

## Affordable Housing Fund (AHF) Application

This application form should be used for projects seeking City of Madison AHF funds including those seeking WHEDA Low-Income Housing Tax Credits and those requesting other City funding. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on Thursday, August 18, 2016**.

Email to: [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com)

### APPLICANT INFORMATION

Proposal Title:	Fair Oaks Apartments		
Amount of Funds Requested:	\$1,540,000	Type of Project:	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Acquisition/Rehab
Name of Applicant:	Stone House Development, Inc.		
Mailing Address:	625 North Segoe Road Suite 107, Madison, WI 53705		
Telephone:	608-251-6000	Fax:	608-251-6077
Admin Contact:	Kasie Setterlund	Email Address:	kasie@stonehousedevelopment.com
Project Contact:	Helen Bradbury	Email Address:	hnb@stonehousedevelopment.com
Financial Contact:	Richard Arnesen	Email Address:	rba@stonehousedevelopment.com
Website:	www.stonehousedevelopment.com		
Legal Status:	<input checked="" type="checkbox"/> For-profit <input type="checkbox"/> Non-profit	Type of LIHTC Application:	<input type="checkbox"/> 4% <input checked="" type="checkbox"/> 9%
Federal EIN:	39-1836288	DUNS #:	01-533-8775

### AFFIRMATIVE ACTION

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

### LIVING WAGE ORDINANCE

If funded, applicant hereby agrees to comply with City of Madison Ordinance 4.20. The Madison Living Wage for 2016 is \$12.83 per hour and will be \$12.85 per hour for 2017. For more info, see <https://www.cityofmadison.com/finance/wage/>.

### LOBBYING REGULATED

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

### CITY OF MADISON CONTRACTS

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

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

### SIGNATURE OF APPLICANT

Enter Name: Helen H. Bradbury

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

Date: August 17, 2016

**PROPOSAL DESCRIPTION**

1. Please provide an overview of the proposal. Describe whether project is acquisition, rehabilitation and/or new construction, the total number of units proposed and the impact of the proposed development on the community.

The proposed project is a new construction building containing 91 units, 77 of which will be reserved as affordable housing. The impact this will have on the neighborhood is a positive and necessary one as one of the top neighborhood goals through the Neighborhood Plan is to ensure the availability of quality, affordable housing.

2. Describe the project organizational structure. Please attach an organizational chart.

Fair Oaks Apartments will be structured as an LLC with Stone House Development or its affiliates as the managing member.

**AFFORDABLE HOUSING INITIATIVES FUND OBJECTIVES**

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

- Increase the supply of safe, quality, affordable rental housing throughout the City.
- Preserve existing affordable rental housing throughout the City.
- Increase the availability of affordable housing with supportive services for individuals/households with incomes at or below 30% of County Median Income (CMI).
- Increase the availability of affordable housing with supportive services for larger families, including families experiencing, or at risk of, homelessness with incomes at or below 30% of CMI.
- Increase the availability of affordable housing with supportive services, for individuals re-entering the community from prison with incomes at or below 30% of CMI.

**AFFORDABLE HOUSING NEEDS**

4. Describe your knowledge of and experience in identifying affordable housing needs of the City of Madison.

See attached : Question 4

5. Identify if a market study has been done and, if so, summarize its findings and attach a copy of the report. If a market study has not yet been completed, please describe the anticipated demand for the proposed target populations served.

A market study will be prepared for submission with the LIHTC application. Stone House is aware of the market demand for affordable units due to its ownership and management of similar projects in Madison. Stone House's Park Central Apartments is less than two miles away and currently has a waiting list in excess of 500 people.

**PROPOSAL GOALS**

6. Provide the total number of units proposed, the number of affordable units proposed and the number of units proposed to be assisted with City AHF.

The total number of project units proposed is 91. 77 of these units will be affordable and will be assisted with City AHF.

**SUPPORTIVE SERVICES INCLUDED**

7. Provide a detailed description of the type and level of supportive services (such as assessment and referral or on-site comprehensive case management) that will be provided to residents of the proposed project.

See attached: Questions 7 and 8

8. Provide information on any supportive service partnerships that have been or will be formed in order to ensure the success of the development. Identify the agency/agencies or company who will provide supportive services, if applicable.

See attached: Questions 7 and 8

**POPULATION SERVED**

9. Describe the population/s you intend to serve (e.g., families, individuals and families experiencing homelessness, people with disabilities, individuals re-entering the community from prison, veterans, seniors, individuals).

The 71 affordable units will be marketed to families and individuals. 8 of these units will be targeted to families experiencing homelessness and 11 of these units will be targed to veterans in need of supportive services.

**SITE INFORMATION**

10. In which of the following areas on the Affordable Housing Targeted Area Map (attached to the RFP) is the site proposed located? Please check one.

- Preferred Areas (New Construction Only)
- Eligible Areas (New Construction & Acquisition/Rehabilitation)
- Opportunity Areas (Ineligible for New Construction, but Preferred for acquisition & rehabilitation proposals).

11. Identify the specific site address and neighborhood. Identify if applicant has site control.

The site is 134 S. Fair Oaks Avenue, 53704 in the Schenks-Atwood neighborhood. The applicant has an accepted offer to purchase.

12. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities where most needed? Describe the neighborhood and surrounding community. Provide the streets of the closest major intersection. (Attach a map indicating project location. Include one close-up map of the site and a second map to show the site in context of the City.)

See attached : Question 12

13. Identify any existing buildings on the proposed site, noting any that are currently occupied. Describe the planned demolition of any buildings on the site.

The site currently has 2 buildings on it and with one operating as a retail center for the nursery. The developer anticipates incorporating one of the existing buildings into the project as commercial space. The other building will be demolished.

14. Identify if the following amenities are within 1 mile of the proposed site.

Type of Amenities & Services	Check if Within 1 Mile
Full Service Grocery Store	x
Public Elementary School	x
Public Middle School	
Public High School	x
Job-Training Facility, Community College or Continuing Education Programs	x
Childcare	x
Library	x
Neighborhood or Community Center	x
Full Service Medical Clinic or Hospital	x
Pharmacy	x
Public Park or Hiking/Biking Trail	x

Banking	x
Retail	x
Restaurants	x
Other:	

15. What is the distance between the proposed site and seven-day a week transit stops (i.e. weekday and weekends)? List the seven-day transit stop street intersections and describe any other transit stops (include street intersections and schedule) located near the proposed site.

There are two seven-day transit stops close to the site (.3 miles). These are at the location of Milwaukee and North Bryan Street and Atwood and South Marquette Street. There is another bus stop located just steps from the project location on the Cap City Path and Fair Oaks Ave and this serves weekends and holidays.

