thirty units on February 20, 2016. Preleasing began twelve months ago by taking names for a waiting list and began taking face to face meetings October 20, 2015. As of January 14, 2016, 37 of 40 LIHTC units are preleased and 17 of 20 market rate units have down payments.

Weaknesses

- The site will not benefit from a significant amount of drive-by exposure as all surrounding roadways are lightly traveled and the site is not located on an arterial roadway. This may be somewhat mitigated by the height of the proposed development (five stories) as well as the subject's location at a well-known location overlooking Library Park. In addition, given the local residents' knowledge of the former YMCA building, the proposed revitalization of the building will likely garner attention from local residents, thereby helping to mitigate the apparent lack of drive-by visibility.

> The predominant target market for the development exists. In addition to the consensus among those interviewed, a review of existing comparables, a review of the transportation linkages for the surrounding area, a review of the health care providers, and a driving tour of the surrounding area establish a factual basis for determining the PMA boundaries. These factors indicate that the predominant PMA includes Kenosha County to the east of Interstate 94. Specifically, the PMA includes U.S. Census Tracts 1 and 3 through 26.

Based on the site's access to major thoroughfares and discussions with property managers of potentially competing developments, it is likely that 20 to 25 percent of the residents that ultimately rent from the proposed development will originate from outside the PMA (most likely from other areas of the Kenosha County). However, as a conservative approach, only the population from within the PMA was analyzed in this study.

> ESRI BIS provided the demographic data for the analysis based on the 2000 and 2010 US census data. According to the US Census Bureau and the ESRI BIS actual 2010 and forecasted 2015 and 2020 demographic data sets, the overall population is projected to increase by approximately 265 people per year for the five years ending in 2020, resulting in an overall gain of 1.0 percent. The number of households is projected to increase at a rate of about 105 per year for a gain of 1.1 percent. A greater increase is projected in renter occupied units than in owner occupied units, with the overall average household size remaining constant at 2.56 persons per household.

Demographic Summary					
Description	**2010 US Census**	**2015 ESRI Forecasts**	**2020 ESRI Forecasts**	**% Change 2015-2020**	**Annual Change 2015-2020**
Population	127,928	128,929	130,253	1.0%	265.0
Households	48,127	48,734	49,259	1.1%	105.0
Families	31,625	31,809	32,026	0.7%	43.4
Average Household Size	2.56	2.56	2.56	-	-
Owner Occupied Housing Units	30,693	30,134	30,418	0.9%	56.8
Renter Occupied Housing Units	17,434	18,600	18,841	1.3%	48.2
Median Age	35.0	35.8	36.1	-	-

Source: U.S. Census Bureau, Census 2010 Summary File 1. ESRI Forecasts for 2015 and 2020.

> Twenty-eight comparable developments were identified and inventoried for a total of 3,214 rental units within the PMA. The multifamily rental market in the PMA is considered strong by generally accepted standards, with a total of twenty-seven vacancies for a 0.8 percent vacancy rate. Of the twenty-seven vacancies, seven were noted within the LIHTC Section 42 developments for a 1.7 percent vacancy rate, and twenty vacancies were noted in the market rate developments for a 0.8 percent vacancy rate.

Comparable Development Occupancy Summary					
Development Type	**Number of Developments**	**Number of Units**	**Vacant Units**	**Vacancy Rate**	**Vacancy Rate with Applications Pending**
LIHTC Section 42 Family	5	424	7	1.7%	0.5%
Market Rate Family	20	2,471	20	0.8%	0.5%
Federally Subsidized Family	2	137	0	0.0%	0.0%
Federally Subsidized Senior	1	182	0	0.0%	0.0%
Overall	**28**	**3,214**	**27**	**0.8%**	**0.4%**

> Market rate calculations were based on the most prevalent unit types for the one, two, and three bedroom apartment units within family developments located in the PMA.

Summary of Estimated Achievable Market Rents			
Development	**1 BR/1 BA**	**2 BR/1 BA**	**2 BR/2 BA**
Estimated Achievable Market Rents Minimum	$772	$926	$929
Estimated Achievable Market Rents Maximum	$951	$1,189	$1,209
Estimated Achievable Market Rents Average	**$890**	**$1,060**	**$1,075**

Due to an insufficient amount of comparable studio and three bedroom units in the PMA, estimates were made in determining the achievable market rents for the subject's studio and three bedroom units. Based on discussions with numerous property managers in the PMA and a review of the rental differential between the one and two bedroom units, Baker Tilly has determined that the rental discount for a 956 square foot studio unit will be $50 per month under a one bedroom unit. Given the large size of the studio units, this discount is likely very conservative and rental rates will likely be more consistent with the estimated achievable one bedroom market rent.

The premium for a 1,500 square foot three bedroom unit will be $100 per month over a two bedroom/two bathroom unit. The likely market rent for the three bedroom unit will be $1,175 per month, which is $.78 per square foot.

Summary of Estimated Achievable Market Rents			
Unit Type	**Base Market Rent per Month**	**Average Unit Size (SF)**	**Rent per SF**
Studio	$840	956	$0.88
1 BR/1 BA	$890	785	$1.13
2 BR/1 BA	$1,060	1,296	$0.82
2 BR/2 BA	$1,075	1,296	$0.83
3 BR/2 BA	$1,175	1,500	$0.78

> Our analysis suggests that the proposed set side rents are 31.7 to 73.9 percent of estimated achievable market rents representing greater than a 10 percent discount to market rate rental rates in the PMA.

Proposed The Residences at Library Park Rents versus Estimated Achievable Market Rents					
# of Units	**Unit Type**	**% of AMI***	**Net Rent $/Mo.**	**Estimated Achievable Market Rents**	**Ratio of Proposed Net Rents to Estimated Achievable Market Rents**
4	Studio	30%	$277	$840	33.0%
4	Studio	50%	$497	$840	59.2%
4	Studio	MKT	$840	$840	100.0%
5	1 BR/1 BA	30%	$282	$890	31.7%
11	1 BR/1 BA	50%	$517	$890	58.1%
8	1 BR/1 BA	60%	$638	$890	71.7%
2	1 BR/1 BA	MKT	$890	$890	100.0%
3	2 BR/1-2 BA	30%	$335	$1,060-1,075	31.6%-31.2%
3	2 BR/1-2 BA	50%	$617	$1,060-1,075	58.2%-57.4%
3	2 BR/1-2 BA	60%	$767	$1,060-1,075	71.3%-72.4%
1	2 BR/2 BA	MKT	$1,075	$1,075	100.0%
1	3 BR/2 BA	60%	$868	$1,175	73.9%
49	**Total Units**				

Note: Trash removal will be included in the rent while residents will be responsible for their own water, sewer, gas for hot water and heating, and unit electric for cooking, lighting, and air conditioning.

> A normative estimate of 6,713 renter-only income-qualified households are projected to be potential residents for the proposed development. The introduction of forty-nine units will need to capture between 0.6 percent and 0.9 percent of the estimated renter households under the age of 65 in the income eligible cohort of the PMA. The normative estimate is approximately 0.7 percent. This range falls well below the typical maximum 15 percent threshold for family housing developments in similar sized communities. Due to the lack of other affordable family housing developments located within the PMA, the number of units appears reasonable and subject to other market conditions will likely be absorbed..

