

# City of Racine - Application for Capital Projects Single and Multifamily Rental Housing Development General Instructions



**The Common Application for Capital Projects must be used for applications for HOME.**

## **Application Components:**

The City of Racine Application for Capital Projects has **four** parts, all of which must be submitted for an application to be reviewed:

### **1. Narrative Questions**

This WORD document contains the Narrative Questions portion of the application. The Narrative Questions are divided into "Sections." For example, Section 1 is *Project Summary*.

### **2. Project Workbook**

The Project Workbook portion of the application is an EXCEL document that is divided into "Forms." For example, Form 1A is *Populations* and Form 1B is *Special Needs*. Forms 1A and 1B should be filed behind Tab 1 after the narrative questions of Section 1.

### **3. Common Attachments**

The Table of Contents of this document lists the attachments that are required behind each tab.

### **4. Addenda**

Each program may have requirements specific to their funding sources. For this reason, there may be additional information that needs to be provided after the application is submitted.

## **Application Assembly:**

- Applications must include a completed and signed *Table of Contents/Self-Certification Checklist*.
- The Combined Application requires 11 Tabs as outlined in the Table of Contents. Materials should be organized behind each tab in the following manner:
  - First, insert the responses to the narrative questions of that Section
  - Second, insert relevant Forms
  - Third, insert required attachments using colored separator sheets labeled with the name of the Attachment in front of each attachment
  - Fourth, insert required attachments as instructed by the public funder addenda

*Note: If you wish to use the tab key to move through this Word Document from entry box to entry box, you must lock the form using the "Protect Document" feature of MS Word.*

## Table of Contents/Self-Certification Checklist

### Tab 1: Project Summary

<b>Section 1</b>	<input checked="" type="checkbox"/> Project Summary
<b>Form 1A</b>	<input checked="" type="checkbox"/> Population
<b>Form 1B</b>	<input checked="" type="checkbox"/> Special Needs
<b>Form 1C</b>	<input checked="" type="checkbox"/> Units
<b>Form 1D</b>	<input checked="" type="checkbox"/> Square Footage Summary

### Tab 2: Project Description

<b>Section 2</b>	<input checked="" type="checkbox"/> Project Description
<b>Attachments</b>	<input checked="" type="checkbox"/> Documentation of Site Control
	<input checked="" type="checkbox"/> Title Report
	<input type="checkbox"/> Capital Needs Assessment (Required for rehabilitation projects over 26 units)

### Tab 3: Need & Population Served

<b>Section 3</b>	<input checked="" type="checkbox"/> Need & Population Served
<b>Attachments</b>	<input checked="" type="checkbox"/> Market Study – <b>Required for project with 25 or more units. Acquisition of existing occupied housing or rehabilitation of existing housing does not require a market study.</b>
	<input type="checkbox"/> Consistency with Consolidated Plan Letter
	<input type="checkbox"/> Consistency with locally approved Plans (redevelopment plans).

### Tab 4: Relocation

<b>Section 4</b>	<input type="checkbox"/> Relocation
<b>Form 4</b>	<input type="checkbox"/> Relocation Budget – <b>If Applicable</b>
<b>Attachments</b>	<input type="checkbox"/> Tenant Relocation Plan – <b>If Applicable</b>
	<input type="checkbox"/> Samples of notices re: displacement and benefits – <b>If Applicable</b>
	<input type="checkbox"/> Approval letter from local government agency with jurisdiction over tenant relocation issues – <b>If Applicable</b>

### Tab 5: Project Schedule

<b>Form 5</b>	<input checked="" type="checkbox"/> Project Schedule
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<b>Tab 6: Development Budgets</b>	
<b>Form 6A</b>	<input checked="" type="checkbox"/> Residential Development Budget
<b>Form 6B</b>	<input checked="" type="checkbox"/> Non-Residential Development Budget
<b>Form 6C</b>	<input checked="" type="checkbox"/> Development Budget Narrative
<b>Form 6D</b>	<input checked="" type="checkbox"/> LIHTC Budget – <b>If applicable</b>
<b>Form 6E</b>	<input checked="" type="checkbox"/> LIHTC Calculation – <b>If applicable</b>

<b>Tab 7: Project Financing</b>	
<b>Section 7</b>	<input checked="" type="checkbox"/> Project Financing
<b>Form 7</b>	<input checked="" type="checkbox"/> Financing Sources
<b>Attachments</b>	<input type="checkbox"/> Funding commitment letters
	<input type="checkbox"/> LIHTC Projects: Discussion of status of investor negotiations - <b>If applicable</b>

<b>Tab 8: Project Operations</b>	
<b>Form 8A</b>	<input checked="" type="checkbox"/> Proposed Rents
<b>Form 8B</b>	<input checked="" type="checkbox"/> Operating and Service Sources
<b>Form 8C</b>	<input checked="" type="checkbox"/> Operating Pro Forma
<b>Form 8D</b>	<input checked="" type="checkbox"/> Operating Budget Details
<b>Attachments</b>	<input checked="" type="checkbox"/> Documentation of utility allowance calculations and schedule

<b>Tab 9: Development Team</b>	
<b>Section 9</b>	<input checked="" type="checkbox"/> Project Team
<b>Form 9A</b>	<input checked="" type="checkbox"/> Contact List
<b>Form 9B</b>	<input checked="" type="checkbox"/> Sponsor Experience
<b>Form 9C</b>	<input checked="" type="checkbox"/> Development Consultant Experience
<b>Form 9D</b>	<input checked="" type="checkbox"/> Property Manager Experience
<b>Attachments</b>	<input checked="" type="checkbox"/> Development consultant agreement
	<input type="checkbox"/> Signed board resolution, if applicable
	<input checked="" type="checkbox"/> Secretary of State certification of existence (RCW 24.03)
	The following are required only if your non- profit organization did not receive a public funding award in the preceding year or if there have been changes in staffing/status:
	<input type="checkbox"/> Board Composition list
	<input type="checkbox"/> Resumes of development team members
<input type="checkbox"/> Resumes of property management team members	
<input type="checkbox"/> 501(c)3 letter of determination from IRS	

<b>Tab 10: Services</b>	
<b>Section 10</b>	<input type="checkbox"/> Services, if applicable
<b>Form 10A</b>	<input type="checkbox"/> Service Personnel Budget, if applicable

<b>Form 10</b>	<input type="checkbox"/> Total Services Budget, if applicable
<b>Attachments</b>	<input type="checkbox"/> Memorandum of Understanding, if applicable
	<input type="checkbox"/> Services funding commitment letters, if applicable

<b>Tab 11: LIHTC Scoring</b>	
<b>Form 11</b>	<input checked="" type="checkbox"/> LIHTC Scoring Synopsis (required only if project includes Tax Credit financing)

**Other Required Attachments:**

- Complete third party construction estimates (if new construction/rehabilitation).
- Complete copies of three years of the agencies (owner/developer) A-133 audits, audited financial statements, and tax returns.

If any item listed above is not checked or is not applicable to your project, please reference the specific document and provide an explanation here.

Section 2: Capital Needs Assessment – This property is an adaptive reuse and was not formally residential, so a CNA is not required.

Section 3: Consistency with Consolidated Plan Letter - Not required for the project application

Section 3: Consistency with locally approved plans – Not required for the project application.

Section 4: No relocation to take place.

Section 7: Funding Commitment Letters – Commitment letters have not yet been issued.

Section 7: Discussion of status of investor negotiations - In process

Section 9: There is no board resolution for this specific project. However, the Bylaws for Lutheran Social Services authorizing the organization to create affordable housing as part of the mission is included. Also, LSS received public funding last year and has had no changes in executive staffing or status, so the documents listed are not included.

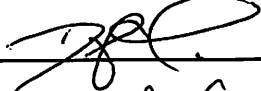
Section 10: No services will be attached to the project through the project budget, LSS with coordinate services through third party funding sources.

Other required attachments: Audits will be sent under separate cover from Herman & Kittle Properties, Inc. and Lutheran Social Services.

**Self-Certification of Threshold Requirements**

David Gromacki, Chief Operating Officer of Lutheran Social Services of Wisconsin and Upper Michigan, Inc. I, Name, Title (Authorized Official) of Sponsor Organization acknowledge that I have completed the self-certified threshold checklist and that all the required documentation necessary to review this application has been included.

**ORIGINAL SIGNATURE OF AUTHORIZED OFFICIAL**

Signature:  Title: COO  
Name: David Gromacki Date: 5/8/15  
Organization: LSS of WI + Up MI Project: 1520 Clark St.



## SECTION 1 Project Summary

### 1. Project Sponsor Information

Sponsor Organization: Lutheran Social Services of Wisconsin and Upper Michigan  
Organization Address: 647 W. Virginia St., Ste 200  
City and Zip Code: Milwaukee, WI 53204 County: Milwaukee  
  
Federal Tax ID Number: 39-0816846  
Unified Business Identifier: N/A  
  
Executive Director: Dennis Hanson  
Phone: 414-304-6934 Fax: 414-325-3124  
Email: dennis.hanson@lsswis.org  
  
Project Contact Person: Dennis Hanson  
Phone: 414-304-6934 Fax: 715-834-2046  
Email: dennis.hanson@lsswis.org

### 2. Development Consultant (if applicable)

Organization Name: Herman & Kittle Properties, Inc.  
Consultant Name: Kyle Peterson  
Phone: 317-964-1928 Fax: 414-325-3124  
Email: kpeterson@hermankittle.com

3. Will the Development Consultant serve as the primary project contact? Yes  No

### 4. Sponsor Organization Type (check only one):

- Community Housing Development Organization
- Local Housing Authority
- Nonprofit Community, Neighborhood, State or Regional Organization
- Federally-recognized Indian Tribe in the State of Washington
- Limited Liability Company
- Other (please specify)

**5. Project Name and Location**

Project Name: 1520 Clark Street  
Project Address: 1520 Clark Street  
City and Zip Code: Racine 53403 County: Racine  
Project Tax Parcel(s): 276000009059000, 276000009076000  
   
   
Census Tract: 55101000300  
Name of Ownership Entity: To Be Formed c/o Lutheran Social Services of Wisconsin and Upper Michigan

**6. Rental Project Activity Type (check all that apply):**

- Acquisition
- Rehabilitation
- Rehab or Adaptive Reuse of an Existing Building (not currently residential)
- Redevelopment
- New Construction
- HUD/USDA Preservation
- Expiring Tax Credit Property
- Mixed Use (please explain)
- Other (please specify)

**7. Proposed Ownership Structure (check all that apply)**

- Nonprofit
- Limited Liability Corporation (LLC)
- Limited Liability Partnership (LLP)
- Limited Partnership
- Local Unit of Government
- CHDO
- Nonprofit Single Asset Entity
- Other Corporation
- Joint Venture
- Other, Describe:

**8. For Existing Housing Only (check one):**

- Privately Owned
- Publicly Owned
- Owned by Sponsor
- Other (please specify)

**Rental Assistance**

9. Are any existing low income housing units currently receiving rental assistance? Yes  No

10. Do you have a commitment for rental assistance to housing units in the project? Yes  No

11. If yes to either, indicate the type of rental assistance:

- Section 8 New Construction / Substantial Rehabilitation
- Section 8 Certificates
- Section 8 Project-Based Assistance
- Other (please specify)

12. Number of housing units receiving rental assistance:

13. Number of years remaining on rental assistance contract:

14. Is the project currently required to restrict rents? Yes  No

a. If yes, what is the expiration date?

**Low Income Housing Tax Credits (LIHTC)**

15. Does this project propose to use Low Income Housing Tax Credits? Yes  No

a. If yes, please select the LIHTC type below:

- 4% tax credit/bond project
- 9% competitive project

b. State the Tax Credit Factor you selected:

c. Approximate annual credit allocation: \$

d. Total points from Form 11 – LIHTC Scoring Synopsis:

Please complete the following Excel forms and insert them behind Tab 1:

- ▶ Form 1A, Population
- ▶ Form 1B, Special Needs
- ▶ Form 1C, Units
- ▶ Form 1D, Square Footage Summary





## Form 1B Special Needs

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

### SPECIAL NEEDS POPULATIONS SERVED

#### Instructions:

The numbers below are a subset of total units. If units are designed for more than one category, enter it under the primary category to be served.

Population Type	Homeless Housing Units or Beds						Non-Homeless Units or Beds	
	Shelter		Transitional		Permanent or		# of Units	# of Beds
	# of Units	# of Beds	# of Units	# of Beds	# of Units	# of Beds		
Developmentally disabled								
HIV/AIDS								
Domestic violence								
Substance abuse								
Chronically mentally ill								
Multiple special needs								
Physically disabled								
Youth under 18								
Youth 18–24								
Frail elderly								
Veteran							19	
Other								

In the space below, explain units designated as Multiple Special Needs or Other above:

Please note that the 19 units at 30% AMI will be targeted to veterans with a supportive housing need, and the remaining 55 units will be targeted to veterans able to live independently.

## Form 1C Units

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

### PROPOSED NUMBER OF UNITS/BEDS BY BEDROOM SIZE AND AFFORDABILITY

**Instructions:**

- Insert as many lines as needed in this table.
- For congregate projects, where tenants will not have their own units, use the column entitled "Beds." For studio/SRO units and larger, use the columns that identify the planned units by bedroom size.

% of Median Income	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Beds	Total Units /Beds
30%		10	9					19
50%			8	16				24
60%		7	1	14				22
								0
								0
<b>Subtotal Low Income Housing Units</b>	0	17	18	30	0	0	0	65
<i>Common Area Units (Unrestricted Manager's Units)</i>								0
<i>Market Rate Units</i>		3	6					9
<b>Total Units</b>	0	20	24	30	0	0	0	74

# Form 1D Square Footage Summary

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
Project Name: 1520 Clark Street

## SQUARE FOOTAGE SUMMARY

### Residential Square Footage

Low income Housing Units	64809	square feet
Common Area Unit (Unrestricted Manager's Units)	0	square feet
Market Rate Housing Units	8181	square feet
Common Area Space*	12673	square feet
<b>Total Residential Square Footage</b>	<b>85663</b>	<b>square feet</b>

### Non-Residential Square Footage

0 square feet

### Total Project Square Footage

**85663** square feet

\*Common area space includes Meeting Rooms, Computer Facilities, etc.

CD Staff Note: This figure is post demolition.  
Currently, 128,936 sq. ft.  
43,273 sq. ft. to be removed.

## **SECTION 2 PROJECT DESCRIPTION**

### **PROJECT CHARACTERISTICS**

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#### **Project Narrative**

1. Please provide a brief narrative summary of the proposed project. Please include location in the community, project type (new v. rehab), target population, and any unique project characteristics.

1520 Clark Street involves the acquisition and adaptive re-use of the former Ajax facility in Racine's Uptown neighborhood into a 74-unit general occupancy/family housing development targeting veterans. The site is made up of 19 interconnected buildings, five of which will be demolished resulting in the creation of four stand-alone buildings. The project proposes a mix of one to three bedroom units targeting renter households with incomes of 30%, 50%, and 60% of the Area Median Household Income (AMHI) and will also provide housing for market rate tenants. The nineteen units targeting households earning up to 30% of AHMI will target tenants with a supportive housing needs. The project is located adjacent to some of the largest employers in Racine, close to county services, and near multiple bus stops offerings convenient access to the downtown and the amenities located throughout the area.

#### **Project Design**

2. Provide a detailed description of the proposed design, construction, rehabilitation, and/or other improvements.

The proposed project will consist of an adaptive reuse that will consolidate 19 interconnected brick-masonry historic buildings into four structures on a three acre site. The buildings range from one to three stories, and those buildings with more than one floor will include an elevator. The buildings will contain 74 units: 20 1-bedroom, 24 2-bedroom, and 30 3-bedroom units. The site will include 72 open parking spots and 35 covered parking spots inside of a garage. The buildings are laid out to create interior courtyards where there will be landscaping, green space, and walking paths. On the interior there will be a range of amenities for the tenants. The development will be certified through the Wisconsin Green Build Homes program, and will meet the requirements of WHEDA's Universal Design, Energy Efficiency, and Sustainability.

#### **On-Site Amenities**

3. Please describe any on-site amenities, including any project characteristics that address special needs of the population you intend to serve.

1520 Clark Street will offer superior on-site amenities including a fitness center, business center, media center, chapel, storage, a community room/clubhouse, a wellness center, and on-site management. In addition, surface parking will be available to all residents free of charge, and 35 garage spaces will be available for lease at \$40/month. Nineteen of the units are intended for residents who have a supportive housing need. Supportive services will be coordinated by Lutheran

Social Services of Wisconsin and Upper Michigan Inc. These services may include, but are not limited to: Community supportive living, individualized community support, employment readiness, volunteering, community involvement, support broker, health care coordination, assistance with self-direction, and connection and communicating between multiple services.

### Neighborhood/Off-Site Amenities

4. Briefly describe the property location, neighborhood, transportation options, local services and amenities adjacent to the property. In the case of scattered site rentals, if a site has not been identified, describe the characteristics of the location being sought and document the availability of applicable sites and the timeline for obtaining site control.

A broad range of Community Services are located within one mile of the site including transportation, major employment, hospitals, grocery stores, convenience stores, public services and restaurants. The site is located in the Uptown neighborhood of Racine, which is currently undergoing revitalization, approximately 1.5 miles southwest of downtown Racine. The site is served by The Belle Urban System for Public Transportation. The closest bus stop is located at 453 feet from the property at Sixteenth Street and Racine Street. The site has great access to major employers, including S.C. Johnson & Son Inc. only 0.4 miles away. There are also many community amenities within a mile from the site, including two hospitals (All Saints Hospital-Wheaton Franciscan and St. Luke's Hospital), Racine Police Department, Racine Fire Department, several grocery stores, a pharmacy, a bank, several day cars, restaurants, public parks, a senior center, and a major highway.

### Potential Development Obstacles

5. Are there any known issues or circumstances that may delay the project? Yes  No
- a. If yes, list issues below, including an outline of steps that will be taken and the time frame needed to resolve these issues:

N/A

**Neighborhood Notification**

6. Has neighborhood notification taken place? Yes  No

**SITE/PARCEL CHARACTERISTICS**

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**Site Control**

7. Has Site Control been established? Yes  No

8. Expiration date of option or purchase contract:

9. What is the form of Site Control?

- Deed
- Purchase Contract
- Purchase Option
- Lease
- Lease Option
- Other:

10. Are there any anticipated changes to the project's legal description? If yes, please describe.

11. What is the square footage of the proposed project parcel?

12. Is the seller/lessor of the property a Related Party to the Sponsor or Ownership Entity? Yes  No

a. If yes, please describe the relationship:

13. Has the Sponsor or a Related Party previously owned any building in the Project? Yes  No

a. If so, please describe:

14. Is the proposed project site subject to any existing encumbrances such as a restrictive covenant, use restriction, or regulatory agreement? Yes  No

a. If so, how do you plan to mitigate the encumbrance?

Quit-Claim Deed

- Subdivision of the Property
- Other:

**Zoning**

15. What is the current zoning of the project site?

16. Is the proposed project consistent with the zoning status of the site? Yes  No

a. If current zoning is not consistent, please explain.

b. Please outline the steps that will be taken to address zoning issues and include the time frame needed to resolve these issues.

**Existing Structures**

17. Does the site contain existing structures? Yes  No

a. If yes, how many?

18. What is to be done with on-site existing structures?

- Demolish
- Rehab
- Nothing (does not apply/not part of this project)

19. Please provide the following information for any on-site structures to be retained as part of this project:

Approx. total Sq Footage	<input type="text" value="145,414"/>
Number of Building(s)	<input type="text" value="19"/>
Date building built	<input type="text" value="1890-1965"/>
Number of Stories	<input type="text" value="1-3"/>

20. Please give a brief description of the condition of the buildings to be rehabilitated.

The site consists of a collection of buildings and additions dating from the 1890s to the 1960s that have been expanded and jointed to form a contiguous complex. All sections are built of masonry, composed primarily of common brick, but with selected street facades of red face brick. Later construction includes concrete masonry unit (CMU) walls. The buildings range in height from one to three stories. Roofs throughout include a variety of flat, shed, and gabled forms. Overall the complex is in good condition. There are areas of significant masonry deterioration and areas where the roof sheathing is deteriorating. Existing windows range in condition, and interior plaster, wood floors, and wood trim are in fair condition, with some areas of bowed wood flooring.



