

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: August 31, 2012

TO: Supervisor Pat Jursik, Chairperson, Economic & Community Development Committee

FROM: Héctor Colón, Director, Department of Health and Human Services

SUBJECT: **Informational Report from the Director, Department of Health and Human Services, Regarding the 2013 Community Development Block Grant Allocation Process and Public Hearing**

Background

As part of the annual Community Development Block Grant (CDBG) process, all applicants are invited to attend a public hearing and present their proposals to the Economic and Community Development Committee. The Department of Health and Human Services (DHHS), Housing Division has completed their review of all 2013 proposals and sent letters to the agencies notifying them of the public hearing (See Attachment A). The applicants will attend the September 17, 2012 Economic and Community Development Committee meeting to present a two-minute summary to Committee members (See Attachment B).

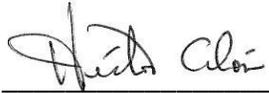
Issue

The Housing Division has reviewed all of the 2013 CDBG applications, including the proposed activities. Organizations have been directed to provide a short presentation to the Committee including information on how the proposed activity will benefit the residents of Milwaukee County's CDBG jurisdiction, and how the activity will primarily benefit low to moderate income people (per the National Objective standards established by HUD). The public hearing is a necessary and critical step toward approving the CDBG 2013 projects and related funding for the 2013 Annual Plan.

Following the public hearing, the CDBG review panel will examine all proposals and make recommendations for funding to the Economic and Community Development Committee for approval by the Board of Supervisors and the County Executive. Once the Board approves the projects, the 2013 Annual Plan will be published for comment for 30-days, as required. Any public comments will then be incorporated into the final 2013 Annual Plan and the Plan will then be submitted to HUD for approval.

Recommendation

This is an informational report. No action is necessary.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Terrence Cooley, County Board
Patrick Farley, Director, DAS
Pam Bryant, Interim Fiscal & Budget Administrator, DAS
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS
Glenn Bultman, Analyst, County Board Staff



**DEPARTMENT OF HEALTH & HUMAN SERVICES
HOUSING DIVISION**

ATTACHMENT A

August 25, 2012

Dear CDBG Applicant:

Your proposal for Milwaukee County 2013 Community Development Block Grant (CDBG) funding program will be reviewed by the Milwaukee County Board of Supervisors at the Economic and Community Development Committee meeting on Monday, September 17th, 2012. The meeting will begin at 9:00 a.m. in Room 203-R of the Milwaukee County Courthouse.

To ensure that all applicants have sufficient time to present their project to the Committee, we are requesting that applicants have only one representative make a presentation on the proposed project. The representative will be limited to two minutes for the presentation, followed by one minute for possible questions from the Committee members. No handouts will be allowed during the presentation. Committee members will have copies of the proposals well in advance of the meeting.

No funding recommendations will be made at this meeting.

Please find the estimated time of your presentation on the schedule of presentations attached. We suggest that you arrive thirty minutes prior to your scheduled time in case the Committee is ahead of schedule. We strongly encourage all applicants to honor the established parameters for the two minute time limit and the one-person format for the presentations.

If you have any questions concerning this matter, please call Damon Dorsey at 278 - 4780.

Sincerely,

Damon M. Dorsey
Program Coordinator

Enclosure

ATTACHMENT B

SCHEUDLE OF PRESENTATIONS - 2013 CDBG PROPOSALS				
Project No.	Applicant	Project Description	Amount Requested	Time
1	City of Brown Deer	Brown Deer Senior Citizen Club operation	\$25,017	9:00 AM
2	City of Cudahy	Property Maintenance Program-Caer for Cudahy	\$4,800	9:03 AM
3	City of Cudahy	Project Concern of Cudahy/St. Francis	\$6,200	9:06 AM
4	City of Cudahy	Cudahy/St. Francis Program for the Elderly	\$6,000	9:09 AM
5	City of Franklin	Senior Travel Transportation Services	\$5,883	9:12 AM
6	City of Franklin	Elderly Persons Home Support Services (SW Interfaith)	\$3,381	9:15 AM
7	City of Franklin	Clare Meadows North Handicap Accessible Sidewalk Project-Phase II	\$80,000	9:18 AM
8	City of Glendale	Glendale ADA Sidewalk & Curb Ramps	\$31,345	9:21 AM
9	Village of Greendale	Adult Program Services	\$9,702	9:24 AM
10	Village of Greendale	ADA Accesibility Enhancements to Pedestrian Pathways	\$29,383	9:27 AM
11	City of Greenfield	Maple Grove Elementary School Street Access	\$62,000	9:30 AM
12	City of Greenfield, Dept. of Parks & Recreation	Public Services/Senior Services	\$20,000	9:33 AM
13	South Milwaukee Human Concerns	Food Purchases	\$3,000	9:36 AM
14	South Milwaukee Human Concerns	Boiler Replacement & Asbestos Removal	\$20,606	9:39 AM
15	Village of West Milwaukee	West Milwaukee Community Centre HVAC	\$32,000	9:42 AM
16	Village of West Milwaukee	West Milwaukee Community Centre HVAC	\$9,000	9:45 AM
17	Village of Shorewood	Senior Resource Center	\$10,000	9:48 AM
18	Village of Shorewood	Shoreline Interfaith	\$2,500	9:51 AM
19	Village of Shorewood	Water Main Replacement	\$21,614	9:54 AM
20	City of St. Francis	Cudahy-St.Francis Interfaith Program for the Eldery Staffing	\$5,000	9:57 AM
21	City of St. Francis	St Francis Trail System	\$60,000	10:00 AM
22	City of St. Francis	Sidewalk Replacement and Handicap Ramp Program	\$40,000	10:03 AM
23	Grand Avenue Club	Looking South:Supoted Educational & Vocational	\$20,039	10:06 AM
24	Granville Interfaith OA	Neighborhood Outreach Services	\$6,190	10:09 AM
25	Greendale Historical Society	Re-adaptation of original grounds building & hose tower	\$40,000	10:12 AM
26	Hunger Task Force (Franklin)	Infrastructure Improvements to Produce Staging Facility	\$164,250	10:15 AM
27	Hunger Task Force (Franklin)	Install Well Pump & Hydrant	\$103,098	10:18 AM
28	Hunger Task Force (Franklin)	Operations	\$40,000	10:21 AM
29	Interfaith (South Milw/Oak Creek)	Neighborhood Outreach Services	\$4,050	10:24 AM
30	Interfaith (South Milw/Oak Creek)	Neighborhood Outreach Services	\$6,000	10:27 AM
31	Jewish Family Services	Expansion of Deerwood Crossing Senior Residences	\$70,000	10:30 AM
32	Jewish Family Services	Expansion of Deerwood Crossing Senior Residences	\$30,000	10:33 AM
33	Legal Aid Society of Milwaukee	Foreclosure Mediation Project	\$21,000	10:36 AM
34	Milwaukee County Home Repair	Architectural Barrier Removal Program	\$127,818	10:39 AM
35	Milwaukee County Home Repair	Emergency Home Repair	\$127,818	10:42 AM
36	Rebuilding Together	Minor Home Repair	\$200,000	10:45 AM
37	Salvation Army (Oak Creek)	Food & Emergency Lodging	\$6,000	10:48 AM
38	School District of South Milwaukee	Lakeview School Playground	\$20,000	10:51 AM
39	United Community Center	UCC Senior & Adult Day-care	\$12,500	10:54 AM
40	Word of Hope Ministries, Inc.	Econmic Development	\$40,000	10:57 AM
41	Wisconsin Community Services, Inc.	WCS CDLRE	\$25,000	11:00 AM
42	Metropolitan Milwaukee Fair Housing Council	Fair Housing education and outreach services	\$75,000	11:03 AM
43	WWBIC	Micro-enterprise Development Continuum	\$60,000	11:07 AM

SCHEDULE OF PRESENTATIONS - 2013 CDBG PROPOSALS				
Project No.	Proposal Sponsor	Proposed Activity	Amount Requested	Time
1	Village of Bayside	Ellsworth Park ADA Playground Improvements	\$14,245.15	9:00 AM
2	Village of Bayside	Fox Point/Bayside Senior Citizens Center Operations --	\$5,598.00	9:03 AM
3	City of Brown Deer	Brown Deer Senior Citizen Club operation	\$25,017.00	9:06 AM
4	City of Cudahy	Property Maintenance Program-Care for Cudahy	\$4,800.00	9:09 AM
5	City of Cudahy	Project Concern of Cudahy/St. Francis	\$6,200.00	9:12 AM
6	City of Cudahy	Cudahy/St. Francis Program for the Elderly	\$6,000.00	9:15 AM
7	City of Cudahy	2013 Handicap Ramp/Bus Pads	\$30,000.00	9:18 AM
8	City of Franklin	Senior Travel Transportation Services	\$5,883.00	9:21 AM
9	City of Franklin	Elderly Persons Home Support Services (SW Interfaith)	\$3,381.00	9:24 AM
10	City of Franklin	Clare Meadows North Handicap Accessible Sidewalk P	\$80,000.00	9:27 AM
11	City of Glendale	Glendale ADA Sidewalk & Curb Ramps	\$31,345.00	9:30 AM
12	Village of Greendale	Adult Program Services	\$9,702.00	9:33 AM
13	Village of Greendale	ADA Accesibility Enhancements to Pedestrian Pathway	\$29,383.00	9:36 AM
14	City of Greenfield	Maple Grove Elementary School Street Access	\$62,000.00	9:39 AM
15	City of Greenfield, Dept. of Parks & Recre	Public Services/Senior Services	\$20,000.00	9:42 AM
16	South Milwaukee Human Concerns	Food Purchases	\$3,000.00	9:45 AM
17	South Milwaukee Human Concerns	Boiler Replacement & Asbestos Removal	\$20,606.00	9:48 AM
18	Village of West Milwaukee	West Milwaukee Community Centre HVAC	\$32,000.00	9:51 AM
19	Village of West Milwaukee	West Milwaukee Community Centre HVAC	\$9,000.00	9:54 AM
20	Village of Shorewood	Senior Resource Center	\$10,000.00	9:57 AM
21	Village of Shorewood	Shoreline Interfaith	\$2,500.00	10:00 AM
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23	City of St. Francis	Cudahy-St.Francis Interfaith Program for the Eldery Sta	\$5,000.00	10:06 AM
24	City of St. Francis	St Francis Trail System	\$60,000.00	10:09 AM
25	City of St. Francis	Sidewalk Replacement and Handicap Ramp Program	\$40,000.00	10:12 AM
26	City of St. Francis	Sidewalk Replacement Program Phase 2	\$50,000.00	10:16 AM
27	Grand Avenue Club	Looking South:Suppoted Educational & Vocational	\$20,039.00	10:19 AM
28	Granville Interfaith OA	Neighborhood Outreach Services	\$6,190.00	10:22 AM
29	Greendale Historical Society	Re-adaptation of original grounds building & hose tower	\$40,000.00	10:25 AM
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33	Interfaith (South Milw/Oak Creek)	Neighborhood Outreach Services	\$4,050.00	10:37 AM
34	Interfaith (South Milw/Oak Creek)	Neighborhood Outreach Services	\$6,000.00	10:40 AM
35	Jewish Family Services	Expansion of Deerwood Crossing Senior Residences	\$70,000.00	10:43 AM
36	Jewish Family Services	Expansion of Deerwood Crossing Senior Residences	\$30,000.00	10:46 AM
37	Legal Aid Society of Milwaukee	Foreclosure Mediation Project	\$21,000.00	10:49 AM
38	Metropolitan Milwaukee Fair Housing Cou	Fair Housing education and outreach services	\$75,000.00	10:52 AM
39	Milwaukee County Home Repair	Architectural Barrier Removal Program	\$127,818.00	10:55 AM
40	Milwaukee County Home Repair	Emergency Home Repair	\$127,818.00	10:58 AM
41	Milwaukee County Home Repair	Suburban Home Repair	\$127,818.00	11:01 AM
42	Rebuilding Together	Minor Home Repair	\$200,000.00	11:04 AM
43	Saint Mary's Academy (Marian Center)	Marian Center	\$100,000.00	11:07 AM
44	Salvation Army (Oak Creek)	Food & Emergency Lodging	\$6,000.00	11:10 AM
45	School District of South Milwaukee	Lakeview School Playground	\$20,000.00	11:13 AM
46	United Community Center	UCC Senior & Adult Day-care	\$12,500.00	11:16 AM
47	Word of Hope Ministries, Inc.	Econmic Development	\$40,000.00	11:19 AM
48	Wisconsin Community Services, Inc.	WCS Training & Job Placement	\$40,000.00	11:22 AM
49	Wisconsin Community Services, Inc.	WCS CDLRE	\$25,000.00	11:25 AM
50	Wisconsin Preservation Fund	Shorewood Enterprise Apartments	\$344,744.00	11:28 AM
51	WWBIC	Micro-enterprise Development Continuum	\$60,000.00	11:31 AM
Total Amount Requested			\$2,398,599.15	

PUBLIC HEARING NOTICE
**2013 Milwaukee County Community Development Block Grant
(CDBG)**

Milwaukee County, pursuant to the Community Development Block Grant (CDBG) and U.S. Department of Housing & Urban Development guidelines, will be holding a public hearing to hear oral presentations from all potential grant Sub-recipients who have timely submitted their grant proposals and are eligible grant applicants seeking to receive CDBG funds for the 2013 grant cycle.

The Public Hearing will be held on Monday, September 17th, 2012 at 9:00 a.m. at the Milwaukee County Court House, located at 901 N. 9th Street, Room 203 Milwaukee, WI 53233.

Milwaukee County will be receiving 2013 federal CDBG funding totaling approximately \$1,200,000. The CDBG funding is to be shared between Milwaukee County and 16 participating municipalities. The municipal share will be allocated in accordance with Inter-Governmental Cooperation Council policy adopted for this purpose. It is proposed that the County's share be used for county-wide projects. Approximately 20% is set aside for administrative costs.

Milwaukee County makes every effort to make all programs and activities accessible to the learning, mobility, visually, hearing, and language-impaired persons. If you are a person with a disability and require an auxiliary aid, services, or accommodations to participate, please contact Damon Dorsey (414) 278-4780 or Damon.Dorsey@milwcnty.com to discuss how Milwaukee County can best accommodate your needs.

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE: August 20, 2012

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Housing Administrator

SUBJECT: Informational Report, from the Director of the Department of Health and Human Services, regarding the Process for 2011 Community Development Block Grant (CDBG) Funds

Issue

On August 8, 2012, the Department of Health and Human Services (DHHS) Housing Division conducted a public meeting to receive feedback on the proposed use of approximately \$376,225 in reallocated CDBG funds. Staff is proposing to use this reallocation for eligible 2013 projects that will be recommended to the County Board as part of the 2013 project timeline.

Background

The U.S. Department of Housing and Urban Development (HUD) and Housing Division staff had determined that there were projects funded in the 2011 cycle that did not meet eligibility requirements. Since that time, HUD was reimbursed for the ineligible projects and Housing Division staff cancelled a number of projects that had yet to be funded. Although HUD required reimbursement, the funds are now available for reallocation to other future CDBG projects. Due to the volume of applications that the Division generally receives, these reallocated funds will allow the Division to fund more eligible projects for non-profits and municipalities during the 2013 funding cycle.

According to HUD regulations, this decision requires a Substantial Amendment to the Milwaukee County 2011 Annual Plan. This plan discusses the Division's proposed annual uses of CDBG funds. A Substantial Amendment requires public input and a 30-day public comment period. Staff placed the Amendment on the Milwaukee County Website as well as published a notice for a public hearing in July 2012. Staff conducted this hearing on August 8th at the Zablocki Park Pavilion.

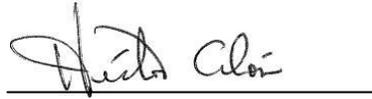
From this meeting, there were two public comments added to the Amendment. The first person expressed support for the Center for Driver's License and Recovery in relation to seeking work and getting to jobs. The second person voiced support for mobility to the workplace, especially for low income drivers and stated that workers need to be able to travel out of the area, which provides employers the benefit of a larger applicant pool.

The public comment period is now closed and Milwaukee County has the ability to reallocate these funds for eligible projects in the 2013 funding cycle.

Recommendation

This is an informational report. No action is necessary.

Respectfully,

A handwritten signature in black ink, appearing to read "Hector Colon", is written over a horizontal line.

Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Kelly Bablich, County Board
Patrick Farley, Director, DAS
Craig Kammholz, Fiscal & Budget Administrator, DAS
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS
Glenn Bultman, Analyst, County Board Staff
Janelle Jensen, County Board Staff

**MILWAUKEE COUNTY
INTER-OFFICE COMMUNICATION**

DATE: August 24, 2012

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Administrator - Housing Division

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to enter into a HOME written agreement for \$675,000 with Jewish Family Services Housing, Inc. for the construction of 11 units of affordable housing at 4400 W. Bradley Road

ISSUE

The Department of Health and Human Services is requesting authorization to enter into a HOME Written Agreement for \$675,000 of HOME funds with Jewish Family Services Housing, Inc. to assist in the construction of 11 units of affordable housing at 4400 W. Bradley Road. These 11 units will be a part of a 54-unit development called Bradley Crossing Phase II.

BACKGROUND

The HOME program was born out of the National Affordable Housing Act of 1990 and was a spin-off of the Community Development Block Grant program to address housing needs only. Milwaukee County, as a designated Urban County, is part of a HOME Consortia with West Allis and Wauwatosa.

Financing of rental projects is an eligible HOME activity and the Village of Brown Deer is part of the HOME Consortium jurisdiction. Financing of the project, if approved, will include a mortgage and promissory note at 0% interest deferred for 20 years. Eligible costs for the project include construction costs of the HOME units, a proration of required common areas, proration of land acquisition costs and a maximum reserve of 18 months. Minimum HOME investment per unit is \$1,000 and the maximum is listed below.

NON ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$50,956	\$58,752	\$70,857	\$90,699	\$101,042

ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$53,624	\$61,471	\$74,749	\$96,700	\$106,147

The property will have to remain affordable for 20 years. During that period of affordability, the HOME Written Agreement, as approved by Corporation Counsel and Risk Management, will be enforced and there will be a covenant recorded against the property. Even if the loan is repaid early or there is a change in ownership, the period of affordability will remain for the full duration. During this period at least 20% of the units must be "Low HOME rent" units; the remaining may be at the high rent limit. Rents shall be calculated by using the Section 8 utility allowance or other approved schedule. Below are the tables for the 2012 limits and period of affordability. Attachment A further explains the tenant and unit requirements.

Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

The Low Rent Unit annual gross income limits (50% of County Median Income (CMI)) are:

1 person	\$25,650
2	\$29,300
3	\$32,950
4	\$36,600
5	\$39,550
6	\$42,500
7	\$45,400
8+	\$48,380

The "flat" Low Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$686
2	\$823
3	\$951
4	\$1,062

The High Rent Unit annual gross income limits (60% of CMI) are:

1 person	\$30,780
2	\$35,160
3	\$39,540

4	\$43,920
5	\$47,460
6	\$51,000
7	\$54,480
8+	\$58,020

The High Rent income annual gross limits for up to 10% of the units (80% of CMI) are:

1 person	\$41,000
2	\$46,850
3	\$52,700
4	\$58,550
5	\$63,250
6	\$67,950
7	\$72,650
8+	\$77,300

The High Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$725
2	\$866
3	\$1,091
4	\$1,124

The Developer shall be responsible for conducting income qualification reviews of tenants based on the 24 CFR Part 5 definition of income. The County will be responsible for monitoring files and conducting annual inspections. County Housing staff as well as an independent party with experience in subsidy layering reviewed the project using the HUD recommended template (See the underwriting template in Attachment B). The subsidy layering analysis shows the amount requested is reasonable and that the project is feasible.

DISCUSSION

The first phase of Bradley Crossing is a 60-unit, multi-generational supportive residential housing community owned and operated by Jewish Family Services and professionally managed by Oakbrook Corporation. Residents of the facility will include clients of JFS and other organizations who serve clients with physical and intellectual disabilities (I/DD) from age 18 and older. The facility is following the national trend in housing for people with disabilities that is shifting away from large institutional settings and community-based group homes to individualized support delivered to clients living at home in “mixed” living environments. It is critical to note that these individuals will be heavily screened for their ability to live independently, as it is the primary goal of the facility to successfully integrate persons with physical and intellectual disabilities in fully independent residential environments.

The first phase of Bradley Crossing will open in fall 2012. The facility is nearing full capacity and is developing a waiting list. The demand for this type of housing is enormous and the need is not met with the first phase alone. General Capital and JFS are proposing a second phase that would surround the

first phase with a series of 10-unit stacked flats and row homes. These units will offer a different style of living environment with individual unit entries and private garages. Residents of this phase will be offered the same supportive services offered to residents in the first phase but in a more private community setting. The second phase will also take advantage of the amenities provided in the first phase, including access to JFS services and counseling center, the Village of Brown Deer Community Center and various common areas and resources provided to residents of Bradley Crossing.

The building is designed using high-quality materials including brick, stone and cement board siding, similar in character to the first phase of Bradley Crossing. Phase II will include six buildings: five, 10-unit "stacked flats" with private garages and one building containing four townhome-style units facing Bradley Road. The use of appropriate massing and key architectural elements will serve to create visually interesting buildings that fit into the context of the Bradley Road neighborhood.

The layout of the buildings, parking and pedestrian facilities reinforces the Traditional Neighborhood Development (TND) design intended for the Bradley Village neighborhood. The layout promotes pedestrian activity and an authentic neighborhood feel. Residents will be able to walk to local restaurants, cafes and convenience store. The site is also conveniently located on multiple bus lines.

Jewish Family Services has provided comprehensive social services to families in the Milwaukee area since the organization was founded in 1867. Its mission is to provide supportive services that help strengthen families, children and individuals throughout their life cycle within the context of their needs. Bradley Crossing will promote independence and integration for individuals requiring support services; half the units will target people with developmental, intellectual or physical disabilities (note that Milwaukee County is providing project based housing assistance for 30 of the 60 units). The other half will be marketed to individuals and families whose income qualify under Section 42 and desire to live in a well located, high-quality apartment community in the Village of Brown Deer.

RECOMMENDATION

It is recommended that the County Board of Supervisors authorize the Director, DHHS, or his designee, to enter into a HOME written agreement, with approval of Corporation Counsel and Risk Management, for the use of \$675,000 of HOME funds to Jewish Family Services Housing, Inc. for the construction of 11 units of affordable housing at 4400 W. Bradley Road.

FISCAL EFFECT

This projected is completely funded with HOME revenue. A fiscal note form is attached.

Respectfully Submitted:



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office

Kelly Bablitch, County Board
Patrick Farley, Director, DAS
Craig Kammholz, Fiscal & Budget Administrator, DAS
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS
Glenn Bultman, Analyst, County Board Staff
Janelle Jensen, County Board Staff

1
2
3
4 (Item*) From the Director, Department of Health and Human Services, requesting
5 authorization to enter into a HOME Written Agreement for \$675,000 with Jewish Family
6 Services Housing, Inc. (or their designated corporate entity) for the purpose of
7 construction of 11 units of affordable housing at 4400 West Bradley Road in the Village
8 of Brown Deer as part of a 54-unit development known as Bradley Crossing Phase II
9

10 WHEREAS, Milwaukee County with the Cities of Wauwatosa and West Allis
11 participates as a Consortium in the federal HOME Investments Partnerships Program;
12 and
13

14 WHEREAS, the Village of Brown Deer will support a Section 42 Affordable
15 Housing Tax Credit 11-unit housing project to be owned and developed by Jewish
16 Family Services Housing, Inc. (or their designated corporate entity) and managed by
17 Oakbrook Corporation, and located at 4400 West Bradley Road in the Village of Brown
18 Deer, and
19

20 WHEREAS, Jewish Family Services Housing, Inc. has requested \$675,000 in
21 HOME funds to assist in providing 11 units of affordable housing in this project to low-
22 income households; and
23

24 WHEREAS, the developer shall provide Environmental Review documents
25 satisfactory to staff; and
26

27 WHEREAS, the developer shall identify permanent financing by June 1, 2013; and
28

29 WHEREAS, the County has a deadline of October 31, 2012 to commit a minimum
30 of \$1.45 million in HOME funds; now, therefore
31

32 BE IT RESOLVED, that the Director of the Department of Health and Human
33 Services, or his designee, is authorized and directed to enter into a development
34 agreement consistent with HOME requirements, to provide \$675,000 in HOME funds
35 as a secured 0%, deferred payment loan, payable in full in 20 years, to Jewish Family
36 Services Housing, Inc. (or their designated corporate entity), to construct 11 units of
37 affordable housing at 4400 West Bradley Road in the Village of Brown Deer, contingent
38 upon receipt of complete project financing and execution of a development agreement
39 consistent with HOME requirements by October 31, 2012; and
40

41 BE IT FURTHER RESOLVED, that the Director of the Department of Health and
42 Human Services is authorized and directed to carry out all steps necessary to
43 accomplish the objective of this resolution.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 8/22/12

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director, Department of Health and Human Services, requesting authorization to to enter into a HOME Written Agreement for \$675,000 with Jewish Family Services Housing Inc. (or their designated corporate entity) for the purpose of construction of 11 units of affordable housing at 4400 West Bradley Road in the Village of Brown Deer as part of a 54 unit development known as Bradley Crossing Phase II

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into a HOME Written Agreement for \$675,000 with Jewish Family Services Housing Inc. (or their designated corporate entity) for the purpose of construction of 11 units of affordable housing at 4400 West Bradley Road in the Village of Brown Deer as part of a 54 unit development known as Bradley Crossing Phase II.

B. Total 2012 expenditures included in this request are \$675,000. The HOME funds are provided to Jewish Family Services Housing Inc. (or their designated corporate entity) as a secured 0%, deferred payment loan, payable in full in 20 years.

C. There is no tax levy impact associated with approval of this request in 2012. Funds sufficient to cover the expenditures associated with this initiative are available from the HOME surplus balance, which is comprised of funding going back a number of years.

D. No assumptions are made.

Department/Prepared By Thomas F. Lewandowski, Fiscal & Management Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSINGAttachment 1: **92.252 Qualification as Affordable Housing and Income Targeting: Rental Housing**

- (a) Rent limitation. A rental housing project (including the non-owner-occupied units in housing purchased with HOME funds in accordance with 92.254) qualifies as affordable housing under this part only if the project:
- (1) Bears rents not greater than the lesser of
 - (i) The fair market rent for existing housing for comparable units in the area as established by HUD under 888.111 of this title, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) A rent that does not exceed 30 percent of the adjusted income of a family whose gross income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit, except that HUD may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit and adjusted income assumptions to be used in calculating the maximum rent allowed under this paragraph (a)(1)(ii);
 - (2) Has, in the case of projects with three or more rental units, or in the case of an owner of multiple one or two unit projects with a total of three or more rental units, not less than 20 percent of the rental units
 - (i) Occupied by very low-income families who pay as a contribution toward rent (excluding any federal or state rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by HUD. To obtain the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction multiplies the annual adjusted income of the tenant family by 30 percent and divides by 12 and, if applicable, subtracts a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) Occupied by very low-income families and bearing rents not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustment for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit assumptions to be used in calculating the maximum rent allowed under paragraph (a)(2)(ii) of this section;
 - (3) Is occupied only by households that qualify as low-income families;
 - (4) Is not refused for leasing to a holder of a certificate of family participation under 34 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME tenant-

based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME tenant-based assistance document; and

- (5) Will remain affordable, pursuant to deed restrictions, covenants running with the land, or other mechanisms approved by HUD that will ensure that the property will remain affordable without regard to the term of any mortgage or the transfer of ownership, for not less than the appropriate period, beginning after project completion, as specified in the following table, without regard to the term of the mortgage or to transfer of ownership, except that, upon foreclosure by a lender or other transfer in lieu of foreclosure, the affordability period shall be terminated if the foreclosure or other transfer recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid the termination of low-income affordability. However, the affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure or other transfer, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property, the affordability period shall be revived according to its original terms. In addition, when HOME funds are used in connection with multifamily housing in which acquisition, new construction, or rehabilitation is financed with a mortgage insured by HUD under chapter II of this title, the minimum period of affordability is the term of the HUD-insured mortgage.

Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

- (b) Rent schedule and utility allowances. The participating jurisdiction must review and approve rents proposed by the owner for units with "flat rents", i.e., units subject to the maximum rent limitations in paragraph (a)(1)(i), (a)(1)(ii), or (a)(2)(ii) of this section, and, if applicable, must review and approve, for all units subject to the maximum rent limitation paragraph (a) of this section, the monthly allowances, proposed by the owner, for utilities and services to be paid by the tenant. The owner must reexamine the income of each tenant household living in low-income units at least annually. The maximum monthly rent must be recalculated by the owner and reviewed and approved by the participating jurisdiction annually, and may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in rents for lower income units is subject to the provisions of outstanding leases, in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.
- (c) Increases in tenant income. Rental housing qualifies as affordable housing despite a temporary noncompliance with paragraph (a)(2) or (a)(3) of this section, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected. Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted monthly income, as recertified annually. The preceding sentence shall not apply with respect to funds made available under this part for units that have been allocated at low-income housing tax credit by a

housing credit agency pursuant to section 42 of the Internal Revenue Code 1986 (26 U.S.C. 42).

- (d) Adjustment of qualifying rent. HUD may adjust the qualifying rent established for a project under paragraph (a)(1) of this section, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly. Adjustments in fair market rents and in median income over time should help maintain the financial viability of a project within the qualifying rent standard in paragraph (a)(1) of this section.
- (e) Manufactured housing. Purchase and/or rehabilitation of a manufactured housing unit qualifies as affordable housing only if, at the time of project completion, the unit --
 - (1) Is situated on a permanent foundation;
 - (2) Is connected to permanent utility hook-ups;
 - (3) Is located on land that is held in a fee-simple title, land-trust, or long-term ground lease with a term at least equal to that of the appropriate affordability period;
 - (4) Meets the construction standards established under 24 CFR 3280;
 - (5) Meets all requirements of this section.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

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MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSING

Attachment 2: **92.253 Tenant and Participant Protections.**

- (a) Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.
- (b) Prohibited lease terms. The lease may not contain any of the following provisions:
- (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - (2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;
 - (3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - (4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - (5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - (6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - (7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - (8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- (c) Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or local law; for completion of the transitional housing tenancy period; or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.
- (d) Maintenance and replacement. An owner of rental housing assisted with HOME funds must maintain the premises in compliance with all applicable housing quality standards and local code requirements.
- (e) Tenant selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that
- (1) Are consistent with the purpose of providing housing for very low-income and low-income families,
 - (2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease,
 - (3) Give reasonable consideration to the housing needs of families that would have a preference under 960.211 (Federal selection preferences for admission to Public Housing) of this title; and

(4) Provide for

- (i) The selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- (ii) The prompt written notification to any rejected applicant of the grounds for any rejection.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

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11/10/94(Converted 7/98)

**MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSING**

Attachment 3: Current HOME Income Limits and Unit Rents

Updated: August 2, 2012

This is a summary of the HOME Program regulations at 24 CFR 92.252, compiled with published income and rent limits. In the event of a conflict with 92.252, the regulations shall govern. The rent and income limits apply only to HOME assisted units.

There are two types of rents.

1. Low Rent Units

Projects with 5 or more rental units (on 1 or more sites) must have at least 20% of the units occupied by households whose incomes do not exceed 50% of the area median (the Section 8 Very Low Income limits). The rent these households pay cannot exceed (a) 30% of the household's (actual) adjusted monthly income, OR (b) a (flat) rent determined by HUD, calculated at 30% of the gross income of a household at 50% of median income. If the household pays any utilities, a deduction is taken from the maximum rent. (The deduction varies with the utilities paid and the building type. The estimate below assumes the tenant is in a multi-unit building and pays all utilities. If an owner pays some utilities, the allowable rent would increase).