> Based on discussions with property managers in the PMA (including properties owned and managed by the Developer), the low vacancy rates for the family developments in the PMA, and the lack of a significant amount of existing LIHTC Section 42 housing in the PMA, the proposed development will likely have a monthly absorption of four to five units per month. The Developer indicated that the property manager will conduct a substantial amount of preleasing. Based on the low vacancy rate for the market rate units that are deemed competitive to the proposed development, it is reasonable to assume that the development will open with 20 percent of the units preleased (ten units). Based on a 4.5 unit per month absorption rate combined with 20 percent of the units preleased at the development's opening, an eight month lease-up period is expected based upon a 93 percent stabilized occupancy rate. The absorption is calculated as follows:

Absorption Calculation:	
Total Units	49
Stabilized Occupancy	93%
Total units to be leased	46
Less: Units Preleased (20%)	(10)
Remaining units	36
Divided by 4.5 units per month	4.5
Number of months to reach Stabilized occupancy	**8 Months**

Project Description

Understanding of the Project

This market study serves to assess the multifamily housing market in the City of Kenosha, Wisconsin for the development of the Residences at Library Park, a proposed forty-nine unit rental housing development open to residents of all ages. Establishing the lease-up period, the date of estimated sustained occupancy (93 percent occupied at underwritten rents and expenses), and the effect of the newly developed project on the existing market will provide necessary information to determine the market for the Residences at Library Park development.

This market study was prepared in accordance with the most recent WHEDA Market Study Guidelines as published by WHEDA as of the date of this report for the purpose of assisting the Developer to determine the availability of WHEDA tax credits or financing for the project. The scope of this market study will also include:

- a visual analysis of the property
- a determination of the PMA
- an evaluation of the socio-demographic characteristics of the population
- a survey of the comparable, existing, proposed, and zoned market rate and LIHTC rental projects in the PMA
- an analysis of the historic, current and forecasted absorption rates and occupancy levels in the PMA
- an analysis of the supply-demand relationship for the rental units
- an executive summary including findings and recommendations regarding the overall market study

This analysis is based upon secondary information provided by the US Census Bureau and other local, state, and private agencies. In addition, primary information was collected through interviews with the Developer, public officials, and knowledgeable real estate professionals in the Kenosha community. A site visit by David Haviland, a representative of Baker Tilly Virchow Krause, LLP, was conducted on June 9, 2014.

Problem Definition

This market study will assess whether sufficient potential demand exists for the introduction of forty-nine family rental units into the proposed development site's housing market. Potential demand is defined as the pool of income-qualified households that can afford the proposed rents. In this study, demand will be qualified by identifying the following: the lease-up period, the date of estimated sustained occupancy (93 percent occupied at underwritten rents and expenses) in the primary market, and the effect of the newly renovated project on the existing market. The market study will further assess the market demand compatibility for the unit rental rates and other development amenities associated with the proposed forty-nine unit multifamily rental development.

Development Overview

The proposed Residences at Library Park apartments will consist of the adaptive reuse and conversion of the existing, vacated Kenosha YMCA building into a total of forty-nine units made of the following unit mix: 12, studio units (956 square feet), 26, one bedroom units (785 square feet), 10, two bedroom units (1,296 square feet), and 1, three bedroom unit (1,500 square feet). The existing masonry building will total five stories in height served by a centralized elevator.

The Developer proposes to set aside forty-two of the units for residents earning 30, 50 and 60 percent or less of the Kenosha County AMI using the WHEDA LIHTC Program with the remaining seven units being rented at the prevailing market rental rates. The Developer is also proposing to target approximately 25 percent of the total unit count (twelve units) to general the population and Veterans eligible for long term care services.

Trash removal will be included in the rent while residents will be responsible for their own water, sewer, gas for hot water and heating, and unit electric for cooking, lighting, and air conditioning. Based upon estimates provided from the Kenosha Housing Authority, unit utilities are estimated to be an additional $91 to $179 per month. The projected rents are indicated in the following table along with the 2015 Kenosha County maximum rents allowed by WHEDA.

The Residences at Library Park
Proposed Unit Matrix

# of Units	Unit Type	% of AMI*	Net Rent $/Mo.	Utility Allowance	Gross Rents	2015 Kenosha County Maximum Rent	Size (SF)
4	Studio	30%	$277	$91	$368	$368	956
4	Studio	50%	$497	$91	$588	$613	956
4	Studio	MKT	$840	$91	$931	N/A	956
5	1 BR/1 BA	30%	$282	$112	$394	$394	785
11	1 BR/1 BA	50%	$517	$112	$629	$657	785
8	1 BR/1 BA	60%	$638	$112	$750	$789	785
2	1 BR/1 BA	MKT	$890	$112	$1,002	N/A	785
3	2 BR/1-2 BA	30%	$335	$138	$473	$473	1,296
3	2 BR/1-2 BA	50%	$617	$138	$755	$788	1,296
3	2 BR/1-2 BA	60%	$767	$138	$905	$946	1,296
1	2 BR/1-2 BA	MKT	$1,075	$138	$1,213	N/A	1,296
1	3 BR/2 BA	60%	$868	$179	$1,047	$1,094	1,500
49	**Total Units**						

Note: Trash removal will be included in the rent while residents will be responsible for their own water, sewer, gas for hot water and heating, and unit electric for cooking, lighting, and air conditioning.

Unit and Development Amenities

The Developer has acquired a five-story vacated building located on the southeast corner of the 8th Avenue and 59th Street intersection in the City of Kenosha, Kenosha County, Wisconsin for the adaptive reuse and conversion into the Residences at Library Park, a proposed forty-nine unit LIHTC development. The proposed development will consist of the construction of one, five-story garden style building containing 12, studio units (956 square feet), 26, one bedroom units (785 square feet), 10, two bedroom units (1,296 square feet), and 1, three bedroom unit (1,500 square feet).

The subject redevelopment site is centrally located within the City of Kenosha, Wisconsin. More specifically, the site is located on the southeast corner of the 8th Avenue and 59th Street intersection. The existing site is currently made up of the existing Kenosha YMCA located at 720 59th Place, a vacated five-story masonry structure. Development amenities and building attributes would generally include the following:

- Controlled entry with intercom system
- Management office with on-site resident manager
- Elevator
- Meeting/activity room
- Computer center
- Fitness center
- Storage lockers
- Surface parking (52 stalls included in the rent)

Unit amenities and building attributes would generally include the following:

- Energy Star appliances (electric self-cleaning oven/range, refrigerator, dishwasher, garbage disposal, microwave)
- In-unit washer/dryer
- Private balconies (select units)
- Central air-conditioning
- Window treatments
- Cable TV/computer hookups
- Wi-Fi access

Construction of the development is proposed to commence in October 2016 with initial occupancy slated for September 2017. Premarketing will begin six months prior to occupancy.

Location and Market Area Definition

Primary Market Area ("PMA")

The PMA is defined as a geographic area from which a property is expected to draw the majority of its residents. Additionally, the PMA is the area in which similar properties compete with the subject property for tenants. The PMA for the proposed development must first be established before the influences of supply and demand can be assessed.

The subject redevelopment site is centrally located within the City of Kenosha, Wisconsin. More specifically, the site is located on the southeast corner of the 8th Avenue and 59th Street intersection. The existing site is currently made up of the existing Kenosha YMCA located at 720 59th Place, a vacated five-story masonry structure. The immediate area surrounding the site is made up primarily of a park, smaller apartment developments, various commercial, medical and retail uses, and residential single-family homes to the south, mostly government, commercial and retail uses to the north, mostly commercial and retail uses along with pockets of single-family residential homes to the west, and residential single-family homes, smaller apartment developments and various commercial and retail uses to the east. Lake Michigan is approximately 0.4 miles to the east of the subject site.