**Historical Elements**

21. Are any on-site structures subject to historical preservation requirements?

Yes  No

a. Governing body/code:

- National Historic Register
- State Historic Preservation Office
- Other:

b. Briefly state how you plan to comply with applicable historic preservation requirements.

Herman & Kittle Properties Inc. has successfully submitted and been approved for a Part 1: Evaluation of Significance of the Property. HKP is currently working towards the submittal of a Part 2: Description of Rehabilitation Work.

**Green Features**

a. Briefly state how you plan to incorporate green or sustainable development practices as part of the project.

1520 Clark Street will comply with the Wisconsin Green Built Homes standard with a score greater than 150. We have also met in person with Focus on Energy staff to review the proposed development for possible energy savings ideas.

**Attachments**

<input checked="" type="checkbox"/> Documentation of Site Control
<input checked="" type="checkbox"/> Title Report
<input type="checkbox"/> Capital Needs Assessment (Required for rehabilitation projects over 26 units)

# Documentation of Site Control

## CONTRACT FOR PURCHASE OF REAL ESTATE

HERMAN & KITTLE PROPERTIES, INC., an Indiana corporation, or its assigns (the "Purchaser"), offers to purchase from SUMMIT INDUSTRIAL PARK LLC (the "Seller"), certain real estate located at 1520 Clark Street, Racine, Wisconsin, such real estate consisting of 2.95 acres, more or less, and which is identified on Exhibit A attached hereto, together with all improvements thereon and appurtenances and hereditaments thereunto belonging (all of which is hereinafter referred to as the "Real Estate"), for the total sum of Two Hundred Thirty Six Thousand Dollars (\$236,000.00) (the "Purchase Price"), subject to the following, and only the following, written terms and conditions of this Contract for Purchase of Real Estate (this "Contract").

1. Payment. The Purchase Price shall be paid as follows:

1.1 Earnest Money Deposit. Within two weeks of Seller's acceptance of this offer, Purchaser shall deposit with First American Title Insurance Company (hereinafter referred to as the "Title Company") the sum of Eighteen Thousand Dollars (\$18,000.00) (the "Earnest Money"): (i) Six Thousand Dollars (\$6,000.00) of the Earnest Money shall become non-refundable upon execution of the Contract, and (ii) the remaining Twelve Thousand Dollars (\$12,000.00) of the Earnest Money shall become non-refundable upon submission by Purchaser of the 9% tax credit application which is estimated to occur approximately on or before February 1, 2015. Upon receipt of an allocation of 9% tax credits to be used for the project, Purchaser shall deposit, within two weeks of receiving such Allocation (as defined below), with the Title Company an additional Eighteen Thousand Dollars (\$18,000.00) of Earnest Money for a total of \$36,000.00.

All of the Earnest Money shall be non-refundable on the designed dates as set forth in this Contract and paid to Seller regardless of whether Purchaser purchases the Real Estate. The Earnest Money shall be applied to the Purchase Price if the Real Estate is purchased by Purchaser at Closing. If the Purchaser defaults under this Contract, that portion of the Earnest Money that has become non-refundable shall be forfeited as liquidated damages, which shall be Seller's sole and exclusive remedy, at law or in equity, in the event that Purchaser shall fail or refuse to perform its obligations herein specified on the Closing; provided, however that if Purchaser fails or refuses as a result of a material breach or material default by Seller with respect to Seller's obligations under this Contract, Seller shall not be entitled to retain the Earnest Money. Notwithstanding the foregoing, the parties agree and acknowledge that, commencing on December 1, 2014, and continuing on the same day of each succeeding month thereafter during the term of this Contract, the sum of \$3,000.00 shall be distributed to the Seller from the earnest money escrow on a monthly basis to offset the Seller's carrying costs of the property. The funds distributed to the Seller under this provision shall

be non-refundable, but shall be applied as a credit against the purchase price at closing.

Upon Seller's acceptance of this offer, the Title Company shall place the Earnest Money in an interest bearing escrow account, and shall disburse the same only in accordance with the terms of this Contract. All interest earned shall be deemed a portion of the Earnest Money and belong to Purchaser. Purchaser hereby represents to Seller and the Title Company that its Federal Tax I.D. No. is 26-0002273. Seller and Purchaser hereby agree to enter into any supplement to this Contract reasonably required by the Title Company for purposes of acknowledging the Title Company's standard escrow terms and conditions and incorporating the same into this Contract.

- 1.2 Payment on Closing. At Closing, Purchaser shall pay to Seller the entire Purchase Price; provided, that Purchaser shall receive any credits to which Purchaser is entitled under this Contract.
2. Conditions of Offer. Purchaser's obligations hereunder are subject to the satisfaction of the following conditions:
  - 2.1 It is hereby acknowledged and understood by Seller that Purchaser intends to develop the Real Estate as a multi-family residential apartment complex (hereinafter sometimes referred to as "Purchaser's Use"), and it is therefore a condition of this Contract that Purchaser must be able to determine to its satisfaction, in its sole discretion, each of the following matters:
    - 2.1.1 that all utilities, specifically water, electric, telephone, cable and gas, as well as sanitary and drainage sewers, are available to the Real Estate at a reasonable cost and in sufficient size and capacity to adequately serve Purchaser's Use; and
    - 2.1.2 that the environmental conditions of the Real Estate as they relate to the Purchaser's Use, including without limitation, topography, soil consistency, geotechnical analysis, floodway designation, wetlands and animal preservation issues, are satisfactory to Purchaser; and
    - 2.1.3 that the development of Purchaser's Use upon the Real Estate is economically feasible in all respects.
  - 2.2 It is hereby understood and acknowledged by Seller that if Purchaser is unable to obtain satisfactory results with respect to the matters specified in Paragraph 2.1 on or before the Closing date, then Purchaser may, at its election, notify Seller in writing, at the place herein provided for notices, that it is dissatisfied with one or more of the matters specified in

Paragraph 2.1, and that it thereby cancels and terminates this Contract, in which case neither party shall have further liability to the other arising out of this Contract. In the event Purchaser fails to so notify Seller of its election to cancel and terminate this Contract, then such conditions shall be deemed satisfactory to Purchaser.

3. Reports: Phase I Assessment. On or before five (5) days after Seller's acceptance hereof, Seller shall furnish to Purchaser copies of any existing environmental assessment reports, surveys, inspections, soil/geotechnical reports or other reports relating to the Real Estate in Seller's possession. Purchaser shall have the right, at its expense, to obtain an environmental Phase I assessment (as well as a Phase II assessment and additional testing, if applicable) for the Real Estate from an environmental consulting firm reasonably acceptable to Purchaser (the "Consultant"), the results of which shall be set forth in a report certified by the Consultant to Purchaser, which results shall be satisfactory in all respects to Purchaser. In the event that the results reveal defective conditions, Purchaser may either (i) cancel and terminate this Contract upon written notice to Seller or (ii) waive such defects and proceed to closing. In the event that the Purchaser does not Close on the Property, then the Seller shall have the option to purchase any third party reports obtained by the Purchaser for 50% of the cost of the report.
4. Financing. It is a condition precedent to Purchaser's obligations hereunder that Purchaser shall receive an allocation of rental housing tax credits or tax-exempt bonds allocated by the Wisconsin Housing and Economic Development Authority for the purchase of the Real Estate and development of Purchaser's Use, all in an amount and upon terms and conditions acceptable to Purchaser in its sole discretion (the "Allocation"). It is hereby understood and acknowledged by Seller that if Purchaser does not receive the Allocation, then Purchaser may cancel and terminate this Contract by notification thereof to Seller and thereafter both parties shall be relieved of all further obligations under this Contract.
5. Zoning and Approvals. It is a condition precedent to Purchaser's obligations hereunder that (a) if the Real Estate is not currently zoned for Purchaser's Use, then Purchaser shall rezone the Real Estate to a zoning classification sufficient to permit Purchaser's Use and otherwise satisfactory in all respects to Purchaser in its sole discretion, or (b) Purchaser shall confirm that the current zoning classification, covenants and/or commitments affecting the Real Estate are sufficient to permit Purchaser's Use. It is a further condition precedent to Purchaser's obligations hereunder that Purchaser (at Purchaser's sole cost and expense) shall obtain from the appropriate governmental authorities all approvals, permits and licenses necessary or appropriate for Purchaser's Use (collectively, the "Permits and Approvals"). All Permits and Approvals shall be in a form acceptable to Purchaser, in Purchaser's sole discretion. Seller shall cooperate with all requests in connection therewith, including filing any applications therefor or joining with Purchaser therein. In the event that the Real Estate needs to be rezoned, the Purchaser shall obtain a zoning designation that shall allow for,

or reverts to an industrial zoning use should the Purchaser fail to Close. If the foregoing conditions are not satisfied, Purchaser may, at its election, cancel and terminate this Contract.

6. Survey/Title. Seller shall provide evidence of survey and title, and Purchaser shall review the same, as follows:
  - 6.1 On or before five (5) days after Seller's acceptance of this Contract, Seller shall deliver to Purchaser copies of any and all surveys of the Real Estate in the possession of Seller. Buyer shall obtain a new staked survey of the Real Estate prepared and certified in accordance with ALTA Minimum Standard Detail Requirements (the "Survey"). The survey description (as well as any historic deed description) shall be used in Seller's deed conveying the Real Estate to Purchaser. In any event, the Survey shall be sufficient to cause the Title Company to delete the standard survey exceptions from the Title Policy described in Paragraph 6.3 below.
  - 6.2 On or before five (5) days after Seller's acceptance of this Contract, Seller shall deliver to Purchaser a copy of Seller's existing title policy for the Real Estate. Buyer shall obtain an ALTA standard title insurance commitment, issued by the Title Company, showing the condition of Seller's title to the Real Estate and any easements, restrictions, agreements or other matters burdening and/or benefiting the Real Estate (the "Title Commitment").
  - 6.3 Within ninety (90) days after receipt of the later of (a) the Title Commitment (together with legible copies of all instruments noted in the Title Commitment as special exceptions, and any endorsements to the Title Commitment that Purchaser wishes to receive) and (b) the Survey, Purchaser shall notify Seller of any unacceptable physical or other defects therein disclosed. Seller shall have thirty (30) days (or such longer period as Purchaser may in writing approve) to cure or remove any such unacceptable defects, at Seller's sole cost and expense. If Seller is unable or unwilling to cure or remove such defects within said period, Purchaser may either (i) cancel and terminate this Contract upon written notice to Seller, or (ii) waive such defects and proceed to Closing; provided, however, that Seller shall be obligated to pay any amounts necessary to cause the removal at or before Closing of any and all monetary liens, mortgages, security instruments and UCC financing statements affecting the Real Estate. If Purchaser fails to notify Seller of an objection to an exception to title as reflected on the Title Commitment within the time provided herein, then Purchaser shall be deemed to have accepted the status of title as reflected therein. Any exceptions to title reflected on the said commitment to which Purchaser fails to timely object (except monetary liens, mortgages, security instruments and UCC financing statements to be released at or before Closing) shall be deemed a

“Permitted Exception”. Upon Closing, Seller shall provide to Purchaser, at Seller’s sole cost and expense, an owner’s policy of title insurance (the “Title Policy”) issued by the Title Company, in the amount of the Purchase Price, showing good and marketable title in the Real Estate in Purchaser, subject only to current taxes and assessments not then due and payable and Permitted Exceptions. The Seller shall pay the premium for the Title Policy and the Purchaser shall pay the premium for any endorsements to the Title Policy which are required by the Purchaser of the Purchaser’s lender.

7. Taxes and Assessments. Purchaser assumes and agrees to pay all assessments for municipal improvements made after Closing and so much of the real estate taxes assessed for and becoming a lien on the Real Estate during the calendar year in which Closing occurs as shall be allocable to Purchaser after Closing (*i.e.*, prorated to date of Closing). Any taxes not assumed by Purchaser and which are not due and payable at the time of Closing shall be allowed to Purchaser as a credit on the cash payment required at Closing, and Seller shall not be further liable for such taxes; provided, however, that if the actual taxes are not known on the date of Closing, the taxes shall be prorated based upon the prior year’s tax bill and re-prorated upon receipt of the actual tax bills, with payment to be made to the requesting party within ten (10) days after written notice from the requesting party.
8. Closing. If this offer is accepted as herein provided (subject to Purchaser’s rights to terminate this Contract as provided in this Contract), the transaction contemplated hereby shall be closed (the “Closing”) in the offices of the Title Company on or before October 31, 2015 (on a specific date and at a time mutually agreeable to Purchaser and Seller); provided, however, that Purchaser shall have the option to extend Closing by three (3) thirty (30) day extensions. At Closing, Seller agrees to deliver to Purchaser, in accordance with the terms of this Contract, the following:
  - a. a duly authorized and executed general warranty deed in recordable form, conveying good and marketable title to the Real Estate, subject only to current taxes not yet due and payable and the Permitted Exceptions, unless otherwise agreed in writing by Purchaser;
  - b. a duly authorized and executed title affidavit in a form reasonably acceptable to Purchaser and the Title Company;
  - c. an affidavit acceptable to Purchaser, signed by Seller stating that all of Seller’s representations and warranties set forth in this Contract are true and correct in all respects as of the date of Closing;

- d. a non-foreign affidavit in a form satisfactory to Purchaser, stating that Seller is not a "foreign person", as such term is used in § 1445 of the Internal Revenue Code;
  - e. all other documentation which may be required by the Title Company in order to insure Purchaser with good and marketable title to the Real Estate;
  - f. the Title Policy;
  - g. a closing statement; and
  - h. all other documents necessary or appropriate to complete the transaction contemplated by this Contract.
9. Possession. Seller shall deliver exclusive possession of the Real Estate to Purchaser at Closing. The Real Estate shall not be subject to any leases or tenancies as of the date possession is delivered to Purchaser, and Seller hereby agrees to indemnify and hold Purchaser harmless from and against any damages, costs or expenses, including reasonable attorneys' fees, incurred by Purchaser as a result of the existence of any such leases or tenancies.
10. Right of Inspection and Tests. After Seller's acceptance hereof and throughout the term of this Contract, Purchaser and its agents and representatives shall have the right to enter upon the Real Estate to make tests as to the adaptability of the Real Estate for Purchaser's Use, such tests to include without limitation soil borings, surveys, drilling and all tests normally performed for the determination of the suitability of real estate for Purchaser's Use and for the collecting of all information necessary thereto. All such tests made by the Purchaser are to be made at Purchaser's expense, and Purchaser shall be liable for any damage caused to the Real Estate or to any persons thereon during said tests, and hereby agrees to indemnify and hold harmless Seller from and against any such damage or injury or claims and causes of action resulting therefrom.
11. Purchaser Representations and Warranties. As a material inducement to Seller for entering into this Contract, Purchaser represents, warrants and covenants to Seller that Purchaser is knowledgeable and experienced with respect to commercial real estate matters. EXCEPT AS SET FORTH IN SECTION 12, PURCHASER IS PURCHASING THE PROPERTY IN ITS "AS IS" CONDITION WITH NO WARRANTIES BY SELLER AS TO MERCHANTABILITY, HABITABILITY OR FITNESS FOR ANY PARTICULAR USE, it being understood and agreed that Purchaser is relying solely on its own inspections, engineering studies and reports, feasibility studies and examinations of the property in Purchaser's determination of the condition of the property and any improvements, fixtures and equipment to be sold to Purchaser under this contract.



12. Representations and Warranties. As a material inducement to Purchaser for entering into this Contract, Seller hereby represents, warrants and covenants to Purchaser as follows:
- a. To the best of Seller's knowledge, Seller owns good, marketable and indefeasible fee simple title to the Real Estate, subject only to the lien of current, non-delinquent real estate taxes and subject to no easements or other encumbrances which would interfere, prevent or frustrate the use of the Real Estate for Purchaser's Use.
  - b. The improvements on the Real Estate are in poor condition and the Purchaser is directed to make inquiry of the City of Racine as to – violations of any laws, regulations, codes, ordinances, orders or requirements affecting the Real Estate, including, but not limited to applicable laws, regulations, ordinances or requirements relating to ecology, the environment, pollution, health or safety.
  - c. To the best of Seller's knowledge, there is no litigation or proceeding pending or, to the best knowledge of Seller, threatened against or relating to the Real Estate, including, without limitation, any proceedings for condemnation or other exercise of eminent domain.
  - d. To the best of Seller's knowledge, there are no liens or claims which may ripen into liens against the Real Estate other than non-delinquent real estate taxes and those to be released at or before Closing.
  - e. To the best of Seller's knowledge, (i) the Real Estate is not currently, and has never been used as a hazardous waste disposal facility as defined in 40 C.F.R. § 260.10; (ii) the Real Estate is free of any lien or encumbrance which may be created by any applicable state or federal law, statute or regulation pertaining to hazardous waste; (iii) no hazardous waste has been placed onto or into the Real Estate; (iv) the Real Estate has never been used as a landfill or trash dump; and (v) there are no aboveground or underground storage tanks on the Real Estate and any underground storage tanks that were previously located on the Real Estate were removed in accordance with all applicable laws and regulations. For purposes of this provision, the term "hazardous waste" includes those substances listed in 40 C.F.R. § 261.30, or previously determined to be hazardous by any applicable state or federal law, statute or regulation.
  - f. To the best of Seller's knowledge, all utilities presently servicing the Real Estate are operated through valid public or private easements or rights-of-way and all installation and connection charges with respect thereto have been paid in full.

- g. To the best of Seller's knowledge, no assessments for any improvements to the Real Estate have been made against the Real Estate which remain unpaid, including, without limitation, those for construction of sewer and water lines and mains, streets, sidewalks and curbs. There are no improvements which have been ordered to be made for which such assessments will be made or which have not heretofore been completed, assessed and paid for.
- h. There are no contracts for sale, options to purchase, rights of first refusal or any other agreements existing and in force with respect to or in any manner affecting the Real Estate (or any interests therein), with the exception of this Contract.
- i. To the best of Seller's knowledge, the Real Estate is not subject to any condition or obligation to any governmental entity or other person requiring Seller or any transferee to donate land, money or other property or to make off-site public improvements.
- j. There are no parties in possession of any portion of the Real Estate except Seller.
- k. Seller has the legal right, power and authority to enter into this Contract and to perform all of its obligations hereunder.

Seller acknowledges and agrees that it is a condition precedent to Purchaser's obligations under this Contract that these representations and warranties shall be true and correct in all material respects on the date hereof as well as on the Closing date. Any code violations that occur following the execution date of this agreement shall not be subject to these Representations and Warranties.

13. Transfer Fees; Closing Costs; Commissions. At Closing, Seller shall pay the cost of any state and/or local transfer conveyance fees and taxes in the amount required by law and the recording costs associated with recording any documents necessary to cure any exceptions to title to which Purchaser objects. At Closing, Purchaser shall pay the cost of recording or filing the deed. The closing fees of the Title Company shall be shared equally by Seller and Purchaser. All other closing costs and expenses shall be paid by the party incurring those costs and expenses.