The Low Rent Unit income limits (50% of md) are:

1 person	25,650
2	29,300
3	32,950
4	36,600
5	39,550
6	42,500
7	45,400
8+	48,380

The "flat" Low Rent Unit limits are:

	<u>Maximum Rent</u>
0 bedrooms	608
1	686
2	823
3	951
4	1062

2. High Rent Units

As stated, at least 20% of the units must be Low Rent Units. Remaining units must be occupied by households whose incomes do not exceed 60% of the area median. (One exception exists. Up to 10% of all units can be occupied by households whose income does not exceed 80% of the median: the Section 8 Low Income limits). The High Rent Units cannot exceed the lesser of the Section 8 Fair Market Rents, OR a rent determined by HUD calculated at 30% of the adjusted income of a household at 65% of the median income. A deduction is made for any tenant paid utilities.

The High Rent Unit income limits (60% of md) are:
ECD - September 17, 2012 - Page 22

1 person	30,780
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2	35,160
3	39,540
4	43,920
5	47,460
6	51,000
7	54,480
8+	58,020

The High Rent income limits for up to 10% of the units (80% of md) are:

1 person	41,000
2	46,850
3	52,700
4	58,550
5	63,250
6	67,950
7	72,650
8+	77,300

The High Rent Unit limits are:

<u>Rent</u>	Maximum
0 bedrooms	608
1	725
2	866
3	1091
4	1124

All dollar amounts above are subject to revision by HUD at its discretion. Rents do not apply to 0 bedroom units without cooking or sanitary facilities.

UTILITY ALLOWANCE

Unless prior written permission is obtained from the Milwaukee County HOME coordinator, 414-278-4880, it assumed the Milwaukee Count Section 8 utility allowance is used. You may contact the Housing Choice Voucher Coordinator at 414-278-4908 annually for an updated utility allowance schedule.

MILWAUKEE COUNTY SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

UTILITY ALLOWANCE SCHEDULE (revised 10/11)							
BEDROOM SIZE	0BD	1BD	2BD	3BD	4BD	5BD	6BD
HEATING – Single Family							
Gas (therms)	24	30	48	59	70	80	91
Oil (gallons)	73	88	145	179	211	244	278
Electric (klwh's)	46	57	93	114	132	154	174
HEATING – Duplex							
Gas (therms)	22	28	44	54	65	75	85
Oil (gallons)	67	83	135	166	196	228	260
Electric (klwh's)	43	53	86	105	123	143	162
HEATING – 3 or More Units							
Gas (therms)	20	25	42	51	60	69	79
Oil (gallons)	63	76	124	154	182	210	240
Electric (klwh's)	40	48	80	98	114	136	150
WATER HEATING							
Gas	ECD - September 17, 2012 - Page 23 ⁶	8	9	12	14	16	18
Oil		22	32	37	44	51	56
Electric		18	23	30	36	41	53

LIGHTING/ REFRIGERATION	19	28	36	40	44	47	52
COOKING							
Gas	4	5	6	6	7	8	9
Electric	6	9	12	13	14	16	17
WATER & SEWER	15	16	18	34	38	42	45
STOVE	1	1	1	1	1	1	1
REFRIGERATOR	2	2	2	2	2	2	2
FIXED CHARGES							
Gas	9	9	9	9	9	9	9
Electric	11	11	11	11	11	11	11

HOME Investment Partnerships Program Multi-Family Underwriting Template

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Project Information	
Project Name:	Bradley Crossing phase II
Address	4375 W. Bradley Road
Developer:	General Capital Group/Jewish Family Services
Date of Analysis:	8/15/2012
City:	Brown Deer
State:	Wisconsin
Development Type:	New Construction

INSTRUCTIONS FOR USE

This template is intended to be used in tandem with web-based training materials available on HUD's HOME Front Web page, <http://www.hud.gov/offices/cpd/affordablehousing/training/index.cfm>. Failure to consult the online training may result in inaccurate results.

The template is intended to assist in planning multifamily, not single-family, affordable housing.

[Link to HUD's HOME Front - Interactive Technical Support for the HOME Program.](#)

The U.S. Department of Housing and Urban Development and ICF Consulting assume no liability for the use, functionality, or content of this template. This template is for draft calculations only. All inputs, outcomes, and calculations should be independently verified.

Cells for data entry are flagged with Excel's comments feature and colored green. Do not change formulas within the template, as many of them track to other formulas.

Users must determine and enter into the template the minimum required number of HOME units given the level of HOME investment and the per unit HOME investment caps. The template does not automatically assume or calculate a specific number of HOME units.

This template does not automatically cap rents at HOME levels. Each user must do this, as applicable.

This template does not automatically cap the level of HOME investment using the investment limits. PJs must ensure that they do not invest more than the per unit investment limits would allow or more than is required by the project. PJs are encouraged to review Notice 98-02 for guidance on allocating costs and determining maximum investment and minimum HOME units.

Participating jurisdictions (PJs) must conduct a subsidy layering analysis for investment of HOME funds.

Upon completing this tab, proceed to the *Requirements* tab.

HOME and Other Affordable Housing Requirements

Enter data in
green cells
only

HOME Program Requirements

HOME Investment Limits

HOME per Unit Limit - 0 Bedroom	\$ -
HOME per Unit Limit - 1 Bedroom	\$ 58,752
HOME per Unit Limit - 2 Bedroom	\$ 70,857
HOME per Unit Limit - 3 Bedroom	\$ 90,699
HOME per Unit Limit - 4 Bedroom	\$ -
HOME per Unit Limit - 5 Bedroom	\$ -

HOME Rent Limits (monthly)

Low 0 BR	Low 1 BR	Low 2 BR	Low 3 BR	Low 4 BR	Low 5 BR
\$0	\$686	\$823	\$951	\$0	\$0
High 0 BR	High 1 BR	High 2 BR	High 3 BR	High 4 BR	High 5 BR
\$0	\$725	\$866	\$1,091	\$0	\$0

HOME Utility Allowances (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$48	\$59	\$64	\$0	\$0

HOME Affordability Period

HOME-Eligible Rental Activity (select one)	New Construction or Acquisition of New Housing	▼
Average Per-Unit HOME Subsidy (select one)	More than \$40,000	▼

HOME Required Affordability Period (in years)	20	(Advisory information only.)
PJ's Required Affordability Period (in years)	20	(Must be at least as long as HOME requirement.)
PJ's Affordability Period in Compliance with HOME Program?	yes	

Other Affordable Housing Program Requirements

Other Affordable Housing Program Name	"Other"
---------------------------------------	---------

Other Affordable Housing Rent Limits (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$824	\$988	\$951	\$0	\$0

Other Affordable Housing Utility Allowances (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$48	\$59	\$64	\$0	\$0

Other Affordable Housing Affordability Period

Other Affordable Housing Affordability Period (in years)	30
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Upon completing this tab, proceed to the *Rents and Income* tab.

Rents and Income

Enter data in green cells only

Unit Characteristics

	Number of Units	Square Footage per Unit	Gross Rent, per unit, per month	Monthly Utility Allowance	Net Rent After Utilities, per unit, per month	Monthly Rent After Utilities	Annual Rent After Utilities	Within Rent Limit?
0 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
0 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
0 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
0 BR "Other" Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
1 BR High HOME Units	8	740	\$ 725	\$ 48	\$ 677	\$ 5,416	\$ 64,992	Yes
1 BR Low HOME Units	-	-	\$ -	\$ 48	\$ (48)	\$ -	\$ -	Yes
1 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
1 BR "Other" Affordable Units	28	740	\$ 730	\$ 48	\$ 682	\$ 19,096	\$ 229,152	Yes
2 BR High HOME Units	-	-	\$ -	\$ 59	\$ (59)	\$ -	\$ -	Yes
2 BR Low HOME Units	3	975	\$ 823	\$ 59	\$ 764	\$ 2,292	\$ 27,504	Yes
2 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
2 BR "Other" Affordable Units	15	975	\$ 871	\$ 59	\$ 812	\$ 12,180	\$ 146,160	Yes
3 BR High HOME Units	-	-	\$ -	\$ 64	\$ (64)	\$ -	\$ -	Yes
3 BR Low HOME Units	-	-	\$ -	\$ 64	\$ (64)	\$ -	\$ -	Yes
3 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
3 BR "Other" Affordable Units	-	-	\$ -	\$ 64	\$ (64)	\$ -	\$ -	Yes
4 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
4 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
4 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
4 BR "Other" Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
5 BR "Other" Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
Total	54	3,430	NA		NA	\$ 38,984	\$ 467,808	

Rent Projections

	HOME Units	Market Rate Units	"Other" Affordable Units
Rent Increase per Year	2%	2%	2%
Vacancy Year 1 (Lease-Up)	10%	10%	10%
Stabilized Vacancy Rate (after Year 1)	5%	5%	5%

Other Revenue

Other Monthly Revenue*	\$0
Annual Increase in Other Revenue	2%

* "Other revenue" refers to income to the property from sources other than rents (e.g., commercial space, laundry facilities).

Upon completing this tab, proceed to the *Development Costs* tab.

Development Costs

Enter data in green cells only

Cost	Amount	Cost Per Unit	Cost Per Square Foot	Other Information
Acquisition Costs				
Land	\$ 900,000	\$ 16,667	\$ 20.37	\$ 16,667 per unit
Existing Structures	\$ -	need data	need data	per unit
Other Acquisition Costs	\$ -	need data	need data	per unit
Site Work Costs (not included in construction contract)				
Demolition/Clearance	\$ -	need data	need data	
Site Remediation	\$ -	need data	need data	
Improvements	\$ 300,000	\$ 5,556	\$ 6.79	
Other Site Work Costs	\$ -	need data	need data	
Construction / Rehabilitation Costs (construction contract costs)				
Other Site Work	\$ -	need data	need data	
New Construction	\$ 3,500,000	\$ 64,815	\$ 79.20	
Rehabilitation	\$ -	need data	need data	
General Requirements	\$ 236,000	\$ 4,370	\$ 5.34	
Builder's Overhead	\$ 84,000	\$ 1,556	\$ 1.90	
Builder Profit	\$ 255,000	\$ 4,722	\$ 5.77	6% of construction costs
Performance Bond Premium	\$ 46,000	\$ 852	\$ 1.04	
Construction Contingency	\$ 300,000	\$ 5,556	\$ 6.79	7% of construction costs
Other Construction / Rehabilitation Costs	\$ 150,000	\$ 2,778	\$ 3.39	3% of construction costs
Architectural and Engineering Fees				
Architect Fee -- Design	\$ 200,000	\$ 3,704	\$ 4.53	5% of construction costs
Architect Fee -- Construction Supervision	\$ -	need data	need data	of construction costs
Engineering Fees	\$ 30,000	\$ 556	\$ 0.68	1% of construction costs
Other Architectural and Engineering Fees	\$ -	need data	need data	of construction costs
Other Owner Costs				
Project Consultant Fees	\$ -	need data	need data	
Legal and Organizational Expenses	\$ 50,000	\$ 926	\$ 1.13	
Syndication Fees	\$ -	need data	need data	0% of tax credit equity
Market Study	\$ 6,000	\$ 111	\$ 0.14	
Survey	\$ 7,000	\$ 130	\$ 0.16	
Appraisal Fees	\$ 6,000	\$ 111	\$ 0.14	
Soil Boring/Environmental Survey/Lead-Based Paint Evaluation	\$ 5,000	\$ 93	\$ 0.11	
Tap Fees and Impact Fees	\$ -	need data	need data	
Permitting Fees	\$ -	need data	need data	
Real Estate Attorney Fees	\$ 10,000	\$ 185	\$ 0.23	
Construction Loan Legal Fees	\$ -	need data	need data	
Other Owner Costs	\$ 21,000	\$ 389	\$ 0.48	
Interim Financing Costs				
Construction Insurance	\$ 17,000	\$ 315	\$ 0.38	
Construction Interest	(see below)			
Construction Loan Origination Fee	\$ 70,000	\$ 1,296	\$ 1.58	
Title and Recording Costs (for the construction loan)	\$ -	need data	need data	
Other Interim Financing Costs	\$ -	need data	need data	
Permanent Financing Fees and Expenses				
Credit Report	\$ -	need data	need data	
Permanent Loan Origination Fees (Points)	(calculated separately)			
Mortgage Broker Fees	\$ -	need data	need data	
Title and Recording Costs (for permanent financing)	\$ 7,500	\$ 139	\$ 0.17	
Counsel's Fee	\$ -	need data	need data	
Lender's Counsel Fee	\$ -	need data	need data	
Other Permanent Financing Fees and Expenses	\$ 20,000	\$ 370	\$ 0.45	
Developer's Fee	\$ 800,000	\$ 14,815	\$ 18.10	11% of total development costs
Initial Project Reserves				
Initial Rent-Up Reserve	\$ 50,000	\$ 926	\$ 1.13	11% of gross potential rents
Initial Operating Reserve	\$ 146,000	\$ 2,704	\$ 3.30	31% of gross potential rents
Initial Replacement Reserve	\$ -	need data	need data	of gross potential rents
Other Initial Project Reserves Costs	\$ 50,000	\$ 926	\$ 1.13	11% of gross potential rents
Tenant Relocation Costs	\$ -	need data	need data	
Project Administration and Management Costs (during construction only)				
Marketing/Management	\$ 70,000	\$ 1,296	\$ 1.58	
Operating Expenses	\$ -	need data	need data	
Taxes	\$ 20,000	\$ 370	\$ 0.45	
Insurance	\$ 15,000	\$ 278	\$ 0.34	
Other Project Administration & Management Costs	\$ 18,000	\$ 333	\$ 0.41	
Other Development Costs				
Other Development Cost 1	\$ -	need data	need data	
Other Development Cost 2	\$ -	need data	need data	
Other Development Cost 3	\$ -	need data	need data	
Other Development Cost 4	\$ -	need data	need data	
Other Development Cost 5	\$ -	need data	need data	
Other Development Cost 6	\$ -	need data	need data	

Construction Interest Calculation	
Construction Loan Amount	\$ 7,000,000
Interest Rate	4.0%
Months of Construction	10
Average Outstanding Balance	60.0%
Construction Interest	\$ 140,000

Total Development Costs (excluding points)* \$ 7,529,500

* Permanent loan origination fees (points) are calculated on the Financing Sources tab.

Upon completing this tab, proceed to the *Operating Expenses* tab.

Operating Expenses

Enter data in green cells only

Expense	Annual Cost	Monthly Cost	Additional Information
Management Expenses			
Management Fee	\$ 28,000	\$ 2,333	6% of monthly GPR
Management Administrative Payroll Costs	\$ -	\$ -	per unit per year
Legal Fees	\$ -	\$ -	per unit per year
Accounting / Audit Fees	\$ -	\$ -	per unit per year
Advertising / Marketing	\$ 5,000	\$ 417	\$ 93 per unit per year
Telephone	\$ -	\$ -	per unit per year
Office Supplies	\$ -	\$ -	per unit per year
Other Administrative Expenses	\$ 8,000	\$ 667	\$ 148 per unit per year
Other Management Expenses	\$ -	\$ -	per unit per year
Operations and Maintenance Expenses			
Security	\$ 2,100	\$ 175	\$ 39 per unit per year
Operations and Maintenance Administrative Payroll Costs	\$ 68,000	\$ 5,667	\$ 1,259 per unit per year
Elevator (if any)	\$ -	\$ -	per unit per year
Other Mechanical Equipment	\$ -	\$ -	per unit per year
Interior Painting	\$ -	\$ -	per unit per year
Routine Repairs and Supplies	\$ 3,750	\$ 313	\$ 69 per unit per year
Exterminating	\$ -	\$ -	per unit per year
Lawn and Landscaping	\$ 2,000	\$ 167	\$ 37 per unit per year
Garbage Removal	\$ 7,000	\$ 583	\$ 130 per unit per year
Snow Removal	\$ -	\$ -	per unit per year
Resident Service Cost	\$ -	\$ -	per unit per year
Other Maintenance Costs	\$ -	\$ -	per unit per year
Operations and Maintenance Expenses	\$ 15,000	\$ 1,250	\$ 278 per unit per year
Utilities Paid by the Property			
Electricity	\$ 35,000	\$ 2,917	\$ 648 per unit per year
Natural Gas, Oil, Other Fuel	\$ 35,000	\$ 2,917	\$ 648 per unit per year
Sewer and Water	\$ 35,000	\$ 2,917	\$ 648 per unit per year
Other Utilities Paid by the Property	\$ -	\$ -	per unit per year
Taxes / Insurance / Reserves / Other Expenses			
Real Estate Taxes	\$ 48,000	\$ 4,000	10.6% of EGI (Year 2)
Other Taxes and Licenses	\$ -	\$ -	of EGI (Year 2)
Property Insurance	\$ 8,500	\$ 708	\$ 157 per unit per year
Reserve for Replacement	\$ 9,000	\$ 750	\$ 167 per unit per year
Operating Reserve	\$ -	\$ -	per unit per year
Other Operating Expense 1	\$ -	\$ -	per unit per year
Other Operating Expense 2	\$ -	\$ -	per unit per year
Other Operating Expense 3	\$ -	\$ -	per unit per year
Other Operating Expense 4	\$ -	\$ -	per unit per year
Other Operating Expense 5	\$ -	\$ -	per unit per year
Other Operating Expense 6	\$ -	\$ -	per unit per year

TOTAL	\$ 309,350	\$ 25,779	68.2% of EGI (Year 2)
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Operating Expense Increase per Year	3.0%
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Rent Increase per Year*

	HOME Units	Market Rate Units	Affordable Units
Rent Increase per Year	2%	2%	2%

* NOTE: Rent increase information is entered on the Rents and Income tab. The information is presented here to allow users to compare increases in rent to increases in operating expenses.

Tests of the Adequacy of Reserve for Replacement**

Average Capital Needs for Operations per Year	\$ -
Reserve for Replacement per Year	\$ 9,000

Average Capital Needs Test: need data

\$720 per Unit, per Year Test: Reserve insufficient to meet \$720 per unit, per year criterion.

** NOTE: This information is presented for informational purposes only. If the reserve for replacement is insufficient to cover average annual capital needs or meet the \$720 per unit per year benchmark, increase contributions toward the reserve for replacement.

Additional Reserve for Replacement Funds (Years 1-5)***

Year 1	\$ -
Year 2	\$ -
Year 3	\$ -
Year 4	\$ -
Year 5	\$ -

*** Some properties may draw larger-than-average amounts from their reserve for replacement during the first few years of operations. If this will be the case for this project, enter the additional amounts you expect to withdraw from the reserve for replacement for Years 1-5.

Upon completing this tab, proceed to the *Financing Sources* tab.

	A	B	C	D	E
1	Financing Sources		Enter data in green cells only		
2					
3	First Mortgage Characteristics				
4	Minimum Debt Service Coverage	1.20			
5	Maximum Loan to Value	85.0%			
6	Points	1.5%			
7	Interest Rate	7.0%			
8	Loan Term (years)	30			
9	First Mortgage Source (e.g., HOME, Private Lender)	private			
10					
11	Junior Loan Characteristics				
12	Amortizing Second Mortgage	\$0			
13	Amortizing Second Mortgage Source	Enter Source			
14	Points	0.0%			
15	Interest Rate	0.0%			
16	Loan Term (years)	0			
17					
18	Deferred Payment Loan 1	\$0			
19	Deferred Payment Loan 1 Source	Enter Source			
20	Deferred Payment Loan 1 Interest Rate	0.0%			
21	Deferred Payment Loan 1 Year of Pay-Out*	0			
22					
23	Deferred Payment Loan 2	\$0			
24	Deferred Payment Loan 2 Source	Enter Source			
25	Deferred Payment Loan 2 Interest Rate	0.0%			
26	Deferred Payment Loan 2 Year of Pay-Out*	0			
27	* Deferred loan years of payout should not occur after the project is sold.				
28					
29	Equity				
30	Developer Investment	\$0			
31					
32	Other Funding Sources				
33	Tax Credit Equity	\$5,180,759			
34	Grant or Donated Land 1	\$268,000			
35	Grant or Donated Land 1 Source	deferred fee			
36	Grant or Donated Land 2				
37	Grant or Donated Land 2 Source				
38	Other Financing (not amortized)				
39	Other Financing Source				
40					
41	Project Characteristics				
42	Years to Sale*	20			
43	* Years to Sale is used by the Template to determine the final year of the Pro-Forma.				
44	Lender's Appraised Value for the Project	\$3,600,000			
45	Capitalization Rate	7.0%			
46	Value of Project at Sale**	\$0			
47	** If Value of Project at Sale is left blank, the Template will use the Capitalization Rate to determine the project's value when				
48					
49	FIRST MORTGAGE CONSTRAINTS		Amount		
50	Maximum Loan by Debt Service Coverage	\$1,405,741			(Uses Year 2 NOI.)
51	Maximum Loan by Loan to Value	\$3,000,000			(Based on Lender's Appraised Value for the Project.)
52	Amount of First Mortgage (lowest of above)		#####		
53					
54	FUNDING SOURCES SUMMARY		Amount	Percent of Total Funding	Funding Source
55					
56					
57	First Mortgage	\$1,405,741	21%		private
58	Amortizing Second Mortgage	\$0	0%		Enter Source
59	Deferred Payment Loan 1	\$0	0%		Enter Source
60	Deferred Payment Loan 2	\$0	0%		Enter Source
61	Developer Investment	\$0	0%		Private
62	Tax Credit Equity	\$5,180,759	76%		Tax Credit
63	Grant or Donated Land 1	\$268,000	4%		deferred fee
64	Grant or Donated Land 2	\$0	0%		0
65	Other Financing (not amortized)	\$0	0%		0
66	Custom Loan 1***	\$0	0%		Enter Source
67	Custom Loan 2***	\$0	0%		Enter Source
68	Total	#####			
69	*** For financing with complex or atypical payment schedules, enter information on the 'Custom Loans' tab.				
70					
71	Upon completing this tab, proceed to the <i>Custom Loans</i> tab.				

For financing with complex or atypical payment schedules, enter information on the 'Custom Loans' tab.

Custom Loans

Enter data in green cells only

Custom Loan 1

Custom Loan 1 Name	Custom Loan 1
Custom Loan 1 Source	Enter Source
Custom Loan 1 Amount	\$ -

Custom Loan 1 Payment Schedule

Project Year	1	2	3	4	5	6	7	8
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name	Custom Loan 2
Custom Loan 2 Source	Enter Source
Custom Loan 2 Amount	\$ -

Custom Loan 2 Payment Schedule*

Project Year	1	2	3	4	5	6	7	8
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Payments should not occur after the year the project is sold.

Upon completing this tab, proceed to the *Operating Pro-Forma* tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	9	10	11	12	13	14	15	16	17
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	9	10	11	12	13	14	15	16	17
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the
Operating Pro-Forma tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	18	19	20	21	22	23	24	25	26
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	18	19	20	21	22	23	24	25	26
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the
Operating Pro-Forma tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	27	28	29	30
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	27	28	29	30
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the *Operating Pro-Forma* tab.

Operating Pro-Forma

"####" indicates that the columns should be widened.

This tab contains calculations based on data entered on previous tabs and does not contain data entry cells.

PROJECT TIMELINE

Project Year	1	2	3	4	5	6	7	8	9
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Gross Potential Rent (GPR) Projections

HOME Rents	\$92,496	\$94,346	\$96,233	\$98,157	\$100,121	\$102,123	\$104,166	\$106,249	\$108,374
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
"Other" Affordable Rents	\$375,312	\$382,818	\$390,475	\$398,284	\$406,250	\$414,375	\$422,662	\$431,116	\$439,738
Gross Potential Rent	\$467,808	\$477,164	\$486,708	\$496,441	\$506,371	\$516,498	\$526,828	\$537,365	\$548,112

Effective Gross Income (EGI) Projections

Vacancy Loss	(\$46,781)	(\$23,858)	(\$24,335)	(\$24,822)	(\$25,319)	(\$25,825)	(\$26,341)	(\$26,868)	(\$27,406)
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$421,027	\$453,306	\$462,373	\$471,619	\$481,052	\$490,673	\$500,487	\$510,497	\$520,706

Expense and Net Operating Income (NOI) Projections

Management Expenses	\$41,000	\$42,230	\$43,497	\$44,802	\$46,146	\$47,530	\$48,956	\$50,425	\$51,938
Operations and Maintenance Expenses	\$97,850	\$100,786	\$103,810	\$106,924	\$110,132	\$113,436	\$116,839	\$120,344	\$123,954
Utilities Paid by Property	\$105,000	\$108,150	\$111,395	\$114,737	\$118,179	\$121,724	\$125,376	\$129,137	\$133,011
Taxes/Insurance/Reserves/Other Expenses	\$65,500	\$67,465	\$69,489	\$71,574	\$73,721	\$75,933	\$78,211	\$80,557	\$82,974
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$309,350)	(\$318,631)	(\$328,191)	(\$338,037)	(\$348,178)	(\$358,623)	(\$369,382)	(\$380,463)	(\$391,877)
Net Operating Income	\$111,677	\$134,675	\$134,182	\$133,582	\$132,874	\$132,050	\$131,105	\$130,034	\$128,829

Debt Service

First Mortgage Debt Service	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	(\$552)	\$22,446	\$21,953	\$21,353	\$20,645	\$19,821	\$18,876	\$17,805	\$16,600
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	(\$552)	\$22,446	\$21,953	\$21,353	\$20,645	\$19,821	\$18,876	\$17,805	\$16,600

Developer Return on Equity

Cash on Cash	no equity								
Project Value based on Capitalization Rate	\$1,595,386	\$1,923,929	\$1,916,886	\$1,908,314	\$1,898,200	\$1,886,429	\$1,872,929	\$1,857,629	\$1,840,414

NOTE: Value equals \$0 if income is negative.

	IRR
IRR (Year 1 through sale of project)	no investment

Debt at Year End

First Mortgage Remaining	\$16,697,512	\$16,513,769	\$16,316,744	\$16,105,475	\$15,878,934	\$15,636,016	\$15,375,537	\$15,096,228	\$14,796,728
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	10	11	12	13	14	15	16	17	18
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Gross Potential Rent (GPR) Projections

HOME Rents	\$110,541	\$112,752	\$115,007	\$117,307	\$119,653	\$122,047	\$124,487	\$126,977	\$129,517
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
"Other" Affordable Rents	\$448,533	\$457,503	\$466,653	\$475,986	\$485,506	\$495,216	\$505,121	\$515,223	\$525,527
Gross Potential Rent	\$559,074	\$570,255	\$581,660	\$593,293	\$605,159	\$617,263	\$629,608	\$642,200	\$655,044

Effective Gross Income (EGI) Projection

Vacancy Loss	(\$27,954)	(\$28,513)	(\$29,083)	(\$29,665)	(\$30,258)	(\$30,863)	(\$31,480)	(\$32,110)	(\$32,752)
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$531,120	\$541,742	\$552,577	\$563,628	\$574,901	\$586,400	\$598,128	\$610,090	\$622,292

Expense and Net Operating Income (NOI)

Management Expenses	\$53,496	\$55,101	\$56,754	\$58,457	\$60,211	\$62,017	\$63,878	\$65,794	\$67,768
Operations and Maintenance Expenses	\$127,673	\$131,503	\$135,448	\$139,511	\$143,696	\$148,007	\$152,447	\$157,020	\$161,731
Utilities Paid by Property	\$137,001	\$141,111	\$145,344	\$149,704	\$154,195	\$158,821	\$163,586	\$168,494	\$173,549
Taxes/Insurance/Reserves/Other Expenses	\$85,463	\$88,027	\$90,668	\$93,388	\$96,190	\$99,076	\$102,048	\$105,109	\$108,262
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$403,633)	(\$415,742)	(\$428,214)	(\$441,060)	(\$454,292)	(\$467,921)	(\$481,959)	(\$496,417)	(\$511,310)
Net Operating Income	\$127,487	\$126,000	\$124,363	\$122,568	\$120,609	\$118,479	\$116,169	\$113,673	\$110,982

Debt Service

First Mortgage Debt Service	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)	(\$112,229)
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$15,258	\$13,771	\$12,134	\$10,339	\$8,380	\$6,250	\$3,940	\$1,444	(\$1,247)
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	\$15,258	\$13,771	\$12,134	\$10,339	\$8,380	\$6,250	\$3,940	\$1,444	(\$1,247)

Developer Return on Equity

Cash on Cash	no equity								
Project Value based on Capitalization Rate	\$1,821,243	\$1,800,000	\$1,776,614	\$1,750,971	\$1,722,986	\$1,692,557	\$1,659,557	\$1,623,900	\$1,585,457

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$14,475,578	\$14,131,211	\$13,761,950	\$13,365,995	\$12,941,416	\$12,486,145	\$11,997,962	\$11,474,488	\$10,913,172
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	19	20	21	22	23	24	25	26	27	28
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Gross Potential Rent (GPR) Projections

HOME Rents	\$132,107	\$134,749	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
"Other" Affordable Rents	\$536,038	\$546,759	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Rent	\$668,145	\$681,508	\$0							

Effective Gross Income (EGI) Projection

Vacancy Loss	(\$33,407)	(\$34,075)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$634,738	\$647,433	\$0							

Expense and Net Operating Income (NOI)

Management Expenses	\$69,801	\$71,895	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operations and Maintenance Expenses	\$166,583	\$171,580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Paid by Property	\$178,755	\$184,118	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes/Insurance/Reserves/Other Expenses	\$111,510	\$114,855	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$526,649)	(\$542,448)	\$0							
Net Operating Income	\$108,089	\$104,985	\$0							

Debt Service

First Mortgage Debt Service	(\$112,229)	(\$11,033,068)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	(\$4,140)	(\$10,928,083)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Property Sale	\$0	\$1,499,786	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	(\$4,140)	(\$9,428,297)	\$0							

Developer Return on Equity

Cash on Cash	no equity	no equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Project Value based on Capitalization Rate	\$1,544,129	\$1,499,786	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$10,311,279	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	29	30
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Gross Potential Rent (GPR) Projections

HOME Rents	\$0	\$0
Market Rents	\$0	\$0
"Other" Affordable Rents	\$0	\$0
Gross Potential Rent	\$0	\$0

Effective Gross Income (EGI) Projection

Vacancy Loss	\$0	\$0
Other Revenue	\$0	\$0
Effective Gross Income	\$0	\$0

Expense and Net Operating Income (NOI)

Management Expenses	\$0	\$0
Operations and Maintenance Expenses	\$0	\$0
Utilities Paid by Property	\$0	\$0
Taxes/Insurance/Reserves/Other Expenses	\$0	\$0
Additional Reserve for Replacement	\$0	\$0
Total Expenses	\$0	\$0
Net Operating Income	\$0	\$0

Debt Service

First Mortgage Debt Service	\$0	\$0
Second Mortgage Debt Service	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$0	\$0
Proceeds from Property Sale	\$0	\$0
Net Cash Return	\$0	\$0

Developer Return on Equity

Cash on Cash	0.00%	0.00%
Project Value based on Capitalization Rate	\$0	\$0

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$0	\$0
Second Mortgage Remaining	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0

Upon completing review of this tab, proceed to the *Gap Analysis* tab.

Gap Analysis

This tab contains calculations based on data entered on previous tabs and does not contain data entry cells.

FUNDING SOURCES SUMMARY	Amount	Funding Source
First Mortgage	\$ 1,405,741	private
Amortizing Second Mortgage	\$ -	Enter Source
Deferred Payment Loan 1	\$ -	Enter Source
Deferred Payment Loan 2	\$ -	Enter Source
Developer Investment	\$ -	Private
Tax Credit Equity	\$ 5,180,759	Tax Credit
Grant or Donated Land 1	\$ 268,000	deferred fee
Grant or Donated Land 2	\$ -	0
Other financing (not amortized)	\$ -	0
Custom Loan 1	\$ -	Enter Source
Custom Loan 2	\$ -	Enter Source
Total	#####	

DEVELOPMENT USES SUMMARY	Amount
Acquisition Costs	\$ 900,000
Site Work Costs	\$ 300,000
Construction / Rehabilitation Costs	\$ 4,571,000
Architectural and Engineering Fees	\$ 230,000
Other Owner Costs	\$ 105,000
Interim Financing Costs	\$ 227,000
Permanent Financing Fees and Expenses	\$ 27,500
Developer's Fee	\$ 800,000
Initial Project Reserves	\$ 246,000
Tenant Relocation Costs	\$ -
Project Administration and Management Costs	\$ 123,000
Other Development Costs	\$ -
Total	#####

GAP IN FINANCING*	\$ 675,000
--------------------------	------------

* Positive values indicate inadequate financing. Negative Values for the Gap in Financing indicate that the project is oversubsidized using HOME funds and should reallocate financing, accordingly.