16. Describe the transit options for children to get to their elementary and middle schools.

Children will likely walk to the elementary school as it is only .3 miles from the site. There are two bus stops close to the project location with routes available to the O'Keefe Middle School. The middle school is just over a mile from the project location and is also very walkable.

17. Describe the transit options for people to access amenities such as childcare, after school activities, grocery stores, the nearest library, neighborhood centers, and other amenities described above.

Madison Metro transit is available 7 days per week within .3 miles of the site with ample routes and times to gain access to childcare, after school activities, grocery stores, etc. As an example, the Bryan/Milwaukee Street stop has pick ups from 5:00 am to 11:00 pm with numerous times every hour. This will provide enough times and routes necessary to gain access to local businesses and amenities. In addition, the Cap City Bike Trail is located within a block of the project location and will provide easy bicycle transit.

18. Describe the impact this housing will have on the schools in this area. Please include information on school enrollment data (e.g., at capacity, above capacity, below capacity); how this housing development will impact the schools' enrollment; and how many elementary and middle school children are projected to live at the proposed housing development.

A study completed in 2014 indicated enrollment percentage rates to be: Lowell Elementary School - 67%; O'Keefe Middle - 57%. This study also predicted enrollment for the 2018/19 school year and the enrollment rates were not expected to have a significant change. The project is expected to add approximately 25 school aged children to the school(s).

19. Describe the historical uses of the site, if any, any environmental remediation activities planned, completed or underway, and/or any existing conditions of environmental significance located on the proposed site.

A Phase I environmental site assessment was done in 2000 which did not indicate the need for any significant remediation. The site is currently a plant nursery with a retail outlet and some office.

20. Provide a legal description of the property.

See attached: Question 20

21. Identify the current zoning classification of the site. Describe any necessary zoning-related approvals (re-zoning, conditional use, demolition, zoning variance, etc.) that must be obtained for the proposal to move forward.

The site is zoned Traditional Employment. Multifamily housing is a conditional use.

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

Both the City of Madison Comprehensive Plan and the Schenk-Atwood-Starkweather-Worthington Park Neighborhood Plan indicate a desire to increase the supply of affordable rental housing. The neighborhood plan is dated March 2000 and according to Linda Horvath of the City Planning Department it is not currently being revised.

23. List the name(s) of the City of Madison Planning Division staff that you met with to discuss your application and briefly summarize the results of that meeting.

Stone House met with Tim Parks and Matt Tucker and they were receptive to the proposed project, both in terms of its compliance with the existing zoning and the proposed density. They encouraged us to work with the neighboring Kipp Corporation to address any concerns they might have.

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

Stone House met with Alder Marsha Rummel to discuss the site. She expressed her support and encouraged the developer to continue the approval process. Alder Rummel is familiar with Stone House as Park Central Apartments is in her district.

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

Stone House has made contact with Brad Hinkfuss, Chair of the SASY Neighborhood Association. We have have a meeting set for the last week of August 2016 to discuss the proposed project and to receive their input in the project.

**SITE AMENITIES**

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

The exterior amenities would include a tot lot and a small amount of free surface parking along with a courtyard with garden plots. Interior common spaces will include a fitness center, community room and resident business center. Parking will be underground and will be charged at a rate of \$50 per month per stall.

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

The interior apartment amenities will include vinyl plank flooring, energy star kitchen appliances, window coverings, walk-in closets and spacious floor plans. Internet will be provided at no charge to the tenants. All interior areas, including the apartments, will have a non-smoking policy enforced.

**PROPOSAL ACTIVITIES**

28. Please describe activities/benchmarks and associated completion dates to illustrate how your proposal will be implemented (e.g. as acquisition, finance closing, zoning-related applications and approvals, start of construction, end of construction, available for occupancy, rent-up, etc).

Activity/Benchmark	Estimated Month/Year of Completion
Submission of Application for Zoning Change &/or Conditional Use Permit	October, 2016
Plan Commission Approval for Rezoning &/or Conditional Use Permit	October, 2016
Submission of Application for Urban Design Commission Approval	December, 2016
Urban Design Commission Approval	December, 2016
Application to WHEDA	January, 2017
Complete Equity & Debt Financing	November, 2017

Activity/Benchmark	Estimated Month/Year of Completion
Acquisition/Real Estate Closing	January, 2018
Rehab or New Construction Bid Publishing	November, 2017
New Construction/Rehab Start	January, 2018
Begin Lease-Up	January, 2019
New Construction/Rehab Completion	January, 2019
Occupancy Permit Obtained	January, 2019
Complete Lease-Up	April, 2019

## PUBLIC PURPOSE AND RISK

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

The project will increase the supply of affordable housing and provide 8 units for homeless families and 11 units for veterans in need of supportive housing. The project's biggest risk is the competitiveness of affordable housing tax credits, without which the project is not viable.

## DEVELOPMENT TEAM

30. Identify all key roles in your project development team, including architect, general construction contractor, legal, property management, supportive services provider, and any other key consultants, if known.

Name	Company	Role in Development	Contact Person	Phone
Helen Bradbury	Stone House	Developer	Helen Bradbury	608-251-6000
Richard Arnesen	Stone House	Developer	Rich Arnesen	608-251-6000
Randy Bruce	Knothe & Bruce	Architect	Randy Bruce	608-836-3690
Kevin Kilbane	Raymond James	Tax Credit Syndicator	Kevin Kilbane	216-696-1300
Kristin Rucinski	The Road Home	Service Provider	Kristin Rucinski	608-294-7998
Kasie Setterlund	Stone House	Property Management	Kasie Setterlund	608-251-6000
Dan Connery	Dane County Veterans	Service Provider	Dan Connery	608-266-4158

## EXPERIENCE AND CAPACITY

31. Please describe the development team's experience in obtaining LIHTC's. Be sure to:

- Address years in existence, experience with public/private joint ventures, experience developing low-income multifamily housing or other affordable housing, staff qualifications, financial capacity of organization to secure financing and complete proposed project, past performance that will contribute to the success of the proposal.
- Identify how many LIHTC and/or affordable housing units your organization has created in the past five years.
- Include specific information on the experience of the proposed property management partner, including number of years experience, number of units managed and performance record.
- If applicable, include information on your experience developing housing that provides support services.
- If applicable, include specific information on the supportive service provider agency or company, years of experience and relevant information.