Seller and Purchaser hereby acknowledge and agree that Marty Defatte of Shorewest Realtors ("Seller's Agent") has acted as a sales agent for Seller in regards to this transaction. Seller shall pay all brokerage commissions due and payable to Seller's Agent at Closing. Other than such commissions due to Seller's Agent, Seller and Purchaser represent and warrant to each other that they have dealt with no broker, finder or other person with respect to this Contract or the transactions contemplated hereby and, insofar as they know, no broker, finder

or other person is entitled to any commission or finder's fee in connection herewith. Seller and Purchaser each agree to indemnify and hold harmless one another against any loss, liability, damage or claim incurred by reason of any other brokerage commission or finder's fee alleged to be payable because of any act, omission or statement of the indemnifying party. Such indemnity obligations shall be deemed to include the payment of reasonable attorneys' fees and court costs incurred in defending any such claim, and shall survive the closing hereof.

14. Condemnation. If prior to Closing the Real Estate shall be subjected to a taking, either total or partial, by eminent domain, condemnation, or for any public or quasi-public use, Purchaser shall have the right to either (i) terminate this Contract by providing written notice thereof to Seller at the place designated herein for such notices, or (ii) proceed to close the transaction contemplated by this Contract, in which event Seller shall assign to Purchaser at Closing all of the condemnation awards from such condemnation action.
15. Notices. All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly and properly given on the date of service if delivered personally, or sent by facsimile with electronic confirmation of receipt by the recipients, or, if mailed, on the second day after such notice is deposited in a receptacle of the United States Postal Service, registered or certified mail, first class postage prepaid, return receipt requested, or on the first day after deposit with a nationally-recognized overnight delivery service (e.g., FedEx), in all events addressed appropriately as follows:

If to Seller: Summit Industrial Park LLC  
1900 Clark Street  
Racine, WI 53403  
Attn: Barbara J Lange  
Fax: 262-635-7540

If to Purchaser: Herman & Kittle Properties, Inc.  
500 East 96th Street, Suite 300  
Indianapolis, IN 46240  
Attn: Jeffrey L. Kittle  
Fax: 317-663-6800

With a copy to: Herman & Kittle Properties, Inc.  
500 East 96th Street, Suite 300  
Indianapolis, IN 46240  
Attn: David Thompson, Esq.  
Fax: 317-663-6815

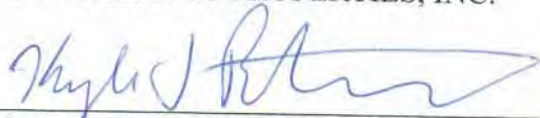
Either party may change its address for purposes of this Paragraph by giving the other party written notice of the new address in the manner set forth above.

16. Assignment; Entirety of Agreement; Amendments. This Contract shall be assignable by Purchaser and shall be binding upon and inure to the benefit of the respective heirs, representatives, successors and assigns of the parties hereto. This Contract embodies the entire agreement between the parties hereto and there are no representations, promises, understandings or agreements, oral or written, between the parties which are not set forth herein. This Contract may be amended only by a written instrument signed by Purchaser and Seller.
17. Survival. All of the representations, warranties and covenants of Seller stated herein shall survive the Closing and the conveyance of the Real Estate to Purchaser and shall be binding upon and inure to the parties hereto and their respective heirs, successors, and assigns.
18. Governing Law. This Contract shall be construed and enforced in accordance with the laws of the State of Wisconsin.
19. Attorneys' Fees. In the event of any controversy, claim, or dispute between Purchaser and Seller arising out of or related to this Contract or the breach thereof, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, legal assistant fees, costs and expenses.
20. Counterparts. This Contract may be executed in any number of counterparts with the same effect as if all such parties executed the same document. All such counterparts shall constitute one agreement.
21. Duration of Offer. This offer shall expire if written acceptance endorsed hereon is not delivered to Purchaser at the address stated above on or before 5:00 p.m., November 26, 2014.

Dated November 21, 2014.

“PURCHASER”

HERMAN & KITTLE PROPERTIES, INC.

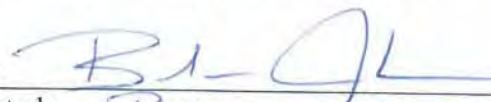
By:   
Kyle J. Peterson, Vice President of Development

ACCEPTANCE OF OFFER

The undersigned hereby accepts the foregoing offer this 26<sup>th</sup> day of NOVEMBER,  
2014.

“SELLER”

SUMMIT INDUSTRIAL PARK LLC

By:   
Printed: BARBARA J. LANGE  
Title: FINANCE DIRECTOR / CO-TRUSTEE

**EXHIBIT A**

**Real Estate**



# Title Report



**First American Title Insurance Company National Commercial Services  
251 East Ohio Street, Suite 200, Indianapolis, IN 46204  
(317)829-6720 - Fax (714)481-4527**

COMMITMENT FOR TITLE INSURANCE

Issued by

**First American Title Insurance Company**

Agreement to Issue Policy

We agree to issue a policy to you accordingly to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.



**SCHEDULE A**

1. Commitment Date: December 08, 2014 at 7:30 A.M.

2. Policy or Policies to be issued:	Amount
(A) ALTA Owners Policy	\$236,000.00
Proposed Insured: Herman & Kittle Properties, Inc.	
(B) ALTA Loan Policy	\$0.00
Proposed Insured:  None	

3. (A) The estate or interest in the land described in this Commitment is:  
  
Fee Simple

(B) Title to said estate or interest at the date hereof is vested in:  
  
Summit Industrial Park, LLC

4. The land referred to in this Commitment is situated in the City of Racine, State of Wisconsin, County of Racine, and described as follows:

Tax ID No.: 279-0000-09-059-000 and 279-0000-09-076-000

Property Address: 1520 Clark Street, Racine, WI  
For reference purposes only.

**See Exhibit "A" attached for Legal Description.**

**Exhibit " "**

PARCEL 1:

LOTS 3, 6, 11, 14, 19 AND THE NORTH 1/2 OF LOT 22, BLOCK 84, BLAKE & FISH'S SUBDIVISION OF BLOCKS 77, 83 AND 84, SECTION 16, TOWNSHIP 3 NORTH, RANGE 23 EAST, ACCORDING TO THE RECORDED PLAT THEREOF. SAID LAND BEING IN THE CITY OF RACINE, COUNTY OF RACINE AND STATE OF WISCONSIN.

ALSO:

PART OF BLAKE STREET VACATED, BOUNDED AS FOLLOWS: BEGIN AT THE NORTHWEST CORNER OF LOT 3, BLOCK 84, BLAKE AND FISH'S SUBDIVISION OF BLOCKS 77, 83 AND 84, SECTION 16, TOWNSHIP 3 NORTH, RANGE 23 EAST, RUN THENCE WEST 20 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF LOTS 3, 6, 11, 14, 19 AND THE NORTH 1.2 OF LOTS 22, 222.1 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE NORTH 1/2 OF LOT 22, EXTENDED WEST; THENCE EAST TO THE WEST LIEN OF SAID LOT 22; THENCE NORTH ALONG THE WEST LINE OF SAID LOTS 22, 19, 14 11, 6 AND 3, 222.1 FEET, MORE OR LESS, TO THE PLACE OF BEGINNING. SAID LAND BEING IN THE CITY OF BURLINGTON, COUNTY OF RACINE AND STATE OF WISCONSIN.

ALSO:

ALL THAT PART OF BLOCK 84, BLAKE & FISH'S SUBDIVISION OF PART OF THE BLOCKS 77, 83 AND 84, AND ALL THAT PART OF BLOCK 84 OUTSIDE OF SAID BLAKE & FISH'S SUBDIVISION, ALL IN SECTION 16, TOWNSHIP 3 NORTH, RANGE 23 EAST, AS RETURNED BY THE APPRAISERS OF SCHOOL AND UNIVERSITY LANDS TO THE OFFICE OF THE SECRETARY OF STATE OF THE STATE OF WISCONSIN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGIN AT A POINT ON THE NORTH LINE OF SIXTEENTH STREET AT THE EASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; RUN THENCE EAST ALONG THE NORTH LINE OF SAID SIXTEENTH STREET, 294.5 FEET TO A POINT THAT IS 30 FEET WEST OF THE SOUTHEAST CORNER OF LOT 42, OF BLOCK 84 OF SAID SUBDIVISION; THENCE NORTH PARALLEL TO THE WEST LINE OF CLARK STREET, 121.05 FEET TO THE SOUTH LINE OF LOT 33 OF BLOCK 84 OF SAID SUBDIVISION; THENCE WEST ALONG SAID SOUTH LINE 70 FEET TO THE SOUTHWEST CORNER OF SAID LOT 33; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 33, 35.15 FEET; THENCE NORTH 40 DEG. 0' EAST 17.23 FEET TO A POINT THAT IS 8 FEET DUE NORTH OF THE NORTH LINE OF SAID LOT 33; THENCE EAST PARALLEL TO SAID NORTH LINE OF SAID LOT 33, 88.92 FEET TO THE WEST LINE OF CLARK STREET; THENCE NORTH ALONG THE WEST LINE OF CLARK STREET, 92.7 FEET TO THE NORTHEAST CORNER OF THE SOUTH 20 FEET OF LOT 22 OF BLOCK 84 OF SAID SUBDIVISION; THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID LOT 22, 120 FEET TO THE CENTERLINE OF BLAKE STREET ALSO CALLED HIGGINS STREET, WHICH STREET WAS DULY VACATED BY THE CITY OF RACINE BY ORDINANCE PASSED JANUARY 20, 1920 AND APPROVED JANUARY 21, 1920; THENCE NORTH ALONG SAID CENTERLINE, 222.10 FEET TO THE SOUTH LINE OF FIFTEENTH STREET; THENCE WESTERLY ALONG THE SOUTH LINE OF FIFTEENTH STREET, 125.67 FEET TO THE EASTERLY LINE OF RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE SOUTHWESTERLY ALONG SAID EASTERLY LINE OF SAID RIGHT OF WAY TO THE PLACE OF BEGINNING. SAID LAND BEING IN THE CITY OF RACINE, COUNTY OF RACINE AND STATE OF WISCONSIN.

TAX NO. 276-0000-09-059-000

PARCEL 2:

THAT PART OF LOTS 28 AND 33, BLOCK 84, BLAKE AND FISH'S SUBDIVISION OF PART OF BLOCK 77, 83 AND 84, SECTION 16, TOWNSHIP 3 NORTH, RANGE 23 EAST, ACCORDING TO THE RECORDED PLAT OF SAID SUBDIVISION BOUNDED AS FOLLOWS: BEGIN AT THE SOUTHEAST CORNER OF SAID LOT 33; RUN THENCE WEST 100 FEET TO THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH ALONG

THE WEST LINE OF SAID LOT 35.15 FEET; THENCE NORTH 40 DEG. EAST 17.23 FEET TO A POINT 8 FEET DUE NORTH OF THE SOUTH LINE OF SAID LOT 28; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID LOT, 88.92 FEET TO THE EAST LINE OF SAID LOT; THENCE SOUTH ALONG THE EAST LINE OF SAID LOTS 28 AND 33, 48.45 FEET TO THE PLACE OF BEGINNING. SAID LAND BEING IN THE CITY OF RACINE, COUNTY OF RACINE AND STATE OF WISCONSIN.

TAX NO. 276-0000-09-076-000

**SCHEDULE B**  
**SECTION ONE**  
**REQUIREMENTS**

The following requirements must be met:

- (A) Pay the agreed amount for the interest in the land and/or the mortgage to be insured.
  - (B) Pay us the premiums, fees and charges for the policy.
  - (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- 
1. Record Warranty Deed from Summit Industrial Park, LLC to Herman & Kittle Properties, Inc..
  2. Furnish a fully executed copy of the Operating Agreement, and any amendments thereto, of Summit Industrial Park, LLC, a limited liability company.
  3. Proper showing as to the current members of Summit Industrial Park, LLC, a limited liability company.

You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

## **SCHEDULE B**

### **SECTION TWO**

#### **EXCEPTIONS**

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Any facts, rights, interests, or claims that are not shown by the public records but that could be ascertained by an inspection of the land or by making inquiry of persons in possession of the land.
2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title including, discrepancies, conflict in boundary lines, shortages in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in the public records.
4. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished imposed by law and not shown in the public records.
5. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
6. Special taxes, assessments or charges, if any.
7. Taxes, general and special for the year 2015, not now due and payable.
8. Easements, if any, of the public or any school district, utility, municipality or person, as provided in Section 66.1005(2)(a) of the Statutes, for the continued use and right of entrance, maintenance, construction and repair of underground or overground structures, improvements or service in that portion of the captioned premises which were formerly a part of alley or street or public way, now vacated.
9. Rights and Easements, if any, in and to any and all railroad switches, sidetracks, spur tracks and rights of way located upon or appurtenant to the property described in Schedule A.
10. A financing statement recorded December 3, 2009 as Document No. [2235748](#) of Official Records.  
Debtor: Summit Industrial Park, LLC  
Secured party: Johnson Bank
11. Right to a lien for unpaid commissions, if any, in favor of any real estate broker for the property, pursuant to Section 779.32, Wis. Stats. This exception will be removed on receipt by the Company of satisfactory affidavits of the present owner and purchaser that no such commissions are owed, or that commissions will be paid at closing. No broker lien or notice of intent to file lien has been recorded as of the effective date of this commitment to insure.

12. Payment of taxes and assessments, general or special, for the year 2014, unless a tax receipt showing full payment is presented. (NOTE: 2014 tax bills will be sent out in December 2014 and are due and payable on or before January 31, 2015.)

## CONDITIONS

1. **DEFINITIONS**

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
- (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. **LATER DEFECTS**

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. **EXISTING DEFECTS**

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you know of this information and did not tell us about it in writing.

4. **LIMITATION OF OUR LIABILITY**

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to;

comply with the Requirements shown in Schedule B - Section One  
or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. **CLAIMS MUST BE BASED ON THIS COMMITMENT**

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

## Privacy Policy

### **We Are Commitment to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

### **Applicability**

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

### **Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### **Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, and escrow companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### **Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### **Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



## SECTION 3 NEED & POPULATIONS SERVED

### Population Narrative

1. Describe the target population to be served.

The development will be for general occupancy/family housing targeting Veterans. The 19 30% AMHI units will target tenants with a supportive housing need. Supportive services will be coordinated by Lutheran Social Services of Wisconsin and Upper Michigan Inc.

### Special Needs

2. Will this project serve Special Needs populations? Yes  No

3. Special Needs Populations to be served (Check all that apply).

- Developmentally Disabled
- HIV/AIDS
- Domestic Violence
- Substance Abuse
- Chronically Mentally Ill
- Physically Disabled
- Youth Under 18
- Youth 18-24
- Frail Elderly
- Veteran
- Other Special Needs (please explain)

4. If Special Needs Populations will be served, will the project require licensing? Yes  No

a. Current status of license

- Approved
- Pending approval. Date license approval expected: 1/1/2001
- Other (please explain)

5. Is your organization working with a referral service entity on this project? Yes  No

6. State the name of the referral entity:

7. If a working arrangement with a referral service entity has not been established, briefly state why not.

### Homeless

8. Will this project serve homeless individuals and/or families? Yes  No

9. Does your organization and/or your partnering service provider currently Yes  No

participate in your local Homeless Management Information System?

a. If not, when do you expect to begin?

**Services**

10. Will this project provide services (e.g. Child Care, Case Management, Transportation)? Yes  No

*If yes, you must complete the Services portion of this Application (Tab 10: Section 10 and Forms 10A & 10B)*

**Form of Housing**

11. Describe how the proposed housing units will meet the needs of the targeted population(s) (individual/family apartments, shared housing, etc.):

The development will include individual apartments, ranging from one to three bedrooms, to fit the needs of individuals and families of different sizes.

**Community Priorities**

12. Does this project meet the objectives of any of the local, state or federal plans listed below? (check all that apply)

- Consolidated Plan
- 10 Year Plan to End Homelessness
- Comprehensive plan/Housing element
- Other:

CD Staff Note: Also helps implement Uptown Plan

13. Please list the ways in which your project will meet the plan(s) checked. If none of the plans apply, describe how your project will fulfill a perceived need for affordable housing in the community. Be specific.

The City of Racine completed a Comprehensive Plan in 2009, which seeks to “promote the development of housing for residents of the City and provide a range of housing choices that meet the needs of persons of all income levels and age groups and persons with special needs.” (p VIII-1). The Plan further emphasizes the need for affordable housing, calling for the provision of “an adequate supply of affordable housing for individuals of all income levels throughout each community.” (p VIII-2). 1520 Clark Street will increase the availability of quality housing for several different family sizes at a range of income levels at a superior location and with a range of on-site and neighborhood amenities.

**Market Study**

14. Is a market study required for this project?<sup>1</sup> Yes  No

15. If a market study is required, provide the information requested below.

<sup>1</sup> A market study is required for all LIHTC projects

- a. Date of Market Study 1/12/2015
- b. Absorption Rate 5-6 months Page Number in Market Study: II-1
- c. Capture Rate 1.6% - LIHTC; 0.4% - Market Page Number in Market Study: II-10
- d. Vacancy Rate 3.5-4.7% on avg. for the market Page Number in Market Study: VII-3

16. Complete the following table using data provided in your market study:

<b>Bedrooms</b> <i>(indicate number of bedrooms and square footage in each unit size)</i>	<b>Income Level</b> <i>(indicate income level for each unit size)</i>	<b>Proposed Rents in Project by Unit Size</b>	<b>Maximum Allowable Restricted Rents</b>	<b>Unrestricted Market Rents</b>	<b>Achievable Restricted Rents</b>
1, 807 SF	30%, 60%, MKT	\$243, \$598, \$850	\$386, \$772, N/A	\$850	\$243, \$598
2, 960 SF	30%, 50%, 60%, MKT	\$275, \$584, \$702, \$1060	\$463, \$772, \$927	\$1060	\$463, \$772, \$927
3, 1127 SF	50%, 60%	\$661, \$798	\$891, \$1070	\$1145	\$891, \$1070

17. Please explain how the project rents have been determined.

Project Rents were determined using HUD’s LIHTC rent limits, Housing Authority of Racine County 2015 Utility Allowance Schedule, and market rent analysis.

**Attachments**

<input checked="" type="checkbox"/> Market Study
<input type="checkbox"/> Consistency with Consolidated Plan Letter
<input type="checkbox"/> Consistency with local 10-Year Plan to End Homeless letter

# Market Study

\*sent separately due to file size

## SECTION 4 RELOCATION

1. Does this project involve the acquisition of existing multi-family housing?  
(If no, skip to Section 5) Yes  No
2. Have existing tenant incomes been verified? Yes  No
3. Explain the income verification process and the strategy for addressing any current residents who are not eligible to remain in the building.

Overwrite this text with your answer

### Type of Relocation

4. Will this project involve: Residential tenant relocation? Permanent  Temporary  None   
Commercial tenant relocation? Permanent  Temporary  None
5. What requirements or guidelines govern your relocation plan? (check all applicable)
- Uniform Relocation Act
  - Section 104 [d] (if HOME or CDBG funded)
  - Wisconsin State Department of Transportation
  - Other (please specify):
6. Has the City approved your Relocation plan? Yes  No
7. Have you provided notices to the tenants indicating the type of displacement and benefits provided to tenants? Yes  No
8. Have you identified replacement or temporary units for those who will be displaced? Yes  No
9. Have you determined the tenants' relocation benefits? Yes  No
10. How many tenants will need to be relocated in this project? Residential  Commercial

Please complete the following Excel form and insert it behind Tab 4:  
▶ Form 4, Relocation Budget

### Attachments

<input type="checkbox"/> Tenant Relocation Plan
<input type="checkbox"/> Samples of notices re: displacement and benefits
<input type="checkbox"/> Approval letter from local government agency with jurisdiction over tenant relocation issues

## **SECTION 5 PROJECT SCHEDULE**

Please complete the following Excel form and insert it behind Tab 5:

▶ Form 5, Project Schedule

## Form 5 Project Schedule

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

**Instructions:**

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- For each new task you enter in this column, also enter the appropriate category in the first column.