Upon completing this tab, proceed to the *Summary* tab.

PROJECT SUMMARY

Project Name:	Bradley Crossing phase II
Address:	4375 W. Bradley Road
Developer:	General Capital Group/Jewish Family Services
Date of Analysis:	08/15/12
City:	Brown Deer
State:	Wisconsin
Development Type:	New Construction

DEVELOPMENT SOURCES SUMMARY

Funding Sources	Amount	Funding Source	Percent of Total Funding
First Mortgage	\$ 1,405,741	private	21%
Amortizing Second Mortgage	\$ -	Enter Source	0%
Deferred Payment Loan 1	\$ -	Enter Source	0%
Deferred Payment Loan 2	\$ -	Enter Source	0%
Developer Investment	\$ -	Private	0%
Tax Credit Equity	\$ 5,180,759	Tax Credit	76%
Grant or Donated Land 1	\$ 268,000	deferred fee	4%
Grant or Donated Land 2	\$ -	0	0%
Other Financing (not amortized)	\$ -	0	0%
Custom Loan 1	\$ -	Enter Source	0%
Custom Loan 2	\$ -	Enter Source	0%
Total	\$ 6,854,500		

Total Development Costs	\$ 7,529,500
--------------------------------	---------------------

DEVELOPMENT USES SUMMARY

Development Uses	Amount	Percent of Total Funding
Acquisition Costs	\$ 900,000	12%
Site Work Costs	\$ 300,000	4%
Construction / Rehabilitation Costs	\$ 4,571,000	61%
Architectural and Engineering Fees	\$ 230,000	3%
Other Owner Costs	\$ 105,000	1%
Interim Financing Costs	\$ 227,000	3%
Permanent Financing Fees and Expenses	\$ 27,500	0%
Developer's Fee	\$ 800,000	11%
Initial Project Reserves	\$ 246,000	3%
Tenant Relocation Costs	\$ -	0%
Project Administration and Management Costs	\$ 123,000	2%
Other Development Costs	\$ -	0%
Total	\$ 7,529,500	100%

UNIT SUMMARY

Unit Types	Number of Units	Total Rents (Year 1, without vacancy)
High HOME Units	8	\$ 64,992
Low HOME Units	3	\$ 27,504
Market Rate Units	-	\$ -
"Other" Affordable Units	43	\$ 375,312
Total	54	\$ 467,808

OPERATIONS SUMMARY

Project Income	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
HOME Rents	\$ 92,496	\$ 94,346	\$ 100,121	\$ 110,541	\$ 122,047	\$ -
Market Rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
"Other" Affordable Rents	\$ 375,312	\$ 382,818	\$ 406,250	\$ 448,533	\$ 495,216	\$ -
Gross Potential Rent	\$ 467,808	\$ 477,164	\$ 506,371	\$ 559,074	\$ 617,263	\$ -
Vacancy Loss	\$ (46,781)	\$ (23,858)	\$ (25,319)	\$ (27,954)	\$ (30,863)	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effective Gross Income	\$ 421,027	\$ 453,306	\$ 481,052	\$ 531,120	\$ 586,400	\$ -
Total Expenses	\$ (309,350)	\$ (318,631)	\$ (348,178)	\$ (403,633)	\$ (467,921)	\$ -
Net Operating Income	\$ 111,677	\$ 134,675	\$ 132,874	\$ 127,487	\$ 118,479	\$ -
Total Debt Service	\$ (112,229)	\$ (112,229)	\$ (112,229)	\$ (112,229)	\$ (112,229)	\$ -
Cash Flow (After Debt Service)	\$ (552)	\$ 22,446	\$ 20,645	\$ 15,258	\$ 6,250	\$ -

RETURNS SUMMARY

Developer Returns on Equity	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Cash on Cash	no equity	no equity	no equity	no equity	no equity	0.00%
IRR (Year 1 through sale of project)	no investment					

**MILWAUKEE COUNTY
INTER-OFFICE COMMUNICATION**

DATE: August 24, 2012

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Housing Administrator, Housing Division

SUBJECT: Report from the Director, Department of Health and Human Services, Requesting Authorization to Enter into a HOME Written Agreement for \$822,953 with Marian Center for Non-profits, LLC for the construction of 11 units of affordable housing at 3211 S. Lake Drive in St. Francis

ISSUE

The Department of Health and Human Services is requesting authorization to enter into a HOME Written Agreement for \$822,953 of HOME funds with Marian Center for Non-profits, LLC to assist in the construction of 11 units of affordable housing at 3211 S. Lake Drive in St. Francis.

BACKGROUND

The HOME program was born out of the National Affordable Housing Act of 1990 and was a spin-off of the Community Development Block Grant program to address housing needs only. Milwaukee County, as a designated Urban County, is part of a HOME Consortia with West Allis and Wauwatosa.

Financing of rental projects is an eligible HOME activity and St. Francis is part of the HOME Consortium jurisdiction. Financing of the project, if approved, will include a mortgage and promissory note at 0% interest deferred for 20 years. Eligible costs for the project include construction costs of the HOME units, a proration of required common areas, proration of land acquisition costs and a maximum reserve of 18 months. Minimum HOME investment per unit is \$1,000 and the maximum is listed below:

NON ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$50,956	\$58,752	\$70,857	\$90,699	\$101,042

ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$53,624	\$61,471	\$74,749	\$96,700	\$106,147

The property will have to remain affordable for 20 years. During that period of affordability, the HOME Written Agreement, as approved by Corporation Counsel and Risk Management, will be enforced and there will be a covenant recorded against the property. Even if the loan is repaid early or there is a

change in ownership, the period of affordability will remain for the full duration. During this period at least 20% of the units must be "Low HOME rent" units, the remaining may be at the high-rent limit. Rents shall be calculated by using the Section 8 utility allowance or other approved schedule. Below are the tables for the 2012 limits and period of affordability. Attachment A further explains the tenant and unit requirements.

Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

The Low Rent Unit annual gross income limits (50% of County Median Income (CMI)) are:

1 person	\$25,650
2	\$29,300
3	\$32,950
4	\$36,600
5	\$39,550
6	\$42,500
7	\$45,400
8+	\$48,380

The "flat" Low Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$686
2	\$823
3	\$951
4	\$1,062

The High Rent Unit annual gross income limits (60% of CMI) are:

1 person	\$30,780
2	\$35,160
3	\$39,540
4	\$43,920
5	\$47,460
6	\$51,000

7	\$54,480
8+	\$58,020

The High Rent income annual gross limits for up to 10% of the units (80% of CMI) are:

1 person	\$41,000
2	\$46,850
3	\$52,700
4	\$58,550
5	\$63,250
6	\$67,950
7	\$72,650
8+	\$77,300

The High Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$725
2	\$866
3	\$1,091
4	\$1,124

The Developer shall be responsible for conducting income qualification reviews of tenants based on the 24 CFR Part 5 definition of income. The County will be responsible for monitoring files and conducting annual inspections. County Housing staff as well as an independent party with experience in subsidy layering reviewed the project using the HUD recommended template (See the underwriting template in Attachment B). The subsidy layering analysis shows the amount requested is reasonable and that the project is feasible.

DISCUSSION

The Marian Center Board wishes to convert Loretto Hall, the oldest portion of the building to housing. Loretto Hall is within St. Francis city limits. The goal is 40 units of family housing – 8, one bedroom; 20, two bedroom and 12, three bedroom, with 11, two-bedroom units set aside for disabled individuals receiving services through the Milwaukee County Disability Services Division. HOME funds would be used to benefit these individuals.

A City of St. Francis and Milwaukee landmark, the Marian Center for Nonprofits was St. Mary's Academy from 1904-1991. It is now an independent, nonprofit corporation sponsored by the Sisters of St. Francis of Assisi to "promote human development through education, the arts and social justice in response to human needs." Though sponsored by the Sisters of St. Francis of Assisi, the Marian Center for Nonprofits is non-denominational in its leasing and rental practices.

The Marian Center's Loretto Hall was constructed in 1904 as St. Mary's Academy, a high school for young women. Expansions in 1931 and 1935 created Rosary Hall and Clare Wing, to allow for the development of St. Clare College in 1937. That institution was renamed in 1946 for Samuel Cardinal

Stritch. Cardinal Stritch College outgrew its home here and, in 1962, moved to its current location, just north of Milwaukee's city limits. In 1997, Stritch attained university status.

St. Mary's Academy continued to grow into the largest high school for young women in the State of Wisconsin. These women brought tremendous accolades for themselves and the school winning local and national recognition for scholastic achievement. In 1980, Milwaukee County and the State of Wisconsin recognized the school as an historic landmark. St. Mary's Academy closed in June of 1991, after preparing over 8,000 young women to become responsible citizens in our society, and to serve as leaders in a myriad of professions.

The Marian Center for Nonprofits was created in September 1991 to preserve the heritage of Loretto Hall, Rosary Hall and Clare Wing. The classrooms were converted to affordable offices for other nonprofit organizations.

Cardinal Capital Management, together with its sister company, Astar Capital Management, were founded in 2002 and have since developed, acquired, rehabilitated and managed over 7,400 affordable housing units. Astar Capital Management acts as the third party contract administrator and co-developer for the Wisconsin Housing Preservation Corporation which owns over 6,300 housing units spread out among 54 Wisconsin Counties, including 167 units in the City of Milwaukee, and 64 units in Oak Creek.

Cardinal Capital Management's primary focus is developing Permanent Supportive Special Needs Housing, including the following in Milwaukee County: Water Tower View, Veterans Manor, United House, Empowerment Village - Lincoln, Empowerment Village - National, Highland Commons, and Farwell Studios. Cardinal is also property manager for Hawley Ridge - 58 permanent supportive housing units for blind and visually impaired individuals as well as Canticle and Juniper Court - two senior projects (100 units) on the Marian Center Campus in St. Francis. In all, Cardinal manages almost 2,600 units of housing and has averaged almost 1,000 units of rehab over the last three years, in addition to the new construction referenced above. The combined firms have 110 employees with offices in Milwaukee and Madison.

RECOMMENDATION

It is recommended that the County Board of Supervisors authorize the Director, DHHS, or his designee, to enter into a HOME written agreement, with approval of Corporation Counsel and Risk Management, for the use of \$822,953 of HOME funds to the Marian Center for Non-profits, LLC for the construction of 11 units of affordable housing at 3211 S. Lake Drive in St. Francis.

FISCAL EFFECT

This projected is completely funded with HOME revenue. A fiscal note form is attached.

Respectfully Submitted:



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Kelly Bablitch, County Board
Patrick Farley, Director, DAS
Craig Kammholz, Fiscal & Budget Administrator, DAS
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS
Glenn Bultman, Analyst, County Board Staff
Janelle Jensen, County Board Staff

1
2
3
4 (Item*) From the Director, Department of Health and Human Services, requesting
5 authorization to enter into a HOME Written Agreement for \$822,953 with Marian
6 Center for Non-profits, LLC (or their designated corporate entity) for the purpose of
7 construction of 11 units of affordable housing at 3211 South Lake Drive in the City
8 of St. Francis as part of a 40-unit development known as Loretto Hall
9

10 WHEREAS, Milwaukee County with the Cities of Wauwatosa and West Allis
11 participates as a Consortium in the federal HOME Investments Partnerships
12 Program; and
13

14 WHEREAS, the City of St. Francis will support a Section 42 Affordable Housing
15 Tax Credit 11-unit housing project to be owned, developed and managed by Marian
16 Center for Non-profits, LLC (or their designated corporate entity), and located at
17 3211 South Lake Drive in the City of St. Francis; and
18

19 WHEREAS, Marian Center for Non-profits, LLC has requested \$822,953 in
20 HOME funds to assist in providing 11 units of affordable housing in this project to
21 low-income households; and
22

23 WHEREAS, the developer shall provide Environmental Review documents
24 satisfactory to staff; and
25

26 WHEREAS, the developer shall identify permanent financing by June 1, 2013;
27 and
28

29 WHEREAS, the County has a deadline of October 31, 2012 to commit a
30 minimum of \$1.45 million in HOME funds; now, therefore
31

32 BE IT RESOLVED, that the Director of the Department of Health and Human
33 Services, or his designee, is authorized and directed to enter into a development
34 agreement consistent with HOME requirements, to provide \$822,953 in HOME
35 funds as a secured 0%, deferred payment loan, payable in full in 20 years, to
36 Marian Center for Non-profits, LLC (or their designated corporate entity), to
37 construct 11 units of affordable housing at 3211 South Lake Drive in the City of St.
38 Francis, contingent upon receipt of complete project financing and execution of a
39 development agreement consistent with HOME requirements by October 31, 2012;
40 and
41

42 BE IT FURTHER RESOLVED, that the Director of the Department of Health
43 and Human Services is authorized and directed to carry out all steps necessary to
44 accomplish the objective of this resolution.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 8/22/12

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director, Department of Health and Human Services, requesting authorization to to enter into a HOME Written Agreement for \$822,953 with Marian Center for Non-profits, LLC (or their designated corporate entity) for the purpose of construction of 11 units of affordable housing at 3211 South Lake Drive in the City of St. Francis as part of a 40 unit development known as Loretto Hall

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

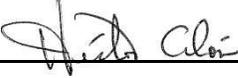
A. The Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into a HOME Written Agreement for \$822,953 with Marian Center for Non-profits, LLC (or their designated corporate entity) for the purpose of construction of 11 units of affordable housing at 3211 South Lake Drive in the City of St. Francis as part of a 40 unit development known as Loretto Hall.

B. Total 2012 expenditures included in this request are \$822,953. The HOME funds are provided to Marian Center for Non-profits, LLC (or their designated corporate entity) as a secured 0%, deferred payment loan, payable in full in 20 years.

C. There is no tax levy impact associated with approval of this request in 2012. Funds sufficient to cover the expenditures associated with this initiative are available from the HOME surplus balance, which is comprised of funding going back a number of years.

D. No assumptions are made.

Department/Prepared By Thomas F. Lewandowski, Fiscal & Management Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSINGAttachment 1: **92.252 Qualification as Affordable Housing and Income Targeting: Rental Housing**

- (a) Rent limitation. A rental housing project (including the non-owner-occupied units in housing purchased with HOME funds in accordance with 92.254) qualifies as affordable housing under this part only if the project:
- (1) Bears rents not greater than the lesser of
 - (i) The fair market rent for existing housing for comparable units in the area as established by HUD under 888.111 of this title, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) A rent that does not exceed 30 percent of the adjusted income of a family whose gross income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit, except that HUD may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit and adjusted income assumptions to be used in calculating the maximum rent allowed under this paragraph (a)(1)(ii);
 - (2) Has, in the case of projects with three or more rental units, or in the case of an owner of multiple one or two unit projects with a total of three or more rental units, not less than 20 percent of the rental units
 - (i) Occupied by very low-income families who pay as a contribution toward rent (excluding any federal or state rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by HUD. To obtain the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction multiplies the annual adjusted income of the tenant family by 30 percent and divides by 12 and, if applicable, subtracts a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) Occupied by very low-income families and bearing rents not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustment for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit assumptions to be used in calculating the maximum rent allowed under paragraph (a)(2)(ii) of this section;
 - (3) Is occupied only by households that qualify as low-income families;
 - (4) Is not refused for leasing to a holder of a certificate of family participation under 34 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME tenant-

based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME tenant-based assistance document; and

- (5) Will remain affordable, pursuant to deed restrictions, covenants running with the land, or other mechanisms approved by HUD that will ensure that the property will remain affordable without regard to the term of any mortgage or the transfer of ownership, for not less than the appropriate period, beginning after project completion, as specified in the following table, without regard to the term of the mortgage or to transfer of ownership, except that, upon foreclosure by a lender or other transfer in lieu of foreclosure, the affordability period shall be terminated if the foreclosure or other transfer recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid the termination of low-income affordability. However, the affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure or other transfer, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property, the affordability period shall be revived according to its original terms. In addition, when HOME funds are used in connection with multifamily housing in which acquisition, new construction, or rehabilitation is financed with a mortgage insured by HUD under chapter II of this title, the minimum period of affordability is the term of the HUD-insured mortgage.

Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

- (b) Rent schedule and utility allowances. The participating jurisdiction must review and approve rents proposed by the owner for units with "flat rents", i.e., units subject to the maximum rent limitations in paragraph (a)(1)(i), (a)(1)(ii), or (a)(2)(ii) of this section, and, if applicable, must review and approve, for all units subject to the maximum rent limitation paragraph (a) of this section, the monthly allowances, proposed by the owner, for utilities and services to be paid by the tenant. The owner must reexamine the income of each tenant household living in low-income units at least annually. The maximum monthly rent must be recalculated by the owner and reviewed and approved by the participating jurisdiction annually, and may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in rents for lower income units is subject to the provisions of outstanding leases, in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.
- (c) Increases in tenant income. Rental housing qualifies as affordable housing despite a temporary noncompliance with paragraph (a)(2) or (a)(3) of this section, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected. Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted monthly income, as recertified annually. The preceding sentence shall not apply with respect to funds made available under this part for units that have been allocated at low-income housing tax credit by a

housing credit agency pursuant to section 42 of the Internal Revenue Code 1986 (26 U.S.C. 42).

- (d) Adjustment of qualifying rent. HUD may adjust the qualifying rent established for a project under paragraph (a)(1) of this section, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly. Adjustments in fair market rents and in median income over time should help maintain the financial viability of a project within the qualifying rent standard in paragraph (a)(1) of this section.
- (e) Manufactured housing. Purchase and/or rehabilitation of a manufactured housing unit qualifies as affordable housing only if, at the time of project completion, the unit --
 - (1) Is situated on a permanent foundation;
 - (2) Is connected to permanent utility hook-ups;
 - (3) Is located on land that is held in a fee-simple title, land-trust, or long-term ground lease with a term at least equal to that of the appropriate affordability period;
 - (4) Meets the construction standards established under 24 CFR 3280;
 - (5) Meets all requirements of this section.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

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11-10-94(Converted 7/98)

MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSING

Attachment 2: **92.253 Tenant and Participant Protections.**

- (a) Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.
- (b) Prohibited lease terms. The lease may not contain any of the following provisions:
- (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - (2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;
 - (3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - (4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - (5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - (6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - (7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - (8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- (c) Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or local law; for completion of the transitional housing tenancy period; or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.
- (d) Maintenance and replacement. An owner of rental housing assisted with HOME funds must maintain the premises in compliance with all applicable housing quality standards and local code requirements.
- (e) Tenant selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that
- (1) Are consistent with the purpose of providing housing for very low-income and low-income families,
 - (2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease,
 - (3) Give reasonable consideration to the housing needs of families that would have a preference under 960.211 (Federal selection preferences for admission to Public Housing) of this title; and

(4) Provide for

- (i) The selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- (ii) The prompt written notification to any rejected applicant of the grounds for any rejection.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

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11/10/94(Converted 7/98)

**MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSING**

Attachment 3: Current HOME Income Limits and Unit Rents

Updated: August 2, 2012

This is a summary of the HOME Program regulations at 24 CFR 92.252, compiled with published income and rent limits. In the event of a conflict with 92.252, the regulations shall govern. The rent and income limits apply only to HOME assisted units.

There are two types of rents.

1. Low Rent Units

Projects with 5 or more rental units (on 1 or more sites) must have at least 20% of the units occupied by households whose incomes do not exceed 50% of the area median (the Section 8 Very Low Income limits). The rent these households pay cannot exceed (a) 30% of the household's (actual) adjusted monthly income, OR (b) a (flat) rent determined by HUD, calculated at 30% of the gross income of a household at 50% of median income. If the household pays any utilities, a deduction is taken from the maximum rent. (The deduction varies with the utilities paid and the building type. The estimate below assumes the tenant is in a multi-unit building and pays all utilities. If an owner pays some utilities, the allowable rent would increase).

The Low Rent Unit income limits (50% of md) are:

1 person	25,650
2	29,300
3	32,950
4	36,600
5	39,550
6	42,500
7	45,400
8+	48,380

The "flat" Low Rent Unit limits are:

	<u>Maximum Rent</u>
0 bedrooms	608
1	686
2	823
3	951
4	1062

2. High Rent Units

As stated, at least 20% of the units must be Low Rent Units. Remaining units must be occupied by households whose incomes do not exceed 60% of the area median. (One exception exists. Up to 10% of all units can be occupied by households whose income does not exceed 80% of the median: the Section 8 Low Income limits). The High Rent Units cannot exceed the lesser of the Section 8 Fair Market Rents, OR a rent determined by HUD calculated at 30% of the adjusted income of a household at 65% of the median income. A deduction is made for any tenant paid utilities.

The High Rent Unit income limits (60% of md) are:
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1 person	30,780
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2	35,160
3	39,540
4	43,920
5	47,460
6	51,000
7	54,480
8+	58,020

The High Rent income limits for up to 10% of the units (80% of md) are:

1 person	41,000
2	46,850
3	52,700
4	58,550
5	63,250
6	67,950
7	72,650
8+	77,300

The High Rent Unit limits are:

<u>Rent</u>	<u>Maximum</u>
0 bedrooms	608
1	725
2	866
3	1091
4	1124

All dollar amounts above are subject to revision by HUD at its discretion. Rents do not apply to 0 bedroom units without cooking or sanitary facilities.

UTILITY ALLOWANCE

Unless prior written permission is obtained from the Milwaukee County HOME coordinator, 414-278-4880, it assumed the Milwaukee Count Section 8 utility allowance is used. You may contact the Housing Choice Voucher Coordinator at 414-278-4908 annually for an updated utility allowance schedule.

MILWAUKEE COUNTY SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

UTILITY ALLOWANCE SCHEDULE (revised 10/11)							
BEDROOM SIZE	0BD	1BD	2BD	3BD	4BD	5BD	6BD
HEATING – Single Family							
Gas (therms)	24	30	48	59	70	80	91
Oil (gallons)	73	88	145	179	211	244	278
Electric (klwh's)	46	57	93	114	132	154	174
HEATING – Duplex							
Gas (therms)	22	28	44	54	65	75	85
Oil (gallons)	67	83	135	166	196	228	260
Electric (klwh's)	43	53	86	105	123	143	162
HEATING – 3 or More Units							
Gas (therms)	20	25	42	51	60	69	79
Oil (gallons)	63	76	124	154	182	210	240
Electric (klwh's)	40	48	80	98	114	136	150
WATER HEATING							
Gas	ECD - September 17, 2012 - Page 576	8	9	12	14	16	18
Oil		22	32	37	44	51	56
Electric		18	23	30	36	41	53

LIGHTING/ REFRIGERATION	19	28	36	40	44	47	52
COOKING							
Gas	4	5	6	6	7	8	9
Electric	6	9	12	13	14	16	17
WATER & SEWER	15	16	18	34	38	42	45
STOVE	1	1	1	1	1	1	1
REFRIGERATOR	2	2	2	2	2	2	2
FIXED CHARGES							
Gas	9	9	9	9	9	9	9
Electric	11	11	11	11	11	11	11

HOME Investment Partnerships Program Multi-Family Underwriting Template

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Project Information	
Project Name:	Marion Manor
Address	3221 South Lake Drive
Developer:	Cardinal Capital Management, Inc.
Date of Analysis:	8/22/2012
City:	St. Francis
State:	WI
Development Type:	Multifamily

INSTRUCTIONS FOR USE

This template is intended to be used in tandem with web-based training materials available on HUD's HOME Front Web page, <http://www.hud.gov/offices/cpd/affordablehousing/training/index.cfm>. Failure to consult the online training may result in inaccurate results.

The template is intended to assist in planning multifamily, not single-family, affordable housing.

[Link to HUD's HOME Front - Interactive Technical Support for the HOME Program.](#)

The U.S. Department of Housing and Urban Development and ICF Consulting assume no liability for the use, functionality, or content of this template. This template is for draft calculations only. All inputs, outcomes, and calculations should be independently verified.

Cells for data entry are flagged with Excel's comments feature and colored green. Do not change formulas within the template, as many of them track to other formulas.

Users must determine and enter into the template the minimum required number of HOME units given the level of HOME investment and the per unit HOME investment caps. The template does not automatically assume or calculate a specific number of HOME units.

This template does not automatically cap rents at HOME levels. Each user must do this, as applicable.

This template does not automatically cap the level of HOME investment using the investment limits. PJs must ensure that they do not invest more than the per unit investment limits would allow or more than is required by the project. PJs are encouraged to review Notice 98-02 for guidance on allocating costs and determining maximum investment and minimum HOME units.

Participating jurisdictions (PJs) must conduct a subsidy layering analysis for investment of HOME funds.

Upon completing this tab, proceed to the *Requirements* tab.

HOME and Other Affordable Housing Requirements

Enter data in green cells only

HOME Program Requirements

HOME Investment Limits

HOME per Unit Limit - 0 Bedroom	\$ 53,624
HOME per Unit Limit - 1 Bedroom	\$ 61,471
HOME per Unit Limit - 2 Bedroom	\$ 74,749
HOME per Unit Limit - 3 Bedroom	\$ 96,700
HOME per Unit Limit - 4 Bedroom	\$ 106,147
HOME per Unit Limit - 5 Bedroom	\$ -

HOME Rent Limits (monthly)

Low 0 BR	Low 1 BR	Low 2 BR	Low 3 BR	Low 4 BR	Low 5 BR
\$608	\$686	\$823	\$951	\$1,062	\$1,171
High 0 BR	High 1 BR	High 2 BR	High 3 BR	High 4 BR	High 5 BR
\$608	\$725	\$866	\$1,091	\$1,124	\$1,293

HOME Utility Allowances (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$0	\$0	\$0	\$0	\$0

HOME Affordability Period

HOME-Eligible Rental Activity (select one)	New Construction or Acquisition of New Housing	<input type="button" value="v"/>
Average Per-Unit HOME Subsidy (select one)	More than \$40,000	<input type="button" value="v"/>

HOME Required Affordability Period (in years)	20	(Advisory information only.)
PJ's Required Affordability Period (in years)	20	(Must be at least as long as HOME requirement.)
PJ's Affordability Period in Compliance with HOME Program?	yes	

Other Affordable Housing Program Requirements

Other Affordable Housing Program Name	LIHTC
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Other Affordable Housing Rent Limits (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$769	\$824	\$988	\$1,142	\$1,275	\$1,406

Other Affordable Housing Utility Allowances (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$0	\$0	\$0	\$0	\$0

Other Affordable Housing Affordability Period

Other Affordable Housing Affordability Period (in years)	30
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Upon completing this tab, proceed to the *Rents and Income* tab.

Rents and Income

Enter data in green cells only

Unit Characteristics

	Number of Units	Square Footage per Unit	Gross Rent, per unit, per month	Monthly Utility Allowance	Net Rent After Utilities, per unit, per month	Monthly Rent After Utilities	Annual Rent After Utilities	Within Rent Limit?
0 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
0 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
0 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
0 BR LIHTC Affordable Units	8	550	\$ 593	\$ -	\$ 593	\$ 4,744	\$ 56,928	Yes
1 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
1 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
1 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
1 BR LIHTC Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
2 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
2 BR Low HOME Units	11	785	\$ 745	\$ -	\$ 745	\$ 8,195	\$ 98,340	Yes
2 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
2 BR LIHTC Affordable Units	9	785	\$ 745	\$ -	\$ 745	\$ 6,705	\$ 80,460	Yes
3 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
3 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
3 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
3 BR LIHTC Affordable Units	12	1,130	\$ 951	\$ -	\$ 951	\$ 11,412	\$ 136,944	Yes
4 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
4 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
4 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
4 BR LIHTC Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
5 BR LIHTC Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
Total	40	3,250	NA		NA	\$ 31,056	\$ 372,672	

Rent Projections

	HOME Units	Market Rate Units	LIHTC Affordable Units
Rent Increase per Year	2%	2%	2%
Vacancy Year 1 (Lease-Up)	10%	10%	10%
Stabilized Vacancy Rate (after Year 1)	10%	10%	10%

Other Revenue

Other Monthly Revenue*	\$200
Annual Increase in Other Revenue	2%

* "Other revenue" refers to income to the property from sources other than rents (e.g., commercial space, laundry facilities).

Upon completing this tab, proceed to the *Development Costs* tab.

Development Costs

Enter data in green cells only

Cost	Amount	Cost Per Unit	Cost Per Square Foot	Other Information
Acquisition Costs				
Land	\$ 160,000	\$ 4,000	\$ 4.75	\$ 4,000 per unit
Existing Structures	\$ 1,960,000	\$ 49,000	\$ 58.23	\$ 49,000 per unit
Other Acquisition Costs	\$ -	need data	need data	per unit
Site Work Costs (not included in construction contract)				
Demolition/Clearance	\$ -	need data	need data	
Site Remediation	\$ -	need data	need data	
Improvements	\$ -	need data	need data	
Other Site Work Costs	\$ -	need data	need data	
Construction / Rehabilitation Costs (construction contract costs)				
Other Site Work	\$ -	need data	need data	
New Construction	\$ -	need data	need data	
Rehabilitation	\$ 5,470,000	\$ 136,750	\$ 162.51	
General Requirements	\$ 354,850	\$ 8,871	\$ 10.54	
Builder's Overhead	\$ 115,964	\$ 2,899	\$ 3.45	
Builder Profit	\$ 328,200	\$ 8,205	\$ 9.75	5% of construction costs
Performance Bond Premium	\$ -	need data	need data	
Construction Contingency	\$ -	need data	need data	of construction costs
Other Construction / Rehabilitation Costs	\$ -	need data	need data	of construction costs
Architectural and Engineering Fees				
Architect Fee -- Design	\$ 40,000	\$ 1,000	\$ 1.19	1% of construction costs
Architect Fee -- Construction Supervision	\$ 2,000	\$ 50	\$ 0.06	0% of construction costs
Engineering Fees	\$ 45,000	\$ 1,125	\$ 1.34	1% of construction costs
Other Architectural and Engineering Fees	\$ 23,500	\$ 588	\$ 0.70	0% of construction costs
Other Owner Costs				
Project Consultant Fees	\$ -	need data	need data	
Legal and Organizational Expenses	\$ -	need data	need data	
Syndication Fees	\$ -	need data	need data	0% of tax credit equity
Market Study	\$ 5,000	\$ 125	\$ 0.15	
Survey	\$ 4,000	\$ 100	\$ 0.12	
Appraisal Fees	\$ 3,250	\$ 81	\$ 0.10	
Soil Boring/Environmental Survey/Lead-Based Paint Evaluation	\$ 3,600	\$ 90	\$ 0.11	
Tap Fees and Impact Fees	\$ -	need data	need data	
Permitting Fees	\$ -	need data	need data	
Real Estate Attorney Fees	\$ 35,000	\$ 875	\$ 1.04	
Construction Loan Legal Fees	\$ -	need data	need data	
Other Owner Costs	\$ 7,500	\$ 188	\$ 0.22	
Interim Financing Costs				
Construction Insurance	\$ -	need data	need data	
Construction Interest	(see below)			
Construction Loan Origination Fee	\$ 50,000	\$ 1,250	\$ 1.49	
Title and Recording Costs (for the construction loan)	\$ 6,900	\$ 173	\$ 0.20	
Other Interim Financing Costs	\$ 2,750	\$ 69	\$ 0.08	
Permanent Financing Fees and Expenses				
Credit Report	\$ -	need data	need data	
Permanent Loan Origination Fees (Points)	(calculated separately)			
Mortgage Broker Fees	\$ -	need data	need data	
Title and Recording Costs (for permanent financing)	\$ -	need data	need data	
Counsel's Fee	\$ -	need data	need data	
Lender's Counsel Fee	\$ -	need data	need data	
Other Permanent Financing Fees and Expenses	\$ -	need data	need data	
Developer's Fee	\$ 1,078,099	\$ 26,952	\$ 32.03	11% of total development costs
Initial Project Reserves				
Initial Rent-Up Reserve	\$ -	need data	need data	of gross potential rents
Initial Operating Reserve	\$ 160,900	\$ 4,023	\$ 4.78	43% of gross potential rents
Initial Replacement Reserve	\$ -	need data	need data	of gross potential rents
Other Initial Project Reserves Costs	\$ -	need data	need data	of gross potential rents
Tenant Relocation Costs	\$ -	need data	need data	
Project Administration and Management Costs (during construction only)				
Marketing/Management	\$ -	need data	need data	
Operating Expenses	\$ -	need data	need data	
Taxes	\$ -	need data	need data	
Insurance	\$ -	need data	need data	
Other Project Administration & Management Costs	\$ -	need data	need data	
Other Development Costs				
Capital Needs Assessment	\$ 3,500	\$ 88	\$ 0.10	
Transfer Taxes	\$ 6,360	\$ 159	\$ 0.19	
Accounting / Cost Certification	\$ 15,000	\$ 375	\$ 0.45	
Tax Credit Fees	\$ 70,394	\$ 1,760	\$ 2.09	
Syndication Fees	\$ 40,000	\$ 1,000	\$ 1.19	
		need data	need data	
Construction Interest Calculation				
Construction Loan Amount	\$ 5,100,000			
Interest Rate	4.0%			
Months of Construction	10			
Average Outstanding Balance	37.2%			
Construction Interest	\$ 63,300			
Total Development Costs (excluding points)*	#####			

* Permanent loan origination fees (points) are calculated on the Financing Sources tab.