(Attach additional information as necessary)

See attached : Question 31

32. Please list any architectural awards, service awards or green building certifications.

See attached : Question 32

## REFERENCES

33. Please list at least three references who can speak to your work on similar developments completed by your team.

<b>Name</b>	<b>Relationship</b>	<b>Email Address</b>	<b>Phone</b>
Kevin Kilbane	Investor	Kevin.kilbane@raymondjames.com	216-696-1300
Sean O'Brien	Lender	Sean.obrien@wheda.com	608-267-1453
Michael Flynn	Lender	mflynn@mononabank.com	608-223-5148

**HOUSING INFORMATION & UNIT MIX**

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

<b>ADDRESS #1:</b>		<b>134 S. Fair Oaks Avenue, Madison, WI</b>					<b>Projected Monthly Unit Rents, Including Utilities</b>				
<b>% of County Median Income (CMI)</b>	<b>Total # of units</b>	<b># of Bedrooms</b>					<b>\$ Rent for Studios</b>	<b>\$ Rent for 1 BRs</b>	<b>\$ Rent for 2 BRs</b>	<b>\$ Rent for 3 BRs</b>	<b>\$ Rent for 4+ BRs</b>
		<b># of Studios</b>	<b># of 1 BRs</b>	<b># of 2 BRs</b>	<b># of 3 BRs</b>	<b># of 4+ BRs</b>					
≤30%	19	0	11	0	8	0		388		548	
40%	0	0	0	0	0	0					
50%	35	0	12	18	5	0		702	848	985	
60%	23	0	12	11	0	0		862	1035		
<b>LIHTC Sub-total</b>	<b>77</b>	<b>0</b>	<b>35</b>	<b>29</b>	<b>13</b>	<b>0</b>	Notes:				
<b>Market*</b>	14	14	0	0	0	0					
<b>Total Units</b>	<b>91</b>	<b>14</b>	<b>35</b>	<b>29</b>	<b>13</b>	<b>0</b>					

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

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

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



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

- Incorporates accessibility features
- Incorporates energy efficiency features
- Involves lead paint removal, if rehab
- Involves asbestos removal, if rehab
- Smoking not allowed inside the property

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

36. Describe the level of accessibility you plan to provide. Identify the number of accessible units and the specific type of accessibility modifications that will be incorporated.

The project will meet or exceed all local, state and federal accessibility requirements. In addition, a percentage of the units will be fully accessible to individuals with physical disabilities, including roll in showers; ada approved appliances, grab bars, lowered switches and outlets, etc.

37. Describe the energy efficient features you plan to provide, the energy standard to be achieved, and the resulting monthly utility saving.

All appliances will be energy star rated. All lighting will be either compact fluorescent or LED. The hallways will have motion sensors to control lighting. All faucets will have aerators and 'water sense" branded toilets.

38. For proposals that include rehabilitation, have you completed a capital needs assessment for this property? If so, summarize and attach a copy of the capital needs assessment.

N/A

39. Real Estate Project Data Summary

Enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced*	# of Units Accessible Current?	Number of Units Post-Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	134 S. Enter Address 1								
		91	0	0	0	18	\$541,000	\$5,000,000	\$700,000
Address:	Enter Address 2								
Address:	Enter Address 3								

40. If any business or residential tenants will be displaced temporarily or permanently, please describe relocation plan and assistance that you will implement or have started to implement.

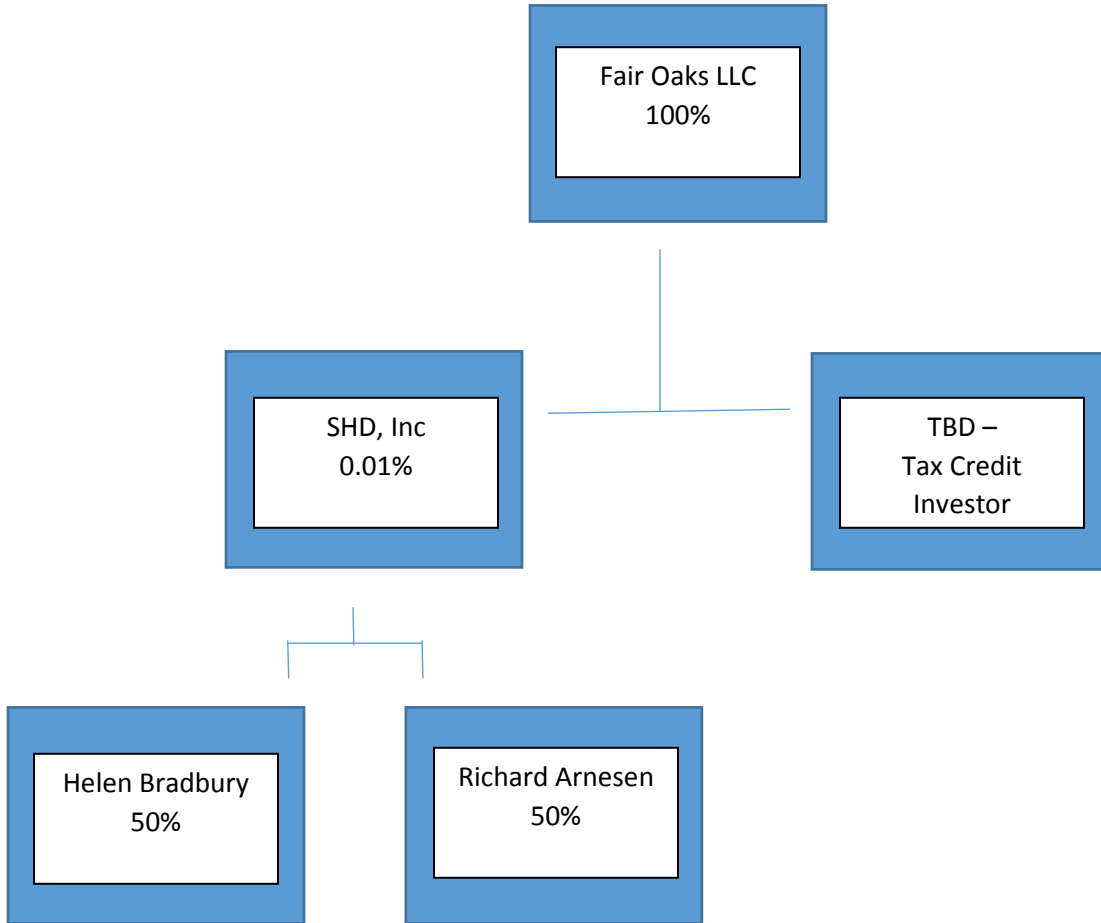
n/a

**PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION AND CHECK THE BOX WHEN ATTACHED:**

- A completed Application Budget Workbook, showing the City's proposed financial contribution.
- A project organizational structure chart.
- A close-up map of the site and a second map showing the site in the context of the City.
- Description of the development team's experience in:
  1. Obtaining and utilizing Section 42 tax credits.
  2. Participating in public/private joint ventures.
  3. Developing multifamily housing for low-income households.
  4. Property management.
  5. Providing supportive services, if the proposal includes such services
  6. Developing multifamily housing that has received architectural awards or green building certification.
- WHEDA self score detail based on WHEDA's scoring criteria.
- A current appraisal of the property and an after-rehab/construction appraisal of the property, if available at the time of application.
- A recent market study, prepared by a third-party market analyst, if available at the time of application.
- A Capital Needs Assessment report of the subject property, if the proposal is for a rehabilitation project and if the report is available at the time of application.