Category	Tasks	Date Completed or Expected Completion	Status
Site Control	Purchase and Sale Agreement / Option	11/26/2014	<i>Executed Option</i>
Site Control	Maximum Extensions		
Site Control	Closing	10/1/2015	
Feasibility/Due Diligence	Site survey	1/9/2015	<i>completed on schedule</i>
Feasibility/Due Diligence	Market study	1/12/2015	<i>completed on schedule</i>
Feasibility/Due Diligence	Phase I Environmental Assessment	12/16/2014	<i>completed on schedule</i>
Feasibility/Due Diligence	Phase 2 Environmental Assessment	2/26/2015	<i>completed on schedule</i>
Feasibility/Due Diligence	NEPA	N/A	
Feasibility/Due Diligence	Capital needs assessment	N/A	
Feasibility/Due Diligence	Neighborhood notification (if required)	N/A	
Feasibility/Due Diligence	Relocation of existing tenants	N/A	
Financing	Appraisal	1/26/2015	<i>completed on schedule</i>
Financing	Financial underwriting	1/28/2015	<i>completed on schedule</i>
Financing	Application for funding (specify source):*	1/30/2015	WHEDA 9% LIHTC
Financing	Application for funding (specify source):	5/1/2015	Racine HOME
Financing	Application for funding (specify source):	6/26/2015	FHLBC AHP Grant
Financing	Construction cost estimate	1/15/2015	<i>completed on schedule</i>
Financing	Lender selection	9/1/2015	



## Form 5 Project Schedule

Category	Tasks	Date Completed or Expected Completion	Status
Financing	Funding for services	N/A	
Financing	Award date for funding source (specify):*	4/23/2015	WHEDA 9% LIHTC, award granted
Financing	Award date for funding source (specify):	8/1/2015	Racine HOME
Financing	Award date for funding source (specify):	12/1/2015	FHLBC AHP Grant
Design/Permitting	Preliminary drawings completed	11/24/2014	<i>completed on schedule</i>
Design/Permitting	Zoning approval	1/14/2015	<i>completed on schedule</i>
Design/Permitting	Site plan approval	6/1/2015	
Design/Permitting	Building permit application submitted	8/1/2015	
Design/Permitting	Building permits issued	10/1/2015	
Design/Permitting	Submit Evergreen Project Plan	N/A	
Design/Permitting	Final Plans and Specs Completed	9/15/2015	
Construction	Selection of general contractor	1/1/2015	<i>completed on schedule</i>
Construction	Begin construction	10/15/2015	
Construction	Issued certificate of occupancy	1/30/2017	
Occupancy	Selection of management entity	1/1/2015	<i>completed on schedule</i>
Occupancy	Selection of service providers	1/1/2015	<i>completed on schedule</i>
Occupancy	Begin lease-up	10/1/2016	
Occupancy	Placed in service - 1st Building	2/1/2017	
Occupancy	Placed in service - Last Building	2/1/2017	
Occupancy	Projected First LIHTC Year	2017	

## **SECTION 6 DEVELOPMENT BUDGET**

Please complete the following Excel forms and insert them behind Tab 6:

- ▶ Form 6A, Residential Development Budget
- ▶ Form 6B, Non-Residential Development Budget
- ▶ Form 6C, Development Budget Narrative
- ▶ Form 6D, LIHTC Budget
- ▶ Form 6E, LIHTC Calculation

## Form 6A Residential Development Budget

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

**Instructions:**

- Enter residential costs by source in Columns H, I, J, K, etc. The yellow total cells will autocalculate.
- The green cells contain costs that have been broken into secondary line items to provide further detail. Enter the total residential cost for each secondary line item in the designated box. Allocate sources to the main line items only, not to the secondary line items (e.g allocate sources to Total Purchase Price, but not to Land and Existing Structure costs).
- Add an extra page if more columns are needed. Please do not combine funding sources in a column or enter data into greyed out cells.

<b>Acquisition Costs:</b>	<b>Total Project Cost</b>	<b>Residential Total</b>	<b>LIHTC &amp; Historic Credits</b>	<b>Perm Debt</b>	<b>AHP</b>	<b>Deferred Fee</b>	<b>Racine HOME funds</b>	<b>GP Contribution</b>
Total Purchase Price:	\$236,000	\$236,000		\$236,000				
Land	\$36,250							
Existing Structure	\$199,750							
Liens	\$0	\$0						
Closing, Title & Recording Costs	\$10,000	\$10,000	\$10,000					
Extension payment	\$0	\$0						
Other: _____	\$0	\$0						
<b>SUBTOTAL</b>	<b>\$246,000</b>	<b>\$246,000</b>	<b>\$10,000</b>	<b>\$236,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Construction:</b>								
Demolition	\$650,519	\$650,519	\$650,519					
Total Construction Contract:	\$7,925,400	\$7,925,400	\$6,039,428	\$596,872	\$850,000		\$439,000	\$100
New Building	\$7,167,454							
Rehab	\$0							
Contractor Profit	\$571,260							
Contractor Overhead	\$186,686							
Total Contingency:	\$1,172,153	\$1,172,153	\$1,172,153					
New Construction Contingency	\$1,172,153 (___%)							
Rehab Contingency	\$0 (___%)							
Accessory Building	\$0	\$0						
Site Work / Infrastructure	\$1,125,475	\$1,125,475	\$1,125,475					
Off site Infrastructure	\$0	\$0						
Environmental Abatement (Building)	\$0	\$0						
Environmental Abatement (Land)	\$0	\$0						
Sales Tax (___%)	\$0	\$0						
Bond Premium	\$0	\$0						
Equipment and Furnishings	\$390,872	\$390,872	\$390,872					
Other Construction Costs: ___ Construction Draw Fee	\$2,500	\$2,500	\$2,500					
Other Construction Costs: _____	\$0	\$0						
<b>SUBTOTAL</b>	<b>\$11,266,919</b>	<b>\$11,266,919</b>	<b>\$9,380,947</b>	<b>\$596,872</b>	<b>\$850,000</b>	<b>\$0</b>	<b>\$439,000</b>	<b>\$100</b>
<b>Soft Costs:</b>								
Appraisal	\$6,000	\$6,000	\$6,000					
Market Study	\$10,000	\$10,000	\$10,000					
Architect	\$259,000	\$259,000	\$259,000					

**Form 6A  
Residential Development Budget**

	Total Project Cost	Residential Total	LIHTC & Historic Credits				Racine HOME funds	GP Contribution
			LIHTC & Historic Credits	Perm Debt	AHP	Deferred Fee		
Engineering	\$151,384	\$151,384	\$151,384					
Environmental Assessment	\$15,000	\$15,000	\$15,000					
Geotechnical Study	\$10,000	\$10,000	\$10,000					
Boundary & Topographic Survey	\$10,000	\$10,000	\$10,000					
Total Legal Fees:	\$114,000	\$114,000	\$0	\$114,000				
Real Estate	\$80,000							
Organizational / Syndication	\$19,000							
Financing	\$15,000							
Developer Fee	\$1,450,000	\$1,450,000	\$1,134,635			\$315,365		
Project Management / Development Consultant Fees	\$75,000	\$75,000	\$75,000					
Other Consultants: Green Design Fees, Historic Consultant Fee	\$50,000	\$50,000	\$50,000					
Other: Soft Cost Contingency, Interior Design Fee	\$25,000	\$25,000	\$25,000					
<b>SUBTOTAL</b>	<b>\$2,175,384</b>	<b>\$2,175,384</b>	<b>\$1,746,019</b>	<b>\$114,000</b>	<b>\$0</b>	<b>\$315,365</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Development:</b>								
Real Estate Tax	\$16,000	\$16,000	\$16,000					
Insurance	\$36,221	\$36,221	\$36,221					
Relocation	\$0	\$0						
Bidding Costs	\$0	\$0						
Permits, Fees & Hookups	\$256,596	\$256,596	\$256,596					
Impact/Mitigation Fees	\$0	\$0						
Development Period Utilities	\$0	\$0						
Bridge Loan Fees	\$0	\$0						
Bridge Loan Interest	\$0	\$0						
Construction Loan Fees	\$113,950	\$113,950	\$113,950					
Construction Loan Interest	\$240,000	\$240,000	\$200,000	\$40,000				
Permanent Loan Fees	\$13,700	\$13,700		\$13,700				
Other Loan Fees	\$0	\$0						
State HTF Fees	\$0	\$0						
LIHTC Fees	\$85,928	\$85,928		\$85,928				
LIHTC Nonprofit Donation	\$0	\$0						
Accounting/Audit	\$41,200	\$41,200	\$41,200					
Marketing/Leasing Expenses	\$18,500	\$18,500		\$18,500				
Carrying Costs at Rent up	\$0	\$0						
Operating Reserves	\$245,000	\$245,000		\$245,000				
Replacement Reserves	\$0	\$0						
<b>SUBTOTAL</b>	<b>\$1,067,095</b>	<b>\$1,067,095</b>	<b>\$663,967</b>	<b>\$403,128</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Development Cost:</b>	<b>\$14,755,398</b>	<b>\$14,755,398</b>						
<b>Total Sources:</b>	<b>\$14,755,398</b>	<b>\$14,755,398</b>	<b>\$11,800,933</b>	<b>\$1,350,000</b>	<b>\$850,000</b>	<b>\$315,365</b>	<b>\$439,000</b>	<b>\$100</b>

## Form 6B Non-Residential Development Budget

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

**Instructions:**

- Enter Non-residential costs by source in Columns G, H, I, J, K, etc. The yellow total cells will autocalculate.
- The green cells contain costs that have been broken into secondary line items to provide further detail. Enter the total non-residential cost for each secondary line item in the designated box. Allocate sources to the main line items only, not to the secondary line items (e.g allocate sources to Total Purchase Price, but not to Land and Existing Structure costs).
- Add an extra page if more columns are needed. Please do not combine funding sources in a column or enter data into greyed out cells.

**Acquisition Costs:**

Total Purchase Price:  
     Land \$0  
     Existing Structure \$0  
 Liens  
 Closing, Title & Recording Costs  
 Extension payment  
 Other: \_\_\_\_\_  
**SUBTOTAL**

Non-Residential Total	Source	Source	Source	Source	Source
\$0					
\$0					
\$0					
\$0					
\$0					
\$0	\$0	\$0	\$0	\$0	\$0

**Construction:**

Demolition  
 Total Construction Contract:  
     New Building \$0  
     Rehab \$0  
     Contractor Profit \$0  
     Contractor Overhead \$0  
 Total Contingency:  
     New Construction Contingency \$0 ( \_\_%)  
     Rehab Contingency \$0 ( \_\_%)  
 Accessory Building  
 Site Work / Infrastructure  
 Off site Infrastructure  
 Environmental Abatement (Building)  
 Environmental Abatement (Land)  
 Sales Tax ( \_\_%)  
 Bond Premium  
 Equipment and Furnishings  
 Other Construction Costs: \_\_\_\_\_  
 Other Construction Costs: \_\_\_\_\_  
**SUBTOTAL**

\$0					
\$0					
\$0					
\$0					
\$0					
\$0					
\$0					
\$0					
\$0					
\$0	\$0	\$0	\$0	\$0	\$0

**Soft Costs:**

Appraisal \$0

\$0					
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**Form 6B  
Non-Residential Development Budget**

	Non-Residential Total					
		Source	Source	Source	Source	Source
Market Study	\$0					
Architect	\$0					
Engineering	\$0					
Environmental Assessment	\$0					
Geotechnical Study	\$0					
Boundary & Topographic Survey	\$0					
Total Legal Fees:	\$0					
Real Estate	\$0					
Organizational / Syndication	\$0					
Financing	\$0					
Developer Fee	\$0					
Project Management / Development Consultant Fees	\$0					
Other Consultants: _____	\$0					
Other: _____	\$0					
<b>SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Development:</b>						
Real Estate Tax	\$0					
Insurance	\$0					
Relocation	\$0					
Bidding Costs	\$0					
Permits, Fees & Hookups	\$0					
Impact/Mitigation Fees	\$0					
Development Period Utilities	\$0					
Bridge Loan Fees	\$0					
Bridge Loan Interest	\$0					
Construction Loan Fees	\$0					
Construction Loan Interest	\$0					
Permanent Loan Fees	\$0					
Other Loan Fees	\$0					
LIHTC Fees	\$0					
LIHTC Nonprofit Donation	\$0					
Accounting/Audit	\$0					
Marketing/Leasing Expenses	\$0					
Carrying Costs at Rent up	\$0					
Operating Reserves	\$0					
Replacement Reserves	\$0					
<b>SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Non-Residential Development Cost:</b>	<b>\$0</b>					
<b>Total Non-Residential Sources:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Form 6C Development Budget Narrative

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

**Instructions:**  
 • For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates.

	Total Residential Cost	Explanation
<b>Acquisition Costs:</b>		
Total Purchase Price:	\$236,000	
Land	\$36,250	Total purchase price was negotiated with the seller and is reflected in the purchase contract, executed 11/
Existing Structure	\$199,750	
Liens	\$0	
Closing, Title & Recording Costs	\$10,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Extension payment	\$0	
Other: _____	\$0	

<b>Construction:</b>		
Demolition	\$650,519	Construction costs were estimated by Herman & Kittle's construction estimating team 1/13/14.
Total Construction Contract:	\$7,925,400	Construction costs were estimated by Herman & Kittle's construction estimating team 1/13/14.
New Building	\$7,167,454	
Rehab	\$0	
Contractor Profit	\$571,260	
Contractor Overhead	\$186,686	
Total Contingency:	\$1,172,153	Contingency is 12.5%, WHEDA requires a minimum of 10% for adaptive reuse projects
New Construction Contingency	\$1,172,153	<i>if not 10%, please explain here</i>
Rehab Contingency	\$0	<i>if not 15%, please explain here</i>
Accessory Building	\$0	
Site Work / Infrastructure	\$1,125,475	Site costs were estimated by Herman & Kittle's construction estimating team 1/13/14.
Off site Infrastructure	\$0	
Environmental Abatement (Building)	\$0	
Environmental Abatement (Land)	\$0	
Sales Tax	\$0	
Bond Premium	\$0	
Equipment and Furnishings	\$390,872	Construction costs were estimated by Herman & Kittle's construction estimating team 1/13/14.
Other Construction Costs: ___ Construction Draw Fee _____	\$2,500	Estimated by Kyle Peterson based on historical costs 1/28/15
Other Construction Costs: _____	\$0	

<b>Soft Costs:</b>		
Appraisal	\$6,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Market Study	\$10,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Architect	\$259,000	Estimated by Kyle Peterson based on historical costs 1/28/15

## Form 6C Development Budget Narrative

	Total Residential Cost	Explanation
Engineering	\$151,384	Estimated by Kyle Peterson based on historical costs 1/28/15
Environmental Assessment	\$15,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Geotechnical Study	\$10,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Boundary & Topographic Survey	\$10,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Total Legal Fees:	\$114,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Real Estate	\$80,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Organizational / Syndication	\$19,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Financing	\$15,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Developer Fee	\$1,450,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Project Management / Development Consultant Fees	\$75,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Other Consultants: Green Design Fees, Historic Consultant Fees	\$50,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Other: Soft Cost Contingency, Interior Design Fee	\$25,000	Estimated by Kyle Peterson based on historical costs 1/28/15

**Other Development:**

Real Estate Tax	\$16,000	Estimated by Kyle Peterson based on historical costs 1/28/15
Insurance	\$36,221	Estimated by Kyle Peterson based on historical costs 1/28/15
Relocation	\$0	
Bidding Costs	\$0	
Permits, Fees & Hookups	\$256,596	Estimated by Kyle Peterson based on city estimates 1/28/15
Impact/Mitigation Fees	\$0	
Development Period Utilities	\$0	
Bridge Loan Fees	\$0	
Bridge Loan Interest	\$0	
Construction Loan Fees	\$113,950	Estimated by Kyle Peterson based on historical costs 1/28/15
Construction Loan Interest	\$240,000	Estimated by Kyle Peterson based on current market rates and terms 1/28/15
Permanent Loan Fees	\$13,700	Estimated by Kyle Peterson based on current market rates and terms 1/28/15
Other Loan Fees	\$0	Estimated by Kyle Peterson based on current market rates and terms 1/28/15
State HTF Fees	\$0	
LIHTC Fees	\$85,928	based on WHEDA's fee requirements
LIHTC Nonprofit Donation	\$0	
Accounting/Audit	\$41,200	Estimated by Kyle Peterson based on historical costs 1/28/15
Marketing/Leasing Expenses	\$18,500	Estimated by Kyle Peterson based on historical costs 1/28/15
Carrying Costs at Rent up	\$0	
Operating Reserves	\$245,000	based on 6 months operating expenses
Replacement Reserves	\$0	



# Form 6D LIHTC Budget

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

- Instructions:**
- Fill out this Form only if your project plans to be financed with Low-Income Housing Tax Credits.
  - Enter eligible basis cost items. All other cells with autopopulate.
  - Do not enter any data in the blacked out cells.
  - Italicized items are considered *Intermediary Costs* or *Capitalized Reserves* and may not be included in Eligible Basis or in the Total Project Costs for the purposes of the Equity Gap Calculation.

	Eligible Basis	Rehab / New Construction
<b>Acquisition Costs:</b>		
Total Purchase Price:	\$36,250	
Land		
Existing Structure	\$199,750	\$0
Liens	\$0	
Closing, Title & Recording Costs	\$10,000	
Extension payment	\$0	
Other: _____	\$0	
<b>SUBTOTAL</b>	<b>\$246,000</b>	<b>\$0</b>

<b>Construction:</b>		
Demolition	\$650,519	\$650,519
Total Construction Contract:		
New Building	\$7,167,454	\$6,992,454
Rehab	\$0	\$0
Contractor Profit	\$571,260	\$571,260
Contractor Overhead	\$186,686	\$186,686
Total Contingency:		
New Construction Contingency	\$1,172,153	\$1,172,153
Rehab Contingency	\$0	\$0
Accessory Building	\$0	\$0
Site Work / Infrastructure	\$1,125,475	\$1,125,475
Off site Infrastructure	\$0	
Environmental Abatement (Building)	\$0	\$0
Environmental Abatement (Land)	\$0	\$0
Sales Tax	\$0	\$0
Bond Premium	\$0	\$0
Equipment and Furnishings	\$390,872	\$390,872
Other Construction Costs: _____	\$2,500	\$2,500
Other Construction Costs: _____	\$0	\$0
Construction Draw Fee _____		
<b>SUBTOTAL</b>	<b>\$11,266,919</b>	<b>\$11,091,919</b>

<b>Soft Costs:</b>		
Appraisal	\$6,000	
Market Study	\$10,000	\$10,000
Architect	\$259,000	\$259,000
Engineering	\$151,384	\$151,384
Environmental Assessment	\$15,000	\$15,000
Geotechnical Study	\$10,000	\$10,000
Boundary & Topographic Survey	\$10,000	\$10,000
Total Legal Fees:		
Real Estate	\$80,000	
Organizational / Syndication	\$19,000	\$80,000

**Form 6D  
LIHTC Budget**

Financing  
 Developer Fee  
 Project Management / Development Consultant Fees  
 Other Consultants: Green Design Fees, Historic Consultant Fee  
 Other: Soft Cost Contingency, Interior Design Fee  
 SUBTOTAL

	Residential Total	Eligible Basis Acquisition	Rehab / New Construction
	\$15,000		
	\$1,450,000		\$1,450,000
	\$75,000		\$75,000
	\$50,000		\$50,000
	\$25,000		\$25,000
	\$2,175,384	\$0	\$2,135,384

**Other Development:**

Real Estate Tax  
 Insurance  
 Relocation  
 Bidding Costs  
 Permits, Fees & Hookups  
 Impact/Mitigation Fees  
 Development Period Utilities  
 Bridge Loan Fees  
 Bridge Loan Interest  
 Construction Loan Fees  
 Construction Loan Interest  
 Permanent Loan Fees  
 Other Loan Fees  
 State HTF Fees  
 LIHTC Fees  
 LIHTC Nonprofit Donation  
 Accounting/Audit  
 Marketing/Leasing Expenses  
 Carrying Costs at Rent up  
 Operating Reserves  
 Replacement Reserves  
 SUBTOTAL

	\$16,000		\$16,000
	\$36,221		\$36,221
	\$0		\$0
	\$0		\$0
	\$256,596		\$256,596
	\$0		\$0
	\$0		\$0
	\$0		\$0
	\$0		\$0
	\$113,950		\$113,950
	\$240,000		\$216,862
	\$13,700		
	\$0		\$0
	\$0		
	\$85,928		
	\$0		
	\$41,200		\$41,200
	\$18,500		
	\$0		
	\$245,000		
	\$0		
	\$1,067,095	\$0	\$680,829

<b>TOTALS</b>	<b>\$14,755,398</b>	<b>\$0</b>	<b>\$13,908,132</b>
Total Residential Project Cost	\$14,755,398		
less Total Intermediary Costs and Reserves	(\$264,000)		
<b>Total LIHTC Project Costs</b>	<b>\$14,491,398</b>		

## Form 6E LIHTC Calculation

**Please note:** Because LIHTC Policies are updated annually, this form will be updated at that time. Please use the revised form for submitting with your LIHTC application.