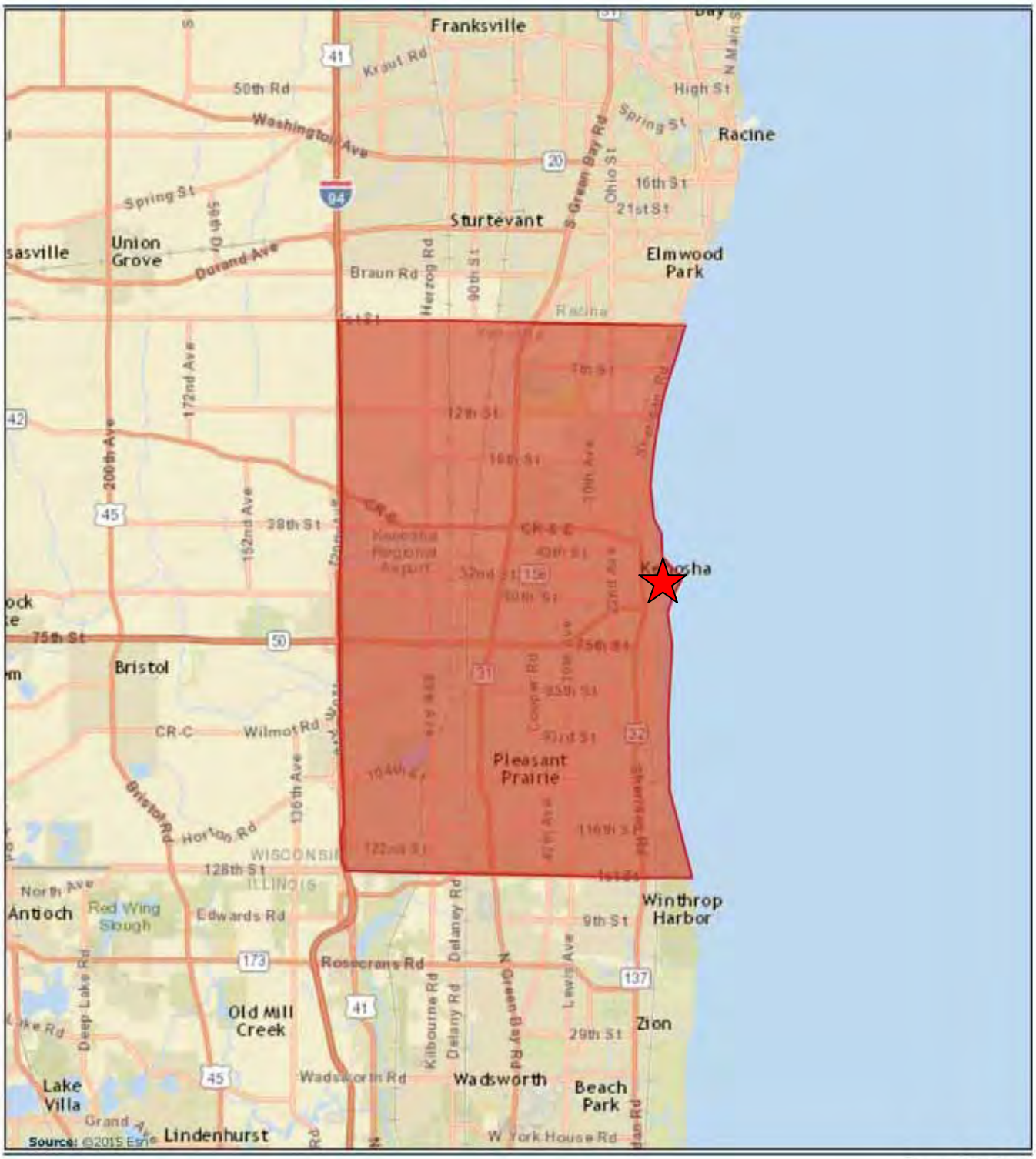
Interviews were conducted with property managers of potentially competing properties, the City of Kenosha's Planning Department, and other city and county officials. A consensus among those interviewed indicated that a predominant target market for the development exists. In addition to the consensus among those interviewed, a review of existing comparables, a review of the transportation linkages for the surrounding area, a review of the health care providers, and a driving tour of the surrounding area establish a factual basis for determining the PMA boundaries.

These factors indicate that the predominant PMA includes Kenosha County to the east of Interstate 94. Specifically, the PMA includes U.S. Census Tracts 1 and 3 through 26.

Based on the site's access to major thoroughfares and discussions with property managers of potentially competing developments, it is likely that 20 to 25 percent of the residents that ultimately rent from the proposed development will originate from outside the PMA (most likely from other areas of the Kenosha County). However, as a conservative approach, only the population from within the PMA will be analyzed in this study.

A map of the PMA is included on the following page.

PMA Map



January 07, 2016

Proposal Narrative Statements

PROPOSAL NARRATIVE STATEMENTS

Project Location and Housing Needs

1. Briefly describe the proposed development and the need for affordable rental housing where the proposed development is to take place. Also describe the neighborhood where the development is to be located, how the project will relate to its surroundings. If a site specific market study or community housing plan has been completed, applicant may substitute it for the narrative (please attach).

   – ATTACHED MARKET STUDY

2. Explain the efforts made to solicit input from the neighborhood for this specific proposal.

   Varin/Library Park II, LLC and its affiliates feel that input from the community is critical to developing the historic YMCA into multi-family housing. We understand that comments and suggestions are essential in understanding how the development may impact the local community. We have made community businesses and residents aware of the desire to develop the YMCA to into multi-family housing and information regarding the development has been made readily available. In addition, we have worked with the alderman, city and county throughout the review process. Furthermore, Varin/Library Park II, LLC and its affiliates held an open house at the YMCA for the community to discuss the project.

3. How does the proposed development address the priorities and strategies identified in the City of Kenosha Consolidated Plan?

   The City of Kenosha Strategic Plan outlines the needed revival of the YMCA building in the downtown area. The plan specifically states that the demand for quality rentals will be increased and that there will be a demand for future residential housing.

Match

Please describe how the organization will provide "matching" funds for the HOME Program. (see Appendix A for eligible sources of match).

The project will be utilizing a TIF loan of $300,000 to help finance the costs. This money will be loaned into the project at a 3% rate for 10 years as reflected in the submitted financial analysis. Per Exhibit 8-2 of the Match Attach A, Tax Increment Financing is an acceptable source of match.