NOTE: If an appraisal, market study or needs assessment is not available at the time of application, and the proposal is funded through this RFP process, these items must be submitted to the City at least 10 days prior to the submittal of these items to WHEDA with the 2017 LIHTC application.

### Organizational Chart



## Affordable Housing Needs – Question 4

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The Fair Oaks Apartments will be developed, owned and managed by Stone House Development, Inc. and/or its affiliates. Stone House has developed and is currently the managing member and property manager of 19 affordable housing projects throughout the state of Wisconsin with nine being in the Madison area. The list of current projects is below.

Stone House’s knowledge of the Madison market is a direct result of their ownership and management of these nine similar properties. Two close to this site, City Row and Park Central, have maintained full occupancy for six and eight years respectively. The long waiting lists for these properties and high demand for affordable housing in the City of Madison is a testament to the strong demand for affordable housing in Madison.

In addition, Stone House opened the Pinney Lane Apartments in early 2016. This site is located less than 2 miles from the proposed location. The lease up was extremely successful, the property has maintained 100% occupancy since opening and has a long waiting list.

### Stone House Development Property Management Portfolio

Project Name	# of Units	City	Type of Project	Year Opened
Pinney Lane Apartments	70	Madison	Tax Credit, Mixed Income	2016
Arbor Crossing Apartments	80	Shorewood Hills	WHEDA Financed, Mixed Inc	2013
City Row Apartments	83	Madison	Tax Credit, 100% Affordable	2010
The Madison Mark Apartments	112	Madison	Tax Credit, Mixed Income	2005
The Overlook at Hilldale Apartments	96	Madison	Tax Credit, 100% Affordable	2011
The Overlook at Midtown Apts	88	Madison	Tax Credit, 100% Affordable	2010
Park Central Apartments	76	Madison	Tax Credit, 100% Affordable	2008
Revival Ridge Apts	48	Madison	Tax Credit, 100% Affordable	2008
Prairie Park Apartments	96	Madison	Tax Credit, Mixed Income	2003
Hanover Square Apartments	65	Madison	Tax Credit, Mixed Income	2002
Hubbard Street Apartments	51	Milwaukee	Tax Credit, Mixed Income	2005
Castings Place Apartments	55	Milwaukee	Tax Credit, Mixed Income	2007
East High Apartments	55	Wausau	Tax Credit, Mixed Income	2005
Wausau East Townhomes	24	Wausau	Tax Credit, Mixed Income	2008
Flats on the Fox	64	Green Bay	Tax Credit, Mixed Income	2008
Jefferson School Apartments	36	Jefferson	Tax Credit, Mixed Income	2001
Marshall Apartments	55	Janesville	Tax Credit, Mixed Income	1998
Mineral Point School Apartments	11	Mineral Point	Tax Credit, Mixed Income	1999
Shoe Factory Apartments	50	Beaver Dam	Tax Credit, Mixed Income	2000
Amity Apartments	36	West Bend	Tax Credit, Mixed Income	2002
<b>TOTAL</b>	<b>1181</b>			

## Supportive Services – Questions 7 & 8

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The Fair Oaks Apartments will include 8 three bedroom townhomes set aside for homeless families with incomes at or below 30% of the Dane County median income. Stone House will contract with The Road Home to make resident referrals and to provide on-site case management. The property will provide The Road Home with an on-site office for its exclusive use and they will keep this office staffed for ongoing case management tenant needs.

The Road Home is a 17 year old Madison based nonprofit organization dedicated to providing opportunities for homeless children and their families to find affordable, stable housing. Per their executive director, Kristin Rucinski, “our case management services are very holistic with the main goal of helping families maintain housing.” Their case managers will work with residents referred by them to Fair Oaks Apartments, usually in weekly meetings. The case managers are master’s level social workers, or other related fields, well trained in best practices in assisting with all the areas of living that affect housing stability.

The Road Home has expressed its support for this project due to its ideal family-oriented location and their understanding of the quality of the project. The proximity to schools, playgrounds, jobs, public transportation, a grocery store and a stable, single family neighborhood are all factors that make this project attractive. The Road Home has seven years of experience operating a similar program called Housing and Hope, which is permanent supportive housing for 15 families at each of two locations with on-site case managers.

In addition to the units set aside for homeless families, there will be 11 one bedroom apartments set aside for Veterans in need of supportive services with incomes at or below 30% of the Dane County median income. Stone House will contract with Dane Count Veterans Office for resident referrals and case management services.

Stone House will work with The Road Home and the Dane County Veterans Office in devising a resident screening program that seeks to advance the housing needs of homeless families and veterans.