Applicant Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

- Instructions:**
- Fill out this Form only if your project plans to be financed with Low-Income Housing Tax Credits.
  - **Input data only in the cells shaded green.** All other cells with autocalculate.

**DDA, QCT or eligible Rural Area**

Is project located in a DDA, QCT or eligible area as defined in LIHTC Policies? YES

**Eligible Basis Credit Calculation**

	Acquisition	Rehab/New Construction
<b>Total Eligible Basis</b>	\$0	\$13,908,132
Less Federal Grants and/or below-market Federal Loans	\$0	\$0
Less non-qualified, non-recourse financing	\$0	\$0
Less costs of non-qualifying Units of higher quality or excess costs of non-qualifying Units	\$0	\$0
Less Historic Rehabilitation Tax Credit (Residential Portion only)	\$0	(\$2,476,997)
<b>Adjusted Eligible Basis</b>	\$0	\$11,431,135
Adjusted Eligible Basis	\$0	\$11,431,135
* DDA, QCT, or Rural Area Adjustment (100% or 130%)	100%	130%
* Applicable Fraction (lesser of Project's Unit Fraction or Floor Space Fraction)	100%	88%
<b>Qualified Basis</b>	\$0	\$13,053,121
Qualified Basis	\$0	\$13,053,121
* Applicable Percentage	4%	7.51%
<b>Maximum Annual Credit Amount Requested based on Qualified Basis</b>	\$0	\$980,289.37
<b>Total Maximum Annual Credit Amount Requested based on Qualified Basis (4% + 9% credit)</b>		<b>\$980,289</b>

**Equity Gap Calculation**

Residential Permanent Financing less LIHTC Equity (from Form 7)	\$7,041,510
Less Residential Sources used for Intermediate Costs, Reserves, and Donation	(\$264,000)
Total Residential Sources available for LIHTC Project Costs	\$6,777,510
Total LIHTC Project Costs (from Form 6D)	\$14,491,398
Less Total Residential Sources available for LIHTC Project Costs	(\$6,777,510)
<b>Equity Gap</b>	<b>\$7,713,888</b>
Equity Gap	\$7,713,888
Tax Credit Factor (Minimum \$0.65)	\$0.960
Divided by 10 Years	10
<b>Maximum Annual Credit Amount based on Equity Gap</b>	<b>\$803,530</b>

**Maximum Credit per Low-Income Housing Unit Calculation**

Number of Low Income Housing Units (from Form 1C)	65
<b>Credit Per Low-Income Housing Unit</b>	<b>\$123,620</b>

**Credit Requested Per Low Income Housing Unit** \$123,620

## **SECTION 7 PROJECT FINANCING**

### **UNIQUE FINANCING CIRCUMSTANCES**

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1. Please describe any unique financing details or structures as they pertain to this project.

The proposed project will be financed using conventional debt, HOME funds, 9% LIHTC equity, Historic Tax Credit equity, a grant from the Federal Home Loan Bank of Chicago's Affordable Housing Program, and deferred developer fee.

Please complete the following Excel form and insert it behind Tab 7:

▶ Form 7, Financing Sources

### **Attachments**

Funding commitment letters

Discussion of status of investor negotiations, if LIHTC

## Form 7 Financing Sources

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

### Bridge Financing

Source	Proposed Amount	Committed Amount	Interest Rate	Loan Term	Amortization Period	Source of Repayment
Construction loan	\$10,322,512	\$0	3.5	24 months	Interest Only	LIHTC Equity
<b>Total of all Bridge Financing</b>	<b>\$ 10,322,512.00</b>	<b>\$ -</b>				

### Permanent Financing - Residential

Residential Sources	Proposed Amount	Committed Amount	Grant or Loan	Public or Private	Interest Rate	Loan Term	Amortization Period	Repayment Structure (e.g. deferred, cash flow only, etc.)
Historic Tax Credits	\$4,087,045	\$0		Public				
GP Contribution	\$0	\$100		Private				
FHLBC AHP Grant	\$850,000	\$0	Grant	Private				
Deferred Developer Fee	\$315,365	\$0		Private				
Permanent loan	\$1,350,000	\$0	Loan	Private	5.9	35	35	fully amortizing
Racine HOME	\$439,000	\$0	Grant	Public				
<b>Subtotal Residential Permanent Financing</b>	<b>\$ 7,041,410.00</b>	<b>\$ 100.00</b>						

Expected LIHTC Equity *from LIHTC Calculation* **\$ 7,713,888.00**

**Total Residential Sources** **\$ 14,755,398.00**

**Total Residential Development Cost** *from Residential Budget* **\$14,755,398**

## Form 7 Financing Sources

**Permanent Financing - Non-Residential**

Non-Residential Sources	Proposed Amount	Committed Amount	Grant or Loan	Public or Private	Interest Rate	Loan Term	Amortization Period	Repayment Structure <small>(e.g. deferred, cash flow only, etc.)</small>
<b>Total Non-Residential Permanent Financing</b>	<b>\$ -</b>	<b>\$ -</b>						

**Total Non Residential Sources** \$ -

**Total Non-Residential Development Cost** *from NonResidential Budget* \$ -

Note: Please list cash equity contributions as a source of funding where appropriate.

## **SECTION 8 PROJECT OPERATIONS**

Please complete the following Excel forms and insert them behind Tab 8:

- ▶ Form 8A, Proposed Rents
- ▶ Form 8B, Operating and Service Sources
- ▶ Form 8C, Operating Pro Forma
- ▶ Form 8D, Operating Budget Detail

### **Attachment**

Documentation of utility allowance calculations and schedule

**Form 8A  
Proposed Rents**

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
Project Name: 1520 Clark Street

**Instructions:**

\* Rent - if the project includes PHA / HUD / USDA subsidy, include only the subsidy payment amount in column H.  
\*\* Annual Gross Tenant Paid Rental Income will flow into Year 1 "Annual Gross Tenant Paid Rental Income" entered on Operating Pro Forma.  
\*\*\* Annual Gross Rental Subsidy Income will flow into Year 1 "Annual Gross Rental Subsidy Income" entered on Operating Pro Forma.

A	B	C	D	E	F	G	H	I	J	K	L
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Average Square footage of unit	Tenant - Paid Monthly Rent	Tenant - Paid Utilities	Sum of Tenant - Paid Rent and Utilities (E + F)	PHA / HUD / USDA Subsidy Payment *	Gross Monthly Rent (G + H)	Annual Gross Tenant Paid Rental Income ** (B x E) x 12	Annual Gross Rental Subsidy Income *** (B x H) x 12	Annual Gross Rental Income J+K
30%	10	1	807	\$ 243.00	\$ 143.00	\$ 386.00	\$ -	\$ 386.00	\$ 29,160.00	\$ -	\$ 29,160.00
60%	7	1	807	\$ 597.55	\$ 143.00	\$ 740.55	\$ -	\$ 740.55	\$ 50,194.20	\$ -	\$ 50,194.20
30%	9	2	962	\$ 275.00	\$ 188.00	\$ 463.00	\$ -	\$ 463.00	\$ 29,700.00	\$ -	\$ 29,700.00
50%	8	2	962	\$ 584.00	\$ 188.00	\$ 772.00	\$ -	\$ 772.00	\$ 56,064.00	\$ -	\$ 56,064.00
60%	1	2	962	\$ 702.05	\$ 188.00	\$ 890.05	\$ -	\$ 890.05	\$ 8,424.60	\$ -	\$ 8,424.60
50%	16	3	1127	\$ 661.00	\$ 230.00	\$ 891.00	\$ -	\$ 891.00	\$ 126,912.00	\$ -	\$ 126,912.00
60%	14	3	1127	\$ 798.00	\$ 230.00	\$ 1,028.00	\$ -	\$ 1,028.00	\$ 134,064.00	\$ -	\$ 134,064.00
Market Rate Units	3	1	807	\$ 850.00	\$ -	\$ 850.00	\$ -	\$ 850.00	\$ 30,600.00	\$ -	\$ 30,600.00
Market Rate Units	6	2	962	\$ 1,060.00	\$ -	\$ 1,060.00	\$ -	\$ 1,060.00	\$ 76,320.00	\$ -	\$ 76,320.00
<b>Totals</b>	<b>74</b>								<b>\$ 541,438.80</b>	<b>\$ -</b>	<b>\$ 541,438.80</b>



## Form 8B Operating and Service Sources

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

**ANNUAL OPERATING SUBSIDY SOURCES (Do Not Include SERVICE Dollars Here)**

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	

**ANNUAL SERVICE FUNDING SOURCES (Do Not Include OPERATING Dollars Here)**

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Annual Services Funding Sources	\$ -	\$ -	\$ -	

**Form 8C  
Operating Pro Forma**

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

**Instructions:**  
 • Complete all 15 years of the pro forma. Cells shaded green are input cells all others will autocalculate.  
 • If project has rental subsidies, provide two separate pro formas - one with subsidy and one without.

				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>REVENUES</b>										
<b>Residential Income</b>										
		<b>Inflation Factor</b>								
Annual Gross Tenant Paid Rental Income	From Rents	2.00%	per year	\$ 541,438.80	\$ 552,267.58	\$ 563,312.93	\$ 574,579.19	\$ 586,070.77	\$ 597,792.19	\$ 609,748.03
Annual Gross Rental Subsidy Income	From Rents			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Operating Subsidy Sources	From Operating Sources			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other: Parking				\$ 14,448.00	\$ 14,736.96	\$ 15,031.70	\$ 15,332.33	\$ 15,638.98	\$ 15,951.76	\$ 16,270.79
Other: Laundry, Vending, Pet Fees, Admin Fees, and Late Fees				\$ 10,026.00	\$ 10,226.52	\$ 10,431.05	\$ 10,639.67	\$ 10,852.46	\$ 11,069.51	\$ 11,290.90
<b>Total Residential Income</b>			=	\$ 565,912.80	\$ 577,231.06	\$ 588,775.68	\$ 600,551.19	\$ 612,562.21	\$ 624,813.46	\$ 637,309.73
<b>Total Annual Service Funding</b>				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Non-Residential Income</b>				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL PROJECT INCOME</b>			=	\$ 565,912.80	\$ 577,231.06	\$ 588,775.68	\$ 600,551.19	\$ 612,562.21	\$ 624,813.46	\$ 637,309.73
Less Residential Vacancy	Vacancy Rate	7.00%	per year	\$ (39,613.90)	\$ (40,406.17)	\$ (41,214.30)	\$ (42,038.58)	\$ (42,879.36)	\$ (43,736.94)	\$ (44,611.68)
Less Non-Residential Vacancy	Vacancy Rate	10.00%	per year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EFFECTIVE GROSS INCOME (EGI)</b>			=	\$ 526,298.90	\$ 536,824.88	\$ 547,561.38	\$ 558,512.61	\$ 569,682.86	\$ 581,076.52	\$ 592,698.05

				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>EXPENSES</b>										
<b>Operating Expenses-</b>										
		<b>Inflation Factor</b>								
		3.00%								
			<b>Cost Per Unit</b>							
Heat			\$ 212.50	\$ 15,725.00	\$ 16,196.75	\$ 16,682.65	\$ 17,183.13	\$ 17,698.63	\$ 18,229.58	\$ 18,776.47
Electric			\$ 212.50	\$ 15,725.00	\$ 16,196.75	\$ 16,682.65	\$ 17,183.13	\$ 17,698.63	\$ 18,229.58	\$ 18,776.47
Water & Sewer			\$ 100.00	\$ 7,400.00	\$ 7,622.00	\$ 7,850.66	\$ 8,086.18	\$ 8,328.77	\$ 8,578.63	\$ 8,835.99
Garbage Removal			\$ 63.00	\$ 4,662.00	\$ 4,801.86	\$ 4,945.92	\$ 5,094.29	\$ 5,247.12	\$ 5,404.54	\$ 5,566.67
Contract Repairs			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance and janitorial			\$ 707.00	\$ 52,318.00	\$ 53,887.54	\$ 55,504.17	\$ 57,169.29	\$ 58,884.37	\$ 60,650.90	\$ 62,470.43
Management - Off-site			\$ 426.73	\$ 31,577.90	\$ 32,525.24	\$ 33,500.99	\$ 34,506.02	\$ 35,541.20	\$ 36,607.44	\$ 37,705.66
Management - On-site			\$ 1,085.77	\$ 80,346.90	\$ 82,757.31	\$ 85,240.03	\$ 87,797.23	\$ 90,431.14	\$ 93,144.08	\$ 95,938.40
Insurance			\$ 300.00	\$ 22,200.00	\$ 22,866.00	\$ 23,551.98	\$ 24,258.54	\$ 24,986.30	\$ 25,735.88	\$ 26,507.96
Accounting			\$ 83.78	\$ 6,200.00	\$ 6,386.00	\$ 6,577.58	\$ 6,774.91	\$ 6,978.15	\$ 7,187.50	\$ 7,403.12
Marketing			\$ 100.00	\$ 7,400.00	\$ 7,622.00	\$ 7,850.66	\$ 8,086.18	\$ 8,328.77	\$ 8,578.63	\$ 8,835.99
Real Estate Taxes			\$ 1,030.66	\$ 76,269.00	\$ 78,557.07	\$ 80,913.78	\$ 83,341.20	\$ 85,841.43	\$ 88,416.67	\$ 91,069.17
Other - Administrative Expenses			\$ 437.64	\$ 32,385.00	\$ 33,356.55	\$ 34,357.25	\$ 35,387.96	\$ 36,449.60	\$ 37,543.09	\$ 38,669.38
<b>Total Residential Operating Expenses</b>				\$ 352,208.80	\$ 362,775.06	\$ 373,658.32	\$ 384,868.07	\$ 396,414.11	\$ 408,306.53	\$ 420,555.73
Replacement Reserve			\$ 400.00	\$ 29,600.00	\$ 30,488.00	\$ 31,402.64	\$ 32,344.72	\$ 33,315.06	\$ 34,314.51	\$ 35,343.95
Operating Reserve			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Reserves</b>				\$ 29,600.00	\$ 30,488.00	\$ 31,402.64	\$ 32,344.72	\$ 33,315.06	\$ 34,314.51	\$ 35,343.95
<b>Service Expenses</b>	From Service Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Non-Residential Expenses</b>				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL PROJECT EXPENSES</b>			=	\$ 381,808.80	\$ 393,263.06	\$ 405,060.96	\$ 417,212.78	\$ 429,729.17	\$ 442,621.04	\$ 455,899.67
<b>NET OPERATING INCOME (EGI - Total Expenses)</b>			=	\$ 144,490.10	\$ 143,561.82	\$ 142,500.42	\$ 141,299.82	\$ 139,953.69	\$ 138,455.47	\$ 136,798.37

Debt Service on	Loan Amount	Rate (%)	Amortization (years)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Lender	\$ 1,350,000.00	6%	35	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80
Lender				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL DEBT SERVICE</b>			=	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80

<b>Projected Gross Cash Flow</b>		=	\$ 51,852.30	\$ 50,924.02	\$ 49,862.62	\$ 48,662.02	\$ 47,315.89	\$ 45,817.67	\$ 44,160.57
<b>Debt Coverage Ratio (DCR)</b>			1.5597316	1.549711004	1.53825354	1.525293376	1.510762252	1.494589395	1.476701438

**Form 8C  
Operating Pro Forma**

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

**REVENUES**

**Residential Income**

	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Annual Gross Tenant Paid Rental Income	\$ 621,942.99	\$ 634,381.85	\$ 647,069.49	\$ 660,010.88	\$ 673,211.09	\$ 686,675.32	\$ 700,408.82	\$ 714,417.00
Annual Gross Rental Subsidy Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ 16,596.21	\$ 16,928.13	\$ 17,266.70	\$ 17,612.03	\$ 17,964.27	\$ 18,323.56	\$ 18,690.03	\$ 19,063.83
Other:	\$ 11,516.72	\$ 11,747.06	\$ 11,982.00	\$ 12,221.64	\$ 12,466.07	\$ 12,715.39	\$ 12,969.70	\$ 13,229.09
<b>Total Residential Income</b>	<b>\$ 650,055.92</b>	<b>\$ 663,057.04</b>	<b>\$ 676,318.18</b>	<b>\$ 689,844.55</b>	<b>\$ 703,641.44</b>	<b>\$ 717,714.27</b>	<b>\$ 732,068.55</b>	<b>\$ 746,709.92</b>
<b>Total Annual Service Funding</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Non-Residential Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL PROJECT INCOME</b>	<b>\$ 650,055.92</b>	<b>\$ 663,057.04</b>	<b>\$ 676,318.18</b>	<b>\$ 689,844.55</b>	<b>\$ 703,641.44</b>	<b>\$ 717,714.27</b>	<b>\$ 732,068.55</b>	<b>\$ 746,709.92</b>
Less Residential Vacancy	\$ (45,503.91)	\$ (46,413.99)	\$ (47,342.27)	\$ (48,289.12)	\$ (49,254.90)	\$ (50,240.00)	\$ (51,244.80)	\$ (52,269.69)
Less Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$ 604,552.01</b>	<b>\$ 616,643.05</b>	<b>\$ 628,975.91</b>	<b>\$ 641,555.43</b>	<b>\$ 654,386.54</b>	<b>\$ 667,474.27</b>	<b>\$ 680,823.75</b>	<b>\$ 694,440.23</b>