Upon completing this tab, proceed to the *Operating Expenses* tab.

Operating Expenses

Enter data in green cells only

Expense	Annual Cost	Monthly Cost	Additional Information
Management Expenses			
Management Fee	\$ 21,956	\$ 1,830	6% of monthly GPR
Management Administrative Payroll Costs	\$ 22,300	\$ 1,858	\$ 558 per unit per year
Legal Fees	\$ 500	\$ 42	\$ 13 per unit per year
Accounting / Audit Fees	\$ 14,220	\$ 1,185	\$ 356 per unit per year
Advertising / Marketing	\$ 900	\$ 75	\$ 23 per unit per year
Telephone		\$ -	per unit per year
Office Supplies	\$ 3,700	\$ 308	\$ 93 per unit per year
Other Administrative Expenses	\$ 2,600	\$ 217	\$ 65 per unit per year
Other Management Expenses		\$ -	per unit per year
Operations and Maintenance Expenses			
Security	\$ 5,000	\$ 417	\$ 125 per unit per year
Operations and Maintenance Administrative Payroll Costs	\$ 19,700	\$ 1,642	\$ 493 per unit per year
Elevator (if any)	\$ 2,600	\$ 217	\$ 65 per unit per year
Other Mechanical Equipment	\$ -	\$ -	per unit per year
Interior Painting	\$ 1,200	\$ 100	\$ 30 per unit per year
Routine Repairs and Supplies	\$ 15,000	\$ 1,250	\$ 375 per unit per year
Exterminating	\$ 1,400	\$ 117	\$ 35 per unit per year
Lawn and Landscaping	\$ 5,000	\$ 417	\$ 125 per unit per year
Garbage Removal	\$ 5,250	\$ 438	\$ 131 per unit per year
Snow Removal	\$ 3,000	\$ 250	\$ 75 per unit per year
Resident Service Cost	\$ -	\$ -	per unit per year
Other Maintenance Costs	\$ 6,550	\$ 546	\$ 164 per unit per year
Operations and Maintenance Expenses	\$ -	\$ -	per unit per year
Utilities Paid by the Property			
Electricity	\$ 23,000	\$ 1,917	\$ 575 per unit per year
Natural Gas, Oil, Other Fuel	\$ 11,500	\$ 958	\$ 288 per unit per year
Sewer and Water	\$ 11,500	\$ 958	\$ 288 per unit per year
Other Utilities Paid by the Property	\$ -	\$ -	per unit per year
Taxes / Insurance / Reserves / Other Expenses			
Real Estate Taxes	\$ 60,000	\$ 5,000	17.4% of EGI (Year 2)
Other Taxes and Licenses	\$ -	\$ -	of EGI (Year 2)
Property Insurance	\$ 19,800	\$ 1,650	\$ 495 per unit per year
Reserve for Replacement	\$ 12,000	\$ 1,000	\$ 300 per unit per year
Operating Reserve	\$ -	\$ -	per unit per year
Other Operating Expense 1	\$ -	\$ -	per unit per year
Other Operating Expense 2	\$ -	\$ -	per unit per year
Other Operating Expense 3	\$ -	\$ -	per unit per year
Other Operating Expense 4	\$ -	\$ -	per unit per year
Other Operating Expense 5	\$ -	\$ -	per unit per year
Other Operating Expense 6	\$ -	\$ -	per unit per year
TOTAL	\$ 268,676	\$ 22,390	78.0% of EGI (Year 2)

Operating Expense Increase per Year	3.0%
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Rent Increase per Year*

	HOME Units	Market Rate Units	Affordable Units
Rent Increase per Year	2%	2%	2%

* NOTE: Rent increase information is entered on the Rents and Income tab. The information is presented here to allow users to compare increases in rent to increases in operating expenses.

Tests of the Adequacy of Reserve for Replacement**

Average Capital Needs for Operations per Year	\$ -
Reserve for Replacement per Year	\$ 12,000

Average Capital Needs Test: need data

\$720 per Unit, per Year Test: Reserve insufficient to meet \$720 per unit, per year criterion.

** NOTE: This information is presented for informational purposes only. If the reserve for replacement is insufficient to cover average annual capital needs or meet the \$720 per unit per year benchmark, increase contributions toward the reserve for replacement.

Additional Reserve for Replacement Funds (Years 1-5)***

Year 1	\$ -
Year 2	\$ -
Year 3	\$ -
Year 4	\$ -
Year 5	\$ -

*** Some properties may draw larger-than-average amounts from their reserve for replacement during the first few years of operations. If this will be the case for this project, enter the additional amounts you expect to withdraw from the reserve for replacement for Years 1-5.

Upon completing this tab, proceed to the *Financing Sources* tab.

Financing Sources

Enter data in green cells only

First Mortgage Characteristics

Minimum Debt Service Coverage	1.28
Maximum Loan to Value	80.0%
Points	1.0%
Interest Rate	6.3%
Loan Term (years)	30
First Mortgage Source (e.g., HOME, Private Lender)	Private Lender

For financing with complex or atypical payment schedules, enter information on the 'Custom Loans' tab.

Junior Loan Characteristics

Amortizing Second Mortgage	\$0
Amortizing Second Mortgage Source	Enter Source
Points	0.0%
Interest Rate	0.0%
Loan Term (years)	0

Deferred Payment Loan 1	
Deferred Payment Loan 1 Source	
Deferred Payment Loan 1 Interest Rate	0.0%
Deferred Payment Loan 1 Year of Pay-Out*	0

Deferred Payment Loan 2	\$0
Deferred Payment Loan 2 Source	Enter Source
Deferred Payment Loan 2 Interest Rate	0.0%
Deferred Payment Loan 2 Year of Pay-Out*	0

* Deferred loan years of payout should not occur after the project is sold.

Equity

Developer Investment	\$0
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Other Funding Sources

Tax Credit Equity	\$6,213,029
Grant or Donated Land 1	\$0
Grant or Donated Land 1 Source	Enter Source
Grant or Donated Land 2	\$0
Grant or Donated Land 2 Source	Enter Source
Other Financing (not amortized)	\$1,482,275
Other Financing Source	Historic Tax Credits

Project Characteristics

Years to Sale*	15
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* Years to Sale is used by the Template to determine the final year of the Pro-Forma.

Lender's Appraised Value for the Project	\$1,500,000
Capitalization Rate	7.4%
Value of Project at Sale**	\$0

** If Value of Project at Sale is left blank, the Template will use the Capitalization Rate to determine the project's value wh

FIRST MORTGAGE CONSTRAINTS	Amount
Maximum Loan by Debt Service Coverage	\$719,000
Maximum Loan by Loan to Value	\$1,200,000
Amount of First Mortgage (lowest of above)	\$719,000

(Uses Year 2 NOI.)

(Based on Lender's Appraised Value for the Project.)

FUNDING SOURCES SUMMARY	Amount	Percent of Total Funding	Funding Source
First Mortgage	\$719,000	8%	Private Lender
Amortizing Second Mortgage	\$0	0%	Enter Source
Deferred Payment Loan 1	\$0	0%	0
Deferred Payment Loan 2	\$0	0%	Enter Source
Developer Investment	\$0	0%	Private
Tax Credit Equity	\$6,213,029	67%	Tax Credit
Grant or Donated Land 1	\$0	0%	Enter Source
Grant or Donated Land 2	\$0	0%	Enter Source
Other Financing (not amortized)	\$1,482,275	16%	Historic Tax Credits
Seller Loan***	\$825,000	9%	Seller
Custom Loan 2***	\$0	0%	Enter Source
Total	#####		

*** For financing with complex or atypical payment schedules, enter information on the 'Custom Loans' tab.

Upon completing this tab, proceed to the *Custom Loans* tab.

Custom Loans

Enter data in green cells only

Custom Loan 1

Custom Loan 1 Name	Seller Loan
Custom Loan 1 Source	Seller
Custom Loan 1 Amount	\$ 825,000

Custom Loan 1 Payment Schedule

Project Year	1	2	3	4	5	6	7	8
Payments on Seller Loan**	\$11,200	\$ 10,290.00	\$ 9,310.00	\$ 8,190.00	\$ 7,070.00	\$ 5,880.00	\$ 4,550.00	\$ 3,080.00

Custom Loan 2

Custom Loan 2 Name	Custom Loan 2
Custom Loan 2 Source	Enter Source
Custom Loan 2 Amount	\$ -

Custom Loan 2 Payment Schedule*

Project Year	1	2	3	4	5	6	7	8
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Payments should not occur after the year the project is sold.

Upon completing this tab, proceed to the Operating Pro-Forma tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	9	10	11	12	13	14	15	16	17
Payments on Seller Loan**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	9	10	11	12	13	14	15	16	17
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the *Operating Pro-Forma* tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	18	19	20	21	22	23	24	25	26
Payments on Seller Loan**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	18	19	20	21	22	23	24	25	26
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the *Operating Pro-Forma* tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	27	28	29	30
Payments on Seller Loan**	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	27	28	29	30
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the
Operating Pro-Forma tab.

Operating Pro-Forma

"####" indicates that the columns should be widened.

This tab contains calculations based on data entered on previous tabs and does not contain data entry cells.

PROJECT TIMELINE

Project Year	1	2	3	4	5	6	7	8	9
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Gross Potential Rent (GPR) Projections

HOME Rents	\$98,340	\$100,307	\$102,313	\$104,359	\$106,446	\$108,575	\$110,747	\$112,962	\$115,221
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LIHTC Affordable Rents	\$274,332	\$279,819	\$285,415	\$291,123	\$296,946	\$302,885	\$308,942	\$315,121	\$321,424
Gross Potential Rent	\$372,672	\$380,126	\$387,728	\$395,482	\$403,392	\$411,460	\$419,689	\$428,083	\$436,645

Effective Gross Income (EGI) Projections

Vacancy Loss	(\$37,267)	(\$38,013)	(\$38,773)	(\$39,548)	(\$40,339)	(\$41,146)	(\$41,969)	(\$42,808)	(\$43,665)
Other Revenue	\$2,400	\$2,448	\$2,497	\$2,547	\$2,598	\$2,650	\$2,703	\$2,757	\$2,812
Effective Gross Income	\$337,805	\$344,561	\$351,452	\$358,481	\$365,651	\$372,964	\$380,423	\$388,032	\$395,792

Expense and Net Operating Income (NOI) Projections

Management Expenses	\$66,176	\$68,161	\$70,206	\$72,312	\$74,481	\$76,715	\$79,016	\$81,386	\$83,828
Operations and Maintenance Expenses	\$64,700	\$66,641	\$68,640	\$70,699	\$72,820	\$75,005	\$77,255	\$79,573	\$81,960
Utilities Paid by Property	\$46,000	\$47,380	\$48,801	\$50,265	\$51,773	\$53,326	\$54,926	\$56,574	\$58,271
Taxes/Insurance/Reserves/Other Expenses	\$91,800	\$94,554	\$97,391	\$100,313	\$103,322	\$106,422	\$109,615	\$112,903	\$116,290
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$268,676)	(\$276,736)	(\$285,038)	(\$293,589)	(\$302,396)	(\$311,468)	(\$320,812)	(\$330,436)	(\$340,349)
Net Operating Income	\$69,129	\$67,825	\$66,414	\$64,892	\$63,255	\$61,496	\$59,611	\$57,596	\$55,443

Debt Service

First Mortgage Debt Service	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Seller Loan Debt Service	(\$11,200)	(\$10,290)	(\$9,310)	(\$8,190)	(\$7,070)	(\$5,880)	(\$4,550)	(\$3,080)	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$4,805	\$4,411	\$3,980	\$3,578	\$3,061	\$2,492	\$1,937	\$1,392	\$2,319
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	\$4,805	\$4,411	\$3,980	\$3,578	\$3,061	\$2,492	\$1,937	\$1,392	\$2,319

Developer Return on Equity

Cash on Cash	no equity								
Project Value based on Capitalization Rate	\$934,176	\$916,554	\$897,486	\$876,919	\$854,797	\$831,027	\$805,554	\$778,324	\$749,230

NOTE: Value equals \$0 if income is negative.

	IRR
IRR (Year 1 through sale of project)	no investment

Debt at Year End

First Mortgage Remaining	\$710,574	\$701,607	\$692,063	\$681,905	\$671,094	\$659,587	\$647,341	\$634,306	\$620,433
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	10	11	12	13	14	15	16	17	18
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Gross Potential Rent (GPR) Projections

HOME Rents	\$117,525	\$119,876	\$122,273	\$124,719	\$127,213	\$129,758	\$0	\$0	\$0
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LIHTC Affordable Rents	\$327,852	\$334,409	\$341,097	\$347,919	\$354,878	\$361,975	\$0	\$0	\$0
Gross Potential Rent	\$445,377	\$454,285	\$463,370	\$472,638	\$482,091	\$491,733	\$0	\$0	\$0

Effective Gross Income (EGI) Projection

Vacancy Loss	(\$44,538)	(\$45,429)	(\$46,337)	(\$47,264)	(\$48,209)	(\$49,173)	\$0	\$0	\$0
Other Revenue	\$2,868	\$2,926	\$2,984	\$3,044	\$3,105	\$3,167	\$0	\$0	\$0
Effective Gross Income	\$403,707	\$411,782	\$420,017	\$428,418	\$436,987	\$445,727	\$0	\$0	\$0

Expense and Net Operating Income (NOI)

Management Expenses	\$86,343	\$88,933	\$91,601	\$94,349	\$97,179	\$100,094	\$0	\$0	\$0
Operations and Maintenance Expenses	\$84,419	\$86,952	\$89,561	\$92,248	\$95,015	\$97,865	\$0	\$0	\$0
Utilities Paid by Property	\$60,019	\$61,820	\$63,675	\$65,585	\$67,553	\$69,580	\$0	\$0	\$0
Taxes/Insurance/Reserves/Other Expenses	\$119,779	\$123,372	\$127,073	\$130,885	\$134,812	\$138,856	\$0	\$0	\$0
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$350,560)	(\$361,077)	(\$371,910)	(\$383,067)	(\$394,559)	(\$406,395)	\$0	\$0	\$0
Net Operating Income	\$53,147	\$50,705	\$48,107	\$45,351	\$42,428	\$39,332	\$0	\$0	\$0

Debt Service

First Mortgage Debt Service	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)	(\$53,124)	(\$570,010)	\$0	\$0	\$0
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Seller Loan Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$23	(\$2,419)	(\$5,017)	(\$7,773)	(\$10,696)	(\$530,678)	\$0	\$0	\$0
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$531,514	\$0	\$0	\$0
Net Cash Return	\$23	(\$2,419)	(\$5,017)	(\$7,773)	(\$10,696)	\$836	\$0	\$0	\$0

Developer Return on Equity

Cash on Cash	no equity	0.00%	0.00%	0.00%					
Project Value based on Capitalization Rate	\$718,203	\$685,203	\$650,095	\$612,851	\$573,351	\$531,514	\$0	\$0	\$0

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$605,668	\$589,953	\$573,228	\$555,426	\$536,480	\$0	\$0	\$0	\$0
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	19	20	21	22	23	24	25	26	27	28
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Gross Potential Rent (GPR) Projections

HOME Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LIHTC Affordable Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Rent	\$0									

Effective Gross Income (EGI) Projection

Vacancy Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$0									

Expense and Net Operating Income (NOI)

Management Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operations and Maintenance Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Paid by Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes/Insurance/Reserves/Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0									
Net Operating Income	\$0									

Debt Service

First Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Seller Loan Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	\$0									

Developer Return on Equity

Cash on Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Project Value based on Capitalization Rate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	29	30
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Gross Potential Rent (GPR) Projections

HOME Rents	\$0	\$0
Market Rents	\$0	\$0
LIHTC Affordable Rents	\$0	\$0
Gross Potential Rent	\$0	\$0

Effective Gross Income (EGI) Projection

Vacancy Loss	\$0	\$0
Other Revenue	\$0	\$0
Effective Gross Income	\$0	\$0

Expense and Net Operating Income (NOI)

Management Expenses	\$0	\$0
Operations and Maintenance Expenses	\$0	\$0
Utilities Paid by Property	\$0	\$0
Taxes/Insurance/Reserves/Other Expenses	\$0	\$0
Additional Reserve for Replacement	\$0	\$0
Total Expenses	\$0	\$0
Net Operating Income	\$0	\$0

Debt Service

First Mortgage Debt Service	\$0	\$0
Second Mortgage Debt Service	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0
Seller Loan Debt Service	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$0	\$0
Proceeds from Property Sale	\$0	\$0
Net Cash Return	\$0	\$0

Developer Return on Equity

Cash on Cash	0.00%	0.00%
Project Value based on Capitalization Rate	\$0	\$0

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$0	\$0
Second Mortgage Remaining	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0

Upon completing review of this tab, proceed to the *Gap Analysis* tab.

Gap Analysis

This tab contains calculations based on data entered on previous tabs and does not contain data entry cells.

FUNDING SOURCES SUMMARY	Amount	Funding Source
First Mortgage	\$ 719,000	Private Lender
Amortizing Second Mortgage	\$ -	Enter Source
Deferred Payment Loan 1	\$ -	0
Deferred Payment Loan 2	\$ -	Enter Source
Developer Investment	\$ -	Private
Tax Credit Equity	\$ 6,213,029	Tax Credit
Grant or Donated Land 1	\$ -	Enter Source
Grant or Donated Land 2	\$ -	Enter Source
Other financing (not amortized)	\$ 1,482,275	Historic Tax Credits
Seller Loan	\$ 825,000	Seller
Custom Loan 2	\$ -	Enter Source
Total	#####	

DEVELOPMENT USES SUMMARY	Amount
Acquisition Costs	\$ 2,120,000
Site Work Costs	\$ -
Construction / Rehabilitation Costs	\$ 6,269,014
Architectural and Engineering Fees	\$ 110,500
Other Owner Costs	\$ 58,350
Interim Financing Costs	\$ 122,950
Permanent Financing Fees and Expenses	\$ 7,190
Developer's Fee	\$ 1,078,099
Initial Project Reserves	\$ 160,900
Tenant Relocation Costs	\$ -
Project Administration and Management Costs	\$ -
Other Development Costs	\$ 135,254
Total	#####

GAP IN FINANCING*	\$ 822,953
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* Positive values indicate inadequate financing. Negative Values for the Gap in Financing indicate that the project is oversubsidized using HOME funds and should reallocate financing, accordingly.

Upon completing this tab, proceed to the *Summary* tab.

PROJECT SUMMARY

Project Name:	Marion Manor
Address:	3221 South Lake Drive
Developer:	Cardinal Capital Management, Inc.
Date of Analysis:	08/22/12
City:	St. Francis
State:	WI
Development Type:	Multifamily

DEVELOPMENT SOURCES SUMMARY

Funding Sources	Amount	Funding Source	Percent of Total Funding
First Mortgage	\$ 719,000	Private Lender	8%
Amortizing Second Mortgage	\$ -	Enter Source	0%
Deferred Payment Loan 1	\$ -	0	0%
Deferred Payment Loan 2	\$ -	Enter Source	0%
Developer Investment	\$ -	Private	0%
Tax Credit Equity	\$ 6,213,029	Tax Credit	67%
Grant or Donated Land 1	\$ -	Enter Source	0%
Grant or Donated Land 2	\$ -	Enter Source	0%
Other Financing (not amortized)	\$ 1,482,275	Historic Tax Credit	16%
Seller Loan	\$ 825,000	Seller	9%
Custom Loan 2	\$ -	Enter Source	0%
Total	\$ 9,239,304		

Total Development Costs	\$ 10,062,257
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DEVELOPMENT USES SUMMARY

Development Uses	Amount	Percent of Total Funding
Acquisition Costs	\$ 2,120,000	21%
Site Work Costs	\$ -	0%
Construction / Rehabilitation Costs	\$ 6,269,014	62%
Architectural and Engineering Fees	\$ 110,500	1%
Other Owner Costs	\$ 58,350	1%
Interim Financing Costs	\$ 122,950	1%
Permanent Financing Fees and Expenses	\$ 7,190	0%
Developer's Fee	\$ 1,078,099	11%
Initial Project Reserves	\$ 160,900	2%
Tenant Relocation Costs	\$ -	0%
Project Administration and Management Costs	\$ -	0%
Other Development Costs	\$ 135,254	1%
Total	\$ 10,062,257	100%

UNIT SUMMARY

Unit Types	Number of Units	Total Rents (Year 1, without vacancy)
High HOME Units	-	\$ -
Low HOME Units	11	\$ 98,340
Market Rate Units	-	\$ -
LIHTC Affordable Units	29	\$ 274,332
Total	40	\$ 372,672

OPERATIONS SUMMARY

Project Income	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
HOME Rents	\$ 98,340	\$ 100,307	\$ 106,446	\$ 117,525	\$ 129,758	\$ -
Market Rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIHTC Affordable Rents	\$ 274,332	\$ 279,819	\$ 296,946	\$ 327,852	\$ 361,975	\$ -
Gross Potential Rent	\$ 372,672	\$ 380,126	\$ 403,392	\$ 445,377	\$ 491,733	\$ -
Vacancy Loss	\$ (37,267)	\$ (38,013)	\$ (40,339)	\$ (44,538)	\$ (49,173)	\$ -
Other Revenue	\$ 2,400	\$ 2,448	\$ 2,598	\$ 2,868	\$ 3,167	\$ -
Effective Gross Income	\$ 337,805	\$ 344,561	\$ 365,651	\$ 403,707	\$ 445,727	\$ -
Total Expenses	\$ (268,676)	\$ (276,736)	\$ (302,396)	\$ (350,560)	\$ (406,395)	\$ -
Net Operating Income	\$ 69,129	\$ 67,825	\$ 63,255	\$ 53,147	\$ 39,332	\$ -
Total Debt Service	\$ (53,124)	\$ (53,124)	\$ (53,124)	\$ (53,124)	\$ (570,010)	\$ -
Cash Flow (After Debt Service)	\$ 4,805	\$ 4,411	\$ 3,061	\$ 23	\$ (530,678)	\$ -

RETURNS SUMMARY

Developer Returns on Equity	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Cash on Cash	no equity	no equity	no equity	no equity	no equity	0.00%
IRR (Year 1 through sale of project)	no investment					

**MILWAUKEE COUNTY
INTER-OFFICE COMMUNICATION**

DATE: August 24, 2012

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Administrator - Housing Division

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to enter into a HOME written agreement for \$850,000 with General Capital Group for the construction of 11 units of affordable housing at 6000 Creekside Drive in Brown Deer

ISSUE

The Department of Health and Human Services is requesting authorization to enter into a HOME Written Agreement for \$850,000 of HOME funds with General Capital Group to assist in the construction of 11 units of affordable housing at 6000 Creekside Drive in Brown Deer. These 11 units will be a part of a 44-unit development called Beaver Creek.

BACKGROUND

The HOME program was born out of the National Affordable Housing Act of 1990 and was a spin-off of the Community Development Block Grant program to address housing needs only. Milwaukee County, as a designated Urban County, is part of a HOME Consortia with West Allis and Wauwatosa.

Financing of rental projects is an eligible HOME activity and the Village of Brown Deer is part of the HOME Consortium jurisdiction. Financing of the project, if approved, will include a mortgage and promissory note at 0% interest deferred for 20 years. Eligible costs for the project include construction costs of the HOME units, a proration of required common areas, proration of land acquisition costs and a maximum reserve of 18 months. Minimum HOME investment per unit is \$1,000 and the maximum is listed below.

NON ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$50,956	\$58,752	\$70,857	\$90,699	\$101,042

ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$53,624	\$61,471	\$74,749	\$96,700	\$106,147

The property will have to remain affordable for 20 years. During that period of affordability, the HOME Written Agreement, as approved by Corporation Counsel and Risk Management, will be enforced and

there will be a covenant recorded against the property. Even if the loan is repaid early or there is a change in ownership, the period of affordability will remain for the full duration. During this period at least 20% of the units must be "Low HOME rent" units, the remaining may be at the high rent limit. Rents shall be calculated by using the Section 8 utility allowance or other approved schedule. Below are the tables for the 2012 limits and period of affordability. Attachment A further explains the tenant and unit requirements.

Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

The Low Rent Unit annual gross income limits (50% of County Median Income (CMI)) are:

1 person	\$25,650
2	\$29,300
3	\$32,950
4	\$36,600
5	\$39,550
6	\$42,500
7	\$45,400
8+	\$48,380

The "flat" Low Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$686
2	\$823
3	\$951
4	\$1,062

The High Rent Unit annual gross income limits (60% of CMI) are:

1 person	\$30,780
2	\$35,160
3	\$39,540
4	\$43,920
5	\$47,460

6	\$51,000
7	\$54,480
8+	\$58,020

The High Rent income annual gross limits for up to 10% of the units (80% of CMI) are:

1 person	\$41,000
2	\$46,850
3	\$52,700
4	\$58,550
5	\$63,250
6	\$67,950
7	\$72,650
8+	\$77,300

The High Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$725
2	\$866
3	\$1,091
4	\$1,124

The Developer shall be responsible for conducting income qualification reviews of tenants based on the 24 CFR Part 5 definition of income. The County will be responsible for monitoring files and conducting annual inspections. County Housing staff as well as an independent party with experience in subsidy layering have reviewed the project using the HUD recommended template (See the underwriting template in Attachment B). The subsidy layering analysis shows the amount requested is reasonable and that the project is feasible.

DISCUSSION

The proposed Beaver Creek Town homes project is an extension of the Beaver Creek Condominiums located at 60th & Brown Deer Road in the Village of Brown Deer. General Capital originally developed the corner with a mixed-use commercial development and condominium community in a traditional neighborhood setting. The site is located just blocks from the City of Mequon border and outlying suburban communities. The site is in a high profile commercial corridor, close to employment, shopping and services.

Originally laid out as a 54-unit condominium community, the plan for Beaver Creek has evolved to include a cross section of housing and commercial development, including high quality affordable rental townhomes. The rental townhomes are arranged around a central green space that includes a walking path, extensive perennial plantings and a gazebo for community use. The site lies on the recently naturalized Beaver Creek, a beautiful meandering stream that ties into the Milwaukee River downstream. Units with creek views will enjoy year round color and interest, with wetland and prairie plantings integrated into the project’s landscaping.

The buildings themselves will include private entries and garages. Each unit will include either a patio or balcony. The buildings will be constructed in a similar style and quality as the original condominium development, creating architectural continuity throughout the project. The layout of the buildings, parking and pedestrian paths are based on an original Traditional Neighborhood Development ("TND") plan approved in 2006. The layout promotes pedestrian activity and neighborhood interaction.

The site is located near public transit. There are many significant employers in the immediate vicinity including TAPCO, Badger Meter, FiServ and others. The Brown Deer Business Park is located within minutes of the development, offering excellent employment opportunities for residents.

General Capital has produced in excess of one thousand units of affordable and market rate senior, workforce and family rental units. General Capital will use the same development platform for the Beaver Creek facility as it has for numerous previous projects ensuring a methodical, predictable development process and leasing of the units. General Capital will serve as lead developer and its affiliate, Bedrock Construction, will serve as general contractor. The Hoff Group will serve as construction manager. Oakbrook Corporation will be the property manager. JFS will operate the supportive services component of the development.

Together, this well-seasoned team will develop, construct and operate a high-quality affordable housing facility that will serve people with disabilities as well as individuals and families seeking affordably-priced apartment units. General Capital previously developed Deerwood Crossing (a tax credit RCAC directly across the street from the Bradley Crossing site) for JFS; the development opened on time, on budget, exceeded lease up projections, and is currently 100% occupied with a lengthy waiting list.

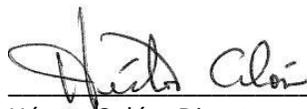
RECOMMENDATION

It is recommended that the County Board of Supervisors authorize the Director, DHHS, or his designee, to enter into a HOME written agreement, with approval of Corporation Counsel and Risk Management, for the use of \$850,000 of HOME funds to General Capital Group for the construction of 11 units of affordable housing at 6000 Creekside Drive in Brown Deer.

FISCAL EFFECT

This projected is completely funded with HOME revenue. A fiscal note form is attached.

Respectfully Submitted:



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Kelly Bablitch, County Board
Patrick Farley, Director, DAS
Craig Kammholz, Fiscal & Budget Administrator, DAS

CJ Pahl, Assistant Fiscal & Budget Administrator, DAS
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS
Glenn Bultman, Analyst, County Board Staff
Janelle Jensen, County Board Staff

1
2
3
4 (Item*) From the Director, Department of Health and Human Services, requesting
5 authorization to enter into a HOME Written Agreement for \$850,000 with General
6 Capital Group (or their designated corporate entity) for the purpose of construction
7 of 11 units of affordable housing at 6000 Creekside Drive in the Village of Brown
8 Deer as part of a 44-unit development known as Beaver Creek
9

10 WHEREAS, Milwaukee County with the Cities of Wauwatosa and West Allis
11 participates as a Consortium in the federal HOME Investments Partnerships
12 Program; and
13

14 WHEREAS, the Village of Brown Deer will support a Section 42 Affordable
15 Housing Tax Credit 11-unit housing project to be owned and developed by General
16 Capital Group (or their designated corporate entity) and managed by Oakbrook
17 Corporation, and located at 6000 Creekside Drive in the Village of Brown Deer; and
18

19 WHEREAS, General Capital Group has requested \$850,000 in HOME funds to
20 assist in providing 11 units of affordable housing in this project to low-income
21 households; and
22

23 WHEREAS, the developer shall provide Environmental Review documents
24 satisfactory to staff; and
25

26 WHEREAS, the developer shall identify permanent financing by June 1, 2013;
27 and
28

29 WHEREAS, the County has a deadline of October 31, 2012 to commit a
30 minimum of \$1.45 million in HOME funds; now, therefore
31

32 BE IT RESOLVED, that the Director of the Department of Health and Human
33 Services, or his designee, is authorized and directed to enter into a development
34 agreement consistent with HOME requirements, to provide \$850,000 in HOME
35 funds as a secured 0%, deferred payment loan, payable in full in 20 years, to
36 General Capital Group (or their designated corporate entity), to construct 11 units of
37 affordable housing at 6000 Creekside Drive in the Village of Brown Deer, contingent
38 upon receipt of complete project financing and execution of a development
39 agreement consistent with HOME requirements by October 31, 2012; and
40

41 BE IT FURTHER RESOLVED, that the Director of the Department of Health
42 and Human Services is authorized and directed to carry out all steps necessary to
43 accomplish the objective of this resolution.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 8/22/12

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director, Department of Health and Human Services, requesting authorization to to enter into a HOME Written Agreement for \$850,000 with General Capital Group (or their designated corporate entity) for the purpose of construction of 11 units of affordable housing at 6000 Creekside Drive in the Village of Brown Deer as part of a 44 unit development known as Beaver Creek

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into a HOME Written Agreement for \$850,000 with General Capital Group (or their designated corporate entity) for the purpose of construction of 11 units of affordable housing at 6000 Creekside Drive in the Village of Brown Deer as part of a 44 unit development known as Beaver Creek.