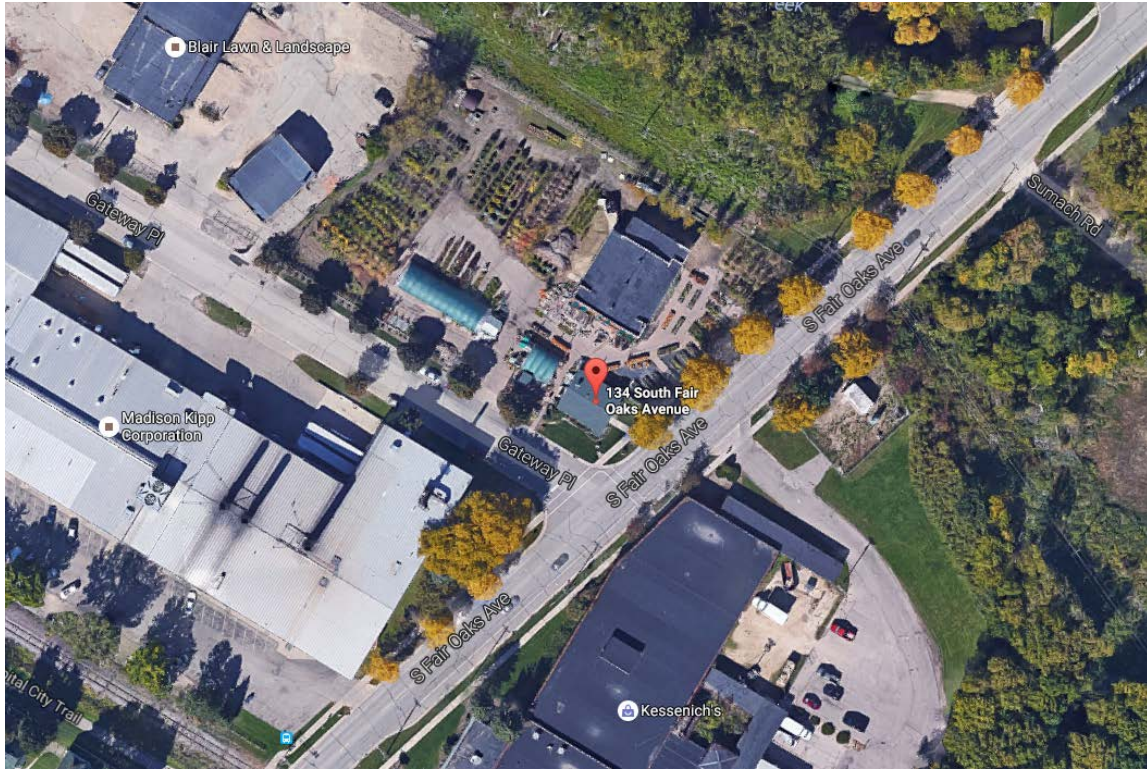
## Site Information – Question 12

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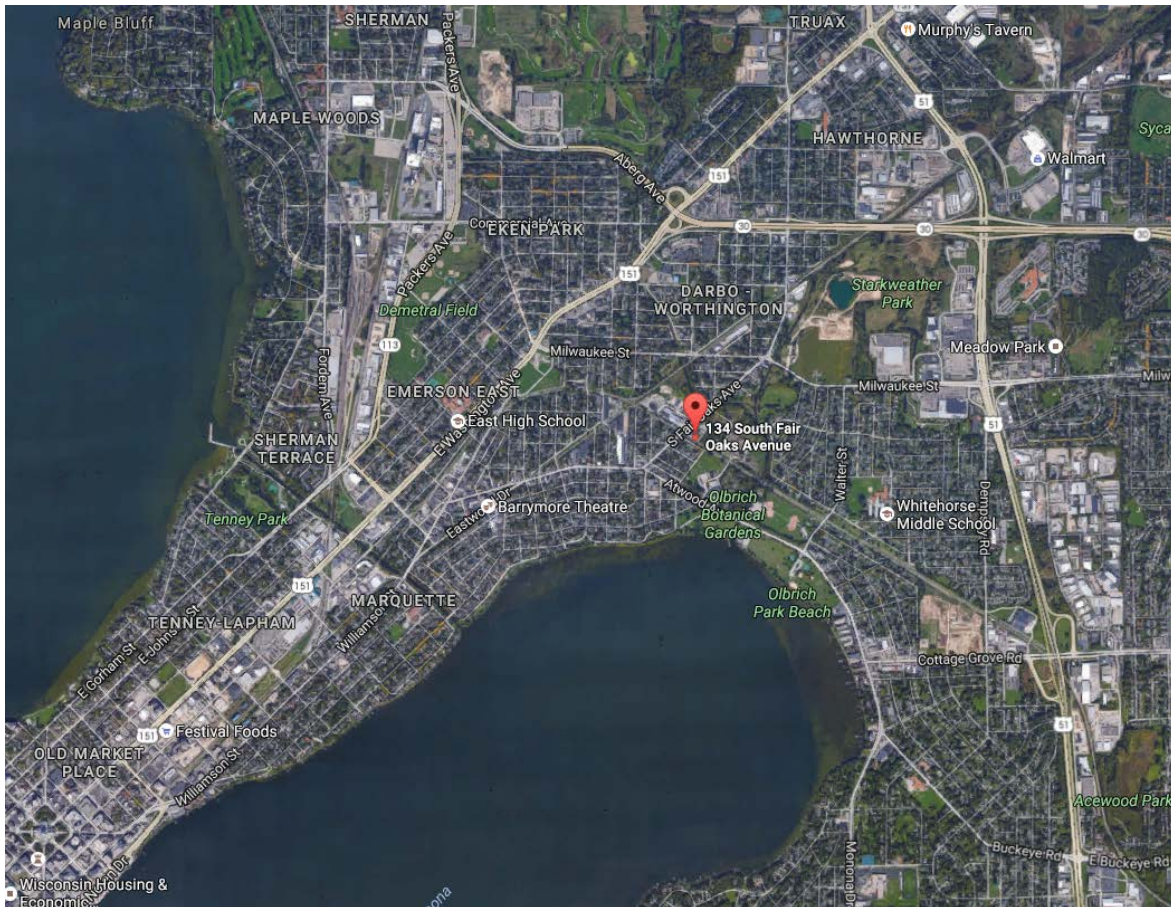
The proposed site is located on South Fair Oaks Avenue. The largest cross street in close proximity to the site is Atwood Avenue. We have chosen this site as it is located in a well-established residential neighborhood with parks, schools, public transportation and shopping. The Goodman Center, which provides an array of services to the community, is a short walk from the site. In addition, the Capital City Trail is just steps from the site and provides convenient walking and bicycle transportation. The site offers the benefits of proximity to jobs with residential amenities. These features are key in choosing locations for affordable housing.

Please see the next page for the site maps.

## Project Location Map



## City of Madison – Context Map



## Legal Description

**LEGAL DESCRIPTION: PARCEL "A" PER FIRST AMERICAN TITLE INSURANCE COMPANY COMMITMENT NO. 03051034-630**

**A PARCEL OF LAND LYING AND BEING IN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 5, TOWNSHIP 7 NORTH, RANGE 10 EAST AND IN PART OF OUTLOT "B", LINDEN HILL ADDITION TO FAIR OAKS, IN THE CITY OF MADISON, DANE COUNTY, WISCONSIN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTHEAST PROPERTY LINE OF JAMES STREET AS RECORDED IN THE FOURTH ADDITION TO FAIR OAKS, IN THE CITY OF MADISON, AND THE NORTHWEST PROPERTY LINE OF FAIR OAKS AVENUE; THENCE N 46°04'E 207.7 FEET ALONG THE NORTHWEST PROPERTY LINE OF SAID FAIR OAKS AVENUE TO THE CENTER LINE OF THE SPUR TRACK RUNNING FROM THE MAIN LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY TO THE CHICAGO AND NORTHWESTERN RAILROAD COMPANY MAIN LINE; THENCE N 60°28'W ALONG THE CENTER LINE OF SAID SPUR TRACK 292.2 FEET; THENCE S 46°04'W 207.7 FEET TO THE NORTHEAST PROPERTY LINE OF SAID JAMES STREET; THENCE S 60°28'E ALONG SAID NORTHEAST PROPERTY LINE OF JAMES STREET 294.2 FEET TO THE POINT OF BEGINNING.**