**EXPENSES**

**Operating Expenses-**

	Cost Per Unit	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Heat	\$ 261.35	\$ 19,339.77	\$ 19,919.96	\$ 20,517.56	\$ 21,133.09	\$ 21,767.08	\$ 22,420.09	\$ 23,092.69	\$ 23,785.47
Electric	\$ 261.35	\$ 19,339.77	\$ 19,919.96	\$ 20,517.56	\$ 21,133.09	\$ 21,767.08	\$ 22,420.09	\$ 23,092.69	\$ 23,785.47
Water & Sewer	\$ 122.99	\$ 9,101.07	\$ 9,374.10	\$ 9,655.32	\$ 9,944.98	\$ 10,243.33	\$ 10,550.63	\$ 10,867.15	\$ 11,193.16
Garbage Removal	\$ 77.48	\$ 5,733.67	\$ 5,905.68	\$ 6,082.85	\$ 6,265.34	\$ 6,453.30	\$ 6,646.90	\$ 6,846.30	\$ 7,051.69
Contract Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance and janitorial	\$ 869.52	\$ 64,344.54	\$ 66,274.88	\$ 68,263.12	\$ 70,311.02	\$ 72,420.35	\$ 74,592.96	\$ 76,830.75	\$ 79,135.67
Management - Off-site	\$ 524.82	\$ 38,836.83	\$ 40,001.94	\$ 41,202.00	\$ 42,438.06	\$ 43,711.20	\$ 45,022.53	\$ 46,373.21	\$ 47,764.41
Management - On-site	\$ 1,335.36	\$ 98,816.55	\$ 101,781.05	\$ 104,834.48	\$ 107,979.51	\$ 111,218.90	\$ 114,555.47	\$ 117,992.13	\$ 121,531.90
Insurance	\$ 368.96	\$ 27,303.20	\$ 28,122.30	\$ 28,965.96	\$ 29,834.94	\$ 30,729.99	\$ 31,651.89	\$ 32,601.45	\$ 33,579.49
Accounting	\$ 103.04	\$ 7,625.22	\$ 7,853.97	\$ 8,089.59	\$ 8,332.28	\$ 8,582.25	\$ 8,839.72	\$ 9,104.91	\$ 9,378.06
Marketing	\$ 122.99	\$ 9,101.07	\$ 9,374.10	\$ 9,655.32	\$ 9,944.98	\$ 10,243.33	\$ 10,550.63	\$ 10,867.15	\$ 11,193.16
Real Estate Taxes	\$ 1,267.58	\$ 93,801.25	\$ 96,615.29	\$ 99,513.75	\$ 102,499.16	\$ 105,574.13	\$ 108,741.36	\$ 112,003.60	\$ 115,363.71
Other	\$ 538.24	\$ 39,829.47	\$ 41,024.35	\$ 42,255.08	\$ 43,522.73	\$ 44,828.41	\$ 46,173.27	\$ 47,558.46	\$ 48,985.22
<b>Total Residential Operating Expenses</b>		<b>\$ 433,172.40</b>	<b>\$ 446,167.57</b>	<b>\$ 459,552.60</b>	<b>\$ 473,339.18</b>	<b>\$ 487,539.35</b>	<b>\$ 502,165.53</b>	<b>\$ 517,230.50</b>	<b>\$ 532,747.41</b>
Replacement Reserve	\$ 491.95	\$ 36,404.27	\$ 37,496.39	\$ 38,621.29	\$ 39,779.92	\$ 40,973.32	\$ 42,202.52	\$ 43,468.60	\$ 44,772.66
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Reserves</b>		<b>\$ 36,404.27</b>	<b>\$ 37,496.39</b>	<b>\$ 38,621.29</b>	<b>\$ 39,779.92</b>	<b>\$ 40,973.32</b>	<b>\$ 42,202.52</b>	<b>\$ 43,468.60</b>	<b>\$ 44,772.66</b>
<b>Service Expenses</b>	<i>From Service Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Non-Residential Expenses</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL PROJECT EXPENSES</b>		<b>\$ 469,576.66</b>	<b>\$ 483,663.96</b>	<b>\$ 498,173.88</b>	<b>\$ 513,119.10</b>	<b>\$ 528,512.67</b>	<b>\$ 544,368.05</b>	<b>\$ 560,699.09</b>	<b>\$ 577,520.07</b>

**NET OPERATING INCOME (EGI - Total Expenses)**

<b>\$ 134,975.34</b>	<b>\$ 132,979.08</b>	<b>\$ 130,802.03</b>	<b>\$ 128,436.33</b>	<b>\$ 125,873.86</b>	<b>\$ 123,106.21</b>	<b>\$ 120,124.66</b>	<b>\$ 116,920.16</b>
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**Debt Service on**

Lender	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80	\$ 92,637.80
Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL DEBT SERVICE</b>	<b>\$ 92,637.80</b>	<b>\$ 92,637.80</b>	<b>\$ 92,637.80</b>	<b>\$ 92,637.80</b>	<b>\$ 92,637.80</b>	<b>\$ 92,637.80</b>	<b>\$ 92,637.80</b>	<b>\$ 92,637.80</b>

**Projected Gross Cash Flow**

<b>\$ 42,337.54</b>	<b>\$ 40,341.28</b>	<b>\$ 38,164.23</b>	<b>\$ 35,798.53</b>	<b>\$ 33,236.06</b>	<b>\$ 30,468.41</b>	<b>\$ 27,486.86</b>	<b>\$ 24,282.36</b>
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**Debt Coverage Ratio (DCR)**

<b>1.45702233</b>	<b>1.435473246</b>	<b>1.411972493</b>	<b>1.38643542</b>	<b>1.358774309</b>	<b>1.328898281</b>	<b>1.296713188</b>	<b>1.2621215</b>
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## Form 8D Operating Budget Details

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

### ***Vacancy Rates and Inflation Factors***

Please provide the rationale for the vacancy and inflation factors used in the Operating Pro Forma:

Through an extensive review of Herman & Kittle Properties, Inc.'s historic operating expenses, we have found that comparable properties see inflation factors similar to what we have represented here. The 7% vacancy factor is a requirement of WHEDA, which will be providing the LIHTC into the project.
--

### ***Operating Expenses***

#### **Instructions:**

- Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

<b>Heat</b>	based on HKP historicals
<b>Electric</b>	based on HKP historicals
<b>Water &amp; Sewer</b>	based on HKP historicals
<b>Garbage Removal</b>	Per HKP's contract
<b>Contract Repairs</b>	based on HKP historicals
<b>Maintenance and Janitorial</b>	based on HKP historicals
<b>Replacement Reserve</b>	Per WHEDA's requirements
<b>Operating Reserve</b>	N/A
<b>Off-Site Management</b>	based on HKP historicals
<b>On-Site Management</b>	based on HKP historicals
<b>Insurance</b>	based on HKP historicals
<b>Accounting</b>	based on HKP historicals
<b>Marketing</b>	based on HKP historicals
<b>Real Estate Taxes</b>	based on HKP historicals and local rates
<b>Other</b> (identify and include cost estimate for each)	

# Documentation of Utility Allowance Calculations and Schedule

**Housing Authority of Racine County, 837 Main Street, Racine, WI 53403**  
**2015 Utility Allowance Schedule**  
 (Effective January 1, 2015)

Circle The Unit Type  
 D = Duplex  
 G = Row/Garden  
 H = Single Family Detached  
 M = Multi-family, Midrise

Participant Name: Herman, Kittle

Unit Address: 1520 Clark St, Racine, WI

Annual Date: \_\_\_\_\_

To calculate the utility allowance, circle the amount of the allowance listed for all the utilities which you must pay. Be sure to use the proper column for the bedroom size (BR) and to circle the amount for the proper unit type. The Range and Refrigerator row means that these are tenant owned appliances, so do not circle them if they are provided by the owner.

Bedroom Size	0 BR					1 BR					2 BR					3 BR					4 BR					5 BR				
	D	G	H	M		D	G	H	M		D	G	H	M		D	G	H	M		D	G	H	M		D	G	H	M	
Heating (Gas)	38	33	44	36		49	44	59	(47)		66	60	71	(63)		81	75	89	(77)		97	90	101	93		109	105	117	107	
Heating (Electric)	53	46	60	49		68	61	82	65		91	83	98	87		112	103	123	107		134	125	140	129		150	145	162	148	
Heating (Oil)	103	89	139	97		132	119	189	127		177	162	226	169		219	201	285	209		262	244	322	252		293	283	375	289	
Cooking (Gas)					5					(6)					(9)					(11)										13
Cooking (Electric)					9					11					15					18										22
Other Electric				29					(38)					(51)					(63)					78						84
Water Heating (Gas)				6					(8)					(11)					(13)					16						18
Water Heating (Electric)				12					15					21					26					32						34
Water				17					(21)					(26)					(31)					35						39
Sewer				18					(23)					(28)					(35)					39						44
Trash Collection				4					4					5					5					6						6
Range/Microwave				4					4					4					5					5						6
Refrigerator				4					4					4					5					5						6
Total Allowances																														
+ Rent to Owner																														
= Gross Rent																														

## SECTION 9 PROJECT TEAM

### GENERAL

1. Indicate the role of the Sponsor in the project. *(check all that apply)*

- Ownership Entity
- Managing Partner or Managing Member
- Social Service Provider
- Property Management
- Sponsoring Organization
- Developer
- Other, Describe:

2. List by name all projects your organization is submitting an application for in this Round, in order of priority (highest to lowest). State your rationale for this order (e.g., committed funding, local priority population).

Project Name	Rationale
1. 1520 Clark Street	Top priority, only application submitted
2.	
3.	
4.	

### PERSONNEL

3. List the names of key members of the Sponsor organization's development team, their titles and their years of experience in affordable housing below.

Name	Title <small>(e.g., executive director, project manager.)</small>	Years Experience in Affordable Housing
Dennis Hanson	Executive Director	7

### ORGANIZATIONAL HISTORY

4. Has the Sponsor organization developed affordable housing projects previously? Yes  No

5. Years Experience  Years

6. Number of Projects  Projects

7. Number Units Placed in Service  Units

8. When was the Sponsor organization last audited? 4/20/2015

a. Were there any findings? Yes  No

b. Have these findings been resolved? Yes  No

c. If not, what is your plan for resolution?

Overwrite this text with your answer

9. Is the Sponsor organization currently engaged in any project workouts? Yes  No

a. If yes, please list any projects in workout, and provide a brief summary of the reason for the workout status.

	Project Name	Reason for Workout
1.		
2.		
3.		

10. In the past seven (7) years, have any bankruptcy proceedings been initiated by or against the sponsor organization, or ownership entity (whether or not closed) or is any bankruptcy proceeding pending by or against the sponsor organization or ownership entity regardless of the date of filing?

Yes  No

11. Describe your organization's current financial condition and outlook for sustainability. Provide sufficient detail to illustrate your organization's financial viability to carry out the services proposed in this RFP. If the organization is facing financial challenges, describe what steps are being taken to strengthen the organization's financial condition.

LSS, as with other non-profits, was impacted by the recession. We have proactively managed our business affairs rather than waiting for the market to dictate decisions to us. As a result we have streamlined operations and built a management business unit structure that carries across the agency vs. geographical profiles. This resulted in efficiencies financially and programmatically that have allowed continued success in operations. As an agency we identified and monitor (monthly) 3 Key Performance Indicators (KPI's) related to the success of the agency from a financial (Program Service Margin), human capital (Employee Retention), and Quality (Customer Satisfaction). Several internal initiatives support success in each of the KPI's.



**OWNERSHIP ENTITY**

12. What is the legal status of the Ownership Entity for the project?

- Currently Exists
- To Be Formed. Estimated formation date 10/1/2015

**13. Ownership Entity**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Fax: \_\_\_\_\_ Federal Identification Number: \_\_\_\_\_

14. State of Incorporation/Formation:

15. Fiscal Year: Month to Month

16. Accounting Method of Partnership

- Cash
- Accrual

17. Individuals/Organizations that Comprise the Ownership Entity (if known at time of application):

Name	Address	Phone	Entity Type	Federal ID #	% Ownership
Lutheran Social Services of Wisconsin & Upper Michigan, Inc.	647 W. Virginia St., Ste 200, Milwaukee, WI 53204	800-488-5181	Non-profit	39-0816846	100

18. If the ownership entity and project Sponsor are or will be different entities, describe the relationship and role of each during and following project development

LSS will become the 100% member of the General Partner of the to-be-formed limited partnership which will own the development. The limited partner is to be determined.

19. Is the relationship between the ownership entity and Sponsor expected to change over time? Yes  No

- a. How will the relationship change?

N/A

## PROPERTY MANAGEMENT

---

20. Briefly summarize the management plan for this project. Be sure to address facility maintenance, on-site management, and services provided.

There will be a property manager and a maintenance professional on-site during normal business hours and available outside of normal business hours for emergencies. The property manager will oversee the day-to-day operations and handle the enforcement of property rules and policies including the enforcement of parking standards. The maintenance professional will handle the daily up-keep and repairs needed at the property. Landscaping, snow removal, and trash removal will be contracted out to third-party contractors once the project receives funding. Tenants will meet with a service coordinator at move-in to assess their needs and develop a service plan to put in place. LSS will coordinate services for the tenants.

21. Explain your marketing strategy and the tenant selection process, including the establishment and management of any waiting lists.

The property will establish and maintain a database of Veteran referrals provided by local Veteran's organizations and service providers. During the construction process, these referrals will be screened and approved for tenancy so that the homes can be immediately available to residents upon completion. Apartment homes will become available to Veterans on a first-come, first-serve basis.

22. Describe your organization's experience with income verification including information collected, required documentation, and third party verifications.

Herman & Kittle Properties, Inc. (HKP), the property manager for this project, has over 20 years of experience with managing affordable housing with several sources of funding requiring income verifications using a range of standards including Low Income Housing Tax Credits, HOME, and Section 8. Currently, HKP manages over 9,000 affordable units. HKP has an in-house compliance department providing oversight to the development of policies and procedures for HKP's property management team. This includes review and processing of files to help ensure compliance with HUD and local program requirements. Our in house compliance department also provides training to new and ongoing staff to keep them informed and up to date.

23. Will management be provided on site?

Yes  No

- a. If yes, form of management:

Resident Manager(s) - Number of units:

- Management office (Business Hours Only)
- Management office (24 hr)
- Other, Describe:

b. If no, describe your service area and how this project fits within your organization’s capacity.

Overwrite this text with your answer

24. List the names of key property management staff, their titles and their years of experience in affordable housing.

Name	Title <i>(e.g., project manager, intake staff)</i>	Years Experience in Affordable Housing
Stephen Lavery	Vice President, Property Management	16
Jennifer Yeagley	Regional Vice President	9
Samir Yasa	Regional Property Manager	13

Please complete the following Excel forms and insert them behind Tab 9:

- ▶ Form 9A, Contact List
- ▶ Form 9B, Sponsor Experience
- ▶ Form 9C, Dev Consultant Exp
- ▶ Form 9D, Property Manager Experience

**Attachments**

<input checked="" type="checkbox"/> Development consultant agreement
<input checked="" type="checkbox"/> Resumes of management team members
<input type="checkbox"/> Signed board resolution <input type="checkbox"/>
<input checked="" type="checkbox"/> Secretary of State certification of existence (RCW 24.03)
The following are required if your organization did not receive a public funding award in the preceding year or there have been changes in staffing/status
<input type="checkbox"/> Board Composition list
<input type="checkbox"/> Resumes of development team members
<input type="checkbox"/> 501(c)3 letter of determination from IRS, if applicable

## Form 9A Contact List

Sponsor Name:	Lutheran Social Services of Wisconsin & Upper Michigan, Inc.
Project Name:	1520 Clark Street

Related entity means an org that is less than an arms length form the Project Sponsor

### ***Development Team Contact Information***

<b><u>Project Sponsor</u></b>			
Firm Name:	Lutheran Social Services of Wisconsin and Upper Michigan, Inc.		
Contact Person and Title:	Dennis Hanson, Executive Director		
Address:	647 W Virginia St, Ste 200		
City:	Milwaukee	State: WI	53204
Phone:	414-304-6934	Fax:	414-325-3124
Email:	<a href="mailto:dennis.hanson@lsswis.org">dennis.hanson@lsswis.org</a>		

<b><u>Development Consultant</u></b>			
Firm Name:	Herman & Kittle Properties, Inc.		
Contact Person and Title:	Kyle Peterson, Vice President		
Address:	500 E 96th St, #300		
City:	Indianapolis	State: IN	Zip Code: 46240
Phone:	317-964-1928	Email:	<a href="mailto:kpeterson@hermankittle.com">kpeterson@hermankittle.com</a>
Related to other Development Team members?	No		
Related to Whom:	Related How:		

<b><u>Architect</u></b>			
Firm Name:	Herman & Kittle Properties, Inc.		
Contact Person and Title:	Mason Ritchie, Director of Design		
Phone:	317-428-1920	Email:	<a href="mailto:mritchie@hermankittle.com">mritchie@hermankittle.com</a>
Related to other Development Team members?	No		
Related to Whom:	Related How:		

<b><u>Engineer</u></b>			
Firm Name:	TBD		
Contact Person and Title:			
Phone:		Email:	
Related to other Development Team members?	YES/NO		
Related to Whom:	Related How:		

<b><u>Environmental Engineer</u></b>			
Firm Name:	USI Commercial		
Contact Person and Title:	Jim Blackwell, Senior Director		
Phone:	703-293-1423	Email:	<a href="mailto:jblackwell@usicommercial.com">jblackwell@usicommercial.com</a>
Related to other Development Team members?	No		

**Form 9A  
Contact List**

Related to Whom: \_\_\_\_\_ Related How: \_\_\_\_\_

## Form 9A Contact List

<b><u>Project Attorney</u></b>	
Firm Name:	<u>Herman &amp; Kittle Properties, Inc.</u>
Contact Person and Title:	<u>David Thompson, General Counsel</u>
Address:	<u>500 E 96th St, #300</u>
City:	<u>Indianapolis</u> State: <u>IN</u> Zip Code: <u>46240</u>
Phone:	<u>317-663-6814</u> Email: <a href="mailto:dthompson@hermankittle.com">dthompson@hermankittle.com</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

<b><u>Appraiser</u></b>	
Firm Name:	<u>CBRE, Inc.</u>
Contact Person and Title:	<u>Dave Wagner, Vice President</u>
Phone:	<u>414-274-1660</u> Email: <a href="mailto:dave.wagner@cbre.com">dave.wagner@cbre.com</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

<b><u>Market Study Firm</u></b>	
Firm Name:	<u>Vogt Santer Insights</u>
Contact Person and Title:	<u>Jennifer L. Trisano, Market Analyst</u>
Phone:	<u>614-224-4300</u> Email: <a href="mailto:jennt@vsinsights.com">jennt@vsinsights.com</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

<b><u>Property Management Firm</u></b>	
Firm Name:	<u>Herman &amp; Kittle Properties, Inc.</u>
Contact Person and Title:	<u>Steve Lavery, Vice President of Property Management</u>
Address:	<u>500 E 96th St, #300</u>
City:	<u>Indianapolis</u> State: <u>IN</u> Zip Code: <u>46240</u>
Phone:	<u>317-663-6880</u> Email: <a href="mailto:SteveLavery@hermankittle.com">SteveLavery@hermankittle.com</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

<b><u>General Contractor</u></b>	
Firm Name:	<u>Herman &amp; Kittle Properties, Inc.</u>
Contact Person and Title:	<u>Jay Kellogg, Vice President of Construction</u>
Phone:	<u>317-663-6866</u> Email: <a href="mailto:JKellogg@hermankittle.com">JKellogg@hermankittle.com</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

## Form 9A Contact List

<b><u>Sustainable Development Project Manager</u></b>	
Firm Name:	<u>Herman &amp; Kittle Properties, Inc.</u>
Contact Person and Title:	<u>Victoria Wright, Green Building Coordinator</u>
Phone:	<u>317-428-1912</u> Email: <a href="mailto:VWright@hermankittle.com">VWright@hermankittle.com</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

<b><u>Tax Advisor</u></b>	
Firm Name:	<u>N/A</u>
Contact Person and Title:	_____
Phone:	_____ Email: _____
Related to other Development Team members?	<u>YES/NO</u>
Related to Whom:	_____ Related How: _____

<b><u>Accountant</u></b>	
Firm Name:	<u>Dauby O'Connor &amp; Zaleski, LLC</u>
Contact Person and Title:	<u>William Farrington, Member</u>
Phone:	<u>317-819-6104</u> Email: <a href="mailto:bfarrington@doz.net">bfarrington@doz.net</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

<b><u>Tax Credit Syndicator / Investor</u></b>	
Firm Name:	<u>TBD</u>
Contact Person and Title:	_____
Phone:	_____ Email: _____
Related to other Development Team members?	<u>YES/NO</u>
Related to Whom:	_____ Related How: _____

<b><u>Property Seller/Lessor</u></b>	
Firm Name:	<u>Summit Industrial Park LLC</u>
Contact Person and Title:	<u>Barbara J Lange, Trustee</u>
Address:	<u>1900 Clark Street</u>
City:	<u>Racine</u> State: <u>WI</u> Zip Code: <u>53403</u>
Phone:	<u>262-637-3977</u> Email: <a href="mailto:blange@rbgrinding.com">blange@rbgrinding.com</a>
Related to other Development Team members?	<u>No</u>
Related to Whom:	_____ Related How: _____

**Form 9A  
Contact List**

**Instructions:**  
If you are Contracting with other organizations to offer supportive services in your project, please provide the following information. Add as many tables as needed.