B. Total 2012 expenditures included in this request are \$850,000. The HOME funds are provided to General Capital Group (or their designated corporate entity) as a secured 0%, deferred payment loan, payable in full in 20 years.

C. There is no tax levy impact associated with approval of this request in 2012. Funds sufficient to cover the expenditures associated with this initiative are available from the HOME surplus balance, which is comprised of funding going back a number of years.

D. No assumptions are made.

Department/Prepared By Thomas F. Lewandowski, Fiscal & Management Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSINGAttachment 1: **92.252 Qualification as Affordable Housing and Income Targeting: Rental Housing**

- (a) Rent limitation. A rental housing project (including the non-owner-occupied units in housing purchased with HOME funds in accordance with 92.254) qualifies as affordable housing under this part only if the project:
- (1) Bears rents not greater than the lesser of
 - (i) The fair market rent for existing housing for comparable units in the area as established by HUD under 888.111 of this title, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) A rent that does not exceed 30 percent of the adjusted income of a family whose gross income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit, except that HUD may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit and adjusted income assumptions to be used in calculating the maximum rent allowed under this paragraph (a)(1)(ii);
 - (2) Has, in the case of projects with three or more rental units, or in the case of an owner of multiple one or two unit projects with a total of three or more rental units, not less than 20 percent of the rental units
 - (i) Occupied by very low-income families who pay as a contribution toward rent (excluding any federal or state rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by HUD. To obtain the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction multiplies the annual adjusted income of the tenant family by 30 percent and divides by 12 and, if applicable, subtracts a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) Occupied by very low-income families and bearing rents not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustment for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit assumptions to be used in calculating the maximum rent allowed under paragraph (a)(2)(ii) of this section;
 - (3) Is occupied only by households that qualify as low-income families;
 - (4) Is not refused for leasing to a holder of a certificate of family participation under 34 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME tenant-

based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME tenant-based assistance document; and

- (5) Will remain affordable, pursuant to deed restrictions, covenants running with the land, or other mechanisms approved by HUD that will ensure that the property will remain affordable without regard to the term of any mortgage or the transfer of ownership, for not less than the appropriate period, beginning after project completion, as specified in the following table, without regard to the term of the mortgage or to transfer of ownership, except that, upon foreclosure by a lender or other transfer in lieu of foreclosure, the affordability period shall be terminated if the foreclosure or other transfer recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid the termination of low-income affordability. However, the affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure or other transfer, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property, the affordability period shall be revived according to its original terms. In addition, when HOME funds are used in connection with multifamily housing in which acquisition, new construction, or rehabilitation is financed with a mortgage insured by HUD under chapter II of this title, the minimum period of affordability is the term of the HUD-insured mortgage.

Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

- (b) Rent schedule and utility allowances. The participating jurisdiction must review and approve rents proposed by the owner for units with "flat rents", i.e., units subject to the maximum rent limitations in paragraph (a)(1)(i), (a)(1)(ii), or (a)(2)(ii) of this section, and, if applicable, must review and approve, for all units subject to the maximum rent limitation paragraph (a) of this section, the monthly allowances, proposed by the owner, for utilities and services to be paid by the tenant. The owner must reexamine the income of each tenant household living in low-income units at least annually. The maximum monthly rent must be recalculated by the owner and reviewed and approved by the participating jurisdiction annually, and may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in rents for lower income units is subject to the provisions of outstanding leases, in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.
- (c) Increases in tenant income. Rental housing qualifies as affordable housing despite a temporary noncompliance with paragraph (a)(2) or (a)(3) of this section, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected. Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted monthly income, as recertified annually. The preceding sentence shall not apply with respect to funds made available under this part for units that have been allocated at low-income housing tax credit by a

housing credit agency pursuant to section 42 of the Internal Revenue Code 1986 (26 U.S.C. 42).

- (d) Adjustment of qualifying rent. HUD may adjust the qualifying rent established for a project under paragraph (a)(1) of this section, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly. Adjustments in fair market rents and in median income over time should help maintain the financial viability of a project within the qualifying rent standard in paragraph (a)(1) of this section.
- (e) Manufactured housing. Purchase and/or rehabilitation of a manufactured housing unit qualifies as affordable housing only if, at the time of project completion, the unit --
- (1) Is situated on a permanent foundation;
 - (2) Is connected to permanent utility hook-ups;
 - (3) Is located on land that is held in a fee-simple title, land-trust, or long-term ground lease with a term at least equal to that of the appropriate affordability period;
 - (4) Meets the construction standards established under 24 CFR 3280;
 - (5) Meets all requirements of this section.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

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11-10-94(Converted 7/98)

MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSING

Attachment 2: **92.253 Tenant and Participant Protections.**

- (a) Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.
- (b) Prohibited lease terms. The lease may not contain any of the following provisions:
 - (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - (2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;
 - (3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - (4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - (5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - (6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - (7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - (8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- (c) Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or local law; for completion of the transitional housing tenancy period; or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.
- (d) Maintenance and replacement. An owner of rental housing assisted with HOME funds must maintain the premises in compliance with all applicable housing quality standards and local code requirements.
- (e) Tenant selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that
 - (1) Are consistent with the purpose of providing housing for very low-income and low-income families,
 - (2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease,
 - (3) Give reasonable consideration to the housing needs of families that would have a preference under 960.211 (Federal selection preferences for admission to Public Housing) of this title; and

(4) Provide for

- (i) The selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- (ii) The prompt written notification to any rejected applicant of the grounds for any rejection.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

GMB:cat
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11/10/94(Converted 7/98)

**MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSING**

Attachment 3: Current HOME Income Limits and Unit Rents

Updated: August 2, 2012

This is a summary of the HOME Program regulations at 24 CFR 92.252, compiled with published income and rent limits. In the event of a conflict with 92.252, the regulations shall govern. The rent and income limits apply only to HOME assisted units.

There are two types of rents.

1. Low Rent Units

Projects with 5 or more rental units (on 1 or more sites) must have at least 20% of the units occupied by households whose incomes do not exceed 50% of the area median (the Section 8 Very Low Income limits). The rent these households pay cannot exceed (a) 30% of the household's (actual) adjusted monthly income, OR (b) a (flat) rent determined by HUD, calculated at 30% of the gross income of a household at 50% of median income. If the household pays any utilities, a deduction is taken from the maximum rent. (The deduction varies with the utilities paid and the building type. The estimate below assumes the tenant is in a multi-unit building and pays all utilities. If an owner pays some utilities, the allowable rent would increase).

The Low Rent Unit income limits (50% of md) are:

1 person	25,650
2	29,300
3	32,950
4	36,600
5	39,550
6	42,500
7	45,400
8+	48,380

The "flat" Low Rent Unit limits are:

	<u>Maximum Rent</u>
0 bedrooms	608
1	686
2	823
3	951
4	1062

2. High Rent Units

As stated, at least 20% of the units must be Low Rent Units. Remaining units must be occupied by households whose incomes do not exceed 60% of the area median. (One exception exists. Up to 10% of all units can be occupied by households whose income does not exceed 80% of the median: the Section 8 Low Income limits). The High Rent Units cannot exceed the lesser of the Section 8 Fair Market Rents, OR a rent determined by HUD calculated at 30% of the adjusted income of a household at 65% of the median income. A deduction is made for any tenant paid utilities.

The High Rent Unit income limits (60% of md) are:
ECD - September 17, 2012 - Page 90

1 person	30,780
----------	--------

2	35,160
3	39,540
4	43,920
5	47,460
6	51,000
7	54,480
8+	58,020

The High Rent income limits for up to 10% of the units (80% of md) are:

1 person	41,000
2	46,850
3	52,700
4	58,550
5	63,250
6	67,950
7	72,650
8+	77,300

The High Rent Unit limits are:

<u>Rent</u>	<u>Maximum</u>
0 bedrooms	608
1	725
2	866
3	1091
4	1124

All dollar amounts above are subject to revision by HUD at its discretion. Rents do not apply to 0 bedroom units without cooking or sanitary facilities.

UTILITY ALLOWANCE

Unless prior written permission is obtained from the Milwaukee County HOME coordinator, 414-278-4880, it assumed the Milwaukee Count Section 8 utility allowance is used. You may contact the Housing Choice Voucher Coordinator at 414-278-4908 annually for an updated utility allowance schedule.

MILWAUKEE COUNTY SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

UTILITY ALLOWANCE SCHEDULE (revised 10/11)							
BEDROOM SIZE	0BD	1BD	2BD	3BD	4BD	5BD	6BD
HEATING – Single Family							
Gas (therms)	24	30	48	59	70	80	91
Oil (gallons)	73	88	145	179	211	244	278
Electric (klwh's)	46	57	93	114	132	154	174
HEATING – Duplex							
Gas (therms)	22	28	44	54	65	75	85
Oil (gallons)	67	83	135	166	196	228	260
Electric (klwh's)	43	53	86	105	123	143	162
HEATING – 3 or More Units							
Gas (therms)	20	25	42	51	60	69	79
Oil (gallons)	63	76	124	154	182	210	240
Electric (klwh's)	40	48	80	98	114	136	150
WATER HEATING							
Gas	ECD - September 17, 2012 - Page 916	8	9	12	14	16	18
Oil		22	32	37	44	51	56
Electric		18	23	30	36	41	53

LIGHTING/ REFRIGERATION	19	28	36	40	44	47	52
COOKING							
Gas	4	5	6	6	7	8	9
Electric	6	9	12	13	14	16	17
WATER & SEWER	15	16	18	34	38	42	45
STOVE	1	1	1	1	1	1	1
REFRIGERATOR	2	2	2	2	2	2	2
FIXED CHARGES							
Gas	9	9	9	9	9	9	9
Electric	11	11	11	11	11	11	11

HOME Investment Partnerships Program Multi-Family Underwriting Template

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Project Information	
Project Name:	Beaver Creek Apartments
Address	60th Street 1 block north of Brown Deer Road
Developer:	General Capital Group
Date of Analysis:	8/15/2012
City:	Milwaukee
State:	Wisconsin
Development Type:	New Construction

INSTRUCTIONS FOR USE

This template is intended to be used in tandem with web-based training materials available on HUD's HOME Front Web page, <http://www.hud.gov/offices/cpd/affordablehousing/training/index.cfm>. Failure to consult the online training may result in inaccurate results.

The template is intended to assist in planning multifamily, not single-family, affordable housing.

[Link to HUD's HOME Front - Interactive Technical Support for the HOME Program.](#)

The U.S. Department of Housing and Urban Development and ICF Consulting assume no liability for the use, functionality, or content of this template. This template is for draft calculations only. All inputs, outcomes, and calculations should be independently verified.

Cells for data entry are flagged with Excel's comments feature and colored green. Do not change formulas within the template, as many of them track to other formulas.

Users must determine and enter into the template the minimum required number of HOME units given the level of HOME investment and the per unit HOME investment caps. The template does not automatically assume or calculate a specific number of HOME units.

This template does not automatically cap rents at HOME levels. Each user must do this, as applicable.

This template does not automatically cap the level of HOME investment using the investment limits. PJs must ensure that they do not invest more than the per unit investment limits would allow or more than is required by the project. PJs are encouraged to review Notice 98-02 for guidance on allocating costs and determining maximum investment and minimum HOME units.

Participating jurisdictions (PJs) must conduct a subsidy layering analysis for investment of HOME funds.

Upon completing this tab, proceed to the *Requirements* tab.

HOME and Other Affordable Housing Requirements

Enter data in green cells only

HOME Program Requirements

HOME Investment Limits

HOME per Unit Limit - 0 Bedroom	\$ -
HOME per Unit Limit - 1 Bedroom	\$ 58,752
HOME per Unit Limit - 2 Bedroom	\$ 70,857
HOME per Unit Limit - 3 Bedroom	\$ 90,699
HOME per Unit Limit - 4 Bedroom	\$ -
HOME per Unit Limit - 5 Bedroom	\$ -

HOME Rent Limits (monthly)

Low 0 BR	Low 1 BR	Low 2 BR	Low 3 BR	Low 4 BR	Low 5 BR
\$0	\$686	\$823	\$951	\$0	\$0
High 0 BR	High 1 BR	High 2 BR	High 3 BR	High 4 BR	High 5 BR
\$0	\$725	\$866	\$1,091	\$0	\$0

HOME Utility Allowances (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$48	\$59	\$64	\$0	\$0

HOME Affordability Period

HOME-Eligible Rental Activity (select one)	New Construction or Acquisition of New Housing	<input type="button" value="v"/>
Average Per-Unit HOME Subsidy (select one)	More than \$40,000	<input type="button" value="v"/>

HOME Required Affordability Period (in years)	20	(Advisory information only.)
PJ's Required Affordability Period (in years)	20	(Must be at least as long as HOME requirement.)
PJ's Affordability Period in Compliance with HOME Program?	yes	

Other Affordable Housing Program Requirements

Other Affordable Housing Program Name	"Other"
---------------------------------------	---------

Other Affordable Housing Rent Limits (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$824	\$988	\$951	\$0	\$0

Other Affordable Housing Utility Allowances (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$0	\$48	\$59	\$64	\$0	\$0

Other Affordable Housing Affordability Period

Other Affordable Housing Affordability Period (in years)	30
--	----

Upon completing this tab, proceed to the *Rents and Income* tab.

Rents and Income

Enter data in green cells only

Unit Characteristics

	Number of Units	Square Footage per Unit	Gross Rent, per unit, per month	Monthly Utility Allowance	Net Rent After Utilities, per unit, per month	Monthly Rent After Utilities	Annual Rent After Utilities	Within Rent Limit?
0 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
0 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
0 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
0 BR "Other" Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
1 BR High HOME Units	2	740	\$ 725	\$ 48	\$ 677	\$ 1,354	\$ 16,248	Yes
1 BR Low HOME Units	-	-	\$ -	\$ 48	\$ (48)	\$ -	\$ -	Yes
1 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
1 BR "Other" Affordable Units	10	740	\$ 470	\$ 48	\$ 422	\$ 4,220	\$ 50,640	Yes
2 BR High HOME Units	6	975	\$ 866	\$ 59	\$ 807	\$ 4,842	\$ 58,104	Yes
2 BR Low HOME Units	-	-	\$ -	\$ 59	\$ (59)	\$ -	\$ -	Yes
2 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
2 BR "Other" Affordable Units	14	975	\$ 805	\$ 59	\$ 746	\$ 10,444	\$ 125,328	Yes
3 BR High HOME Units	-	-	\$ -	\$ 64	\$ (64)	\$ -	\$ -	Yes
3 BR Low HOME Units	3	1,100	\$ 914	\$ 64	\$ 850	\$ 2,550	\$ 30,600	Yes
3 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
3 BR "Other" Affordable Units	9	1,100	\$ 914	\$ 64	\$ 850	\$ 7,650	\$ 91,800	Yes
4 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
4 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
4 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
4 BR "Other" Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR High HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR Low HOME Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
5 BR Market Rate Units	-	-	\$ -		\$ -	\$ -	\$ -	
5 BR "Other" Affordable Units	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	Yes
Total	44	5,630	NA		NA	\$ 31,060	\$ 372,720	

Rent Projections

	HOME Units	Market Rate Units	"Other" Affordable Units
Rent Increase per Year	2%	2%	2%
Vacancy Year 1 (Lease-Up)	10%	10%	10%
Stabilized Vacancy Rate (after Year 1)	5%	5%	5%

Other Revenue

Other Monthly Revenue*	\$0
Annual Increase in Other Revenue	2%

* "Other revenue" refers to income to the property from sources other than rents (e.g., commercial space, laundry facilities).

Upon completing this tab, proceed to the *Development Costs* tab.

Development Costs

Enter data in green cells only

Cost	Amount	Cost Per Unit	Cost Per Square Foot	Other Information
Acquisition Costs				
Land	\$ 900,000	\$ 20,455	\$ 21.65	\$ 20,455 per unit
Existing Structures	\$ -	need data	need data	per unit
Other Acquisition Costs	\$ -	need data	need data	per unit
Site Work Costs (not included in construction contract)				
Demolition/Clearance	\$ -	need data	need data	
Site Remediation	\$ -	need data	need data	
Improvements	\$ 215,000	\$ 4,886	\$ 5.17	
Other Site Work Costs	\$ -	need data	need data	
Construction / Rehabilitation Costs (construction contract costs)				
Other Site Work	\$ -	need data	need data	
New Construction	\$ 3,000,000	\$ 68,182	\$ 72.15	
Rehabilitation	\$ -	need data	need data	
General Requirements	\$ 204,000	\$ 4,636	\$ 4.91	
Builder's Overhead	\$ 72,000	\$ 1,636	\$ 1.73	
Builder Profit	\$ 221,000	\$ 5,023	\$ 5.32	6% of construction costs
Performance Bond Premium	\$ 40,000	\$ 909	\$ 0.96	
Construction Contingency	\$ 200,000	\$ 4,545	\$ 4.81	5% of construction costs
Other Construction / Rehabilitation Costs	\$ 150,000	\$ 3,409	\$ 3.61	4% of construction costs
Architectural and Engineering Fees				
Architect Fee -- Design	\$ 187,000	\$ 4,250	\$ 4.50	5% of construction costs
Architect Fee -- Construction Supervision	\$ -	need data	need data	of construction costs
Engineering Fees	\$ 20,000	\$ 455	\$ 0.48	1% of construction costs
Other Architectural and Engineering Fees	\$ -	need data	need data	of construction costs
Other Owner Costs				
Project Consultant Fees	\$ -	need data	need data	
Legal and Organizational Expenses	\$ 40,000	\$ 909	\$ 0.96	
Syndication Fees	\$ -	need data	need data	0% of tax credit equity
Market Study	\$ 6,000	\$ 136	\$ 0.14	
Survey	\$ 7,000	\$ 159	\$ 0.17	
Appraisal Fees	\$ 6,000	\$ 136	\$ 0.14	
Soil Boring/Environmental Survey/Lead-Based Paint Evaluation	\$ 5,000	\$ 114	\$ 0.12	
Tap Fees and Impact Fees	\$ -	need data	need data	
Permitting Fees	\$ -	need data	need data	
Real Estate Attorney Fees	\$ 10,000	\$ 227	\$ 0.24	
Construction Loan Legal Fees	\$ -	need data	need data	
Other Owner Costs	\$ 21,000	\$ 477	\$ 0.51	
Interim Financing Costs				
Construction Insurance	\$ 15,000	\$ 341	\$ 0.36	
Construction Interest	(see below)			
Construction Loan Origination Fee	\$ 70,000	\$ 1,591	\$ 1.68	
Title and Recording Costs (for the construction loan)	\$ -	need data	need data	
Other Interim Financing Costs	\$ -	need data	need data	
Permanent Financing Fees and Expenses				
Credit Report	\$ -	need data	need data	
Permanent Loan Origination Fees (Points)	(calculated separately)			
Mortgage Broker Fees	\$ -	need data	need data	
Title and Recording Costs (for permanent financing)	\$ 7,500	\$ 170	\$ 0.18	
Counsel's Fee	\$ -	need data	need data	
Lender's Counsel Fee	\$ -	need data	need data	
Other Permanent Financing Fees and Expenses	\$ 20,000	\$ 455	\$ 0.48	
Developer's Fee	\$ 697,000	\$ 15,841	\$ 16.76	11% of total development costs
Initial Project Reserves				
Initial Rent-Up Reserve	\$ 62,000	\$ 1,409	\$ 1.49	17% of gross potential rents
Initial Operating Reserve	\$ 112,000	\$ 2,545	\$ 2.69	30% of gross potential rents
Initial Replacement Reserve	\$ -	need data	need data	of gross potential rents
Other Initial Project Reserves Costs	\$ 50,000	\$ 1,136	\$ 1.20	13% of gross potential rents
Other Initial Project Reserves Costs	\$ -	need data	need data	
Project Administration and Management Costs (during construction only)				
Marketing/Management	\$ 83,000	\$ 1,886	\$ 2.00	
Operating Expenses	\$ -	need data	need data	
Taxes	\$ 20,000	\$ 455	\$ 0.48	
Insurance	\$ 15,000	\$ 341	\$ 0.36	
Other Project Administration & Management Costs	\$ 45,000	\$ 1,023	\$ 1.08	
Other Development Costs				
Other Development Cost 1	\$ -	need data	need data	
Other Development Cost 2	\$ -	need data	need data	
Other Development Cost 3	\$ -	need data	need data	
Other Development Cost 4	\$ -	need data	need data	
Other Development Cost 5	\$ -	need data	need data	
Other Development Cost 6	\$ -	need data	need data	
Construction Interest Calculation				
Construction Loan Amount	\$ 6,000,000			
Interest Rate	4.3%			
Months of Construction	10			
Average Outstanding Balance	60.0%			
Construction Interest	\$ 127,500			
Total Development Costs (excluding points)*	\$ 6,628,000			

* Permanent loan origination fees (points) are calculated on the Financing Sources tab.

Upon completing this tab, proceed to the *Operating Expenses* tab.

Operating Expenses

Enter data in green cells only

Expense	Annual Cost	Monthly Cost	Additional Information
Management Expenses			
Management Fee	\$ 23,000	\$ 1,917	6% of monthly GPR
Management Administrative Payroll Costs	\$ -	\$ -	per unit per year
Legal Fees	\$ -	\$ -	per unit per year
Accounting / Audit Fees	\$ -	\$ -	per unit per year
Advertising / Marketing	\$ 5,000	\$ 417	\$ 114 per unit per year
Telephone	\$ -	\$ -	per unit per year
Office Supplies	\$ -	\$ -	per unit per year
Other Administrative Expenses	\$ 8,000	\$ 667	\$ 182 per unit per year
Other Management Expenses	\$ -	\$ -	per unit per year
Operations and Maintenance Expenses			
Security	\$ 2,100	\$ 175	\$ 48 per unit per year
Operations and Maintenance Administrative Payroll Costs	\$ 55,000	\$ 4,583	\$ 1,250 per unit per year
Elevator (if any)	\$ -	\$ -	per unit per year
Other Mechanical Equipment	\$ -	\$ -	per unit per year
Interior Painting	\$ -	\$ -	per unit per year
Routine Repairs and Supplies	\$ 3,750	\$ 313	\$ 85 per unit per year
Exterminating	\$ -	\$ -	per unit per year
Lawn and Landscaping	\$ 2,000	\$ 167	\$ 45 per unit per year
Garbage Removal	\$ 7,000	\$ 583	\$ 159 per unit per year
Snow Removal	\$ -	\$ -	per unit per year
Resident Service Cost	\$ -	\$ -	per unit per year
Other Maintenance Costs	\$ -	\$ -	per unit per year
Operations and Maintenance Expenses	\$ 10,000	\$ 833	\$ 227 per unit per year
Utilities Paid by the Property			
Electricity	\$ 20,000	\$ 1,667	\$ 455 per unit per year
Natural Gas, Oil, Other Fuel	\$ 20,000	\$ 1,667	\$ 455 per unit per year
Sewer and Water	\$ 20,000	\$ 1,667	\$ 455 per unit per year
Other Utilities Paid by the Property	\$ -	\$ -	per unit per year
Taxes / Insurance / Reserves / Other Expenses			
Real Estate Taxes	\$ 40,000	\$ 3,333	11.1% of EGI (Year 2)
Other Taxes and Licenses	\$ -	\$ -	of EGI (Year 2)
Property Insurance	\$ 8,500	\$ 708	\$ 193 per unit per year
Reserve for Replacement	\$ 13,200	\$ 1,100	\$ 300 per unit per year
Operating Reserve	\$ -	\$ -	per unit per year
Other Operating Expense 1	\$ -	\$ -	per unit per year
Other Operating Expense 2	\$ -	\$ -	per unit per year
Other Operating Expense 3	\$ -	\$ -	per unit per year
Other Operating Expense 4	\$ -	\$ -	per unit per year
Other Operating Expense 5	\$ -	\$ -	per unit per year
Other Operating Expense 6	\$ -	\$ -	per unit per year
TOTAL	\$ 237,550	\$ 19,796	65.8% of EGI (Year 2)
Operating Expense Increase per Year	3.0%		

Rent Increase per Year*

	HOME Units	Market Rate Units	Affordable Units
Rent Increase per Year	2%	2%	2%

* NOTE: Rent increase information is entered on the Rents and Income tab. The information is presented here to allow users to compare increases in rent to increases in operating expenses.

Tests of the Adequacy of Reserve for Replacement**

Average Capital Needs for Operations per Year	\$ -
Reserve for Replacement per Year	\$ 13,200

Average Capital Needs Test: need data

\$720 per Unit, per Year Test: Reserve insufficient to meet \$720 per unit, per year criterion.

** NOTE: This information is presented for informational purposes only. If the reserve for replacement is insufficient to cover average annual capital needs or meet the \$720 per unit per year benchmark, increase contributions toward the reserve for replacement.

Additional Reserve for Replacement Funds (Years 1-5)***

Year 1	\$ -
Year 2	\$ -
Year 3	\$ -
Year 4	\$ -
Year 5	\$ -

*** Some properties may draw larger-than-average amounts from their reserve for replacement during the first few years of operations. If this will be the case for this project, enter the additional amounts you expect to withdraw from the reserve for replacement for Years 1-5.

Upon completing this tab, proceed to the *Financing Sources* tab.

	A	B	C	D	E
1	Financing Sources		Enter data in green cells only		
2					
3	First Mortgage Characteristics				
4	Minimum Debt Service Coverage	1.20			
5	Maximum Loan to Value	85.0%			
6	Points	1.5%			
7	Interest Rate	7.0%			
8	Loan Term (years)	30			
9	First Mortgage Source (e.g., HOME, Private Lender)	private			
10					
11	Junior Loan Characteristics				
12	Amortizing Second Mortgage	\$0			
13	Amortizing Second Mortgage Source	Enter Source			
14	Points	0.0%			
15	Interest Rate	0.0%			
16	Loan Term (years)	0			
17					
18	Deferred Payment Loan 1	\$0			
19	Deferred Payment Loan 1 Source	Enter Source			
20	Deferred Payment Loan 1 Interest Rate	0.0%			
21	Deferred Payment Loan 1 Year of Pay-Out*	0			
22					
23	Deferred Payment Loan 2	\$0			
24	Deferred Payment Loan 2 Source	Enter Source			
25	Deferred Payment Loan 2 Interest Rate	0.0%			
26	Deferred Payment Loan 2 Year of Pay-Out*	0			
27	* Deferred loan years of payout should not occur after the project is sold.				
28					
29	Equity				
30	Developer Investment	\$0			
31					
32	Other Funding Sources				
33	Tax Credit Equity	\$4,364,000			
34	Grant or Donated Land 1	\$238,095			
35	Grant or Donated Land 1 Source	deferred fee			
36	Grant or Donated Land 2				
37	Grant or Donated Land 2 Source				
38	Other Financing (not amortized)				
39	Other Financing Source				
40					
41	Project Characteristics				
42	Years to Sale*	20			
43	* Years to Sale is used by the Template to determine the final year of the Pro-Forma.				
44	Lender's Appraised Value for the Project	\$3,000,000			
45	Capitalization Rate	7.0%			
46	Value of Project at Sale**	\$0			
47	** If Value of Project at Sale is left blank, the Template will use the Capitalization Rate to determine the project's value when				
48					
49	FIRST MORTGAGE CONSTRAINTS		Amount		
50	Maximum Loan by Debt Service Coverage	\$1,215,905	(Uses Year 2 NOI.)		
51	Maximum Loan by Loan to Value	\$3,000,000	(Based on Lender's Appraised Value for the Project.)		
52	Amount of First Mortgage (lowest of above)		#####		
53					
54	FUNDING SOURCES SUMMARY		Amount	Percent of Total Funding	Funding Source
55					
56	First Mortgage	\$1,215,905	21%	private	
57	Amortizing Second Mortgage	\$0	0%	Enter Source	
58	Deferred Payment Loan 1	\$0	0%	Enter Source	
59	Deferred Payment Loan 2	\$0	0%	Enter Source	
60	Developer Investment	\$0	0%	Private	
61	Tax Credit Equity	\$4,364,000	75%	Tax Credit	
62	Grant or Donated Land 1	\$238,095	4%	deferred fee	
63	Grant or Donated Land 2	\$0	0%	0	
64	Other Financing (not amortized)	\$0	0%	0	
65	Custom Loan 1***	\$0	0%	Enter Source	
66	Custom Loan 2***	\$0	0%	Enter Source	
67	Total	#####			
68	*** For financing with complex or atypical payment schedules, enter information on the 'Custom Loans' tab.				
69					
70					
71	Upon completing this tab, proceed to the <i>Custom Loans</i> tab.				

For financing with complex or atypical payment schedules, enter information on the 'Custom Loans' tab.

Custom Loans

Enter data in green cells only

Custom Loan 1

Custom Loan 1 Name	Custom Loan 1
Custom Loan 1 Source	Enter Source
Custom Loan 1 Amount	\$ -

Custom Loan 1 Payment Schedule

Project Year	1	2	3	4	5	6	7	8
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name	Custom Loan 2
Custom Loan 2 Source	Enter Source
Custom Loan 2 Amount	\$ -

Custom Loan 2 Payment Schedule*

Project Year	1	2	3	4	5	6	7	8
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Payments should not occur after the year the project is sold.

Upon completing this tab, proceed to the *Operating Pro-Forma* tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	9	10	11	12	13	14	15	16	17
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	9	10	11	12	13	14	15	16	17
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the
Operating Pro-Forma tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	18	19	20	21	22	23	24	25	26
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	18	19	20	21	22	23	24	25	26
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the Operating Pro-Forma tab.

Custom Loans

Custom Loan 1

Custom Loan 1 Name
Custom Loan 1 Source
Custom Loan 1 Amount

Custom Loan 1 Payment Schedule

Project Year	27	28	29	30
Payments on Custom Loan 1**	\$ -	\$ -	\$ -	\$ -

Custom Loan 2

Custom Loan 2 Name
Custom Loan 2 Source
Custom Loan 2 Amount

Custom Loan 2 Payment Schedule*

Project Year	27	28	29	30
Payments on Custom Loan 2**	\$ -	\$ -	\$ -	\$ -

** Enter payments as positive numbers. Paymer

Upon completing this tab, proceed to the *Operating Pro-Forma* tab.

Operating Pro-Forma

"####" indicates that the columns should be widened.

This tab contains calculations based on data entered on previous tabs and does not contain data entry cells.