**TOGETHER WITH A NON-EXCLUSIVE EASEMENT OVER LAND NOW OR FORMERLY OF MADISON KIPP CORPORATION SITUATED TO THE WEST OF THE PREMISES ABOVE CONVEYED, SAID EASEMENT TO BE FOR THE PURPOSE OF MAINTENANCE AND OPERATION OF SAID SPUR TRACK NOW LOCATED ON THE SAID PROPERTY, OR ANY SPUR TRACK IN SUBSTITUTION THEREOF, SAID EASEMENT TO BE OF SUFFICIENT WIDTH TO CONFORM TO RAILROAD COMPANY REQUIREMENTS FOR SPUR TRACK PURPOSES, BEING THE SAME PREMISES CONVEYED TO CARBIDE AND CARBON CHEMICALS CORPORATION BY MADISON KIPP CORPORATION BY DEED DATED JUNE 12, 1929 AND RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS OF DANE COUNTY ON JUNE 20, 1929 IN BOOK 342 OF DEEDS AT PAGE 471.**

**SUBJECT TO EASEMENTS AND AGREEMENTS RECORDED AND UNRECORDED.**



## Experience and Capacity – Question 31

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Stone House Development, Inc. is a Madison based real estate developer and property manager specializing in the infill development of affordable rental housing. Stone House is wholly owned by Helen Bradbury and Richard Arnesen and was founded in 1996. The firm has completed nineteen affordable housing developments throughout the state of Wisconsin with the most recent LIHTC property being the Pinney Lane Apartments in Madison.

Among the projects developed by Stone House are nine in Madison, including two within 2 miles of the proposed Fair Oaks Apartments site. In 2010, Stone House completed the City Row Apartments on East Johnson Street. Stone House and its architect worked with the Tenney- Lapham Neighborhood Association to develop the project. Their steering committee had significant input in the design of City Row to insure its compatibility with the surrounding homes and small businesses.

Park Central Apartments, which is located 2 miles from the proposed project was financed with tax exempt bonds in 2008. It is also an excellent example of a public/private partnership in that Stone House partnered with Commonwealth Development to obtain CDBG financing.

Stone House will be the managing member of the Fair Oaks Apartments ownership entity, as well as the property manager. As such, Stone House will provide construction and operating guarantees, as it has in all past projects. The last three Stone House projects received their equity through Raymond James Financial. Maintaining long term relationships with investors, lenders and WHEDA is a high priority at Stone House.

Stone House manages all of the projects it developed plus acts as a fee-based manager for other affordable housing projects. Stone House has, for example, leased up and managed Revival Ridge Apartments for the Madison CDA since its opening in 2009. Stone House's key management staff members, Kasie Setterlund, Director of Operations, and David Michlig, in-house CPA and Controller have each been with the firm for over sixteen years.

The Pinney Lane Apartments which opened in March 2016 has a supportive service provider "Movin Out". This has been a very successful relationship and continues to provide supportive services to our residents. Stone House is excited to work with the supportive service providers for Fair Oaks Apartments and bring our experience we have gained with Movin Out.



## Development Portfolio

Project Name	# of Units	City	Type of Project	Year Opened
Pinney Lane Apartments	70	Madison	Tax Credit, 100% Affordable	2016
Arbor Crossing Apartments	80	Shorewood Hills	WHEDA Financed, Mixed Income	2013
City Row Apartments	83	Madison	Tax Credit, 100% Affordable	2010
The Madison Mark Apartments	112	Madison	Tax Credit, Mixed Income	2005
The Overlook at Hilldale Apartments	96	Madison	Tax Credit, 100% Affordable	2011
The Overlook at Midtown Apartments	88	Madison	Tax Credit, 100% Affordable	2010
Park Central Apartments	76	Madison	Tax Credit, 100% Affordable	2008
Prairie Park Apartments	96	Madison	Tax Credit, Mixed Income	2003
Hanover Square Apartments	65	Madison	Tax Credit, Mixed Income	2002
Hubbard Street Apartments	51	Milwaukee	Tax Credit, Mixed Income	2005
Castings Place Apartments	55	Milwaukee	Tax Credit, Mixed Income	2007
East High Apartments	55	Wausau	Tax Credit, Mixed Income	2005
Wausau East Townhomes	24	Wausau	Tax Credit, Mixed Income	2008
Flats on the Fox	64	Green Bay	Tax Credit, Mixed Income	2008
Jefferson School Apartments	36	Jefferson	Tax Credit, Mixed Income	2001
Marshall Apartments	55	Janesville	Tax Credit, Mixed Income	1998
Mineral Point School Apartments	11	Mineral Point	Tax Credit, Mixed Income	1999
Shoe Factory Apartments	50	Beaver Dam	Tax Credit, Mixed Income	2000
Amity Apartments	36	West Bend	Tax Credit, Mixed Income	2002
<b>TOTAL</b>	<b>1,203</b>			

## Experience and Capacity – Question 32

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### Awards and Certifications

Name	Location	Award / Certification	Date
Pinney Lane Apts	Madison, WI	Green Built Home Certification	2016
City Row Apartments	Madison, WI	Energy Star Certification (1st Multi-Family in WI), Radiant Professional's Alliance 1st Place & Green Built Home Certification	2011
Overlook At Hilldale	Madison, WI	Energy Star Certification & Green Built Home Certification	2011
Overlook at Midtown	Madison, WI	Green Built Home Certification	2010
Park Central Apts	Madison, WI	First Certified Green Built Multi-Family Property in Wisconsin	2008
Prairie Park Apts	Madison, WI	NCOSH (National Council on Senior Housing) Gold Achievement Award	2004
Arbor Crossing	Shorewood Hills, WI	Green Built Home Certification	2013
UW Platteville Dorms	Platteville, WI	Education Design Showcase Award for 2007-2008	2008
East High Apts	Wausau, WI	Wisconsin Historic Restoration Award	2006
Amity Apartments	West Bend, WI	Wisconsin Historical Society - Historic Preservation Award	2004
Shoe Factory Apts.	Beaver Dam, WI	Dane County Historical Society - Preservation Award	2001
Jefferson School Apts	Jefferson, WI	Wisconsin Main Street Award for Best Adaptive Reuse Project	2000
Mineral Point School Apts	Mineral Point, WI	Mineral Point Chamber/Main Street Preservation Award	2000
Marshall Apts.	Janesville, WI	Wisconsin Downtown Action Council - Best Private Downtown Development	1999

**134 S Fair Oaks  
SSE 2017**

<b>category</b>	<b>total Possible</b>	<b>projected Score</b>
1 lower income areas	5	0
2 energy efficiency	32	30
3 mixed income	12	12
4 serves large families	5	5
5 serves lowest income	60	60
6 supportive housing	20	20
7 rehab / neighborhood stab	25	0
8 universal design	18	18
9 financial participation	25	12
10 eventual tenant ownership	3	0
11 development team	12	12
12 readiness to proceed	12	12
13 credit usage	30	30
14 opportunity zones	25	15
	284	226

APPLICANT:

Stone House Development, Inc.