20 Year Pro-Forma

RESIDENCES at LIBRARY PARK
FORECAST OF NET CASH FLOW FROM OPERATIONS

		1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	2(
Income																					
Rental Income		$ 13,247	$ 293,804	$ 326,012	$ 332,533	$ 339,183	$ 345,967	$ 352,886	$ 359,944	$ 367,143	$ 374,486	$ 381,975	$ 389,615	$ 397,407	$ 405,355	$ 413,463	$ 421,732	$ 430,166	$ 438,770	$ 447,545	$ 456,4
Other Income		303	6,768	7,574	7,725	7,879	8,037	8,198	8,362	8,529	8,700	8,874	9,051	9,232	9,417	9,605	9,797	9,993	10,193	10,397	10,6
Vacancy	-7%	(949)	(21,040)	(23,351)	(23,818)	(24,294)	(24,780)	(25,276)	(25,781)	(26,297)	(26,823)	(27,359)	(27,907)	(28,465)	(29,034)	(29,615)	(30,207)	(30,811)	(31,427)	(32,056)	(32,6
TIF Income		-	29,000	29,870	30,766	31,689	32,640	33,619	34,628	35,666	36,736	37,838	38,974	-	-	-	-	-	-	-	-
Effective Gross Income		12,601	308,532	340,105	347,206	354,458	361,864	369,427	377,152	385,041	393,099	401,328	409,733	378,174	385,738	393,453	401,322	409,349	417,536	425,886	434,4
			279,532																		
Expenses																					
Operating Expenses		7,126	188,352	209,761	216,054	222,535	229,211	236,087	243,169	250,464	257,978	265,717	273,688	281,899	290,357	299,068	308,039	317,281	326,799	336,603	346,7
Management Fee		756	16,772	18,614	18,986	19,368	19,753	20,148	20,551	20,962	21,382	21,809	22,246	22,690	23,144	23,607	24,079	24,561	25,052	25,553	26,0
Reserve for Replacement	10%	-	7,350	14,700	14,700	14,700	14,700	16,170	16,170	16,170	16,170	16,170	17,787	17,787	17,787	17,787	17,787	19,566	19,566	19,566	19,5
Total Operating Expenses		7,882	212,474	243,075	249,740	256,601	263,664	272,405	279,891	287,596	295,530	303,697	313,721	322,377	331,288	340,462	349,905	361,407	371,417	381,722	392,3
Net Operating Income		4,719	96,059	97,029	97,466	97,856	98,199	97,022	97,262	97,446	97,569	97,632	96,012	55,798	54,450	52,990	51,416	47,941	46,118	44,164	42,0
			67,059	67,159	66,700	66,167	65,560	63,403	62,634	61,779	60,832	59,793	57,038	55,798	54,450	52,990	51,416	47,941	46,118	44,164	42,0
Debt Service																					
Debt Service - 1st mortgage		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service - KABA		-	28,380	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,0
Debt Service - HOME		-	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,0
Debt Service - TIF		-	29,000	29,870	30,766	31,689	32,640	33,619	34,628	35,666	36,736	37,838	37,993	-	-	-	-	-	-	-	-
Total Debt Service		-	57,380	63,926	74,822	75,745	76,695	77,674	78,683	79,722	80,792	81,894	82,048	44,056	44,056	44,056	44,056	44,056	44,056	44,056	44,0
DSCR- excluding TIF			*2.36*	*1.97*	*1.96*	*1.94*	*1.93*	*1.86*	*1.84*	*1.81*	*1.79*	*1.78*	*1.67*	*1.64*	*1.60*	*1.56*	*1.51*	*1.41*	*1.35*	*1.30*	*1.*
DSCR- All			*1.67*	*1.52*	*1.30*	*1.29*	*1.28*	*1.25*	*1.24*	*1.22*	*1.21*	*1.19*	*1.17*	*1.27*	*1.24*	*1.20*	*1.17*	*1.09*	*1.05*	*1.00*	*0.*
Asset Management Fee	3%	-	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,5
Cash Flow		4,719	33,679	27,954	17,339	16,648	15,877	13,551	12,608	11,574	10,443	9,214	7,244	4,821	3,266	1,592	-	-	-	-	-
Deferred Developer Fee																					
Payment	197,843	4,719	33,679	27,954	17,339	16,648	15,877	13,551	12,608	11,574	10,443	9,214	7,244	4,821	3,266	1,592	-	-	-	-	-
Incentive Management Fee	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash Flow for Distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Allocated As Follows:																					
General Partner	0.01%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Limited Partner	99.99%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Development Team

DEVELOPER EXPERIENCE CERTIFICATION

Developer Name: Legacy Property Management Services, LLC

Number of years in the multifamily apartment business: 18

I certify that the developments portrayed on the following *DEVELOPER EXPERIENCE* sheets represent all the developments in which I have participated within, at minimum, the last five (5) years that have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development.

Signature: _____ Date: 12/30/15

Name: (please print) David Nankin

Please attach a resume or company fact sheet indicating years of experience, the experience of the principals and total applicable number of units.

DEVELOPER EXPERIENCE

Complete the information below for each development your organization has carried out within, at minimum, the last five years. List only those developments that have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development. *Do not include developments that do not have a certificate of occupancy.* Attach additional copies of this form as needed.

Development Name: Hillcrest Apartments	City, State: Waukesha, Wisconsin	Developer Contact Name: David Nankin	Telephone Number: 847-432-9700
Development Type: ☐ New Construction ☒ Rehabilitation ☐ Acquisition/Rehabilitation	Type of Subsidy: ☐ None (Market) ☒ Section 42 ☒ Section 8 ☐ Tax-Exempt Bond Financing ☐ Rural Housing ☐ Other:	Placed-in-Service Date: 12/31/2013	Number of Total Units: 60 Number of Low-Income Units: 60
Is permanent financing in place? ☒ Yes ☐ No Have you had to make capital contributions? ☐ Yes ☒ No	No. of Months in Lease-Up Period[1] 1	Physical and Economic Occupancy %'s for Each of the Last Two Years[2] Physical 98.9% Economic 98.9%	
Development Lender: Bellwether Enterprise	City, State: Cleveland, OH	Contact Person: Mike Gruss	Telephone Number: 216-820-4514
Development Equity Provider: Enterprise Community	City, State: Columbia, MD	Contact Person: Philip Porter	Telephone Number: 410-772-2594
Has the development ever had a financial audit performed? ☒ Yes ☐ No If yes, provide the financial statement year: 2015	If an audit has been performed, has the audit been qualified based on the development's ability to remain a going concern? ☐ Yes ☒ No	Contact Person at Audit Provider: Trenton Kleist	Telephone Number: 608-240-6715

[1]Lease-Up Period = Time from Occupancy Certificate Receipt to 90% Occupancy Achievement
[2]Economic Occupancy = Actual Rents Received Divided by Gross Potential Rents

DEVELOPER EXPERIENCE

Complete the information below for each development your organization has carried out within, at minimum, the last five years. List only those developments that have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development. *Do not include developments that do not have a certificate of occupancy.* Attach additional copies of this form as needed.

Development Name: Forest Glen	City, State: Rockford, Illinois	Developer Contact Name: David Nankin	Telephone Number: 847-432-9700
Development Type: ☐ New Construction ☒ Rehabilitation ☐ Acquisition/Rehabilitation	Type of Subsidy: ☐ None (Market) ☒ Section 42 ☐ Section 8 ☐ Tax-Exempt Bond Financing ☐ Rural Housing ☐ Other:	Placed-in-Service Date: 06/14/1994	Number of Total Units: 140 Number of Low-Income Units: 57
Is permanent financing in place? ☒ Yes ☐ No Have you had to make capital contributions? ☐ Yes ☒ No	No. of Months in Lease-Up Period[1] n/a	Physical and Economic Occupancy %'s for Each of the Last Two Years[2] Physical 97.5% Economic 97.5%	
Development Lender: Berkadia	City, State: Chicago, Illinois	Contact Person: Matthew Ewig	Telephone Number: 262-542-1050
Development Equity Provider: N/A – post year 15 deal	City, State: n/a	Contact Person: n/a	Telephone Number: n/a
Has the development ever had a financial audit performed? ☒ Yes ☐ No If yes, provide the financial statement year:	If an audit has been performed, has the audit been qualified based on the development's ability to remain a going concern? ☐ Yes ☒ No	Contact Person at Audit Provider: Trenton Kleist	Telephone Number: 608-240-6715

[1]Lease-Up Period = Time from Occupancy Certificate Receipt to 90% Occupancy Achievement
[2]Economic Occupancy = Actual Rents Received Divided by Gross Potential Rents

DEVELOPER EXPERIENCE

Complete the information below for each development your organization has carried out within, at minimum, the last five years. List only those developments that have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development. *Do not include developments that do not have a certificate of occupancy.* Attach additional copies of this form as needed.