<b><u>Service Provider</u></b>	
Firm Name:	_____
Contact Person and Title:	_____
Address:	_____
City:	_____ State: _____ Zip Code: _____
Phone:	_____ Email: _____
Related to other Development Team members?	YES/NO
Related to Whom:	_____ Related How: _____

<b><u>Service Provider</u></b>	
Firm Name:	_____
Contact Person and Title:	_____
Address:	_____
City:	_____ State: _____ Zip Code: _____
Phone:	_____ Email: _____
Related to other Development Team members?	YES/NO
Related to Whom:	_____ Related How: _____

<b><u>Service Provider</u></b>	
Firm Name:	_____
Contact Person and Title:	_____
Address:	_____
City:	_____ State: _____ Zip Code: _____
Phone:	_____ Email: _____
Related to other Development Team members?	YES/NO
Related to Whom:	_____ Related How: _____



# Form 9B Sponsor Experience

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

### Sponsor History

**Instructions:**  
 Indicate for each project what type it was by entering SF (Single-Family) or MF (Multifamily) and R (Rehab) or NC (New Construction) in the project name. An example is provided in the first line of each table.

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.

Projects Completed in the past 5 years	Role (owner, developer, etc.)	City and State	Number of Units	Date Development Activities Began	Placed in Service Date	Type of Financing (FHLB, HUD, etc.)
<i>Example: Heritage Place</i>	<i>Developer</i>	<i>Racine, WI</i>	<i>50</i>	<i>01/2007</i>	<i>01/2009</i>	
Pebble Ridge (MF, NC)	Owner/Developer	Antigo, WI	50	1/2013	4/2015	LIHTC
*Please see attached WHEDA Sponsor Experience Form.						

# LSS Experience

Development Name	Address	City	State	Provider Contact	Provider Phone	Experience	Development Type	Subsidy	Services Provided	WI License	Operation Yrs	Units
							NC/Rehab/Acq-rehab	Type				
<b>LICENSED FACILITIES</b>												
Abbey Woods	3705/3707 S Valley View Pl	Eau Claire	WI	Rita Wiersma	877-967-5577	8	DD Services	AFH	N/A	Residential DD Services	10738	8 5
Bonnieview	6424 Bonnie View Rd	Pickett	WI	Rita Wiersma	877-967-5577	11	DD Services	AFH	N/A	Residential DD Services	9530	11 4
Center	1404 Center Ave	Janesville	WI	Rita Wiersma	877-967-5577	7	DD Services	AFH	N/A	Residential DD Services	11042	7 4
Cliffview	1422 Cliffview Ave	Onalaska	WI	Rita Wiersma	877-967-5577	13	DD Services	AFH	N/A	Residential DD Services	9824	13 3
CRJS	4014/4016 London Rd	Eau Claire	WI	Rita Wiersma	877-967-5577	23	DD Services	AFH	N/A	Residential DD Services	590138	23 4
Deerfield	811 Deerfield St	Holmen	WI	Rita Wiersma	877-967-5577	9	DD Services	AFH	N/A	Residential DD Services	10905	9 4
Doty	1000 Doty Place	Milwaukee	WI	Rita Wiersma	877-967-5577	13	DD Services	AFH	N/A	Residential DD Services	8990	13 4
Eagle Pointe	309 River Rd	Black River Falls	WI	Rita Wiersma	877-967-5577	12	DD Services	AFH	N/A	Residential DD Services	9648	12 4
Greenbrier	1310 Green Brier Drive	Appleton, WI	WI	Rita Wiersma	877-967-5577	17	DD Services	AFH	N/A	Residential DD Services	13739	17 4
Heatherwood	446 River Dr	Black River Falls	WI	Rita Wiersma	877-967-5577	7	DD Services	AFH	N/A	Residential DD Services	11304	7 4
JJEMS	4020/4022 London Rd	Eau Claire	WI	Rita Wiersma	877-967-5577	13	DD Services	AFH	N/A	Residential DD Services	590139	13 4
Pershing	1024/1026 Pershing St	Eau Claire	WI	Rita Wiersma	877-967-5577	14	DD Services	AFH	N/A	Residential DD Services	590132	14 4
Randy's Lane	N224 Randy's Lane	Appleton	WI	Rita Wiersma	877-967-5577	7	DD Services	AFH	N/A	Residential DD Services	13545	7 4
Willow	2604/2606 Shady Grove Rd	Eau Claire	WI	Rita Wiersma	877-967-5577	9	DD Services	AFH	N/A	Residential DD Services	13160	9 4
Up North	3041 Kilbourne Ave	Eau Claire	WI	Rita Wiersma	877-967-5577	8	DD Services	AFH	N/A	Residential DD Services	10681	8 4
Violet	824/826 Violet St	Eau Claire	WI	Rita Wiersma	877-967-5577	17	DD Services	AFH	N/A	Residential DD Services	590047	17 4
Wilson	219 W. Wilson Avenue	Appleton	WI	Rita Wiersma	877-967-5577	1	DD Services	AFH	N/A	Residential DD Services	13752	1 4
Shepard	8860 South Shepard Ave	Milwaukee	WI	Rita Wiersma	877-967-5577	16	DD Services	CBRF	N/A	Residential DD Services	N/A	16 6
South Milwaukee	1408 Marion Ave	Milwaukee	WI	Rita Wiersma	877-967-5577	9	DD Services	CBRF	N/A	Residential DD Services	N/A	9 5
The Glen	1281 W Main Street	Whitewater	WI	Rita Wiersma	877-967-5577	16	DD Services	CBRF	N/A	Residential DD Services	N/A	16 16
Various other services in people's homes that do not require licensing		Statewide	WI	Rita Wiersma	715-552-2409		DD Services		N/A	Residential DD Services	n/a	
<b>SERVICE COORDINATION</b>												
Badger Terrace	130 Badger Lane	Green Bay	WI	Holly Rogers	920-730-1322	10	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	10 120
Breezewood Village	400 Sunnyslope Dr.	Hartland	WI	Holly Rogers	262-391-6041	1	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	1 60
Calvary Gardens	1555 W. Chambers St.	Milwaukee	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3 71
Campbell Court	148 Judson Drive	Beaver Dam	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2 56
Center Circle	301 Center St	Merrillan	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3 8
Cherry Creek Village	201 Cherry Creek Rd.	Harvey	MI	Holly Rogers	262-391-6041	21	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	21 32
Columbus Manor Apartments	779 Maple Ave	Columbus	WI	Holly Rogers	262-391-6041	24	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	24 25
Edgewater Apartments	310 Mount Street	Berlin	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2 42
Fireside Commons	115 Professional Plaza	Neenah	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9 37
Geneva Hills	1385 Elkhorn Road	Lake Geneva	WI	Holly Rogers	262-391-6041	14	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	14 33
Gilbert Court	323 W. Court St.	Elkhorn	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3 48
Golden Horizon Apartments	57405 Mine St.	Calumet	MI	Holly Rogers	262-391-6041	22	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	22 16
Hampton Regency	12999 W. Hampton Avenue	Butler	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2 120
Havenwood Apartments	250 Havenwood Dr.	Lake Geneva	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3 20
Hearthside Commons	210 Haylett St.	Neenah	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9 61
Hickoryview Commons	211 S. Concord St.	Oconomowoc	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9 40
High Ridge Manor	13445 W. National Ave	New Berlin	WI	Holly Rogers	262-391-6041	19	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	19 47
Hillside Apartments	186 3rd St.	Hixton	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3 8
Jenor Towers	75 N. Oak St.	Platteville	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9 73
Lake Comus Manor	207 Mcdowell Street	Delavan	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2 36
Lakeside Commons	37 Tayco St.	Menasha	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9 61
Meadow View	337 Main St.	Alma Center	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3 8
Oakwood Village	580 Cox Ave.	Marquette	MI	Holly Rogers	262-391-6041	21	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	21 36
Parkland Commons	427 W. Second St.	Oconomowoc	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9 40
Pineview Apartments	210 Sharon Ave.	Houghton	MI	Holly Rogers	262-391-6041	21	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	21 11

Portland Square Apartments and Oakwood Apartments	55 N. Portland St	Fond du Lac	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9	110
Propylon	1500 Norway	Marquette	MI	Holly Rogers	262-391-6041	21	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	21	16
Ridgeview Commons	975 W. Seminary St.	Richland Center	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3	58
Ridgeview Commons	353 W. Richland St	Lone Rock	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3	10
Ridgeview Commons	240 Exchange St.	Viola	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3	10
River Grove	130 S. Water St	Black River Falls	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3	40
Riverview Commons	112 Stimpson St.	Watertown	WI	Holly Rogers	262-391-6041	9	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	9	50
Riverview Heights	930 N. Washington St.	Janesville	WI	Holly Rogers	262-391-6041	7	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	7	78
Rockwell Court	121 Rockwell Avenue	Fort Atkinson	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2	54
Sessions Street	2614 Sessions St.	Eau Claire	WI	Holly Rogers	262-391-6041	24	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	24	88
Sparta Arms Apartments	106 N. L Street	Sparta	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2	34
Trail Creek Apartments	1900 Morrow Street	Green Bay	WI	Holly Rogers	262-391-6041	10	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	10	
Village Center	203 3rd St	Taylor	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3	8
Village East Apartments	405 Olympian Blvd	Beloit	WI	Holly Rogers	262-391-6041	4	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	4	30
Village Square	204 Madison Street	Walworth	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2	18
Waushara Villages	130 Pearl Street	Redgranite	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2	12
Waushara Villages	245 Mount Morris Avenue	Wautoma	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2	22
West Indees	308 Bristol St.	Melrose	WI	Holly Rogers	262-391-6041	3	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	3	8
Woodland Park Apartments	2809 University Avenue	Green Bay	WI	Holly Rogers	262-391-6041	10	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	10	69
Woodview Park Apartments	353 Tyrell Court	Delavan	WI	Holly Rogers	262-391-6041	2	Service Coordination	N/A	N/A	DD/MI/Elderly	N/A	2	69
<b>HUD HOUSING</b>													
26th Street Apartments	4273 S. 26th Street	Milwaukee	WI	Tanganika Leach	414-281-4400	12	HUD Housing	N/A	811 Prac	DD	N/A	12	8
Alden St Apt-Rock	1827 Alden Street	Janesville	WI	Tanganika Leach	414-281-4400	25	HUD Housing	N/A	Section 8	CMI	N/A	25	11
Appleton Avenue Apartments	6616 W. Appleton Avenue	Milwaukee	WI	Tanganika Leach	414-281-4400	26	HUD Housing	N/A	Section 8	CMI	N/A	26	11
Center Street Apartments	7400 W. Center Street	Wauwatosa	WI	Tanganika Leach	414-281-4400	13	HUD Housing	N/A	811 Prac	DD	N/A	13	6
Cherry Creek Village-Chocolay	201 Cherry Creek Road	Marquette	MI	Tanganika Leach	414-281-4400	21	HUD Housing	N/A	Section 8	Elderly	N/A	21	32
Columbus Manor Apartments	779 Maple Avenue	Columbus	WI	Tanganika Leach	414-281-4400	24	HUD Housing	N/A	Section 8	Elderly	N/A	24	25
Florence St Apt-Whitewater	1226 W. Florence Avenue	Whitewater	WI	Tanganika Leach	414-281-4400	24	HUD Housing	N/A	Section 8	CMI	N/A	24	11
Geneva Hills Apartments	1385 Elkhorn Road	Lake Geneva	WI	Tanganika Leach	414-281-4400	14	HUD Housing	N/A	202 Prac	Elderly	N/A	14	32
Germantown Group Home	N116 W16105 Main St.	Germantown	WI	Tanganika Leach	414-281-4400	3	HUD Housing	N/A	Section 8	DD	N/A	3	4
Golden Horizon Apts-Calumet	57405 Mine Street	Calumet	MI	Tanganika Leach	414-281-4400	21	HUD Housing	N/A	Section 8	Elderly	N/A	21	16
Granville Apartments	7500 N. Granville Road	Milwaukee	WI	Tanganika Leach	414-281-4400	13	HUD Housing	N/A	811 Prac	DD	N/A	13	8
Hampton House Apartments	10524 W. Hampton Avenue	Milwaukee	WI	Tanganika Leach	414-281-4400	15	HUD Housing	N/A	811 Prac	DD	N/A	15	8
Hickory Hill Apartments	1219 S. Grandview Blvd.	Waukesha	WI	Tanganika Leach	414-281-4400	23	HUD Housing	N/A	Section 8	DD	N/A	23	20
High Ridge Manor	13445 W. National Avenue	New Berlin	WI	Tanganika Leach	414-281-4400	19	HUD Housing	N/A	202 Prac	Elderly	N/A	19	47
Jeffers Rd Apts-Eau Claire	3413 Jeffers Road	Eau Claire	WI	Tanganika Leach	414-281-4400	7	HUD Housing	N/A	811 Prac	DD	N/A	7	8
Mill Road Apartments	6370 N. 100th St.	Milwaukee	WI	Tanganika Leach	414-281-4400	18	HUD Housing	N/A	811 Prac	DD	N/A	18	8
North Willow Apartments	9704 W. Allyn Street	Milwaukee	WI	Tanganika Leach	414-281-4400	21	HUD Housing	N/A	811 Prac	DD	N/A	21	16
Oakwood Village II-Marquette	580 Cox Street	Marquette	MI	Tanganika Leach	414-281-4400	21	HUD Housing	N/A	202 Prac	Elderly	N/A	21	16
Oakwood Village I-Marquette	580 Cox Street	Marquette	MI	Tanganika Leach	414-281-4400	21	HUD Housing	N/A	202 Prac	Elderly	N/A	21	8
Pine View Apts-Houghton	210 Sharon Avenue	Houghton	MI	Tanganika Leach	414-281-4400	21	HUD Housing	N/A	Section 8	CMI	N/A	21	11
Prairieview Apartments	604 Hillcrest Road	Saukville	WI	Tanganika Leach	414-281-4400	16	HUD Housing	N/A	811 Prac	DD	N/A	16	11
Progressive Apartments-Outagamie	3002 Darling Street	Appleton	WI	Tanganika Leach	414-281-4400	24	HUD Housing	N/A	Section 8	CMI	N/A	24	11
Round River Court-Wood	1411 Veterans Parkway	Marshfield	WI	Tanganika Leach	414-281-4400	22	HUD Housing	N/A	Section 8	CMI	N/A	22	15
Sessions Street Apartments	2614 Sessions Street	Eau Claire	WI	Tanganika Leach	414-281-4400	24	HUD Housing	N/A	Section 8	CMI	N/A	24	11
South Willow Apartments	1840 Roosevelt Avenue	Racine	WI	Tanganika Leach	414-281-4400	20	HUD Housing	N/A	811 Prac	DD	N/A	20	10
Stone Street Apartments	400 Stone Street	Beaver Dam	WI	Tanganika Leach	414-281-4400	25	HUD Housing	N/A	Section 8	CMI	N/A	25	11
Willow Wood Apartment	4321 Durand Avenue	Mount Pleasant	WI	Tanganika Leach	414-281-4400	15	HUD Housing	N/A	811 Prac	DD	N/A	15	7
Woodside Apartments	6519 W. Bradley Road	Milwaukee	WI	Tanganika Leach	414-281-4400	19	HUD Housing	N/A	811 Prac	DD	N/A	19	11
Woodview Apartments	7323 W. Brown Deer Road	Milwaukee	WI	Tanganika Leach	414-281-4400	18	HUD Housing	N/A	811 Prac	DD	N/A	18	11
Hickory Flats Apartments	1219 S. Grandview Blvd.	Waukesha	WI	Tanganika Leach	414-281-4400	under const.	HUD Housing	N/A	811 Prac	DD/PD	N/A	0	8

**TAX CREDIT HOUSING**

Pebble Ridge		Antigo	WI	Dennis Hanson	414-304-6934	2	LIHTC	N/A	N/A	Family	N/A	Under Constr.
Jackson Square		Oshkosh	WI	Dennis Hanson	414-304-6934	1	LIHTC	N/A	N/A	Family	N/A	Under Constr.
Croft Place		New Richmond	WI	Dennis Hanson	414-304-6934	1	LIHTC	N/A	N/A	Family	N/A	Under Constr.

**Form 9B  
Sponsor Experience**

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

**Sponsor Pipeline**

**Instructions:**

- Include projects for which you plan to seek funding in the next 12 months or have received at least one funding commitment
- Indicate SF (Single Family) or MF (Multifamily), Rehab ( R) or New Construction (NC) in project name

Projects Currently Being Developed	Role (owner, developer, etc.)	City and State	Number of Units	Date Development Activities Began	End (projected Placed in Service Date)	Type of Financing (FHLB, HUD, etc.)
<i>Example: HeritagePlace</i>	<i>Developer</i>	<i>Racine, WI</i>	<i>50</i>	<i>01/2009</i>	<i>08/2010</i>	
Croft Place (MF, NC)	Owner/Developer	New Richmond, WI	54	1/2014	2/2016	LIHTC
Jackson Square (MF, NC)	Owner/Developer	Oshkosh, WI	52	1/2014	3/2016	LIHTC
Haymarket Lofts (MF, R)	Owner/Developer	Milwaukee, WI	72	1/2015	2/2017	LIHTC
Hickory Flats	Owner/Developer	Waukesha, WI	8	9/2014	6/2015	HUD

## Form 9C Development Consultant Experience

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

### Developer Consultant History

**Instructions:**

Indicate for each project what type it was by entering SF (Single-Family) or MF (Multifamily) and R (Rehab) or NC (New Construction) in the project name. An example is provided in the first line of each table.