1. CAPITAL BUDGET

Enter the proposed project funding sources.

**FUNDING SOURCES**

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
to be determined	\$ 4,700,000	N	6%	15	35	317808
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan	\$ 400,000	Y	0%			
City-LTD Loan	\$ 770,000	Y	0%			
City-Interest Loan	\$ 770,000	N	3%	15	30	37721
City-TIF Loan	\$ 500,000	Y	0%			
Other-Specify Grantor:						
Other-Specify Grantor:						
Other-Specify Grantor:						
Tax Credit Equity	\$ 9,725,000					
Historic Tax Credit Equity						
Deferred Developer Fees	\$ 450,000					
Owner Investment						
Other-Specify:						
<b>Total Sources</b>	<b>\$ 17,315,000</b>					

<b>Construction Financing</b>			
Source of Funds	Amount	Rate	Term (monthly)
Construction Loan-Lender Name:			
to be determined	\$ 12,000,000	3%	24
Bridge Loan-Lender Name:			
TIF / AHP / AHI / Deferred Fee	\$ 2,890,000	0%	24
Tax Credit Equity:			
to be determined	\$ 2,425,000		
<b>Total</b>	<b>\$ 17,315,000</b>		

Estimated pricing on sale fo Federal Tax Credits: \$ 1.03

Remarks Concerning Project Funding Sources:

APPLICANT:

Stone House Development, Inc.

2. PROJECT EXPENSES

Enter the proposed project expenses

<b>Acquisition Costs</b>	<b>Amount</b>
Acquisition	700,000
Title Insurance and Recording	20,000
Appraisal	5,000
Predevlpmnt/feasibility/market study	60,000
Survey	10,000
Marketing	40,000
Relocation	0
Other (List)	
Syndication Fees	30,000
<b>Construction:</b>	
Construction Costs	12,730,000
Demolition	0
Soils/Site Preparation	0
Construction Mgmt	0
Construction Interest	300,000
Permits; Print Plans/Specs	0
Landscaping, Play Lots, Signage	0
Other (List)	
WHEDA Tax Credit Fees	100,000
<b>Fees:</b>	
Architect	275,000
Engineering	50,000
Accounting	15,000
Legal	85,000
Development Fee	1,685,000
Leasing Fee	0
Park Impact Fees	40,000
Other (List)	
Financing Origination Fees	170,000
<b>Project Contingency:</b>	600,000
<b>Furnishings:</b>	0
<b>Reserves Funded from Capital:</b>	
Operating Reserve	300,000
Replacement Reserve	0
Maintenance Reserve	0
Vacancy Reserve	0
Lease Up Reserve	50,000
<b>Other: (List)</b>	
Construction Insurance	50,000
<b>TOTAL COSTS:</b>	<b>17,315,000</b>

APPLICANT: Stone House Development, Inc

3. PROJECT PROFORMA

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	867,000	884,340	902,027	920,067	938,469	957,238	976,383	995,910	1,015,829	1,036,145	1,056,868	1,078,006	1,099,566	1,121,557	1,143,988	1,166,868
Less Vacancy/Bad Debt	60,690	61,904	63,142	64,405	65,693	67,007	68,347	69,714	71,108	72,530	73,981	75,460	76,970	78,509	80,079	81,681
<b>Income from Non-Residential Use*</b>	<b>54,874</b>	<b>55,971</b>	<b>57,091</b>	<b>58,233</b>	<b>59,397</b>	<b>60,585</b>	<b>61,797</b>	<b>63,033</b>	<b>64,294</b>	<b>65,580</b>	<b>66,891</b>	<b>68,229</b>	<b>69,594</b>	<b>70,985</b>	<b>72,405</b>	<b>73,853</b>
<b>Total Revenue</b>	<b>861,184</b>	<b>878,408</b>	<b>895,976</b>	<b>913,895</b>	<b>932,173</b>	<b>950,817</b>	<b>969,833</b>	<b>989,230</b>	<b>1,009,014</b>	<b>1,029,195</b>	<b>1,049,778</b>	<b>1,070,774</b>	<b>1,092,190</b>	<b>1,114,033</b>	<b>1,136,314</b>	<b>1,159,040</b>
<b>Expenses:</b>																
Office Expenses and Phone	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927
Real Estate Taxes	115,000	118,450	122,004	125,664	129,434	133,317	137,316	141,435	145,679	150,049	154,550	159,187	163,963	168,881	173,948	179,166
Advertising, Accounting, Legal Fees	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159
Payroll, Payroll Taxes and Benefits	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Property Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739
Mtc, Repairs and Mtc Contracts	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Utilities (gas/electric/fuel/water/sewer)	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952	124,581	128,318	132,168	136,133	140,217
Property Mgmt	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	64,159	66,084	68,067	70,109
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	27,300	28,119	28,963	29,831	30,726	31,648	32,598	33,576	34,583	35,620	36,689	37,790	38,923	40,091	41,294	42,533
Support Services	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159
Other (List)																
Trash removal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trash removal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>463,300</b>	<b>477,199</b>	<b>491,515</b>	<b>506,260</b>	<b>521,448</b>	<b>537,092</b>	<b>553,204</b>	<b>569,801</b>	<b>586,895</b>	<b>604,501</b>	<b>622,636</b>	<b>641,316</b>	<b>660,555</b>	<b>680,372</b>	<b>700,783</b>	<b>721,806</b>
<b>Net Operating Income</b>	<b>397,884</b>	<b>401,209</b>	<b>404,461</b>	<b>407,635</b>	<b>410,725</b>	<b>413,725</b>	<b>416,629</b>	<b>419,429</b>	<b>422,120</b>	<b>424,693</b>	<b>427,142</b>	<b>429,459</b>	<b>431,635</b>	<b>433,662</b>	<b>435,531</b>	<b>437,234</b>
<b>Debt Service:</b>																
First Mortgage	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHF City Interest Loan	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>
<b>Total Annual Cash Expenses</b>	<b>818,829</b>	<b>832,728</b>	<b>847,044</b>	<b>861,789</b>	<b>876,977</b>	<b>892,621</b>	<b>908,733</b>	<b>925,330</b>	<b>942,424</b>	<b>960,030</b>	<b>978,165</b>	<b>996,845</b>	<b>1,016,084</b>	<b>1,035,901</b>	<b>1,056,312</b>	<b>1,077,335</b>
<b>Total Net Operating Income</b>	<b>42,355</b>	<b>45,680</b>	<b>48,932</b>	<b>52,106</b>	<b>55,196</b>	<b>58,196</b>	<b>61,100</b>	<b>63,900</b>	<b>66,591</b>	<b>69,164</b>	<b>71,613</b>	<b>73,930</b>	<b>76,106</b>	<b>78,133</b>	<b>80,002</b>	<b>81,705</b>
<b>Debt Service Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Developer Fee</b>	<b>42,355</b>	<b>45,680</b>	<b>48,932</b>	<b>52,106</b>	<b>55,196</b>	<b>58,196</b>	<b>61,100</b>	<b>63,900</b>	<b>22,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Flow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44,056</b>	<b>69,164</b>	<b>71,613</b>	<b>73,930</b>	<b>76,106</b>	<b>78,133</b>	<b>80,002</b>	<b>81,705</b>