Development Name: Monterey Apartments	City, State: Waukesha, Wisconsin	Developer Contact Name: David Nankin	Telephone Number: 847-432-9700
Development Type: ☐ New Construction ☒ Rehabilitation ☐ Acquisition/Rehabilitation	Type of Subsidy: ☒ None (Market) ☐ Section 42 ☐ Section 8 ☐ Tax-Exempt Bond Financing ☐ Rural Housing ☐ Other:	Placed-in-Service Date: n/a	Number of Total Units: 240 Number of Low-Income Units: 0
Is permanent financing in place? ☒ Yes ☐ No Have you had to make capital contributions? ☐ Yes ☒ No	No. of Months in Lease-Up Period[1] n/a	Physical and Economic Occupancy %'s for Each of the Last Two Years[2] Physical 98% Economic 98%	
Development Lender: Berkadia	City, State: Chicago, IL	Contact Person: Matthew Ewig	Telephone Number: 262-542-1050
Development Equity Provider: n/a	City, State: n/a	Contact Person: n/a	Telephone Number: n/a
Has the development ever had a financial audit performed? ☐ Yes ☒ No If yes, provide the financial statement year:	If an audit has been performed, has the audit been qualified based on the development's ability to remain a going concern? ☐ Yes ☐ No	Contact Person at Audit Provider: n/a	Telephone Number: n/a

[1]Lease-Up Period = Time from Occupancy Certificate Receipt to 90% Occupancy Achievement
[2]Economic Occupancy = Actual Rents Received Divided by Gross Potential Rents

DEVELOPER EXPERIENCE

Complete the information below for each development your organization has carried out within, at minimum, the last five years. List only those developments that have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development. *Do not include developments that do not have a certificate of occupancy.* Attach additional copies of this form as needed.

Development Name: Courtyard Junction	City, State: Pleasant Prairie, Wisconsin	Developer Contact Name: David Nankin	Telephone Number: 847-432-9700
Development Type: ☐ New Construction ☐ Rehabilitation ☒ Acquisition/Rehabilitation	Type of Subsidy: ☒ None (Market) ☐ Section 42 ☐ Section 8 ☐ Tax-Exempt Bond Financing ☐ Rural Housing ☐ Other:	Placed-in-Service Date: n/a	Number of Total Units: 80 Number of Low-Income Units: 0
Is permanent financing in place? ☒ Yes ☐ No Have you had to make capital contributions? ☐ Yes ☒ No	No. of Months in Lease-Up Period1 n/a	Physical and Economic Occupancy %'s for Each of the Last Two Years[2] Physical 96.6% Economic 96.6%	
Development Lender: Southport Bank	City, State: Kenosha, Wisconsin	Contact Person: Nicole Borissenkov	Telephone Number: 262-577-2412
Development Equity Provider: n/a	City, State: n/a	Contact Person: n/a	Telephone Number: n/a
Has the development ever had a financial audit performed? ☐ Yes ☒ No If yes, provide the financial statement year:	If an audit has been performed, has the audit been qualified based on the development's ability to remain a going concern? ☐ Yes ☐ No	Contact Person at Audit Provider: n/a	Telephone Number: n/a

[1]Lease-Up Period = Time from Occupancy Certificate Receipt to 90% Occupancy Achievement
[2]Economic Occupancy = Actual Rents Received Divided by Gross Potential Rents

DEVELOPER EXPERIENCE

Complete the information below for each development your organization has carried out within, at minimum, the last five years. List only those developments that have activities, features, and/or are similar in size or type (family, elderly, special needs) to the proposed development. *Do not include developments that do not have a certificate of occupancy.* Attach additional copies of this form as needed.

Development Name: Riverside Glen	City, State: Rockford, Illinois	Developer Contact Name: David Nankin	Telephone Number: 847-432-9700
Development Type: ☐ New Construction ☐ Rehabilitation ☒ Acquisition/Rehabilitation	Type of Subsidy: ☐ None (Market) ☒ Section 42 ☐ Section 8 ☐ Tax-Exempt Bond Financing ☐ Rural Housing ☐ Other:	Placed-in-Service Date: 11/10/1995	Number of Total Units: 120 Number of Low-Income Units: 120
Is permanent financing in place? ☐ Yes ☒ No Have you had to make capital contributions? ☐ Yes ☐ No	No. of Months in Lease-Up Period[1] n/a	Physical and Economic Occupancy %'s for Each of the Last Two Years[2] Physical 52.9% Economic 52.9%	
Development Lender: none	City, State:	Contact Person:	Telephone Number:
Development Equity Provider: none	City, State:	Contact Person:	Telephone Number:
Has the development ever had a financial audit performed? ☐ Yes ☒ No If yes, provide the financial statement year:	If an audit has been performed, has the audit been qualified based on the development's ability to remain a going concern? ☐ Yes ☐ No	Contact Person at Audit Provider:	Telephone Number:

[1]Lease-Up Period = Time from Occupancy Certificate Receipt to 90% Occupancy Achievement
[2]Economic Occupancy = Actual Rents Received Divided by Gross Potential Rents

MIDWEST AFFORDABLE HOUSING CORPORATION

Contact: Phil Schultz
Number: 414-588-2221

Midwest Affordable Housing Corporation (MAHC), is a nonprofit corporation which develops and owns both senior and family housing. Most recently, MAHC has developed Teutonia Gardens, a mixed use development for families, in Milwaukee, Wisconsin. See below list for project experience:

Project Name: Greentree Glen
Location: Madison, WI
Units: 61
Project Cost: $3,225,000

Project Name: Glenwood Apartments
Location: Kenosha, WI
Units: 60
Project Cost: $2,349,000

Project Name: Parkview III
Location: Caledonia, WI
Units: 73
Project Cost: $11,816,000

Project Name: Parkview Gardens II
Location: Caledona, WI
Units: 23
Project Cost: $4,560,549

Project Name: Teutonia Gardens
Location: Milwaukee, WI
Units: 24
Project Cost: $5,298,000

Financial Statements of Organization

Annual Statement

Period = Jan 2015-Dec 2015
Book = Accrual

		EOY Dec 2015
4000-00	**INCOME**	
4100-00	**Rent Income**	
5500-00	**Other Income**	
5600-00	Management Fee Income	503,643.71
5700-00	Miscellaneous Income	42,500.00
5890-00	**Total Other Income**	**546,143.71**
5990-00	**TOTAL INCOME**	**546,143.71**
6000-00	**EXPENSES**	
6001-00	**Administrative Expenses**	
6050-00	Contributions	2,304.99
6120-00	Professional Fees-Accounting & Tax	13,815.00
6121-00	Professional Fees-Legal	105.00
6150-00	Bank Charges	549.48
6155-00	Permits, Licenses & Fees	825.08
6160-00	Printing	29.27
6175-00	Computer Expenses	1,098.27
6180-00	Dues & Publications	2,879.43
6184-00	Education and Training	692.10
6185-00	Travel-Airline	703.50
6186-00	Travel-Hotel	676.85
6187-00	Entertainment & Meals	13,056.54
6188-00	Parking & Misc. Transportation	384.14
6200-00	Office Telephone	3.86
6210-00	Paging & Portable Phones	4,954.73
6220-00	Office Supplies	114.43
6225-00	Postage	365.31
6240-00	Employee Hiring Expenses	13,943.52
6245-00	Office and Miscellaneous Administration	1.89
6290-00	**Total Administrative**	**56,503.39**
6500-00	**Operating Expenses**	
6700-00	Gifts and Party	2,779.01
7020-00	Management Fee	33,840.00
7050-00	Automobile	5,266.72
7100-00	Janitorial - Common Areas	36.58
7199-00	**Total Operating**	**41,922.31**
7200-00	**Payroll and Benefits**	
7210-00	Office Salaries	104,937.62
7225-00	Temp/Seasonal Help	1,068.02
7230-00	Employee Bonuses	13,673.10
7240-00	Payroll Processing	4,206.72