PROJECT TIMELINE

Project Year	1	2	3	4	5	6	7	8	9
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Gross Potential Rent (GPR) Projections

HOME Rents	\$104,952	\$107,051	\$109,192	\$111,376	\$113,603	\$115,875	\$118,193	\$120,557	\$122,968
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
"Other" Affordable Rents	\$267,768	\$273,123	\$278,586	\$284,158	\$289,841	\$295,638	\$301,550	\$307,581	\$313,733
Gross Potential Rent	\$372,720	\$380,174	\$387,778	\$395,534	\$403,444	\$411,513	\$419,743	\$428,138	\$436,701

Effective Gross Income (EGI) Projections

Vacancy Loss	(\$37,272)	(\$19,009)	(\$19,389)	(\$19,777)	(\$20,172)	(\$20,576)	(\$20,987)	(\$21,407)	(\$21,835)
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$335,448	\$361,165	\$368,389	\$375,757	\$383,272	\$390,937	\$398,756	\$406,731	\$414,866

Expense and Net Operating Income (NOI) Projections

Management Expenses	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,276	\$45,604
Operations and Maintenance Expenses	\$79,850	\$82,246	\$84,713	\$87,254	\$89,872	\$92,568	\$95,345	\$98,205	\$101,151
Utilities Paid by Property	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,557	\$71,644	\$73,793	\$76,007
Taxes/Insurance/Reserves/Other Expenses	\$61,700	\$63,551	\$65,458	\$67,422	\$69,445	\$71,528	\$73,674	\$75,884	\$78,161
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$237,550)	(\$244,677)	(\$252,017)	(\$259,578)	(\$267,366)	(\$275,387)	(\$283,649)	(\$292,158)	(\$300,923)
Net Operating Income	\$97,898	\$116,488	\$116,372	\$116,179	\$115,906	\$115,550	\$115,107	\$114,573	\$113,943

Debt Service

First Mortgage Debt Service	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$825	\$19,415	\$19,299	\$19,106	\$18,833	\$18,477	\$18,034	\$17,500	\$16,870
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	\$825	\$19,415	\$19,299	\$19,106	\$18,833	\$18,477	\$18,034	\$17,500	\$16,870

Developer Return on Equity

Cash on Cash	no equity								
Project Value based on Capitalization Rate	\$1,398,543	\$1,664,114	\$1,662,457	\$1,659,700	\$1,655,800	\$1,650,714	\$1,644,386	\$1,636,757	\$1,627,757

NOTE: Value equals \$0 if income is negative.

	IRR
IRR (Year 1 through sale of project)	no investment

Debt at Year End

First Mortgage Remaining	\$14,442,592	\$14,283,662	\$14,113,244	\$13,930,506	\$13,734,558	\$13,524,445	\$13,299,143	\$13,057,554	\$12,798,500
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	10	11	12	13	14	15	16	17	18
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Gross Potential Rent (GPR) Projections

HOME Rents	\$125,427	\$127,936	\$130,495	\$133,105	\$135,767	\$138,482	\$141,252	\$144,077	\$146,958
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
"Other" Affordable Rents	\$320,008	\$326,408	\$332,936	\$339,595	\$346,386	\$353,314	\$360,380	\$367,588	\$374,940
Gross Potential Rent	\$445,435	\$454,344	\$463,431	\$472,700	\$482,153	\$491,796	\$501,632	\$511,665	\$521,898

Effective Gross Income (EGI) Projection

Vacancy Loss	(\$22,272)	(\$22,717)	(\$23,172)	(\$23,635)	(\$24,108)	(\$24,590)	(\$25,082)	(\$25,583)	(\$26,095)
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$423,163	\$431,627	\$440,259	\$449,065	\$458,045	\$467,206	\$476,550	\$486,082	\$495,803

Expense and Net Operating Income (NOI)

Management Expenses	\$46,972	\$48,381	\$49,832	\$51,327	\$52,867	\$54,453	\$56,087	\$57,770	\$59,503
Operations and Maintenance Expenses	\$104,186	\$107,312	\$110,531	\$113,847	\$117,262	\$120,780	\$124,403	\$128,135	\$131,979
Utilities Paid by Property	\$78,287	\$80,636	\$83,055	\$85,547	\$88,113	\$90,756	\$93,479	\$96,283	\$99,171
Taxes/Insurance/Reserves/Other Expenses	\$80,506	\$82,921	\$85,409	\$87,971	\$90,610	\$93,328	\$96,128	\$99,012	\$101,982
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$309,951)	(\$319,250)	(\$328,827)	(\$338,692)	(\$348,852)	(\$359,317)	(\$370,097)	(\$381,200)	(\$392,635)
Net Operating Income	\$113,212	\$112,377	\$111,432	\$110,373	\$109,193	\$107,889	\$106,453	\$104,882	\$103,168

Debt Service

First Mortgage Debt Service	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)	(\$97,073)
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$16,139	\$15,304	\$14,359	\$13,300	\$12,120	\$10,816	\$9,380	\$7,809	\$6,095
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	\$16,139	\$15,304	\$14,359	\$13,300	\$12,120	\$10,816	\$9,380	\$7,809	\$6,095

Developer Return on Equity

Cash on Cash	no equity								
Project Value based on Capitalization Rate	\$1,617,314	\$1,605,386	\$1,591,886	\$1,576,757	\$1,559,900	\$1,541,271	\$1,520,757	\$1,498,314	\$1,473,829

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$12,520,719	\$12,222,857	\$11,903,463	\$11,560,980	\$11,193,739	\$10,799,950	\$10,377,693	\$9,924,912	\$9,439,400
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	19	20	21	22	23	24	25	26	27	28
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Gross Potential Rent (GPR) Projections

HOME Rents	\$149,897	\$152,895	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
"Other" Affordable Rents	\$382,439	\$390,087	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Rent	\$532,336	\$542,982	\$0							

Effective Gross Income (EGI) Projection

Vacancy Loss	(\$26,617)	(\$27,149)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$505,719	\$515,833	\$0							

Expense and Net Operating Income (NOI)

Management Expenses	\$61,288	\$63,127	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operations and Maintenance Expenses	\$135,938	\$140,016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Paid by Property	\$102,146	\$105,210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes/Insurance/Reserves/Other Expenses	\$105,041	\$108,192	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	(\$404,413)	(\$416,545)	\$0							
Net Operating Income	\$101,306	\$99,288	\$0							

Debt Service

First Mortgage Debt Service	(\$97,073)	(\$9,543,104)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$4,233	(\$9,443,816)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Property Sale	\$0	\$1,418,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Return	\$4,233	(\$8,025,416)	\$0							

Developer Return on Equity

Cash on Cash	no equity	no equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Project Value based on Capitalization Rate	\$1,447,229	\$1,418,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$8,918,789	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

Project Year	29	30
--------------	----	----

Gross Potential Rent (GPR) Projections

HOME Rents	\$0	\$0
Market Rents	\$0	\$0
"Other" Affordable Rents	\$0	\$0
Gross Potential Rent	\$0	\$0

Effective Gross Income (EGI) Projection

Vacancy Loss	\$0	\$0
Other Revenue	\$0	\$0
Effective Gross Income	\$0	\$0

Expense and Net Operating Income (NOI)

Management Expenses	\$0	\$0
Operations and Maintenance Expenses	\$0	\$0
Utilities Paid by Property	\$0	\$0
Taxes/Insurance/Reserves/Other Expenses	\$0	\$0
Additional Reserve for Replacement	\$0	\$0
Total Expenses	\$0	\$0
Net Operating Income	\$0	\$0

Debt Service

First Mortgage Debt Service	\$0	\$0
Second Mortgage Debt Service	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0
Custom Loan 1 Debt Service	\$0	\$0
Custom Loan 2 Debt Service	\$0	\$0

Cash Flow (After Debt Service)

Cash Flow	\$0	\$0
Proceeds from Property Sale	\$0	\$0
Net Cash Return	\$0	\$0

Developer Return on Equity

Cash on Cash	0.00%	0.00%
Project Value based on Capitalization Rate	\$0	\$0

NOTE: Value equals \$0 if income is negative.

Debt at Year End

First Mortgage Remaining	\$0	\$0
Second Mortgage Remaining	\$0	\$0
Deferred Payment Loan 1 Remaining	\$0	\$0
Deferred Payment Loan 2 Remaining	\$0	\$0

Upon completing review of this tab, proceed to the *Gap Analysis* tab.

Gap Analysis

This tab contains calculations based on data entered on previous tabs and does not contain data entry cells.

FUNDING SOURCES SUMMARY	Amount	Funding Source
First Mortgage	\$ 1,215,905	private
Amortizing Second Mortgage	\$ -	Enter Source
Deferred Payment Loan 1	\$ -	Enter Source
Deferred Payment Loan 2	\$ -	Enter Source
Developer Investment	\$ -	Private
Tax Credit Equity	\$ 4,364,000	Tax Credit
Grant or Donated Land 1	\$ 238,095	deferred fee
Grant or Donated Land 2	\$ -	0
Other financing (not amortized)	\$ -	0
Custom Loan 1	\$ -	Enter Source
Custom Loan 2	\$ -	Enter Source
Total	#####	

DEVELOPMENT USES SUMMARY	Amount
Acquisition Costs	\$ 900,000
Site Work Costs	\$ 215,000
Construction / Rehabilitation Costs	\$ 3,887,000
Architectural and Engineering Fees	\$ 207,000
Other Owner Costs	\$ 95,000
Interim Financing Costs	\$ 212,500
Permanent Financing Fees and Expenses	\$ 27,500
Developer's Fee	\$ 697,000
Initial Project Reserves	\$ 224,000
Tenant Relocation Costs	\$ -
Project Administration and Management Costs	\$ 163,000
Other Development Costs	\$ -
Total	#####

GAP IN FINANCING*	\$ 810,000
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* Positive values indicate inadequate financing. Negative Values for the Gap in Financing indicate that the project is oversubsidized using HOME funds and should reallocate financing, accordingly.

Upon completing this tab, proceed to the *Summary* tab.

PROJECT SUMMARY	
Project Name:	Beaver Creek Apartments
Address:	60th Street 1 block north of Brown Deer Road
Developer:	General Capital Group
Date of Analysis:	08/15/12
City:	Milwaukee
State:	Wisconsin
Development Type:	New Construction

DEVELOPMENT SOURCES SUMMARY			
Funding Sources	Amount	Funding Source	Percent of Total Funding
First Mortgage	\$ 1,215,905	private	21%
Amortizing Second Mortgage	\$ -	Enter Source	0%
Deferred Payment Loan 1	\$ -	Enter Source	0%
Deferred Payment Loan 2	\$ -	Enter Source	0%
Developer Investment	\$ -	Private	0%
Tax Credit Equity	\$ 4,364,000	Tax Credit	75%
Grant or Donated Land 1	\$ 238,095	deferred fee	4%
Grant or Donated Land 2	\$ -	0	0%
Other Financing (not amortized)	\$ -	0	0%
Custom Loan 1	\$ -	Enter Source	0%
Custom Loan 2	\$ -	Enter Source	0%
Total	\$ 5,818,000		
Total Development Costs	\$ 6,628,000		

DEVELOPMENT USES SUMMARY		
Development Uses	Amount	Percent of Total Funding
Acquisition Costs	\$ 900,000	14%
Site Work Costs	\$ 215,000	3%
Construction / Rehabilitation Costs	\$ 3,887,000	59%
Architectural and Engineering Fees	\$ 207,000	3%
Other Owner Costs	\$ 95,000	1%
Interim Financing Costs	\$ 212,500	3%
Permanent Financing Fees and Expenses	\$ 27,500	0%
Developer's Fee	\$ 697,000	11%
Initial Project Reserves	\$ 224,000	3%
Tenant Relocation Costs	\$ -	0%
Project Administration and Management Costs	\$ 163,000	2%
Other Development Costs	\$ -	0%
Total	\$ 6,628,000	100%

UNIT SUMMARY		
Unit Types	Number of Units	Total Rents (Year 1, without vacancy)
High HOME Units	8	\$ 74,352
Low HOME Units	3	\$ 30,600
Market Rate Units	-	\$ -
"Other" Affordable Units	33	\$ 267,768
Total	44	\$ 372,720

OPERATIONS SUMMARY							
Project Income	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30	
HOME Rents	\$ 104,952	\$ 107,051	\$ 113,603	\$ 125,427	\$ 138,482	\$ -	
Market Rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
"Other" Affordable Rents	\$ 267,768	\$ 273,123	\$ 289,841	\$ 320,008	\$ 353,314	\$ -	
Gross Potential Rent	\$ 372,720	\$ 380,174	\$ 403,444	\$ 445,435	\$ 491,796	\$ -	
Vacancy Loss	\$ (37,272)	\$ (19,009)	\$ (20,172)	\$ (22,272)	\$ (24,590)	\$ -	
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Effective Gross Income	\$ 335,448	\$ 361,165	\$ 383,272	\$ 423,163	\$ 467,206	\$ -	
Total Expenses	\$ (237,550)	\$ (244,677)	\$ (267,366)	\$ (309,951)	\$ (359,317)	\$ -	
Net Operating Income	\$ 97,898	\$ 116,488	\$ 115,906	\$ 113,212	\$ 107,889	\$ -	
Total Debt Service	\$ (97,073)	\$ (97,073)	\$ (97,073)	\$ (97,073)	\$ (97,073)	\$ -	
Cash Flow (After Debt Service)	\$ 825	\$ 19,415	\$ 18,833	\$ 16,139	\$ 10,816	\$ -	

RETURNS SUMMARY						
Developer Returns on Equity	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Cash on Cash	no equity	no equity	no equity	no equity	no equity	0.00%
IRR (Year 1 through sale of project)	no investment					

COUNTY OF MILWAUKEE**INTER-OFFICE COMMUNICATION**

DATE: August 28, 2012

TO: Marina Dimitrijevic, Milwaukee County Board Chairwoman

FROM: Craig C. Dillmann, Manager, Real Estate Services

SUBJECT: Offer to purchase on a County-owned property located at 1301 South 58th Street, West Allis, Wisconsin.

POLICY ISSUE:

County Board Resolution File No.12-9 was established by the County Board Chairperson relative to offers-to-purchase on lands under County control.

BACKGROUND:

The Real Estate Section of the Economic Development Division received an offer to purchase on an excess County-owned property located at 1301 South 58th Street in the City of West Allis. An exhibit depicting the location of the property is attached.

The subject property, appraised at \$45,000, consists of a 3 bedroom, 1 bath house situated on a 30' X 105' corner lot. The house needs a new furnace, hot water heater, woodwork and door repairs, updating of the bathroom, cleaning and decorating. The property does not provide on site parking but there is a driveway approach to the back yard. The Milwaukee County Treasurer acquired the property by foreclosure proceedings due to non-payment of real estate taxes. Staff established an asking price of \$ 46,500.

The cash offer from the City of West Allis is \$41,000, which is 91% of the appraised value. The City of West Allis, Milwaukee County, City of Cudahy, and the City of Milwaukee entered into an Intergovernmental Agreement to create the Milwaukee County Regional Consortium (Consortium). The Consortium received HUD Neighborhood Stabilization Program funds from the Wisconsin Department of Commerce (now the Wisconsin Economic Development Corporation) to purchase foreclosed homes, demolish/rebuild them, and sell them to income-eligible families. The City of West Allis plans to demolish the house at 1301 S. 58th, build a new 3-bedroom home, and sell the home to a low-income family. The City of West Allis offer contains three contingencies, which are as follows:

1. Completion of an appraisal that establishes the purchase price is not greater than 99% of the appraised value.
2. Completion of a federally required environmental planning review establishing that the property is eligible for federally funded rehabilitation.
3. Seller certifying that there is compliance with the Protecting Tenants in Foreclosure Act of 2009.

Expenses related to the cost to fulfill contingency one and two will be paid by the Buyer. Regarding contingency three, no tenants were living in this property at the time of foreclosure or thereafter.

RECOMMENDATION:

Staff respectfully requests that the Committee on Economic and Community Development recommend acceptance of the above-described offer from the City of West Allis in the amount of \$41,000.

Craig C. Dillmann, Manager
Real Estate Services

Meeting Date: September 17, 2012
Attachments

cc: Chris Abele, County Executive
Supervisor James Schmitt, 6th District
Patrick Farley, Director, Administrative Services (DAS)
Brian Taffora, Director, Economic Development (DAS)
Vince Masterson, Fiscal Management Analyst

(ITEM) Reference file established by the County Board Chairperson relative to offers to purchase on lands under County control with an undesignated use, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the Real Estate Section of the Economic Development Division received an offer to purchase on an excess County-owned property located at 1301 South 58th Street in the City of West Allis; and,

WHEREAS, the subject property, appraised at \$45,000, consists of a 3 bedroom, 1 bath house situated on a 30' X 105' corner lot. The house needs a new furnace, hot water heater, woodwork and door repairs, updating of the bathroom, cleaning and decorating. The property does not provide on site parking but there is a driveway approach to the back yard; and

WHEREAS, the Milwaukee County Treasurer acquired the property by foreclosure proceedings due to non-payment of real estate taxes; and

WHEREAS, staff established an asking price of \$ 46,500; and

WHEREAS, the cash offer from the City of West Allis is \$41,000, which is 91% of the appraised value; and

WHEREAS, the City of West Allis, Milwaukee County, City of Cudahy, and the City of Milwaukee entered into an Intergovernmental Agreement to create the Milwaukee County Regional Consortium (Consortium). The Consortium received HUD Neighborhood Stabilization Program funds from the Wisconsin Department of Commerce (now the Wisconsin Economic Development Corporation) to purchase foreclosed homes, demolish/rebuild them, and sell them to income-eligible families; and

WHEREAS, the City of West Allis plans to demolish the house at 1301 S. 58th, build a new 3-bedroom home, and sell the home to a low-income family; and

WHEREAS, the City of West Allis offer contains three contingencies, which are as follows:

1. Completion of an appraisal that establishes the purchase price is not greater than 99% of the appraised value.
2. Completion of a federally required environmental planning

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review establishing that the property is eligible for federally funded rehabilitation.

3. Seller certifying that there is compliance with the Protecting Tenants in Foreclosure Act of 2009.

Expenses related to the cost to fulfill contingency one and two will be paid by the Buyer. Regarding contingency three, no tenants were living in this property at the time of foreclosure or thereafter; and

WHEREAS, the Committee on Economic and Community Development at their meeting on September 17, 2012 recommended acceptance of the above-described offer from the City of West Allis in the amount of \$41,000; now, therefore,

BE IT RESOLVED, that the Manager of Real Estate Services is hereby authorized to sign the above described offer to purchase from the City of West Allis; and

BE IT FURTHER RESOLVED, that the County Executive and the County Clerk are hereby authorized to convey by Warranty Deed the subject property located at 1301 South 58th Street in the City of West Allis to the City of West Allis and/or assigns for the consideration of \$41,000, pursuant to the terms and conditions of their offer to purchase.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 28, 2012

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Offer to purchase on a County-owned property located at 1301 South 58th Street, West Allis, Wisconsin.

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input checked="" type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	2,500	
	Revenue	41,000	
	Net Cost	- 38,500	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Fiscal Note: Sale proceeds less expenses shall be deposited in accordance to the adopted 2012 budget.

Department/Prepared By Craig Dillmann

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.



MILWAUKEE COUNTY INTERACTIVE MAP SERVICE



Notes
 1301 South 58th Street
 West Allis

THIS MAP IS NOT TO BE USED FOR NAVIGATION © MCAMLIS

DISCLAIMER: This map is a user generated static output from the Milwaukee County Land Information Office Interactive Mapping Service website. The contents herein are for reference purposes only and may or may not be accurate, current or otherwise reliable. No liability is assumed for the data delineated herein either expressed or implied by Milwaukee County or its employees.



260 0 130 260 Feet

- Legend** 1: 1,560
- County Boundary
 - Highways, to 8k
 - Street Centerlines, 0k to 8k
 - Railroad 8k
 - Water 8k
 - Rivers 8k
 - Airport 8k
 - Landmarks 8k
 - County Parks 8k
 - Municipal Subdivisions 25k



WB-11 RESIDENTIAL OFFER TO PURCHASE

1 LICENSEE DRAFTING THIS OFFER ON August 22, 2012 [DATE] IS (AGENT OF BUYER)
2 (AGENT OF SELLER/LISTING BROKER) (AGENT OF BUYER AND SELLER) **[STRIKE THOSE NOT APPLICABLE]**

3 **GENERAL PROVISIONS** The Buyer, City of West Allis
4 _____, offers to purchase the Property known as [Street Address] 1301 S. 58th St
5 _____ in the _____ City
6 of West Allis, County of Milwaukee Wisconsin (insert additional
7 description, if any, at lines 165-172 or 435-442 or attach as an addendum per line 434), on the following terms:

8 PURCHASE PRICE: Forty-One Thousand
9 _____ Dollars (\$ 41,000.00).

10 EARNEST MONEY of \$ _____ accompanies this Offer and earnest money of \$ 1,000.00
11 will be mailed, or commercially or personally delivered within 5 days of acceptance to listing broker or

12 _____

13 THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.
14 INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on
15 the date of this Offer not excluded at lines 17-18, and the following additional items: _____

16 _____
17 NOT INCLUDED IN PURCHASE PRICE: _____

18 _____
19 **CAUTION: Identify Fixtures that are on the Property (see lines 185-193) to be excluded by Seller or which are rented
20 and will continue to be owned by the lessor.**

21 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are
22 included/excluded.**

23 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical
24 copies of the Offer.

25 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines
26 running from acceptance provide adequate time for both binding acceptance and performance.**

27 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on
28 or before September 20, 2012 ~~10-15-2012~~ _____ Seller may keep the Property on the
29 market and accept secondary offers after binding acceptance of this Offer.

30 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

31 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX () ARE PART OF THIS
32 OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A"
33 OR ARE LEFT BLANK.

34 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and
35 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 36-54.

36 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if
37 named at line 38 or 39.

38 Seller's recipient for delivery (optional): _____

39 Buyer's recipient for delivery (optional): _____

40 (2) **Fax:** fax transmission of the document or written notice to the following telephone number:
41 Seller: (414) 223-1810 Buyer: (414) 529-9510

42 (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a
43 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 38 or 39, for
44 delivery to the Party's delivery address at line 47 or 48.

45 (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,
46 or to the Party's recipient for delivery if named at line 38 or 39, for delivery to the Party's delivery address at line 47 or 48.

47 Delivery address for Seller: _____

48 Delivery address for Buyer: _____

49 (5) **E-Mail:** electronically transmitting the document or written notice to the Party's e-mail address, if given below at line
50 53 or 54. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for
51 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically
52 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

53 E-Mail address for Seller (optional): cdillmann@milwcnty.com CC: _____

54 E-Mail address for Buyer (optional): cindykuhs@gmail.com CC: _____

55 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller
56 constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

57 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this
 58 Offer at lines 165-172 or 435-442 or in an addendum attached per line 434. At time of Buyer's occupancy, Property shall be in
 59 broom swept condition and free of all debris and personal property except for personal property belonging to current tenants,
 60 or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

61 **DEFINITIONS**

62 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or
 63 written notice physically in the Party's possession, regardless of the method of delivery.

64 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are
 65 defined to include:

- 66 a. Defects in the roof.
- 67 b. Defects in the electrical system.
- 68 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included in
 69 the sale.
- 70 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).
- 71 e. Defects in the well, including unsafe well water.
- 72 f. Property is served by a joint well.
- 73 g. Defects in the septic system or other sanitary disposal system.
- 74 h. Underground or aboveground fuel storage tanks on or previously located on the Property. (If "yes", the owner, by law,
 75 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707, whether
 76 the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of unused
 77 tanks.)
- 78 i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).
- 79 j. Defects in the basement or foundation (including cracks, seepage and bulges).
- 80 k. Property is located in a floodplain, wetland or shoreland zoning area.
- 81 l. Defects in the structure of the Property.
- 82 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.
- 83 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).
- 84 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in paint,
 85 lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the Property.
 86 **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential**
 87 **properties built before 1978.**
- 88 p. Presence of asbestos or asbestos-containing materials on the Property.
- 89 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances
 90 on neighboring properties.
- 91 r. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal or other insect
 92 infestations.
- 93 s. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the
 94 Property.
- 95 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership
 96 without required permits.
- 97 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.
- 98 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.
- 99 w. Remodeling that may increase Property's assessed value.
- 100 x. Proposed or pending special assessments.
- 101 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose
 102 assessments against the real property located within the district.
- 103 z. Proposed construction of a public project that may affect the use of the Property.
- 104 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,
 105 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.
- 106 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.
- 107 cc. Any land division involving the Property for which required state or local permits had not been obtained.
- 108 dd. Violation of state or local smoke and carbon monoxide detector laws.
- 109 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
 110 Property.
- 111 ff. The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related
 112 to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to
 113 shoreland conditions, enforceable by the county.
- 114 gg. Other Defects affecting the Property.

115 **(Definitions Continued on page 4)**

MY

116 **CLOSING** This transaction is to be closed no later than October 16, 2012
117 _____ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

118 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
119 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owner's association
120 assessments, fuel and _____

121 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**
122 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

123 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

124 The net general real estate taxes for the preceding year, or the current year if available (Net general real estate
125 taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE
126 APPLIES IF NO BOX IS CHECKED)

127 Current assessment times current mill rate (current means as of the date of closing)

128 Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior
129 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

130
131 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**
132 **substantially different than the amount used for proration especially in transactions involving new construction,**
133 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor**
134 **regarding possible tax changes.**

135 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
136 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5
137 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall
138 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation
139 and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

140 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
141 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
142 (written) (oral) **STRIKE ONE** lease(s), if any, are _____
143 _____ . Insert additional terms, if any, at lines 165-172 or 435-442 or attach as an addendum per line 434.

144 **RENTAL WEATHERIZATION** This transaction (is) (is not) **STRIKE ONE** exempt from Wisconsin Rental Weatherization
145 Standards (Wis. Admin. Code Ch. Comm 67). If not exempt, (Buyer) (Seller) **STRIKE ONE** ("Buyer" if neither is stricken) shall
146 be responsible for compliance, including all costs, with Wisconsin Rental Weatherization Standards. If Seller is responsible for
147 compliance, Seller shall provide a Certificate of Compliance at closing.

148 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to
149 provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never been
150 inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example,
151 personal representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. § 709.03. The
152 law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of the
153 contract of sale . . . to the prospective Buyer of the property a completed copy of the report . . . A prospective Buyer who does
154 not receive a report within the 10 days may, within 2 business days after the end of that 10 day period, rescind the contract of
155 sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission
156 rights if a Real Estate Condition Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is
157 submitted to Seller. Buyer should review the report form or consult with an attorney for additional information regarding
158 rescission rights.

159 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no
160 notice or knowledge of Conditions Affecting the Property or Transaction (lines 64-114) other than those identified in Seller's
161 Real Estate Condition Report dated _____, which was received by Buyer prior to Buyer
162 signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE** and

163 _____
164 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**

165 **ADDITIONAL PROVISIONS/CONTINGENCIES** Buyer acknowledges the former owner of the property
166 took his own life in the property.

167 Buyer needs 72 hrs. to review title and HUD 1 settlement statement prior to closing.

168 Closing funds to be in the form of a standard City of West Allis check.

169 _____
170 Offer is contingent on the completion of an appraisal, ordered by Buyer at Buyer's

171 Expense, which establishes that the purchase price is not greater than 99% of the
172 appraised value of the property

173 **DEFINITIONS CONTINUED FROM PAGE 2**

174 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
 175 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.
 176 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under
 177 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
 178 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the
 179 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours
 180 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as
 181 closing, expire at midnight of that day.

182 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would
 183 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would
 184 significantly shorten or adversely affect the expected normal life of the premises.

185 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or
 186 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily
 187 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as
 188 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric
 189 lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached
 190 equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings; attached
 191 antennas; garage door openers and remote controls; installed security systems; central vacuum systems and accessories; in-
 192 ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on permanent
 193 foundations and docks/piers on permanent foundations.

194 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water
 195 conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 17-18.**

196 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.

197 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land, building or room dimensions, or total
 198 acreage or building square footage figures, provided to Buyer by Seller or by a broker, may be approximate because of
 199 rounding, formulas used or other reasons, unless verified by survey or other means.

200 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land, building
 201 or room dimensions, if material.**

202 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or
 203 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change
 204 in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects
 205 Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

206 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of
 207 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary
 208 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price,
 209 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. No later
 210 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed
 211 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.
 212 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,
 213 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on
 214 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall
 215 be held in trust for the sole purpose of restoring the Property.

IF LINE 217 IS NOT MARKED OR IS MARKED N/A LINES 257-263 APPLY.

FINANCING CONTINGENCY: This Offer is contingent upon Buyer being able to obtain a written _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage loan commitment as described below, within _____ days of acceptance of this Offer. The financing selected shall be in an amount of not less than \$ _____ for a term of not less than _____ years, amortized over not less than _____ years. Initial monthly payments of principal and interest shall not exceed \$ _____. Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination fee in an amount not to exceed _____ % of the loan. If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 228 or 229.

FIXED RATE FINANCING: The annual rate of interest shall not exceed _____ %.

ADJUSTABLE RATE FINANCING: The initial annual interest rate shall not exceed _____ %. The initial interest rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per year. The maximum interest rate during the mortgage term shall not exceed _____ %. Monthly payments of principal and interest may be adjusted to reflect interest changes.

If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 165-172 or 435-442 or in an addendum attached per line 434.

BUYER'S LOAN COMMITMENT: Buyer agrees to pay all customary loan and closing costs, to promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline at line 219. **Buyer and Seller agree that delivery of a copy of any written loan commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of the loan commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of unacceptability.**

CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.

SELLER TERMINATION RIGHTS: If Buyer does not make timely delivery of said commitment, Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan commitment.

FINANCING UNAVAILABILITY: If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

IF THIS OFFER IS NOT CONTINGENT ON FINANCING: Within 7 days of acceptance, a financial institution or third party in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification, sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

APPRAISAL CONTINGENCY: This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon purchase price. This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon purchase price, accompanied by a written notice of termination.

CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether deadlines provide adequate time for performance.

272 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the
 273 Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as
 274 defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple
 275 listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information
 276 and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers
 277 researching comparable sales, market conditions and listings, upon inquiry.

278 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and
 279 conditions of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the
 280 defaulting party to liability for damages or other legal remedies.

281 If Buyer defaults, Seller may:

- 282 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
 283 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual
 284 damages.

285 If Seller defaults, Buyer may:

- 286 (1) sue for specific performance; or
 287 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

288 In addition, the Parties may seek any other remedies available in law or equity.

289 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the
 290 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution
 291 instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of
 292 law those disputes covered by the arbitration agreement.

293 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**
 294 **READ THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS**
 295 **OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL**
 296 **RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE**
 297 **CONSULTED IF LEGAL ADVICE IS NEEDED.**

298 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller
 299 regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds
 300 and inures to the benefit of the Parties to this Offer and their successors in interest.

301 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
 302 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
 303 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

Property Address: 1301 S. 58th St.

304 **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's
305 property located at _____, no later than _____. If Seller accepts
306 a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If Buyer does not deliver to Seller a written
307 waiver of the Closing of Buyer's Property Contingency and _____

308
309 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL**
310 **CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]** within _____ hours of Buyer's Actual
311 Receipt of said notice, this Offer shall be null and void.

312 **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery
313 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior
314 to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers.
315 Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice
316 that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than _____ days after acceptance of this Offer. All
317 other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.

318 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
319 occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in this
320 Offer except: _____

321 _____ . If "Time is of the Essence" applies to a date or
322 _____ .
323 Deadline, failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to
324 a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

325 **TITLE EVIDENCE**
326 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
327 (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as
328 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements
329 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
330 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Real Estate
331 Condition Report and in this Offer, general taxes levied in the year of closing and _____
332 _____
333 _____

334 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents
335 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

336 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may**
337 **prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making**
338 **improvements to Property or a use other than the current use.**

339 **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the
340 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all
341 costs of providing title evidence to Buyer. Buyer shall pay all costs of providing title evidence required by Buyer's lender.

342 **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at ~~(Seller's)~~(Buyer's)
343 **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after
344 the effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy
345 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap
346 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 353-359).

347 **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title
348 insurance commitment is delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title to
349 the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 326-335,
350 subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
351 exceptions, as appropriate.

352 **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
353 objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to
354 remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is
355 unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the
356 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be
357 null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give
358 merchantable title to Buyer.
359

360 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior
 361 to the date of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by
 362 Buyer.

363 **CAUTION: Consider a special agreement if area assessments, property owner's association assessments, special**
 364 **charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are**
 365 **one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)**
 366 **relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all**
 367 **sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact**
 368 **fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).**

369 **EARNEST MONEY**

370 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker
 371 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to the purchase price or
 372 otherwise disbursed as provided in the Offer.

373 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the**
 374 **Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special**
 375 **disbursement agreement.**

376 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after
 377 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.
 378 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest
 379 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said
 380 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse
 381 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;
 382 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4)
 383 any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an
 384 interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to
 385 exceed \$250, prior to disbursement.