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

<b>DCR Hard Debt</b>	1.25	1.26	1.27	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.34	1.35	1.36	1.36	1.37	1.38
<b>DCR Total Debt</b>	1.12	1.13	1.14	1.15	1.16	1.16	1.17	1.18	1.19	1.19	1.20	1.21	1.21	1.22	1.23	1.23

**Assumptions**

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	

APPLICANT:

3. PROJECT PROFORMA (cont.)

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

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	1,190,205	1,214,009	1,238,289	1,263,055	1,288,316	1,314,083	1,340,364	1,367,172	1,394,515	1,422,405	1,450,854	1,479,871	1,509,468	1,539,657
Less Vacancy/Bad Debt	83,314	84,981	86,680	88,414	90,182	91,986	93,826	95,702	97,616	99,568	101,560	103,591	105,663	107,776
<b>Income from Non-Residential Use*</b>	<b>75,330</b>	<b>76,837</b>	<b>78,374</b>	<b>79,941</b>	<b>81,540</b>	<b>83,171</b>	<b>84,834</b>	<b>86,531</b>	<b>88,261</b>	<b>90,027</b>	<b>91,827</b>	<b>93,664</b>	<b>95,537</b>	<b>97,448</b>
<b>Total Revenue</b>	<b>1,182,221</b>	<b>1,205,866</b>	<b>1,229,983</b>	<b>1,254,582</b>	<b>1,279,674</b>	<b>1,305,268</b>	<b>1,331,373</b>	<b>1,358,000</b>	<b>1,385,160</b>	<b>1,412,864</b>	<b>1,441,121</b>	<b>1,469,943</b>	<b>1,499,342</b>	<b>1,529,329</b>
<b>Expenses:</b>														
Office Expenses and Phone	25,675	26,446	27,239	28,056	28,898	29,765	30,658	31,577	32,525	33,500	34,505	35,541	36,607	37,705
Real Estate Taxes	184,541	190,077	195,780	201,653	207,703	213,934	220,352	226,962	233,771	240,784	248,008	255,448	263,112	271,005
Advertising, Accounting, Legal Fees	32,094	33,057	34,049	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131
Payroll, Payroll Taxes and Benefits	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828
Property Insurance	48,141	49,585	51,073	52,605	54,183	55,809	57,483	59,208	60,984	62,813	64,698	66,639	68,638	70,697
Mtc, Repairs and Mtc Contracts	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828
Utilities (gas/electric/fuel/water/sewer)	144,424	148,756	153,219	157,816	162,550	167,427	172,449	177,623	182,951	188,440	194,093	199,916	205,913	212,091
Property Mgmt	72,212	74,378	76,609	78,908	81,275	83,713	86,225	88,811	91,476	94,220	97,047	99,958	102,957	106,045
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	43,808	45,123	46,476	47,871	49,307	50,786	52,310	53,879	55,495	57,160	58,875	60,641	62,460	64,334
Support Services	32,094	33,057	34,049	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>743,460</b>	<b>765,764</b>	<b>788,737</b>	<b>812,399</b>	<b>836,771</b>	<b>861,874</b>	<b>887,731</b>	<b>914,363</b>	<b>941,794</b>	<b>970,047</b>	<b>999,149</b>	<b>1,029,123</b>	<b>1,059,997</b>	<b>1,091,797</b>
<b>Net Operating Income</b>	<b>438,761</b>	<b>440,101</b>	<b>441,246</b>	<b>442,183</b>	<b>442,903</b>	<b>443,393</b>	<b>443,642</b>	<b>443,638</b>	<b>443,367</b>	<b>442,816</b>	<b>441,972</b>	<b>440,820</b>	<b>439,345</b>	<b>437,532</b>
<b>Debt Service:</b>														
First Mortgage	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808	317,808
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHF City Interest Loan	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721	37,721
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>	<b>355,529</b>
<b>Total Annual Cash Expenses</b>	<b>1,098,989</b>	<b>1,121,293</b>	<b>1,144,266</b>	<b>1,167,928</b>	<b>1,192,300</b>	<b>1,217,403</b>	<b>1,243,260</b>	<b>1,269,892</b>	<b>1,297,323</b>	<b>1,325,576</b>	<b>1,354,678</b>	<b>1,384,652</b>	<b>1,415,526</b>	<b>1,447,326</b>
<b>Total Net Operating Income</b>	<b>83,232</b>	<b>84,572</b>	<b>85,717</b>	<b>86,654</b>	<b>87,374</b>	<b>87,864</b>	<b>88,113</b>	<b>88,109</b>	<b>87,838</b>	<b>87,287</b>	<b>86,443</b>	<b>85,291</b>	<b>83,816</b>	<b>82,003</b>
<b>Debt Service Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Developer Fee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Flow</b>	<b>83,232</b>	<b>84,572</b>	<b>85,717</b>	<b>86,654</b>	<b>87,374</b>	<b>87,864</b>	<b>88,113</b>	<b>88,109</b>	<b>87,838</b>	<b>87,287</b>	<b>86,443</b>	<b>85,291</b>	<b>83,816</b>	<b>82,003</b>

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

<b>DCR Hard Debt</b>	1.38	1.38	1.39	1.39	1.39	1.40	1.40	1.40	1.40	1.39	1.39	1.39	1.38	1.38
<b>DCR Total Debt</b>	1.23	1.24	1.24	1.24	1.25	1.25	1.25	1.25	1.25	1.25	1.24	1.24	1.24	1.23

**Assumptions**

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	