Annual Statement

Period = Jan 2015-Dec 2015

Book = Accrual

		EOY Dec 2015
7250-00	Payroll Taxes	9,908.13
7260-00	Workman's Comp Insurance	1,605.18
7265-00	Disability Insurance	-27.79
7270-00	Health Insurance	2,622.41
7280-00	Employee 401-K Plan/Pension	344.59
7290-00	Life Insurance	38.76
7299-00	**Total Payroll & Benefits**	**138,376.74**
7300-00	**Utilities**	
7310-00	Electricity - Common	199.02
7350-00	Gas - Common	195.37
7499-00	**Total Utilities**	**394.39**
8400-00	**Taxes & Insurance**	
8440-00	Taxes and Licenses	295.00
8460-00	Other Insurance	3,185.00
8499-00	**Total Taxes & Insurance**	**3,480.00**
8670-00	**Total Operating Expenses**	**240,676.83**
8699-00	**NET OPERATING INCOME**	**305,466.88**
8700-00	**Depreciation & Amortization**	
8780-00	Depreciation-Equipment	10,200.00
8790-00	**Total Depreciation & Amortization**	**10,200.00**
8800-00	**Financial Expense**	
8815-00	Other Interest Expense	1,142.95
8860-00	Service Fees	460.00
8890-00	**Total Financial Expense**	**1,602.95**
8905-00	Gain on Sale of Equipment	1,250.00
8920-00	Guaranteed Payment	255,000.00
9090-00	**NET INCOME**	**39,913.93**

Income Statement

Period = Jan 2016-Jul 2016
Book = Accrual

		Period to Date	%	Year to Date	%
4000-00	**INCOME**				
4100-00	**Rent Income**				
5500-00	**Other Income**				
5600-00	Management Fee Income	289,336.35	0.00	289,336.35	0.00
5700-00	Miscellaneous Income	21,100.02	0.00	21,100.02	0.00
5890-00	**Total Other Income**	**310,436.37**	**0.00**	**310,436.37**	**0.00**
5990-00	**TOTAL INCOME**	**310,436.37**	**0.00**	**310,436.37**	**0.00**
6000-00	**EXPENSES**				
6001-00	**Administrative Expenses**				
6050-00	Contributions	500.00	0.00	500.00	0.00
6120-00	Professional Fees-Accounting & Tax	14,850.00	0.00	14,850.00	0.00
6150-00	Bank Charges	56.95	0.00	56.95	0.00
6155-00	Permits, Licenses & Fees	299.17	0.00	299.17	0.00
6160-00	Printing	69.00	0.00	69.00	0.00
6175-00	Computer Expenses	637.94	0.00	637.94	0.00
6180-00	Dues & Publications	7,922.19	0.00	7,922.19	0.00
6184-00	Education and Training	874.00	0.00	874.00	0.00
6187-00	Entertainment & Meals	10,390.10	0.00	10,390.10	0.00
6188-00	Parking & Misc. Transportation	637.32	0.00	637.32	0.00
6210-00	Paging & Portable Phones	1,423.56	0.00	1,423.56	0.00
6220-00	Office Supplies	32.64	0.00	32.64	0.00
6225-00	Postage	78.19	0.00	78.19	0.00
6290-00	**Total Administrative**	**37,771.06**	**0.00**	**37,771.06**	**0.00**
6500-00	**Operating Expenses**				
7020-00	Management Fee	20,400.00	0.00	20,400.00	0.00
7050-00	Automobile	2,907.48	0.00	2,907.48	0.00
7199-00	**Total Operating**	**23,307.48**	**0.00**	**23,307.48**	**0.00**
7200-00	**Payroll and Benefits**				

Income Statement

Period = Jan 2016-Jul 2016

Book = Accrual

		Period to Date	%	Year to Date	%
7210-00	Office Salaries	63,131.62	0.00	63,131.62	0.00
7240-00	Payroll Processing	2,365.09	0.00	2,365.09	0.00
7250-00	Payroll Taxes	6,050.46	0.00	6,050.46	0.00
7260-00	Workman's Comp Insurance	763.25	0.00	763.25	0.00
7265-00	Disability Insurance	0.94	0.00	0.94	0.00
7270-00	Health Insurance	2,779.20	0.00	2,779.20	0.00
7280-00	Employee 401-K Plan/Pension	289.35	0.00	289.35	0.00
7290-00	Life Insurance	42.70	0.00	42.70	0.00
7299-00	**Total Payroll & Benefits**	**75,422.61**	**0.00**	**75,422.61**	**0.00**
8670-00	**Total Operating Expenses**	**136,501.15**	**0.00**	**136,501.15**	**0.00**
8699-00	**NET OPERATING INCOME**	**173,935.22**	**0.00**	**173,935.22**	**0.00**
8700-00	**Depreciation & Amortization**				
8780-00	Depreciation-Equipment	5,950.00	0.00	5,950.00	0.00
8790-00	**Total Depreciation & Amortization**	**5,950.00**	**0.00**	**5,950.00**	**0.00**
8800-00	**Financial Expense**				
8815-00	Other Interest Expense	552.77	0.00	552.77	0.00
8860-00	Service Fees	395.00	0.00	395.00	0.00
8890-00	**Total Financial Expense**	**947.77**	**0.00**	**947.77**	**0.00**
8920-00	Guaranteed Payment	181,447.81	0.00	181,447.81	0.00
9090-00	**NET INCOME**	**-14,410.36**	**0.00**	**-14,410.36**	**0.00**

Subsidy Layering Analysis

HOME Program Rental Housing Development - Analysis of Eligible Costs & Minimum Number of HOME-Assisted Units

A. HOME ASSISTED UNITS

The purpose of this section is to assist developers in determining the minimum number of HOME-assisted units for the project. The number of HOME-assisted units is particularly important to rental projects because it will determine the amount of HOME funds available to the project, project rent levels and whether Davis-Bacon wage rules will be required.

1. Project Name: Residences at Library park

2. What is the total residential development budget? $ 10,734,502

3. How many residential units will be in the project? 49

4. What is the per unit development cost of the activity (development costs/units)? $ 219,071

5. What is the amount of HOME funds requested from City of Kenosha? $ 500,000

6. What is the total of HOME funds requested from all sources (i.e. HOME funds from State of Wisconsin jurisdictions)? $ 500,000

7. The HOME funds from all sources represents what % of the total residential development costs? 4.66%

8. If you multiply the above % by the total number of residential units in the project, the pro-rata share of HOME funds is developing how many units? 2.28

THIS IS THE MINIMUM NUMBER OF HOME-ASSISTED UNITS REQUIRED.