386 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in
 387 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to
 388 disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or
 389 Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement.
 390 Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4
 391 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their
 392 legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
 393 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing
 394 regulations concerning earnest money. See Wis. Admin. Code Ch. RL 18.

395 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of
 396 this Offer. An "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the
 397 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source,
 398 which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building
 399 materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors,
 400 testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in
 401 this Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's
 402 authorization for inspections does not authorize Buyer to conduct testing of the Property.

403 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the**
 404 **test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other**
 405 **material terms of the contingency.**

406 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed
 407 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller.
 408 Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported
 409 to the Wisconsin Department of Natural Resources.

410 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 395-409). This
411 Offer is contingent upon a Wisconsin registered home inspector performing a home inspection of the Property which discloses
412 no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party
413 performing an inspection of anything deemed necessary by buyer or buyer's home inspector
414 _____ (list any Property component(s) to be separately inspected, e.g.,
415 swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the inspection(s) and be
416 responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a written report resulting
417 from an authorized inspection, provided they occur prior to the deadline specified at line 421. Inspection(s) shall be performed
418 by a qualified independent inspector or independent qualified third party.

419 **CAUTION: Buyer should provide sufficient time for the home inspection and/or any specialized inspection(s), as well**
420 **as any follow-up inspection(s).**

421 This contingency shall be deemed satisfied unless Buyer, within ____ days of acceptance, delivers to Seller a copy of the
422 written inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice
423 of Defects).

424 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**
425 For the purposes of this contingency, Defects (see lines 182-184) do not include structural, mechanical or other conditions the
426 nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

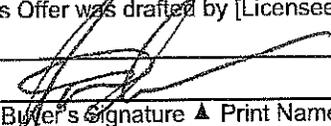
427 **RIGHT TO CURE:** Seller (shall)(shall not) ~~STRIKE ONE~~ ("shall" if neither is stricken) have a right to cure the Defects. If
428 Seller has right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
429 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
430 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
431 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
432 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
433 or (b) Seller does not timely deliver the written notice of election to cure.

434 **ADDENDA:** The attached RE/MAX Addendum A _____ is/are made part of this Offer.

435 **ADDITIONAL PROVISIONS/CONTINGENCIES** Offer is contingent upon the completion of a
436 federally required environmental planning review, completed by Buyer at Buyer's expense
437 within 14 days of accepted offer, establishing that the property is eligible for federally
438 funded rehabilitation.

439 _____
440 Offer is contingent upon Seller certifying that it is in compliance with the Protecting
441 Tenants in Foreclosure Act of 2009 with respect to this property by filling out the
442 attached form or on another mutually agreed upon manner.

443 This Offer was drafted by [Licensee and Firm] Cindy Kuhs, RE/MAX Realty 100
444 _____ on August 22, 2012

445 (x)  Patrick Schloss 8-22-12
446 Buyer's Signature ▲ Print Name Here ▶ City of West Allis Date ▲

447 (x) _____ Date ▲
448 Buyer's Signature ▲ Print Name Here ▶

449 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.
450 _____ Broker (By) _____

451 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER**
452 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY**
453 **ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS**
454 **OFFER.**

455 (x) _____ Date ▲
456 Seller's Signature ▲ Print Name Here ▶

457 (x) _____ Date ▲
458 Seller's Signature ▲ Print Name Here ▶

459 This Offer was presented to Seller by [Licensee and Firm] _____
460 _____ on _____ at _____ a.m./p.m.

461 This Offer is rejected _____ This Offer is countered [See attached counter] _____
462 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲



ADDENDUM A TO OFFER TO PURCHASE

This Addendum is made part of the Offer to Purchase dated 08/22/2012 (Offer) made by City of West Allis (Buyer) with respect to the Property at 1301 S. 58th St Milwaukee Wisconsin (Property).

OPTIONAL PROVISIONS THE PROVISIONS ON LINES 7-38 AND LINES 171-184 PRECEDED BY AN OPEN BOX () ARE PART OF THIS ADDENDUM IF MARKED SUCH AS WITH AN "X". THEY ARE NOT PART IF MARKED "N/A" OR LEFT BLANK (EXCEPT AS PROVIDED AT LINES 70-72).

CAUTION: Broker recommends Buyer have the Property tested for all conditions that Buyer considers material to the transaction. X TESTING CONTINGENCY: This Offer is contingent upon Buyer obtaining a current written report from a qualified independent third party documenting the results of the following test(s) conducted pursuant to applicable government or industry protocols and standards: All tests deemed necessary and appropriate by Buyer and/or Buyer's inspectors.

(insert tests to be performed, e.g. asbestos, mold, radon, or other substances or conditions which may affect the health of occupants or the value or structure of the Property) within days ("15" if left blank) of acceptance, at (Buyer's) (Seller's) STRIKE ONE expense ("Buyer's" if neither is stricken). Seller (shall) (shall not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See Right to Cure lines 39-49.

WELL WATER CONTINGENCY: If there is an active well serving the Property this Offer is contingent upon Buyer receiving, no later than days ("15" if left blank) prior to closing, a written report dated no earlier than 30 days prior to the date set for closing from a state-certified or other independent qualified lab which indicates that the well(s) is/are supplying water that is within the levels established by federal or state laws regulating public water systems for safe human consumption relative to the following substances: bacteria (of the Coliform group) and

(Note: if desired insert other substances that may affect the drinking water safety such as: nitrate, lead, arsenic, etc.) (Buyer) (Seller) STRIKE ONE ("Seller" if neither is stricken) shall be responsible for obtaining the report(s), including all costs, and agrees to promptly provide copies of all reports received to the other Party. All water samples used for testing shall be taken by a licensed plumber or other independent, qualified person. Seller (shall) (shall not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See Right to Cure lines 39-49. (See DNR Web site: http://www.dnr.state.wi.us/org/water/dwg/prwelp.htm).

WELL SYSTEM INSPECTION CONTINGENCY: If the Property is served by an active well(s) other than a community well (see lines 50-53 regarding shared well agreements; see lines 73-75 regarding abandoned well(s)) this Offer is contingent upon Buyer receiving no later than days ("15" if left blank) prior to closing a written report(s) dated no earlier than 30 days prior to the date set for closing from a licensed pump installer or a licensed well driller competent to inspect well systems, which indicates that the well(s) and pressure system(s) conform to the code in effect at the time they were installed and are not disapproved for current use. (Buyer) (Seller) STRIKE ONE ("Seller" if neither is stricken) shall be responsible for obtaining the report(s), including all costs. Seller (shall) (shall not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See Right to Cure lines 39-49.

PRIVATE SANITARY SYSTEM (PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS)) INSPECTION CONTINGENCY: If the Property is served by a private sanitary system this Offer is contingent upon Buyer receiving no later than days prior to closing ("15" if left blank) a written report dated no earlier than days prior to the date set for closing ("30" if left blank) from a county code administrator, licensed master plumber, licensed master plumber-restricted service, licensed plumbing designer, registered engineer, certified POWTS inspector, certified septage operator or a certified soils tester, which indicates that the POWTS conforms to the code in effect when the system was installed and is not disapproved for current use. (Buyer) (Seller) STRIKE ONE ("Seller" if neither is stricken) shall be responsible for obtaining the report, including all costs other than pumping costs. The POWTS is to be pumped at time of inspection at Seller's expense. Seller (shall) (shall not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See Right to Cure lines 39-49.

CAUTION: Different professionals may be needed to inspect different system components. Buyer is aware that POWTS are regulated by state and county agencies. Additional inspection(s)/testing and ongoing maintenance may be required upon transfer of the Property.

RIGHT TO CURE REGARDING CONTINGENCIES AT LINES 7, 13, 23 & 29 Each contingency selected above (testing, well water, well system or private sanitary system (POWTS)) shall be deemed satisfied unless Buyer, within five days of the earlier of: 1) Buyer's Actual Receipt of the applicable testing, water, well or sanitary system report(s) or 2) the deadline for delivery of said report(s), delivers to Seller, a copy of the report(s) and a written notice identifying the Defect(s) to which Buyer objects. If Seller was granted the right to cure in a contingency above Seller may satisfy the contingency by: (1) delivering written notice to Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within three days prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1) Seller does not have the right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure. For the purposes of this contingency, Defect is defined per the Offer. Cures of Defects in POWTS may be accomplished only by repairing the current POWTS system or by replacing the current POWTS system with the same type of system which meets the applicable standard stated above, unless otherwise agreed to in writing.

SHARED WELL AGREEMENT If the well providing drinking water to the Property is a private shared well Seller shall, at Seller's expense, provide Buyer with a copy of a shared well agreement (Agreement) which provides standards for operation, maintenance and use of the shared well for residential purposes no later than fifteen (15) days prior to closing. Unless this sentence is stricken the Agreement shall provide for the prorata cost sharing for all parcels included in the Agreement. If the Agreement has not already been recorded, it shall be provided in recordable form, with recording fees to be Seller's expense at closing.

CODE COMPLIANCE/OCCUPANCY Seller shall provide to Buyer, prior to closing, any Certificate of Code Compliance (does NOT include rental Certificate of Exterior Code Compliance) or Occupancy Permit as may be required by the municipality. Seller agrees to complete: CHECK A or B ("B" if neither is checked) A. All work orders required to obtain the above certificate of Code Compliance or Occupancy Permit. B. The total of all work orders not to exceed \$ ("\$400" if left blank). Buyer shall pay the balance of the costs of the work orders unless the Buyer delivers written notice to Seller of Buyer's refusal within seven (7) days of Seller's delivery of the work orders to

59 Buyer. Within three (3) days after receipt of the Buyer's written notice, Seller may deliver written notice to Buyer of Seller's election to declare the Offer
60 null and void. If Seller does not timely deliver said notice to Buyer, Seller shall pay the balance of the total costs of the work orders.

61 **NOTE:** In six designated zones the City of Milwaukee requires Sellers to obtain a code compliance certificate for all residential units. Regardless of the
62 municipality in which the Property is located Buyer and Seller agree to contact local municipal officials regarding their obligations under applicable
63 code compliance/registration ordinances.

64 **RENTAL PROPERTY ORDINANCES** The City of Milwaukee requires that buyers of 1 and 2 family non-owner occupied dwellings obtain a Certificate of Exterior
65 Code Compliance. The City of Milwaukee requires buyers and sellers of residential rental properties (including owner occupied dwellings in some areas) to notify
66 the Building Inspector of a change of ownership within fifteen (15) days of a closing. Buyer must file a Property Recording Application and pay a fee to the City.
67 Seller must file a Seller Notification Form or provide notice by telephone at (414) 286-8569. Penalties exist for non-compliance.

68 **CITY LETTERS** No later than closing, Seller shall provide Buyer written verification of paid real property taxes, contemplated and/or outstanding special
69 assessments and balances due for municipal utilities.

70 **INCLUSION OF OPTIONAL PROVISIONS** For optional provisions in the Offer (and any addenda) which require a box to be checked which have not been
71 marked "n/a" or stricken in their entirety, if any blank within any part of the optional provision has been filled in (by handwriting or by typing), then it shall be as if
72 the appropriate box was also checked thus including said optional provision within the Offer.

73 **ABANDONED WELLS** If there is an abandoned well on the Property, Seller shall, prior to closing, close the well at Seller's expense and provide Buyer with
74 documentation of closure in compliance with applicable codes or provide Buyer with documentation evidencing that the well has been previously closed in
75 compliance with the applicable codes in effect at the time of closure.

76 **AREA CONDITIONS** Properties are affected by existing and proposed conditions and services in the area surrounding the property. Existing and future
77 residential, recreational, commercial and/or industrial development, road and/or freeway construction, sewer or water or other public utility construction, area wide
78 reassessments and/or airport expansion may affect the Property. Buyer is aware that properties near airports, highways, industrial developments, farms, etc. may
79 be affected by noise or odors. Buyer is aware that major public works projects such as sewer construction or water treatment facility development have been
80 reported in the media and may increase future real estate taxes and/or sewer use fees. Buyer acknowledges that if material to Buyer's decision to purchase Buyer
81 has reviewed Seller's and brokers' representations regarding known conditions and has become familiar with the area surrounding the Property and has
82 investigated future proposed developments, consulted with local municipal officials, including the assessor's office as needed and is satisfied with current and
83 proposed area conditions.

84 **INSPECTIONS, TESTS, APPRAISALS, AND OPINIONS** Real estate agents may furnish a list of independent inspectors/testers to the Parties. Unless provided
85 in writing, no representations have been made as to the competency of the inspectors/testers. The Party designated as responsible for obtaining an inspection/test
86 shall be solely responsible for determining the qualifications of the inspector/tester. In the event any inspection or test is ordered on behalf of the Parties by a
87 broker in the transaction, the Parties agree to hold the broker harmless for any damages or liability resulting from the inspection or test, other than that caused by
88 the broker's negligence or intentional wrongdoing. Buyer may receive copies of certain inspection, test, appraisal or other reports prepared for other persons.
89 Buyer should carefully review these reports to determine the age of the report, the purpose for which they were prepared, and the standards of practice followed
90 by the individual preparing the report. It is recommended that Buyer have the Property inspected by a professional inspector or other qualified independent
91 inspector.

92 **PROPERTY CONDITIONS** Parties are aware that news media and other public information sources indicate that asbestos, mold, lead-based paint, lead in
93 drinking water, radium, radon gas and other toxic substances and chemicals within a structure or in soils or water supplies can cause serious health hazards.
94 Unless otherwise disclosed in writing, Seller represents that to the best of Seller's knowledge the Property does not contain asbestos, lead-based paint, or
95 unhealthy concentrations of mold, radon gas, lead, radium or other toxic or harmful substances or chemicals. A number of communities report that elevated levels
96 of radium may be present in the municipal water supply. Buyer agrees to obtain expert independent third party inspections and tests to determine if any material
97 property conditions/defects exist on the Property. Buyer must include contingencies in this Offer for any inspections or tests which Buyer shall have performed.
98 Past flooding, water leakage or excessive dampness may result in excessive mold growth which may present health risks. If there is any information or evidence
99 of excessive moisture in the Property, Buyer is encouraged to consult with the appropriate mold experts and to inspect and test the Property for unsafe mold
100 levels. Buyer acknowledges that Buyer has made such independent inquiries as Buyer deemed necessary concerning any factors material to the Property or the
101 transaction. Buyer acknowledges that in purchasing this Property the Buyer has relied on Buyer's independent inspection and analysis of the Property and upon
102 the statements, disclosures and representations contained in this Offer, in any Seller's disclosure report, and in any other written statements provided to Buyer.
103 Buyer further acknowledges that neither Seller nor any real estate agents involved in this transaction have made any representations concerning the Property or
104 the transaction other than those stated in this Offer, incorporated into this Offer by reference, or otherwise provided to the Buyer in writing, nor has any real estate
105 agent made any statement purporting to be based on personal knowledge unless the same is specifically set forth in this Offer, incorporated into this Offer by
106 reference, or otherwise provided to the Buyer in writing. Buyer agrees that Buyer has not requested Seller nor has any real estate agent offered to verify the
107 accuracy of any of Seller's or other third party's statements, disclosures and representations contained in this Offer unless the request is specifically set forth in
108 this Offer.

109 **UNDERGROUND STORAGE TANKS AND BASEMENT FUEL OIL TANKS** If Seller has notice or knowledge of an underground storage tank or basement or
110 above ground fuel tank on the Property, or if one is discovered prior to closing, Seller shall, prior to closing, deliver to Buyer written confirmation that the tank,
111 related components and procedures relating to upgrading and/or closure are in full compliance with all federal, state and local regulations. Seller's written
112 confirmation shall include a copy of any applicable contractor's closure report and any required Wisconsin Department of Commerce ("DCOMM") registration. It is
113 Buyer's sole responsibility to re-register in his or her name any underground storage tanks remaining in use upon the Property after close of sale and to comply
114 with applicable DCOMM operating requirements (Contact DCOMM at 414-371-5670).

115 **NOTE:** Removal of most residential basement fuel oil tanks is not required under state law.

116 **SURVEY** Unless a current survey has been provided to Buyer, the location and size of easements, improvements, lot lines and possible encroachments have
 117 not been verified and broker recommends that Buyer investigate these items by obtaining a current survey.

118 **FLOODPLAINS/WETLANDS** Buyer is aware that the floodplain and wetland maps referred to in the Offer lack detail, are difficult to interpret, and may not be
 119 accurate. Buyer is encouraged to personally examine such maps or consult with appropriate government officials to verify their accuracy or applicability, if such
 120 information is material to Buyer's decision to purchase.

121 **ZONING AND BUILDING RESTRICTIONS, COMPREHENSIVE PLANS AND NON-CONFORMING PROPERTY** Municipal zoning and building restrictions
 122 affect the use of the Property, and comprehensive plans may affect the future use or value of the Property by influencing future development in the municipality.
 123 Buyer is informed that many properties are considered legal non-conforming properties which no longer conform to current zoning due to changing building
 124 regulations, restrictions, and lot size requirements. This may affect Buyer's ability to build, rebuild, remodel, replace, enlarge or use an existing structure (consider
 125 special hazard insurance if Property is considered legal non-conforming). If this Property is damaged in an amount of 50% or more of the assessed value, the
 126 governing community may restrict or prohibit the reconstruction without a zoning or use variance. Buyer is encouraged to contact the appropriate municipal
 127 authorities regarding existing zoning and building restrictions and possible comprehensive plans, if these issues are material to Buyer's decision to purchase.
 128 Buyer is encouraged to take necessary steps to obtain an endorsement to or modification of Buyer's homeowner's insurance for protection.

129 **SANITARY DISTRICT SEWER CONSTRUCTION** Buyer is informed that the Property may be located within an established sanitary district. Buyer may be
 130 subject to taxes, special assessments or other charges for sewer planning or construction, user fees and related costs. Buyer is encouraged to contact officials of
 131 the sanitary district to inquire about such costs.

132 **ACTUAL RECEIPT DEFINITION** "Actual Receipt" of a notice shall occur on the earlier of (1) at the time the notice is personally delivered to the Party (NOTE:
 133 Delivery may be made by either listing or selling broker); (2) at 5:00 p.m. on the day the Party signs for delivery of the notice by (a) certified mail, return receipt
 134 requested or by (b) commercial delivery service which receives the signature of Party on delivery, or (3) at any other time the Party acknowledges in writing that
 135 they have received the notice.

136 **INSURANCE PROVISIONS**

137 * **Building Materials/Insurability:** News Media and other public information indicate that certain building materials, such as synthetic stucco and wood composite
 138 exterior house siding, have been associated with moisture/mold related problems. The presence of these materials may affect the health of occupants, the life
 139 expectancy of the building and the insurability of the Property. The claims history of the Property and the condition of the Property may increase homeowner's
 140 insurance premiums or make the Property uninsurable (other than the Wisconsin Insurance Plan). Seller agrees to provide representatives of Buyer's insurance
 141 company access to the Property for inspection purposes at reasonable times upon reasonable notice. Buyer's credit history, insurability rating, lifestyle (e.g. large
 142 dogs), etc. may also increase Buyer's homeowner's insurance premiums or prevent the Buyer from obtaining homeowner's insurance (other than the Wisconsin
 143 Insurance Plan). Buyer agrees to address these issues with an insurance expert and Buyer's lender and to apply for insurance coverage promptly to ensure that
 144 insurance coverage is available at the time of closing. The Parties acknowledge that real estate licensees are not experts with respect to construction techniques,
 145 building materials or homeowner's insurance and the Parties agree to consult and rely on the opinions of appropriate experts.

146 * **Electric Service:** Buyer and Seller are aware that if a property has tube or aluminium wiring or if a property's electrical service uses fuses or is less
 147 than 100 amps, lenders and homeowners insurance companies may require that the service be upgraded to no less than a 100 amp circuit breaker
 148 service and may require that any tube or aluminum wiring be replaced with wiring consistent with current code.

149 **FINANCING ISSUES**

150 * **Financing Contingency — Additional Terms:** The financing contingency in the Offer includes the following terms:

151 **A.** Within ten (10) days of acceptance Buyer shall obtain written confirmation from a financial institution that Buyer has applied for financing, paid the required fees
 152 for processing such application and is preapproved for financing. Said preapproval shall not be contingent upon income or credit verification and shall not be
 153 considered a commitment satisfying the financing contingency in the Offer. Seller may, no earlier than ten (10) days after acceptance, deliver a written request for
 154 copies of said confirmation and preapproval. Buyer shall deliver written evidence of said confirmation and preapproval no later than five (5) days after Seller's
 155 delivery of the written request or Seller may, at Seller's option declare this Offer to be null and void.

156 **B.** Buyer agrees to pay any and all costs of obtaining financing, including the cost of closing the mortgage transaction. There may be additional cost for the first
 157 year premium for private mortgage insurance and for property/casualty and extended coverage insurance. Flood insurance, if required, may be in addition to the
 158 stated monthly payment.

159 **C.** A loan commitment is defined as a commitment from a financial institution authorized to do business in the State of Wisconsin by the Wisconsin Department of
 160 Financial Institutions which does not include a condition requiring the sale of other property unless the Offer is contingent on the closing of other property.

161 **D.** Buyer acknowledges Buyer's obligation to have the total purchase price including mortgage loan proceeds available at the time of closing. Buyer is advised to
 162 determine when Buyer's loan proceeds will be funded to ensure that the funds will be available at the time of closing.

163 **NOTICE:** The closing company may require Parties to wire funds necessary for the completion of the transaction to the closing company's account.

164 The Parties acknowledge this requirement may result in an additional cost.



Property address: 1301 S. 58th St.

165 **WAIVER OF FINANCING CONTINGENCY** If Buyer waives the financing contingency and, within _____ day(s) of the delivery of the notice of the waiver of
166 financing contingency, delivers written verification of adequate funds sufficient to close the transaction, as required by the Offer, Seller agrees to waive Seller's
167 rights under the financing contingency.

168 **FEDERAL VA AND FHA MORTGAGE** If this Offer is contingent upon Buyer obtaining a FHA or Federal VA loan, it is also contingent upon the Parties executing
169 an FHA or Federal VA amendment to the contract which shall give Buyer the right to terminate the Offer if the Property fails to appraise for the purchase price.
170 Seller also agrees to pay lender at time of closing, a tax service fee not to exceed \$100.00.

171 **FEDERAL VA MORTGAGE:** (Buyer) (Seller) **[STRIKE ONE]** ("Seller" if neither is stricken) agrees to pay the entire funding fee not to exceed _____ %
172 ("0%" if left blank) of the mortgage amount.

173 **NOTE: Funding fee may not be divided between the parties. Buyer agrees to pay all other costs of securing financing.**
174 **STATE VA MORTGAGE:** (Buyer) (Seller) **[STRIKE ONE]** ("Seller" if neither is stricken) agrees to pay the loan origination fee not to exceed _____ %
175 ("0%" if left blank) of the mortgage amount. Buyer agrees to pay all other costs of securing financing.

176 **SELLER'S CONTRIBUTION:** Seller shall give Buyer a loan cost credit at closing in the amount of \$ _____ ("0" if left blank) to assist
177 Buyer in purchasing the Property. This is exclusive of any loan fees indicated on the Offer.

178 **NOTE: Buyer has been informed of the availability of a limited home warranty plan.**

179 **HOME WARRANTY PROGRAM:** A limited home warranty plan shall be included, effective on the date of closing, and shall be for a term of one year
180 provided that the Property qualifies for the warranty plan. The cost of the home warranty shall not exceed \$ _____. The cost of the
181 warranty will be paid by the (Seller) (Buyer) **[STRIKE ONE]** ("Seller" if neither is stricken) at closing. The warranty plan will be ordered by the (listing) (selling)
182 **[STRIKE ONE]** broker ("listing" if neither is stricken). Buyer is advised that a home inspection may detect pre-existing conditions which may not be covered under
183 the warranty plan.

184 **ASSOCIATION FEE:** Buyer acknowledges the association fee of \$ _____ ("0" if left blank) per _____.

185 **ADDENDA:** The following contingencies and provisions are included in this Offer as an addendum only if there is an "X" in the box in front of the "Addendum
186 Topic." The text of the addendum will be found in the addendum which is made a part of this Offer.

Addendum Topic	Label	Addendum Topic	Label
<input checked="" type="checkbox"/> LEAD BASED PAINT	S	<input type="checkbox"/>	
<input type="checkbox"/> OCCUPANCY	O	<input type="checkbox"/>	
<input type="checkbox"/> RENTAL PROPERTY	R	<input type="checkbox"/>	

191 **ADDITIONAL CONTINGENCY:** This Offer is contingent upon _____
192 _____
193 _____ on or before _____. In the event _____

194
195 Buyer may, at Buyer's option, terminate this Offer by written notice delivered to Seller within three (3) days after the Deadline stated on line 193. Should Buyer fail
196 to notify Seller, Buyer shall be deemed to have waived this contingency.

197 **ADDITIONAL PROVISIONS**
198 _____
199 _____
200 _____
201 _____
202 _____
203 _____
204 _____
205 _____
206 _____
207 _____
208 _____

209 **CONFLICTING PROVISIONS** Should any provision of this Addendum be in conflict with any provision of the Offer or any other addenda to this Offer, the
210 provisions of this Addendum shall prevail.

211 **READING/UNDERSTANDING** By initialing below, all Parties acknowledge receipt of a copy of this Addendum and that he or she has read all pages of this
212 Addendum, the Offer and any other documents incorporated into the Offer. Initialing below by Seller does not signify acceptance or agreement with the terms of
213 the Addendum.

214 **ADDENDUM PROVISIONS** Buyer and Seller are advised that this Addendum contains provisions that may not be appropriate in all transactions. No
215 representation is made that the provisions of this Addendum are appropriate, adequate or legally sufficient for any specific transaction. Buyer and Seller are
216 encouraged to consult with their own legal counsel regarding the provisions of the Offer and this Addendum.

217 (X) _____ 8-23-12 (X) _____ (X) _____ (X) _____
218 Buyer Initials Date Buyer Initials Date Seller Initials Date Seller Initials Date

LEAD ADDENDUM S

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

This addendum is made part of the offer to purchase dated: August 22, 2012

Property Address: 1301 S. 58th St.

Seller(s): Milwaukee County

Seller's Agent: Craig Dillman

Purchaser(s): City of West Allis

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (Check (1) or (2) below):

(1) [] Seller has knowledge of lead-based paint and/or that lead-based paint hazards are present in the housing (explain).

(2) [x] Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

Records and reports available to the Seller (Check (1) or (2) below):

(1) [] Seller has provided the Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(2) [x] Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment

Purchaser acknowledges receipt of copies of all information listed above. Purchaser acknowledges receipt of the pamphlet Protect Your Family From Lead in Your Home.

Purchaser has (Check (1) or (2) below):

(1) [] received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards by a federal or state certified lead inspector or lead risk assessor; or

(2) [x] waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment

Agent had informed the Seller of the Seller's obligations under 42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller Milwaukee County Date

Purchaser City of West Allis 8-22-12 Date

Seller Date

Purchaser Date

Agent Craig Dillman Date

Agent Cindy Kuhs Date

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE : September 7, 2012

TO : Marina Dimitrijevic, County Board Chairwoman

Patricia Jursik, Chairperson
Committee on Economic and Community Development

FROM : Craig C. Dillmann, Manager of Real Estate Services

SUBJECT : From the Manager of Real Estate Services recommending the re-issuance of a Request for Proposals (RFP) for Block 2E in the Park East Corridor, located between North Milwaukee and North Broadway and East Lyon Streets and East Ogden Avenue in the City of Milwaukee, east of the Milwaukee River. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

Block 2E, in addition to other parcels within the Park East Corridor were purchased for freeway purposes using County, Federal Highway Administration (FHWA) and State funds (exhibit attached). Although title to the parcels may be in Milwaukee County's name, these parcels are under the State of Wisconsin, Department of Transportation (WDOT) jurisdiction since they were elements of an active freeway corridor. Pursuant to the Park East Freeway land Disposition Plan and Agreement (Agreement), sale proceeds of the parcels shall be divided between the State, County and FHWA, based on their respective percentage financial participation when the lands were originally purchased for freeway purposes.

In the spring of 2005 and the fall of 2008, staff issued our standard Request for Proposals (RFP) for the sale and development of the approximate 2.3-acre Block 2E (aka Block 22 in the City of Milwaukee Park East Redevelopment Plan) in the Park East Corridor. Although purchase/development proposals were received in response to the solicitations, neither solicitation resulted in a sale being finalized.

With the recent development activity/announcements east of the Milwaukee River, in and around the Park East Corridor and proximate to Block 2E, the market interest in purchasing and developing Block 2E has increased. Therefore, staff is preparing to re-issue the RFP for Block 2E to entertain the expressions of interest.

As in previous solicitations, the standard RFP (draft copy attached) will request and look for in each proposal submitted, items such as, the minimum purchase price (based on an appraisal) and a commitment to the components of the Park East Redevelopment Compact (PERC). Additionally, the RFP will request the inclusion of the project aesthetics and finances, design mix, neighborhood and architectural compatibility,

compliance with the City's Redevelopment Plan, project value and tax base, site plan, project schedule and the qualifications and capability (including financial) of the respondent to complete the project as proposed.

As always, the results of the RFP solicitation will be presented to this committee with a staff recommendation.

Craig C. Dillmann, Manager
Real Estate Services

Meeting Date: September 17, 2012
Attachments

cc: Chris Abele, County Executive
Supervisor David Bowen, District 10
Patrick Farley, Director, DAS
Brian Taffora, Director, Economic Development
Vince Masterson, Fiscal Mgt Analyst

CommBik2ERFPmemo2012

OFFICIAL NOTICE NO. _____

REQUEST FOR PROPOSALS

(Proposals Due by 4:00 p.m., _____, 201__)

PARK EAST CORRIDOR DEVELOPMENT

MILWAUKEE, WISCONSIN

Block 2E - Park East on the East Side of the Milwaukee River

(also identified as Block 22 of the City of Milwaukee Park East Redevelopment Plan)

Milwaukee County is soliciting proposals for the purchase and development of a vacant County-owned property located in the former Park East Freeway Corridor in the City of Milwaukee. Milwaukee County is seeking a developer or development team (“Proposer”) to purchase and develop the property in a manner that is compatible with and adds vitality to the surrounding neighborhood, complies with the City of Milwaukee Park East Redevelopment Plan (“Redevelopment Plan”), responds adequately to the Milwaukee County Park East Redevelopment Compact and returns the property to the property tax roll.

SUMMARY

Property: Block___ of the Park East Development Plat, ___ of the Milwaukee River (see **Exhibit A-1 attached**). Block___ comprises Lot___, which is approximately___ square feet, Lot___, which is approximately ___ square feet, and a proposed _____ alley of approximately _____ square feet for a total block area of approximately _____ square feet. The legal description used to convey the property will reflect the final Park East Development Plat ___ of the Milwaukee River, adopted by the City of Milwaukee Common Council and/or the subsequent title commitment.

Block 2E comprises prime frontage on North Milwaukee Street, North Water Street, North Broadway Street and East Ogden Avenue. The property has a sloping topography with an elevation drop from North Milwaukee Street to North Broadway/Water Streets. An approximate topographical map is attached as **Exhibit A-2**.

The alley depicted on the enclosed plat and Redevelopment Plan has not been dedicated as a public alley. The land area within the alley may become a part of any proposed development plan for Block 2E.

The gravel pile located on Block 2E is limestone spoil generated from a Milwaukee Metropolitan Sewerage District tunnel project and **is not** included as part of the sale of Block 2E.

*Property
History:*

The Property is located within the former Park East Freeway Corridor. The elevated freeway structure that existed within the Park East Corridor was razed and replaced with an at-grade, six-lane boulevard (West McKinley Avenue) and a new bridge across the Milwaukee River. Removal of the freeway structure allowed for the reestablishment of the city street grid and opened up the land beneath and around the freeway corridor for redevelopment as a high quality residential, commercial and entertainment area. This Property, along with other properties within the former Park East Freeway Corridor, was formerly under the jurisdiction of the State of Wisconsin, Department of Transportation.

*Minimum Price:
(Block____)*

\$ _____

No brokerage fee will be paid by Milwaukee County.