9. If this number is greater than 11, the development will be subject to Davis-Bacon wage requirements.

10. Are the HOME-assisted units comparable to the non HOME-assisted units in size and amenities? ☒ Yes ☐ No

SOURCES OF FUNDS	Construction	Post Construction	Permanent	
First Mortgage- WHEDA	$ -	$ -	$ -	
TIF Loan- KABA	300,000	-	300,000	
WEDC Funds	250,000	-	250,000	
KABA Loan	-	632,000	632,000	
AHP	-	630,000	630,000	
GP Equity	100	-	100	
State Historic Equity	321,156	1,284,626	1,605,782	
HOME	500,000	-	500,000	
LIHTC & Federal HTC Equity	2,822,826	3,793,370	6,616,196	
Deferred Developer Fee	-	197,843	197,843	26%
Construction Loan	5,646,010	(5,646,010)	-	
Total Sources Of Funds	$ 9,840,092	$ 891,828	$ 10,731,920	
	-	-	-	

USES OF FUNDS	Construction	Post Construction	Total Permanent	Building 27.5 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 15 Yr/150%	Amortization	Non Depreciable/ Amortizable	70% PV Eligible Basis	30% PV Eligible Basis	Qualified Rehabilitation Expenditures
Acquisition & Site Costs											
Land Costs	-	-	-					-			
Building Acquisition	-	-	-	-	-	-	-	-			
Abatement & Demolition	-	-	-	-	-	-	-	-			-
On-Site Improvements (parking lot paving)	424,614	-	424,614	-	-	424,614	-	-	424,614		
Construction Costs											
Rehabilitation	6,127,256	-	6,127,256	6,127,256	-	-	-	-	6,127,256	-	6,127,256
Appliances	202,500	-	202,500	-	202,500	-	-	-	202,500	-	
Carpeting	100,072	-	100,072	-	100,072	-	-	-	100,072	-	
Specialties	7,096	-	7,096	-	7,096	-	-	-	7,096	-	
General Requirements	395,685	-	395,685	395,685	-	-	-	-	395,685	-	395,685
Contractor Overhead	126,540	-	126,540	126,540	-	-	-	-	126,540	-	126,540
Contractor Profit	429,483	-	429,483	429,483	-	-	-	-	429,483	-	429,483
Construction Contingency	754,382	-	754,382	754,382	-	-	-	-	754,382	-	754,382
Bond Premium	80,574	-	80,574	80,574	-	-	-	-	80,574	-	80,574
Engineering & Architectural											
Architect & Engineering	365,000	-	365,000	365,000	-	-	-	-	171,500	-	365,000
Real Estate Attorney	75,000	-	75,000	75,000	-	-	-	-	75,000	-	75,000
Survey	8,500	-	8,500	8,500	-	-	-	-	8,500	-	8,500
Construction Interest & Fees											
Constr Insur & RE Taxes	40,000	-	40,000	40,000	-	-	-	-	40,000	-	40,000
Interest During Construction	65,238	170,000	235,238	100,000	-	-	-	135,238	100,000	-	100,000
Title & Recording	12,000	-	12,000	12,000	-	-	-	-	12,000	-	12,000
Const Loan Fee, Legal, Draws, Etc	135,000	-	135,000	3,649	-	-	131,351	-	3,649	-	3,649
Permanent Financing											
Legal Fees	20,000	-	20,000	-	-	-	20,000	-			
Origination Fee	15,000	-	15,000	-	-	-	15,000	-			
Soft Costs											
Property Appraisal	11,000	-	11,000	11,000	-	-	-	-	11,000	-	11,000
Market Study	15,000	-	15,000	15,000	-	-	-	-	15,000	-	15,000
Environmental	13,700	-	13,700	13,700	-	-	-	-	13,700	-	13,700
Tax Credit Fees	44,000	-	44,000	-	-	-	44,000	-			
Historic Consultant	35,000	-	35,000	35,000	-	-	-	-	35,000	-	35,000
Cost Certification & Accounting	76,952	-	76,952	76,952	-	-	-	-	76,952	-	76,952
Syndication Costs											
Organization (partnership)	50,000	-	50,000	-	-	-	-	50,000			
Tax Opinion	5,000	-	5,000	-	-	-	-	5,000			
Developer Fees / Reserves											
Developer's Fee	190,500	571,500	762,000	762,000	-	-	-	-	762,000	-	762,000
Consultant	15,000	-	15,000	15,000	-	-	-	-	15,000	-	15,000
Operating Reserve	-	135,328	135,328					135,328			
Lease-up Reserve	-	15,000	15,000					15,000			
Total Uses Of Funds	$ 9,840,092	$ 891,828	$ 10,731,920	$ 9,446,721	$ 309,668	$ 424,614	$ 210,351	$ 340,566	$ 9,987,503	$ -	$ 9,446,721

RESIDENCES at LIBRARY PARK
FORECAST OF NET CASH FLOW FROM OPERATIONS

		1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	20
Income																					
Rental Income		$ 13,247	$ 293,804	$ 326,012	$ 332,533	$ 339,183	$ 345,967	$ 352,886	$ 359,944	$ 367,143	$ 374,486	$ 381,975	$ 389,615	$ 397,407	$ 405,355	$ 413,463	$ 421,732	$ 430,166	$ 438,770	$ 447,545	$ 456,4
Other Income		303	6,768	7,574	7,725	7,879	8,037	8,198	8,362	8,529	8,700	8,874	9,051	9,232	9,417	9,605	9,797	9,993	10,193	10,397	10,6
Vacancy	-7%	(949)	(21,040)	(23,351)	(23,818)	(24,294)	(24,780)	(25,276)	(25,781)	(26,297)	(26,823)	(27,369)	(27,907)	(28,465)	(29,034)	(29,615)	(30,207)	(30,811)	(31,427)	(32,056)	(32,6
TIF Income		-	29,000	29,870	30,766	31,689	32,640	33,619	34,628	35,666	36,736	37,838	38,974	-	-	-	-	-	-	-	-
Effective Gross Income		12,601	308,532	340,105	347,206	354,458	361,864	369,427	377,152	385,041	393,099	401,328	409,733	378,174	385,738	393,453	401,322	409,349	417,536	425,886	434,4
			279,532																		
Expenses																					
Operating Expenses		7,126	188,352	209,761	216,054	222,535	229,211	236,087	243,169	250,464	257,978	265,717	273,688	281,899	290,357	299,068	308,039	317,281	326,799	336,603	346,7
Management Fee		756	16,772	18,614	18,986	19,366	19,753	20,148	20,551	20,962	21,382	21,809	22,246	22,690	23,144	23,607	24,079	24,561	25,052	25,553	26,0
Reserve for Replacement	10%	-	7,350	14,700	14,700	14,700	14,700	16,170	16,170	16,170	16,170	16,170	17,787	17,787	17,787	17,787	17,787	19,566	19,566	19,566	19,5
Total Operating Expenses		7,882	212,474	243,075	249,740	256,601	263,664	272,406	279,891	287,596	295,530	303,697	313,721	322,377	331,288	340,462	349,906	361,407	371,417	381,722	392,3
Net Operating Income		4,719	96,059	97,029	97,466	97,856	98,199	97,022	97,262	97,445	97,569	97,632	96,012	55,798	54,450	52,990	51,416	47,941	46,118	44,164	42,0
			67,059	67,159	66,700	66,167	65,560	63,403	62,634	61,779	60,832	59,793	57,038	55,798	54,450	52,990	51,416	47,941	46,118	44,164	42,0
Debt Service																					
Debt Service - 1st mortgage		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service - KABA		-	28,380	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,056	34,0
Debt Service - HOME		-	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,0
Debt Service - TIF		-	29,000	29,870	30,766	31,689	32,640	33,619	34,628	35,666	36,736	37,838	37,993	-	-	-	-	-	-	-	-
Total Debt Service		-	57,380	63,926	74,822	75,745	76,695	77,674	78,683	79,722	80,792	81,894	82,048	44,056	44,056	44,056	44,056	44,056	44,056	44,056	44,0
DSCR- excluding TIF			*2.36*	*1.97*	*1.96*	*1.94*	*1.93*	*1.86*	*1.84*	*1.81*	*1.79*	*1.76*	*1.67*	*1.64*	*1.60*	*1.56*	*1.51*	*1.41*	*1.35*	*1.30*	*1.*
DSCR- All			*1.67*	*1.52*	*1.30*	*1.29*	*1.28*	*1.25*	*1.24*	*1.22*	*1.21*	*1.19*	*1.17*	*1.27*	*1.24*	*1.20*	*1.17*	*1.09*	*1.05*	*1.00*	*0.*
Asset Management Fee	3%	-	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,5
Cash Flow		4,719	33,679	27,954	17,339	16,648	15,877	13,551	12,608	11,574	10,443	9,214	7,244	4,821	3,266	1,592	-	-	-	-	-
Deferred Developer Fee																					
Payment	197,843	4,719	33,679	27,954	17,339	16,648	15,877	13,551	12,608	11,574	10,443	9,214	7,244	4,821	3,266	1,592	-	-	-	-	-
Incentive Management Fee	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash Flow for Distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Allocated As Follows:																					
General Partner	0.01%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Limited Partner	99.99%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Investor Income (Loss) & Federal Credit Allocation	99.99%
Investor State Credit Allocation	99.99%
Investor Cash Flow Allocation	99.99%
Individual Federal Tax Rate	38.0%
Quarterly IRR	6.96%