Zoning:

The Property is located within the Park East Renewal Area, and is governed by the Redevelopment Plan, adopted by the City of Milwaukee Common Council on June 15, 2004. The Redevelopment Plan consists of three documents:

- The **Renewal Plan**, which contains language that satisfies the state statutes in order to carry out the renewal activities within the Park East Redevelopment project boundaries.
- The **Master Plan**, which links the Redevelopment Plan to the Milwaukee Downtown Plan.
- The **Development Code**, which defines land use and design standards.

The Development Code defines permitted land uses and physical design standards such as building placement, height, build-to lines, and street-edge treatment. Relevant portions of the Development Code pertaining to Block _____ are attached to this Request for Proposals as **Exhibit B**.

The Redevelopment Authority of the City of Milwaukee must approve all development plans before building permits can be issued. The approval hinges on conformance with the standards enumerated in the Development Code.

The full Development Code and Redevelopment Plan are available on-line at www.mkedcd.org/parkeast. Block _____ is located in the _____ District. It is the responsibility of the Proposer to review and understand the three documents prior to submitting a proposal. Questions about the Development Code may be directed to _____ at the City of Milwaukee, Department of City Development at (414) 286-_____.

The Property is zoned C9B(A). This zoning category allows for a mix of uses including residential, retail, office, and entertainment. A full list of permitted uses is identified in the Redevelopment Plan.

Potential Use:

The land use provisions and building/site requirements described in the Redevelopment Plan is applicable to all publicly and privately owned parcels and structures located within the Redevelopment Plan boundary. All permit applications and plans for new construction within the area of the Redevelopment Plan will be referred to and reviewed by the Redevelopment Authority of the City of Milwaukee to determine conformance with the Redevelopment Plan. Parking to serve the proposed development will be in the form of a parking structure with ground level, non-parking uses. Shared parking among uses that have non-overlapping, peak parking demands (such as nighttime and weekend entertainment activities) is encouraged.

Utilities:

Municipal sewer and water is available to the Property. It is the responsibility of the Proposer to verify with the City of Milwaukee the location and capacity of the utilities necessary to serve the proposed development. The existence and/or suitability of laterals are the responsibility and obligation of the Proposer. Deferred assessments and/or charges/fees on the Property, if any, shall be the financial obligation of the Proposer.

Environmental Conditions:

Independent Phase I & II Environmental Site Assessments (ESA) for Block _____ are attached as **Exhibit C-1 and C-1a**.

Subsoil Conditions:

The Property was part of the former Park East Freeway Corridor and contained above and below grade freeway structures. Demolition of the elevated freeway structures included the partial or complete removal of the below-grade freeway support elements and related infrastructure (except piles). The City of Milwaukee, Department of Public Works managed the demolition of the elevated freeway structures as well as the removal of the below-grade freeway support elements and related infrastructure. For specific information regarding the freeway demolition contact Mr. Mike Longhran in the City Department of Public Works at 414-286-2451.

Prior to the existence of the freeway, the Property contained various buildings and/or structures (see **Exhibit D** attached). Therefore, the Property may contain foundations, building materials or other debris from these buildings and structures, in addition to any remaining freeway support elements or related infrastructure. The Proposer is responsible for and must make adequate allowance for all excavation and disposal costs for the proposed project. Milwaukee County has no information regarding the bearing capacity of the soil and the Proposer accepts the Property in "as-is" condition, as it pertains to environmental and subsoil conditions.

*Storm water
Management
Plan:*

Should the proposed project exceed one acre, the Proposer will be required to submit a stormwater management plan prepared by a registered engineer, in conformance with Chapter 120, City of Milwaukee Code of Ordinances. See www.mkedcd.org/build/pdfs/stormwat.pdf for more information.

*Conveyance
Conditions:*

Conveyance of the Property shall be “as-is”, without warranty as to soil, subsoil and environmental conditions. Proposer shall be responsible for all property development costs, including, but not limited to, extension of water and sewer laterals to the property line, vacation charges or fees, if any, deferred assessments, if any, and the replacement of sidewalks and curb cuts.

Sale of the Property will be subject to the Proposer commencing and completing the construction of the proposed development pursuant to the development schedule submitted by the Proposer and approved by Milwaukee County. In the event the Proposer fails to comply with the excavation commencement date in the proposed development schedule, Milwaukee County shall have the option to repurchase the property and the Proposer agrees to re-convey the property by Warranty Deed, free and clear of all liens, encumbrances, taxes, assessments and the rights of others, except those in existence, if any, prior to the conveyance of the Property to the Proposer.

*Performance
Deposit:*

The Proposer shall submit to Milwaukee County, at or prior to closing, a Performance Deposit (“Deposit”), Bond or Letter of Credit in the amount of \$50,000.00. The Deposit/Bond/Letter of Credit shall serve as security for the satisfactory performance of the project obligations and commitments made in response to this Request for Proposals, the terms of the development agreement entered into by the Proposer and as a guarantee for the completion of the development project approved by the City of Milwaukee. No interest will be paid on the Deposit.

*Park East
Redevelopment
Compact:*

Milwaukee County Board Resolution File No. 04-492 (see **Exhibit E** attached) established the Park East Redevelopment Compact (“PERC”) for the sale and development of the County-owned land within the former Park East Freeway Corridor. The policy direction created through the PERC was adopted to pursue the “goal of providing additional sustainable community benefits” from the sale and development of the County-owned land.

The Proposer will be required to comply with the Disadvantaged Business Enterprise (“DBE”) section of the PERC (lines 82-86 of Exhibit E). The DBE participation goal is 25% of the project’s construction budget and 17% for the project’s professional services non-construction budget. Each proposal shall outline the Proposer’s percentage DBE participation goal of the project’s construction budget and the professional services non-construction budget. As part of preparing the proposal, the Proposer shall discuss with each Disadvantaged Business Enterprise their role in the project and what percent participation of construction or professional

service they will provide, including estimated compensation for their services.

Documentation of the Proposer's good faith effort to satisfy or exceed this utilization percentage must be made to the Milwaukee County Community Business Development Partners (CBDP) office prior to closing and incorporated in a PERC Compliance Plan approved by CBDP. For more information please contact the County CBDP office at 414-278-4803.

The Proposer must also meet the requirements of the "Prevailing Wages & Employment Data" section of the PERC (lines 111 – 119 of Exhibit E). The Proposer must address the other sections of the PERC outlined in the PERC Commitments section on page 7 of this Request for Proposals.

Development Agreement:

Proposer will be required to enter into a Development Agreement (see **Exhibit F**), as part of the Property closing. The Development Agreement will include, but will not be limited to, the project make-up, the commitments, obligations and a guarantee by the Proposer, the schedule of the development project, the project design approved by the County and the City of Milwaukee, as well as the PERC commitments incorporated in the approved PERC Compliance Plan.

Proposal Deadline:

Proposals must be received by **4:00 p.m. on _____** in the office of the Milwaukee County Clerk, 901 North 9th Street, Milwaukee, Wisconsin, Room 105 (Office hours: 8:00 a.m.- 4:00 p.m., Monday – Friday).

Approval/Grant of Option:

Upon approval of a Proposer and a project development by the Milwaukee County Board of Supervisors and the County Executive, the selected Proposer will be granted a nonassignable twelve (12) month option to purchase on the Wisconsin Department of Regulation and Licensing form WB-24 (sample attached as **Exhibit G**). The option period shall be used by the Proposer to satisfy or obtain any or all purchase and development requirements, tenant/financing commitments, approvals or licenses/permits from the City of Milwaukee and/or other regulatory agencies. Proposer shall exercise the option on or before the expiration of the twelve-month option period and close the purchase within thirty (30) days thereafter. The selected Proposer shall pay a \$_____ option fee in the form of a certified cashier's check or money order for the twelve-month option period. The \$_____ option fee shall be credited against the purchase price at closing, but nonrefundable if the sale does not close. The Proposer shall, at its option, be granted two additional six (6) month extensions after the initial twelve-month option period. The Proposer shall pay a nonrefundable option extension fee of \$_____ for each additional six-month extension, with one-half of the option fee paid for each six-month extension period increasing the purchase price paid by the Proposer. The other one-half of the option fee paid for any additional six-month extension shall be credited against the increased purchase price at closing.

Any extensions beyond the twenty-four (24) month option period shall be at the discretion of the County Board and County Executive taking into

consideration the reasons expressed by the Proposer for requesting the extension. The calculation of the time value of money using the increased purchase price, the duration of the option, and appropriate market rate of return shall be utilized to establish the option extension fee. Whether the option extension fees paid are credited against the purchase price or further increase the purchase price shall be decided at the time the extension request is made by the Proposer.

In the event the Proposer does not exercise the option and finalize the purchase of the Property, 100% of all option fees paid (including those fees that increased the purchase price) will not be refunded.

Property Closing: Closing the sale is contingent on the completion of the following items to the satisfaction of Milwaukee County:

- Approval of the project design by the City of Milwaukee (with City permit to commence construction, if available). Said design shall be consistent with the proposal approved by the Milwaukee County Board of Supervisors and County Executive.
- Project financing satisfactory to Milwaukee County.
- Executed Development Agreement and approved PERC Compliance Plan.

PROPOSAL CONDITIONS/REQUIREMENTS/INSTRUCTIONS

The proposal submitted in response to this Request for Proposals shall include, but not necessarily be limited to, the following:

Qualifications: Identify the corporate identity, ownership type, individuals and/or development team submitting the proposal and summarize the expertise, background and experience they possess to complete the proposed development. Describe any comparable development projects completed by the individuals and/or development team. **Proposer shall include within the proposal an acknowledgement signed by all project team members that they understand their specific role and participation in the proposed project.**

Purchase Price: The price being offered for Block _____, including the depicted alley, giving consideration to the minimum price noted on page ___ herein.

Project Description: A project narrative indicating the type and/or mix of the development being proposed, the compatibility of the proposed development within the immediate neighborhood and how the development will enhance the neighborhood.

The proposal should identify the realistic sources of or project funding and outline the financing strategy and demonstrate project feasibility with a project development budget/ pro-forma (including estimated rents, unit sale prices, etc). The Proposer should not assume the City of Milwaukee will

provide financial assistance for the project. Any desire for financial assistance from the City should be discussed with the City regarding its availability prior to submitting a proposal.

The proposal should include sketches, building elevations, preliminary/conceptual architectural plans, type of construction and building materials to be used. Describe any unique design elements or other features that make the proposed project a signature or landmark development. Provide a summary of the marketing plan for the components of the development (i.e. retail, office, residential, parking, etc.) in order to support the economic feasibility of the proposed project. Colored three-dimensional renderings are recommended to support the project description.

Site Plan: Preliminary plan(s) depicting building areas, open/green spaces, parking, loading, pedestrian and vehicular circulation, site ingress/egress, site landscaping and street-scaping.

Project Schedule: Estimated schedule of the proposed development, including but not limited to, the excavation commencement and completion dates and the completion date of the entire project. Please consider the approval schedule of the development by the City of Milwaukee when preparing the project schedule.

PERC Commitments: Each proposal shall outline the Proposer’s intent to satisfy the PERC commitments defined in the “Prevailing Wages and Employment Data” and the “Disadvantaged Business Enterprise” sections of **Exhibit E** (lines 111-119 and 82-86 respectively). Each proposal shall also outline if and how it will include the other components of the PERC, specifically:

Enhanced Apprenticeship & Training	lines 88 – 92
Local Employment & Coordination	lines 94 – 109
Affordable Housing	lines 121 - 127
Green Space & Green Design	lines 129 – 132

Estimated Project Cost/Tax Base: Estimated itemized project development costs, both hard and soft costs, (including developer fees, if any), real estate tax base generated and estimated total cost of the project at completion, in year _____ - dollar amounts.

It is strongly recommended that the submitted proposal include a table of contents which categorizes, tabs and indexes the above stated items (plus any additional items added by the Proposer) in an orderly manner for efficient referencing and evaluation.

PROPOSAL SUBMITTAL/CHANGES/CONTACT INFO/INFORMATIONAL MEETING

Submission: Please send or deliver fifteen (15) complete copies of your proposal marked **Official Notice No. _____** by the **4:00 p.m.**, _____ deadline to:

Milwaukee County Clerk
901 North 9th Street, Room 105
Milwaukee, WI 53233
(Office hours: 8:00 a.m.- 4:00 p.m., Monday – Friday)

Proposals received after this deadline will not be considered and will be returned unopened.

Changes and Clarifications: Any changes or clarifications to this Request for Proposals will be posted on the Block _____ Request for Proposals website at:

Pre-Submittal Informational Meeting: A pre-submittal informational meeting will be held on _____ from _____ a.m./ p.m. at 2711 West Wells Street, Room ____, Milwaukee, Wisconsin. Parties interested in submitting a proposal for Block _____ are encouraged to attend this meeting. Representatives from Milwaukee County will be present to answer questions. A summary of the questions and answers from this session will be posted on the Block _____ website at _____.

Contact Information: Contact personnel and information are listed on the attached **Exhibit H**. Questions regarding this Request for Proposals or the pre-submittal informational meeting should be directed to Mr. Craig C. Dillmann, Manager of Real Estate Services, Milwaukee County at 414-278-4371 or craig.dillmann@milwenty.com.

Questions regarding the Redevelopment Plan, potential land use, right of way matters, zoning, freeway demolition, utilities, or other city development issues approvals/schedule should be directed to _____ in the City of Milwaukee, Department of City Development at 414- _____ or email _____.

All proposals submitted are the property of Milwaukee County and will not be returned. Milwaukee County will honor confidentiality requests to the extent possible.

PROPOSAL EVALUATION AND SELECTION

Proposals will generally be evaluated based on the following criteria:

- The aesthetic quality, design, mix and architectural interest/compatibility of the proposed development, including the type and quality of building materials, the extent of landscaping and the extent to which the proposed development enhances the surrounding neighborhood.
- Compatibility of the proposed use with the adjacent land uses and compliance with the City of Milwaukee Redevelopment Plan, the associated Development Code, and the City of Milwaukee Zoning Ordinance.

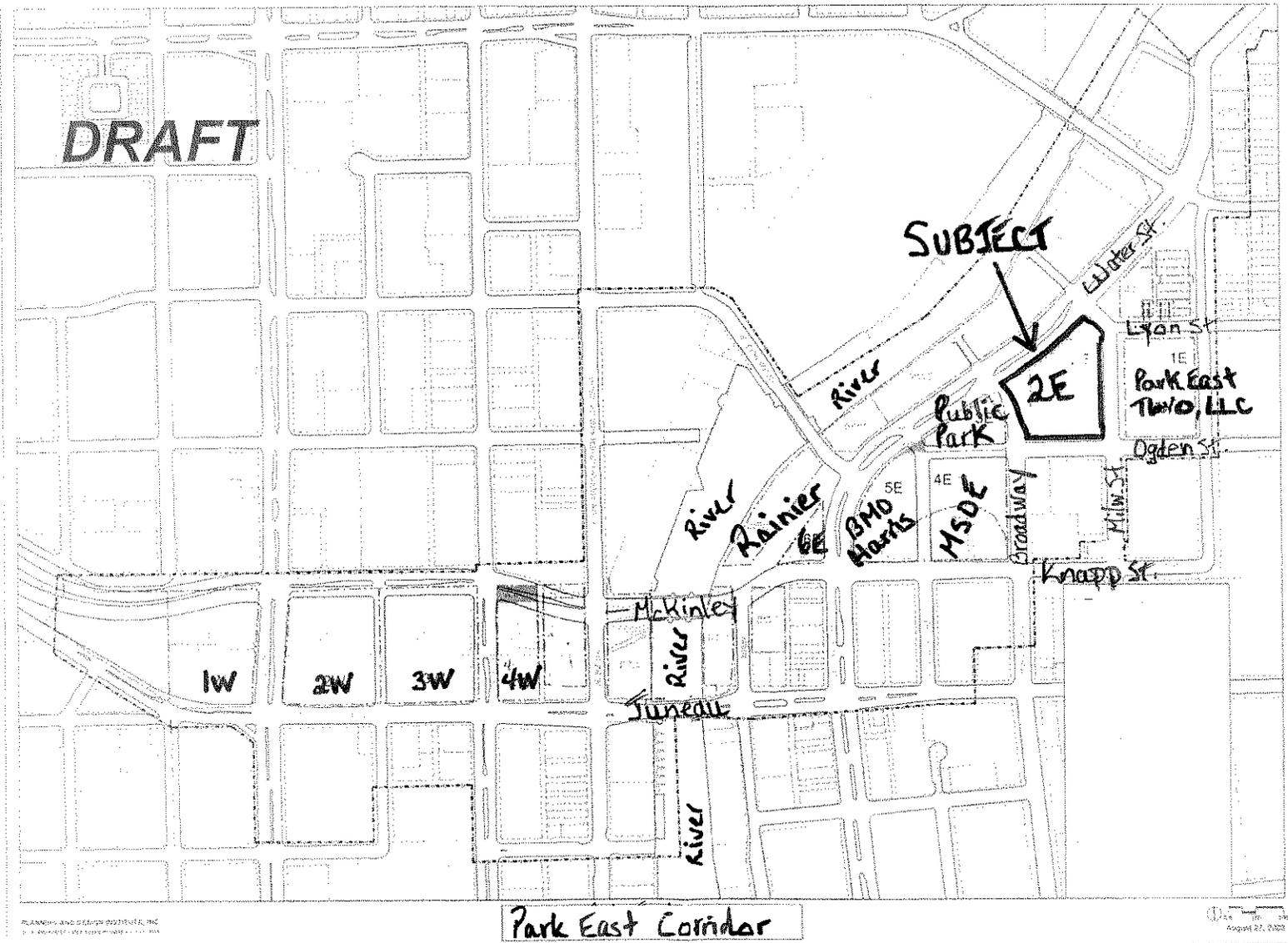
- The purchase price (consider minimum purchase price as indicated on page ___ and ___ herein), estimated itemized project cost (both hard and soft), project cash-flow/pro-forma, estimated total project cost, development schedule, and estimated tax base generated (The objective of this Request For Proposals is to return the Property to the tax roll).
- Feasibility of the project financing plan/package.
- The capability (including financial) and experience of the Proposer to complete the proposed development.
- The extent to which the Proposer addresses the PERC commitments, including but not limited to, the DBE utilization percentage goals proposed for the development.
- Clear, organized, and concise presentation of the proposed project (table of contents with tabbed sections in the proposal).
- Overall responsiveness to the requirements of the Request for Proposals.

After the proposal has been delivered to the Milwaukee County Clerk no changes shall be made to the proposal unless requested by Milwaukee County to clarify or amplify particular aspects of the proposal.

Milwaukee County reserves the right to accept or reject any or all proposals for any reason at its sole discretion; and/or to discuss/negotiate the terms, conditions, or components of a submitted proposal with a Proposer(s); or to request additional information or documentation concerning a submitted proposal.

The content of this Request for Proposals is for informational purposes only and the representations made herein, though thought to be accurate, are without warranty. Proposers shall rely exclusively on their own investigations and analyses.

Pursuant to adopted County Board Ordinance 9.05(2)(1) no person(s) with a personal financial interest in the approval or denial of a contract (proposal) being considered by a County department or with an agency funded and regulated by a County department, may make a campaign contribution to any County official who has approval authority over that contract (proposal) during its consideration. Contract (Proposal) consideration shall begin when a contract (proposal) is submitted directly to a County department or to an agency until the contract (proposal) has reached final disposition, including adoption, County Executive action, proceedings on veto (if necessary) or departmental approval. This provision does not apply to those items covered by Section 9.15 (honorariums, fees, and expenses) unless an acceptance by an elected official would conflict with this section.



COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

DATE: August 28, 2012

TO: Committee on Economic and Community Development

FROM: Craig C. Dillmann, Manager, Real Estate Services

SUBJECT: Status of 2012 excess property sales (**INFORMATION ONLY**)

The Real Estate Services Section of the Economic Development Division reports, on a monthly basis, the status of excess property sales. Attached is the monthly report for period ending August 31, 2012.

Craig C. Dillmann, Manager
Real Estate Services

Meeting Date: September 17, 2012

cc. Chris Abele, County Executive
Marina Dimitrijevic, County Board Chairwoman
Patrick Farley, Director of Administrative Services
Brian Taffora, Director of Economic Development
Vince Masterson, Fiscal Management Analyst

REAL ESTATE SERVICES SECTION

REVENUE STATUS REPORT
Period ending August 31, 2012

CLOSED PROPERTIES

Property	Committee Date	Closed	Gross Sale Proceeds
Blocks 3E, 4E, 5E Park East (MSOE)	January 23, 2012	March 20, 2012	\$ 1,543,265.00 ¹
Adj. 4407 West Brown Deer Road, Brown Deer	January 23, 2012	March 30, 2012	\$ -0-
1900 S. 94 th Street, West Allis	June 18, 2012	July 26, 2012	\$ 11,900.00
740-748 N. 27 th Street, Milwaukee	June 18, 2012	July 31, 2012	\$ 22,000.00
6213-15 North Willow Glen Lane, Glendale	July 16, 2012	August 28, 2012	\$ 39,900.00
2018 East Beverly Road, Shorewood	July 16, 2012	August 30, 2012	\$ 80,000.00
		TOTAL	\$ 1,697,065.00
		2012 Budget	\$ 400,000.00

PENDING PROPERTY CLOSINGS

Property	Committee Date	Pending Closing	Purchase Price
Block 6E, Park East Development	April 3, 2006	2013	\$ 406,000.00 ²
		TOTAL	\$ 406,000.00

GENERAL PROPERTY STATUS

Property	Committee Date	Status	Asking Price
1301 South 58 th Street, West Allis	Presenting offer	Available for sale	\$ 46,900.00
5414-22 South Packard Avenue, Cudahy		Available for sale	\$ 35,000.00
3618 East Grange, Cudahy		Available for sale	\$ 4,900.00
3749 East Squire, Cudahy		Available for sale	\$ 16,900.00
8450 West Beatrice Ct., Milwaukee		Available for sale	\$ 375,000.00 ³
3802 East Cudahy Avenue, Cudahy		Available for sale	\$ 18,900.00
2254 South 75 th Street, West Allis		Available for sale	\$ 26,900.00

1. County's share of \$ 2,660,802 net proceeds
2. County's share of \$ 700,000 sales price
3. Net proceeds to Federal Transportation Administration

REAL ESTATE SERVICES SECTION

SUMMARY DETAIL OF PENDING PROPERTY CLOSINGS

PROPERTY	BUYER	CLOSING	COMMENTS
Block 6E, Park East	Rainier Properties II, LLC	2013	Option granted until December 30, 2012 with an extension to June 30, 2013 if needed. If Buyer exercises option, closing will occur within 30 days

SUMMARY DETAIL OF UWM, INNOVATION PARK, LLC SALE

PROPERTY	BUYER	CLOSING	COMMENTS
NE Quadrant County Grounds	UWM, Innovation Park, LLC	February 15 2011	<p>Initial \$5 million paid February 15, 2011.</p> <p>County Board extended each of the purchase price installment payment dates after closing by twenty-four (24) months as follows:</p> <ul style="list-style-type: none"> • Second \$5 million payable on February 15, 2014 • \$887,500 payable on February 15, 2015 • \$887,500 payable on February 15, 2016 • \$887,500 payable on February 15, 2017 • \$887,500 payable on February 15, 2018



Community Business Development Partners

MILWAUKEE COUNTY

MARINA DIMITRIJEVIC • Chairwoman, Milwaukee County Board of Supervisors
NELSON SOLER • Interim Director, Community Business Development Partners

INTER-OFFICE COMMUNICATION

DATE: August 14, 2012

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors
Supervisor Patricia Jursik, Chairwoman, Economic & Community Development Committee
Supervisor Members, Economic & Community Development Committee

FROM: Nelson Soler, Interim Director, Community Business Development Partners

SUBJECT: **DBE WAIVER REPORT FOR JUNE 2012**

DIRECTIVE

At the request of the Committee on Economic and Community Development, the Community Business Development Partners Department (CBDP) provides a monthly update on the Disadvantaged Business Enterprise (DBE) utilization waivers requested by, and granted to, Milwaukee County departments/divisions.

BACKGROUND

CBDP is responsible for designing, implementing, monitoring and enforcing Milwaukee County's DBE Program in order to maintain compliance with Federal Regulations and Milwaukee County Ordinances. Implementation of the Program includes establishing participation goals on, both, Federal and County funded contracts, as well as monitoring and enforcing compliance of these contracts. Participation goals may only be established on contracts where opportunities exist for ready, willing and able certified firms to perform commercially useful functions related to the satisfaction of those contracts.

In 1999, the United States Department of Transportation (USDOT) implemented DBE Program rules with seven (7) objectives directed at creating a level playing field on which certified firms could compete fairly for USDOT-assisted contracts. This legislation, 49 CFR Part 26, requires all recipients of USDOT funds to establish and maintain a DBE program that, not only, complies with the intent and language of the legislation, but that has also been reviewed and approved by USDOT. As a result of public and private stakeholder input, Milwaukee County determined and approved, by action of the County Board, to establish and maintain a program based upon the Federal DBE Program rules and standards for all of its contracts. This action of the County Board and County Executive established, and adopted, rules and regulations of USDOT Office of the Secretary, per the Federal Register (49 CFR Parts 23 and 26), over Milwaukee County's Federally, and County, funded projects.

Milwaukee County, as a Federal funding recipient, is required to provide and establish contract opportunities for certified firms on its projects based upon the number of ready, willing and able firms certified to perform within the scope(s) of each of these projects. Only firms certified through Wisconsin's Unified Certification Program (UCP), a consortium of 24 municipalities and agencies throughout the State, count as ready, willing and able firms for this purpose. Four of the UCP members serve as certifying partners for the consortium, Milwaukee County, WisDOT, Dane County, and the City of Madison. These certifying partners share the responsibility of verifying and maintaining the status of the 913 currently certified firms throughout the State, while processing all new applications.

MILWAUKEE COUNTY - CITY CAMPUS • 2711 WEST WELLS STREET, 8TH FLOOR, ROOM 830 • MILWAUKEE, WI 53208
TELEPHONE (414) 278-5248 • FAX (414) 223-1958

DBE GOALS

The Milwaukee County Board of Supervisors has established the County's overall desired levels of DBE participation as follows:

Public Works, Construction & Design	25%
Time & Material Contracts	25%
Professional Service Contracts	17%
Procurement of Service Contracts	17%
Procurement of Goods & Commodities	10%

WAIVER REQUESTS

When CDBP receives a waiver request from a department/division, staff thoroughly reviews it and available supporting documentation before forwarding the request on to the Director for determination. The Director may require staff to gather more comprehensive information or to provide more detailed clarification regarding any identified issues prior to issuing a determination.

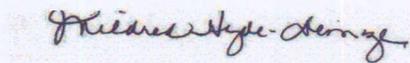
WAIVER REPORT SUMMARY

The **DBE Waiver Report for June 2012**, as compiled and attached by CDBP, notes the following totals and overall percentage of waiver requests. Please see the attachment for waivers requested as broken out by individual owner department, contractor/consultant awarded, scope of services rendered, total contract amounts, and reason for approval, or lack thereof.

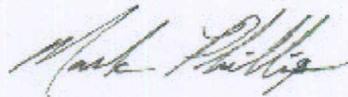
Total Contracted Dollars for Month	\$	3,373,402.49
Total Contracted Dollars w/ Waiver Approval	\$	36,415.00
Total Contracted Dollars w/o Waiver Approval	\$	250,000.00
Percentage of Contracts Waived for Month		8.49%

RECOMMENDATION

The following CDBP staff members prepared this informational report, and humbly propose that it be received and filed, as such.



Mildred Hyde-Demoze
Certification Manager



Mark Phillips
Contract Compliance Manger, DBE

Approved by:



Nelson Soler
Interim Director

CC: Chris Abele, Milwaukee County Executive

Milwaukee County Community Business Development Partners Department (CBDP) DBE Waiver Report June 2012

DEPARTMENT	CONSULTANT/CONTRACTOR	SCOPE OF SERVICES	CONTRACT AMOUNT	APPROVAL REASON
<u>CBDP Approved Waivers ¹</u>				
District Attorney	Christopher T. Tyre, Ph.D	Conducted an evaluation of Eddie Cotton	2,000.00	Approved Waiver - No DBE Forensic Psychologist
IMSD	TDSI	Vendor to write an RFP for telephone maintenance work	14,500.00	Approved Waiver - No DBE Provider
BHD	Bethann Burazin	To help with the Mental Health Redesign Task Force	2,000.00	Approved Waiver - \$2,000.00 & Under
Human Resources	Gonzalez, Saggio & Harlan	To serve as legal counsel David Clark v Milwaukee Co.	15,000.00	Approved Waiver - Specialized Legal services
Medical Examiner	Leslie E. Eisenberg, Ph.D.,D-ABFA	Marceration & photography of skeletonized remains	2,915.00	Approved Waiver - No DBE Forensic Anthropologist

<u>Contracts Issued Without CBDP Review ²</u>				
Child Support Enforcement	DNA Diagnostic Center	Genetic test to establish paternity	250,000.00	

Total Contract \$ Amount for Month	\$3,373,402.49
Total Approved Waiver \$ Amount	\$36,415.00
Total Unapproved Waiver \$ Amount	\$250,000.00
Percentage Waived	8.49%

¹ Waivers approved by CBDP; within guidelines of Code of General Ordinances

² Contracts issued by Departments in violation of the Code of General Ordinances
CBDP is only made aware of these projects when accounts payable forwards new contract information



Community Business Development Partners

MILWAUKEE COUNTY

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Supervisor Members, Economic & Community Development Committee

FROM: Nelson Soler, Interim Director, Community Business Development Partners

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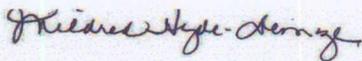
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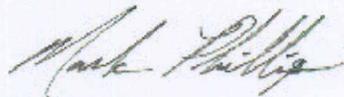
Total Contracted Dollars for Month	\$	1,229,030.47
Total Contracted Dollars w/ Waiver Approval	\$	245,371.52
Total Contracted Dollars w/o Waiver Approval	\$	4,800.00
Percentage of Contracts Waived for Month		20.36%

RECOMMENDATION

The following CBDP staff members prepared this informational report, and humbly propose that it be received and filed, as such.



Mildred Hyde-Demoze
Certification Manager



Mark Phillips
Contract Compliance Manger, DBE

Approved by:



Nelson Soler
Interim Director

CC: Chris Abele, Milwaukee County Executive

Milwaukee County Community Business Development Partners Department (CBDP) DBE Waiver Report July 2012

DEPARTMENT	CONSULTANT/CONTRACTOR	SCOPE OF SERVICES	CONTRACT AMOUNT	APPROVAL REASON
<u>CBDP Approved Waivers</u> ¹				
District Attorney	Russell Alexander, M.D.	Forensic Autopsy Services & Court Testimony	2,000.00	Approved Waiver - Low Dollar Amount
UW Extension	UW Extension	Professional staff for cooperative extension program	168,195.00	Approved Waiver - Long standing contract
IMSD	Teleco Systems	2012 Milwaukee County Ortho/Oblique Imagery	49,500.00	1 of 2 project phases - other phase has DBE prime
DAS - FM	Patrick Engineering	Honey Creek Parkway FEMA Restoration	25,676.52	1 of 7 FEMA projects - 22.43% overall DBE participation

<u>Contracts Issued Without CBDP Review</u> ²				
Facilities	Fortin Consulting	April/Summer Turf Maintenance Training	1,300.00	
Aging by DAS - FM	Harwood Engineering	Washington Park Senior Center Roof Replacement - Canopy Replacement	3,500.00	

Total Contract \$ Amount for Month	\$1,229,030.47
Total Approved Waiver \$ Amount	\$245,371.52
Total Unapproved Waiver \$ Amount	\$4,800.00
Percentage Waived	20.36%

¹ Waivers approved by CBDP; within guidelines of Code of General Ordinances

² Contracts issued by Departments in violation of the Code of General Ordinances
CBDP is only made aware of these projects when accounts payable forwards new contract information