from IRR tab

Year	Capital Contributions	Cumulative Capital Contributions	Taxable Income (Loss)	Tax Savings (Cost)	Annual Federal Tax Credit	Annual Fed. Historic Credit	Annual St. Historic Credit	Annual Credits & Tax Savings (Costs)	Cash Distributions	Annual Benefit (Costs)	Cumulative Benefit (Costs)	Cumulative Net Benefit (Investment)
2016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2017	(2,822,826)	(2,822,826)	(190,510)	72,400	19,516	1,889,155	-	1,981,071	-	1,981,071	1,981,071	(841,755)
2018	(3,793,370)	(6,616,196)	(404,742)	153,800	444,777	-	-	598,577	-	598,577	2,579,648	(4,036,548)
2019	-	(6,616,196)	(320,904)	121,900	491,596	-	-	613,496	-	613,496	3,193,143	(3,423,052)
2020	-	(6,616,196)	(298,683)	113,500	491,596	-	-	605,096	-	605,096	3,798,239	(2,817,957)
2021	-	(6,616,196)	(285,589)	108,500	491,596	-	-	600,096	-	600,096	4,398,335	(2,217,861)
2022	-	(6,616,196)	(276,949)	105,200	491,596	-	-	596,796	-	596,796	4,995,130	(1,621,066)
2023	-	(6,616,196)	(243,883)	92,700	491,596	-	-	584,296	-	584,296	5,579,426	(1,036,770)
2024	-	(6,616,196)	(242,488)	92,100	491,596	-	-	583,696	-	583,696	6,163,121	(453,074)
2025	-	(6,616,196)	(241,238)	91,700	491,596	-	-	583,296	-	583,296	6,746,417	130,221
2026	-	(6,616,196)	(247,224)	93,900	491,596	-	-	585,496	-	585,496	7,331,913	715,717
2027	-	(6,616,196)	(250,122)	95,000	472,080	-	-	567,080	-	567,080	7,898,992	1,282,797
2028	-	(6,616,196)	(244,256)	92,800	-	-	-	92,800	-	92,800	7,991,792	1,375,597
2029	-	(6,616,196)	(280,809)	106,700	-	-	-	106,700	-	106,700	8,098,492	1,482,297
2030	-	(6,616,196)	(281,822)	107,100	-	-	-	107,100	-	107,100	8,205,592	1,589,397
2031	-	(6,616,196)	(280,992)	106,800	-	-	-	106,800	-	106,800	8,312,392	1,696,197
Total	$ (6,616,196)		$ (4,090,211)	$ 1,554,100	$ 4,869,137	$ 1,889,155	$ -	$ 8,312,392	$ -	$ 8,312,392		

Sale Assumption Reflected Below

SALE	$ 789,822			$ 241,995	$ -	$ -	$ -	$ 241,995	$ -	$ 241,995	$ 8,554,387	$ 1,938,192

	Annual Expense	Expense per Unit 49	% Gross Potential Rent
Administrative			
Marketing & Advertising	3,524	71.91	1.1%
Management Fee (6%)	18,249	485.00	5.7%
Legal/Partnership	2,777	56.67	0.9%
Accounting/Audit	8,352	170.44	2.6%
Administrative	4,295	87.64	1.3%
Compliance Fe	1,470	0.00	0.5%
Subtotal Administrative	38,666	789.10	12.1%
Maintenance:			
General Maintenance	17,586	358.89	5.5%
Repairs	4,343	88.64	1.4%
Equipment Repair	4,343	88.64	1.4%
Equipment and Supplies	2,172	44.32	0.7%
Other:	1,657	33.82	0.5%
Subtotal Maintenance	30,101	614.30	9.4%
Operating:			
Lighting & Power	7,239	147.73	2.3%
Water/Sewer	8,000	208.36	2.5%
Heat, A/C & Hot Water	11,930	692.44	3.7%
Trash Removal	4,455	90.91	1.4%
Payroll/Payroll Taxes	50,000	1,103.18	15.6%
Hazard Insurance (P&L)	13,475	275.00	4.2%
Pest Control	1,633	33.33	0.5%
Snow Removal	3,267	66.67	1.0%
Other: Ground Lease	10,136	62.51	3.2%
Subtotal Operating	110,134	2,247.64	34.5%
Real Estate Taxes:	43,000	877.55	13.5%
Total Annual Expenses	221,901	4,528.59	69.4%
Replacement Reserve:	14,700	300.00	4.6%
Total Annual Expenses w/ Reserves	236,601	4,829	74.0%

Certification of Government Assistance (sign one of the two statements)

I/we, the applicant(s) for HOME funds, hereby certify that **other form(s) of government assistance** are or will be provided to the referenced project, and that the City of Kenosha Department of Community Development & Inspections will be kept apprised as to any change in status, or amount, of the other form(s) of government assistance. The following other form(s) of government assistance will be provided to the project:

Type of Assistance — Amount of Assistance

Type of Assistance — Amount of Assistance

Type of Assistance — Amount of Assistance

Applicant Printed Name — Applicant Signature — Date

If LLC, list LLC Name and Authorized Signer — By: Authorized Signature — Date

OR

I/we, the applicant(s) for HOME funds hereby certify that **no other form(s) of government assistance** are being provided now or in the future to the referenced project, and that if other government assistance should be sought in the future, I/we will notify the City of Kenosha Department of Community Development & Inspections as to the source(s), amount(s), and other required information promptly.

Applicant Printed Name — Applicant Signature — Date

Legacy Property Management Services, LLC — 9/13/16

If LLC, list LLC Name and Authorized Signer — By: Authorized Signature — Date

David Nankin
Managing Member