Developer Consultant Name:

**Herman & Kittle Properties, Inc.**

Projects Completed in the past 5 years	Role (owner, developer, etc.)	City and State	Number of Units	Date Development Activities Began	Placed in Service Date	Type of Financing (HTF, HUD, etc.)
<i>Example: Heritage Place</i>	<i>Developer</i>	<i>Racine, WI</i>	<i>50</i>	<i>01/2007</i>	<i>01/2009</i>	<i>LIHTC, Tax Exempt Bonds</i>
Oak Forest Apartments	Developer	Scottsdale, GA	150	10/2012	11/2014	LIHTC, Tax Exempt Bonds
Casey Acres	Developer	Westfield, IN	252	5/2012	12/2014	LIHTC, Tax Exempt Bonds
Meadow Park Apartments	Developer	Clinton, IN	60	9/2013	11/2014	LIHTC, HOME
The Villages at Van Cleve	Developer	Hartford City, IN	46	9/2013	12/2014	LIHTC, HOME
The Residences at Solms Village	Developer	New Braunfels, TX	80	2/2012	11/2014	LIHTC
Point Village Apartments	Developer	Russells Point, OH	58	11/2011	11/2013	LIHTC, HUD
Crosswinds at Tradition Lane	Developer	Danville, IN	80	9/2011	10/2013	LIHTC, HOME
Beacon Pointe Townhomes	Developer	Hamilton, OH	60	10/2011	10/2013	LIHTC
Katherine Square Apartments	Developer	Port Allen, LA	60	7/2010	7/2013	LIHTC, HOME, RD
Edgewood Square Apartments	Developer	Ruston, LA	60	9/2010	8/2013	LIHTC, RD
Main Street Commons Senior Apartments	Developer	Taylor, TX	75	12/2010	6/2013	LIHTC, HOME
Cottages at Sheek Road	Developer	Greenwood, IN	68	10/2009	10/2012	LIHTC, HOME

## Form 9C Development Consultant Experience

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

### Developer Consultant Pipeline

**Instructions:**

- Include projects for which you plan to seek funding in the next 12 months or have received at least one funding commitment
- Indicate SF (Single Family) or MF (Multifamily), Rehab ( R) or New Construction (NC) in project name

Projects Currently Being Developed	Role (owner, developer, etc.)	City and State	Number of Units	Date Development Activities Began	End (projected Placed in Service Date)	Type of Financing (HTF, HUD, etc.)
<b>Example: Heritage Place</b> Parkview Apartments	Developer	Racine, WI	50	01/2009	08/2010	LIHTC, HOME
	Developer	Niles, MI	80	4/2013	3/2016	LIHTC, HOME
Riverview Apartments	Developer	Donaldsonville, LA	50	8/2013	6/2016	LIHTC, HUD, HOME
Cottages of Fremont	Developer	Fremont, OH	56	3/2010	3/2015	LIHTC, HDAP
Beaumont	Developer	Beaumont, TX	80	1/2014	6/2016	LIHTC, HUD
Bishop Gardens	Developer	Justin, TX	80	12/2013	6/2016	LIHTC, HOME
Berrien Homes	Developer	Benton Harbor, MI	160	12/2013	12/2015	LIHTC, HUD
Belle Manor	Developer	Alton, IL	60	10/2013	5/2016	LIHTC, HOME
Brentwood Park	Developer	Talladega, AL	50	1/2013	4/2016	LIHTC, RD
Lancaster Estates	Developer	Lancaster, KY	51	7/2013	10/2016	LIHTC
Water Street Flats	Developer	Ypsilanti, MI	80	3/2014	7/2016	LIHTC, HOME
Haymarket Lofts	Developer	Milwaukee, WI	72	11/2014	2/2017	LIHTC
Victory Square	Developer	Canton, OH	81	11/2014	11/2016	LIHTC, HDAP

## Form 9D Property Manager Experience

Sponsor Name: Lutheran Social Services of Wisconsin & Upper Michigan, Inc.  
 Project Name: 1520 Clark Street

**Instructions:**  
 Please list up to 10 similar publicly funded projects that your organization has managed, or currently manages

Management Company: **Herman & Kittle Properties, Inc.**

Projects	City and State	Number of Units	Effective Date of Management Contract	End Date (list "current" if still managing)	Type of Financing (HTF, HUD, LIHTC, etc.)
<b>Example:</b> <i>Heritage Town Center, MF, NC</i>	<i>Racine, WI</i>	<i>50</i>	<i>01/2007</i>	<i>Current</i>	<i>LIHTC, HTF</i>
Meadow Park Apartments	Clinton, IN	60	9/2013	Current	LIHTC, HOME
The Villages at Van Cleve	Hartford City, IN	46	9/2013	Current	LIHTC, HOME
The Residences at Solms Village	New Braunfels, TX	80	2/2012	Current	LIHTC
Point Village Apartments	Russells Point, OH	58	11/2011	Current	LIHTC, HUD
Crosswinds at Tradition Lane	Danville, IN	80	9/2011	Current	LIHTC, HOME
Beacon Pointe Townhomes	Hamilton, OH	60	10/2011	Current	LIHTC
Katherine Square Apartments	Port Allen, LA	60	7/2010	Current	LIHTC, HOME, RD
Edgewood Square Apartments	Ruston, LA	60	9/2010	Current	LIHTC, RD
Main Street Commons Senior Apartments	Taylor, TX	75	12/2010	Current	LIHTC, HOME
Cottages at Sheek Road	Greenwood, IN	68	10/2009	Current	LIHTC, HOME



# Development Consultant Agreement

## LETTER OF INTENT

HERMAN & KITTLE PROPERTIES, INC. (“HKP”), and Lutheran Social Services of Wisconsin & Upper Michigan, Inc. (“LSS”), hereby enter into this Letter of Intent regarding a 74 unit development in Racine, WI (the “Development”), which shall be owned by a to-be-formed limited partnership (the “Partnership”).

- 1) LSS or its affiliate will become the 100% member of the General Partner of the Partnership. HKP or its affiliate will be the Special Limited Partner of the Partnership and will have consent rights for all actions of the General Partner. The limited partner of the Partnership (“Limited Partner”) is to be determined by HKP, subject to approval by LSS. The process by which the Limited Partner is procured is subject to prior review of and reasonable approval by LSS. LSS represents that they have significant housing and supportive services (Elderly, Family, Veterans, etc.) experience via:
  - i. Abbey Wood – Eau Claire, WI
  - ii. Bonnie – Pickett, WI
  - iii. Heatherwood – Black River Falls, WI
  - iv. Shepard – Milwaukee, WI
  - v. The Glen – Whitewater, WI
  - vi. Pebble Ridge – Antigo, WI
  - vii. Croft Place – New Richmond, WI
  - viii. Jackson Square – Oshkosh, WI
- 2) LSS will act as a liaison and coordinator of services for the Development and will be entitled to fifteen percent (15%) of the Developer Fee. HKP or its affiliate will be the developer and will be entitled to eighty five percent (85%) of the developer fee.
- 3) HKP will make every effort to complete and submit a winning Tax Credit Application (the “Application”) to the WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (“WHEDA”) for the Development. LSS will work with HKP to secure necessary documentation for submission of the Application to WHEDA. HKP will arrange and pay costs associated with the Application. HKP will be reimbursed at closing for expenses incurred.
- 4) HKP will enter into an AIA B141 contract with the Partnership for architectural services for the development, which contract will describe the services provided, timing of payments and provisions generally found in agreements for such services. In consideration for its architectural services, HKP will be entitled to a fee from the Partnership equal to 6% of the amount of the AIA construction contract. In addition to the contract for architectural services, the Partnership shall pay for any construction oversight services provided by an architect or inspector during construction, all subject to WHEDA guidelines.

- 5) Within 21 calendar days of the Development receiving an allocation of low-income housing tax credits, LSS shall engage a licensed attorney with experience closing low-income housing tax credit transactions. A fee of \$25,000 will be paid to LSS as related to legal and document review fees related to the Development.
- 6) HKP will be the general contractor for the Development and will enter into an AIA construction contract with the Partnership. HKP will guarantee construction completion and placed in service date. HKP will be entitled to the following fees for its general contractor services, all subject to WHEDA guidelines: general conditions (6% of the AIA contract), overhead (2% of the AIA contract and general conditions), and profit (6% of the AIA contract, general conditions, and overhead).
- 7) Subject to Limited Partner approval, HKP will be the property management agent for the Development and will enter into a management agreement with the Partnership for the Development. Pursuant to the management agreement, the property management agent will be entitled to a fee of 6% of gross revenue from the Partnership, subject to WHEDA guidelines.
- 8) HKP will provide loan and partnership document review services for the Development. In consideration for its document review services, HKP will be entitled to a fee of \$35,000 from the Partnership.
- 9) HKP will provide engineering and oversight services for the Development. In consideration for its engineering and oversight services, HKP will be entitled to a fee of 1.5% of the sum of the AIA, contingency, and impact fees from the Partnership, subject to WHEDA guidelines.
- 10) It is anticipated that the Limited Partner will require certain guaranties, such as an operating deficit guaranty, a tax credit compliance guaranty and a guaranty of the general partner's obligations, (collectively, the "Partnership Agreement Guaranties") in connection with the execution of a partnership agreement. If LSS and/or an affiliate thereof provides these guaranties, then LSS shall be entitled to 100% of the incentive management fee and General Partner distributions. However, if HKP provides these Partnership Agreement Guaranties, then (a) HKP or its affiliate shall receive 100% of the incentive management fee and general partner distributions, (b) LSS and the Partnership shall take no action with respect to the Development or the Partnership without obtaining the prior consent of HKP, (c) LSS and the Partnership shall provide to HKP within five (5) days of receipt of the same copies of all written notices received by LSS or the Partnership with respect to the Development or the Partnership, and (d) the HKP partnership agreement guarantees shall terminate in the event of (i) the breach by LSS or the Partnership of any of the foregoing covenants, (ii) the breach by the General Partner of any of its covenants under the Partnership Agreement, (iii) the breach by LSS of any of its covenants under the Development Agreement, (iv) the removal of the General Partner from the Partnership by the


Limited Partner, or (v) the termination of the property management agreement between HKP and the Partnership.

- 11) Subject to Limited Partner approval, LSS shall have the right of first refusal to purchase the property at the end of the compliance period. HKP shall receive 50% of any sales proceeds.
- 12) HKP will provide Interior Design consulting services for the Development. In consideration for its Interior Design consulting services, HKP will be entitled to a fee equal to \$25,000.
- 13) This LOI sets forth the principal terms that have been agreed upon by the parties concerning the above described 7<sup>th</sup> unit development in Racine WI. It is anticipated that the parties will enter into a partnership agreement, a contribution agreement and other related agreements (the "Partnership Documents") for the construction of this development, but are executing this LOI now in order to establish the basic terms of the transaction and enable HKP to deploy resources for the construction while the Partnership Documents are being negotiated.

In the event that issues arise hereafter which are not addressed in this Letter of Intent, HKP and LSS agree to negotiate in good faith in an attempt to resolve such issues.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed this 19<sup>th</sup> day of January 2015.

HERMAN & KITTLE PROPERTIES, INC.

By:   
\_\_\_\_\_  
RJ Pasquesi, Vice President of Development

Lutheran Social Services of Wisconsin &  
Upper Michigan, Inc.

By:   
\_\_\_\_\_  
Ron Hauser, Chief Program Officer

# Resume of Management Team Member



# HERMAN & KITTLE PROPERTIES, INC.



( not just  
another  
developer

### Our Mission and Values

We create value through real estate. That's our mission at Herman & Kittle Properties, Inc. (HKP) and it's one we believe can only be pursued as a team. Whether it's building a new apartment community, developing new storage technologies, providing ROI for investors or holding a community fundraiser- we do it as a team. Our ability to take a development from just a thought scribbled on paper to a physical reality that provides a valuable service can only be accomplished by leveraging the internal talents and expertise of our cross functional team. We are what make HKP strong and competitive.

At HKP, we hold three values dear: Culture, Community and Commitment. We call them "The 3 C's" and we strive to make sure our work reflects these values. When taken individually, each "C" is important. Together, they are vital to the way we do our business

### About Us

HKP is the successor to companies that have been around since 1948, and has developed and managed multi-family homes for over 60 years.

We develop, build, manage and own multi-family rental housing and self-storage facilities. HKP has developed and managed high-quality apartment complexes and self-storage facilities throughout the Midwest and the Gulf Region.

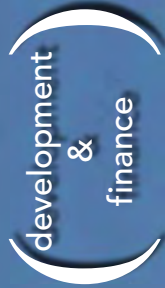
Our most valuable asset - our team- has extensive experience in property development, real estate finance, multi-family housing construction, and property management and compliance. Our vertically integrated structure means we have the experience and the expertise on hand to successfully offer partners the services and products that will complete a project from beginning to end.

Our employees take great pride in making the development, financing, construction and management processes easy for our partners. We are flexible enough to ensure that our work meets the vision and goals of our partners, whether non-profit organizations, community groups or government agencies. We value the ability to adapt to our partners' needs, allowing them to be as involved as they want to be.

HKP is consistently ranked among the top developers of affordable housing as we relentlessly pursue leadership in the property development industry. Our turnkey approach empowers our team to provide a product of the utmost quality, as well as trustworthy, organized and strategic services to our customers and partners.

**[mission]**  
create value





For over 50 years, HKP has grown strategically and built a team that offers a turnkey approach to real estate development, including finance. Our dedicated financial team provides our partners with an experience that is seamless, transparent and trustworthy.

Our team has an intricate understanding of complex deal structures that involve several sources of funding, as well as strong relationships with the local, regional and national financial institutions that help us not only get the deal done, but done well.

We have expertise in the following areas:

- Conventional Loans
- IRS Section 42 (Low Income Housing Tax Credits)
- Tax exempt and taxable bonds
- Gulf Opportunity Zone (GOZone) credits
- Rural Development Section 538
- HOME Investment Partnerships Program (HOME)
- Community Development Block Grant (CDBG)
- Federal Home Loan Bank Programs (FHLB)
- Section 1602 and TCAP
- Neighborhood Stabilization Program funds (NSPs)
- Fannie and Freddie Debt Products

## [affordable] creating opportunity

HKP has developed an expansive portfolio across the Midwest and Gulf Regions. We have built a solid foundation in affordable housing (IRS Section 42-Rental Housing Tax Credit) while also expanding into market rate communities.

Our current development portfolio includes properties in Indiana, Illinois, Michigan, Kentucky, Louisiana and Texas. We have a reputation for building high-quality housing that stands the test of time, no matter what market we are in. As long-term owners of our properties, durability and sustainability are as important to us as the communities we work in.

### Products

- Family
- Senior
- 1, 2, 3 and 4 bedroom apartment homes
- Town homes
- Single family homes
- Multi-story buildings
- Urban infill communities

## [market rate] creating luxury

Our market rate communities serve a different market and population base. These communities were built with upper-middle class professionals in mind and allowed us more freedom in the design and development stages. New floor plan concepts, building designs, site layouts and interior design plans were developed to build a community of this caliber.

### Examples of Amenities & Features

- Upgraded flooring, cabinets & counter tops
- Decorative columns & arched doorways
- Fireplaces
- Spa-style soaking tubs
- Direct access attached garages
- Wi-Fi lounge
- State-of-the-art fitness facility (24-hour, with flat panel televisions)
- Resort-style pool
- Entertainment patio with Bar-B-Q grills
- Tanning rooms
- Car care center with wash area and vacuum
- Pet agility course
- Fitness path





(development  
&  
finance)



## [storage] creating room

HKP entered the self-storage industry in 1999 and in that short time we have developed or acquired properties in Indiana, Illinois, Missouri, and Ohio.

In 2006, we began to develop under the brand name Infinite Self-Storage. We also converted all existing properties to this name in an effort to build name recognition and reputation in all of our markets at the same time. Infinite Self-Storage facilities often have state-of-the-art features such as 24-hour rental kiosks, 24-hour video monitoring, covered RV and boat storage, and more.



### Features

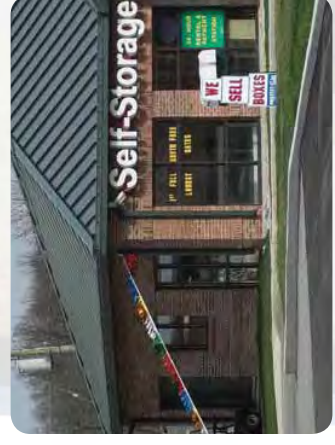
- Online rentals, reservations and payment system
- 24-hour rental kiosk
- Covered RV and boat storage
- Access controlled gate systems
- 24-hour video monitoring
- Climate control units
- Individually alarmed units
- Perimeter fencing
- Packing supply centers
- High-security locks
- Interior and exterior access units
- 2nd story restricted access units

## [acquisitions] creating possibility

HKP is also interested in acquiring general partnership interests in properties or portfolios with IRS Section 42- Rental Housing Tax Credits (RHTC) or Project Based Section 8. Our financial expertise in dealing with both governmental agencies and complex deal structures can provide dividends to almost any property owner interested in finding a solution.

We are open to looking at both performing and non-performing assets. We have a proven track record in repositioning RHTC properties by:

- Conducting an in-depth market study to identify trends and areas for improvement
- Working with our property management team to improve operations
- Working with lenders to restructure debt
- Resolving compliance related issues
- Optimize performance for the remainder of the investment period





As we relentlessly pursue the development and construction of quality properties, we engage our in-house design and construction team to provide the flexibility and control that is often needed to provide better products and services.

Our commitment to a better product is reflected in our belief that sustainable communities and sustainable business are one in the same. That's why we support sustainability through the following efforts:

- Constructing LEED/Enterprise Green certified buildings
- Developing urban infill sites
- Building multi-family properties with high density, thereby detracting from urban sprawl
- Rehabilitating historic buildings
- Recycling construction materials whenever possible
- Using Energy Star rated appliances and, water and electricity saving fixtures in our apartment homes
- Continuing to educate our employees and trade partners on eco-friendly business techniques



## [design] creating vision

HKP's in-house design team provides conceptual site plans for every property construction project. These plans provide our customers with a seamless process from beginning to end. Our design team will work with local, state and federal officials and engineers to ensure quality and efficiency for our partners.



### Areas expertise:

- In-house architects/drafting
- LEED/Enterprise Green project oversight
- Auto CAD design
- Quantity takeoffs
- Code compliance
- Site layout
- Estimating
- Interior design services

## [construction] creating reality

HKP has over 50 years of building experience and has constructed properties in across the Midwest and Gulf regions. We provide demolition, rehabilitation and new construction in both urban and suburban areas.

### Areas of Expertise

- Construction budget preparation
- Infrastructure development
- Underground/pond retention
- Urban infill
- Rural development
- Self-storage facilities (steel and wood)
- Wood piling foundation
- Conventional foundation
- Multi-story buildings
- Breeze-ways & interior hallways
- Single family homes & town homes
- LEED/Green Enterprise certified construction

- Fully accessible homes
- Competitive bidding with electronic Planroom
- Centralized purchasing



# property management

Property Management is an incredibly valuable service offered by HKP. By choosing to make their home in our communities, our residents are allowing us to become a part of their day-to-day life and to spend a large portion of their income with us. It's not a decision we take lightly.

In much the same way, by trusting HKP to manage their property, our partners trust us to become a permanent fixture in their property's community as well. HKP ensures long term sustainability by successfully managing day-to-day property management and compliance operations.



# [management]

creating service

Whether we are managing one of our own properties or a partner's property, our only objective is to provide superior service to our residents and those in the surrounding community. It's our business to maintain stable communities where people desire to live.



Our main areas of expertise in property management include:

- Affordable Apartments- (IRS Section 42, tax-exempt bonds, Housing Choice Vouchers, HOME, CDBG, FHLB and USDA-RD)
- Market Rate Apartments
- Gulf Opportunity Zone (GoZone)
- Self-Storage Facilities
- Commercial Properties
- Receivership

# [compliance]

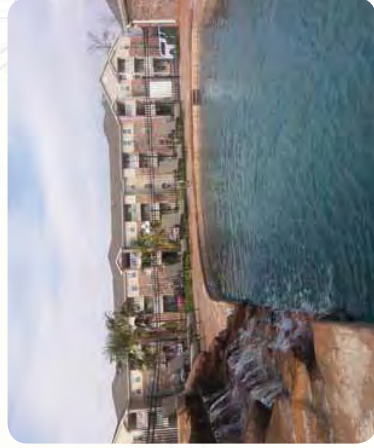
creating consistency

HKP's in-house compliance team is diligent in their attention to detail. Whether it's approving applications, re-certifying residents or conducting an audit, our team has earned an excellent reputation for maintaining clean, complete and organized files.

Our compliance team helps to manage communities to make sure our investments are kept within funding requirements. As such, they serve as our liaison to the Housing Finance Authorities in all of the states we work in.

Our areas of compliance expertise include:

- Low-income Housing Tax Credits (IRS Section 42)
- Housing Choice Vouchers
- Tax-exempt bonds
- HOME Investment Partnerships Program (HOME)
- Federal Home Loan Bank Programs (FHLB)





## [Jeffrey L. Kittle]

P R E S I D E N T & C E O

Jeff is responsible for directing the senior management team, strategic initiatives, new opportunities, and financial results.

Jeff is also responsible for the ownership and management of over 100 properties in eight states. These developments, which include over 8,200 apartment homes and over 12,000 self-storage units, have utilized some form of conventional or government financing including housing tax credits, and/or tax-exempt bond financing, the United States Department of Agriculture, HUD, and the Federal Home Loan Bank. All totaled, HKP's portfolio represents more than \$500 million in investments.

With Jeff's help, HKP was recognized as Affordable Housing Finance's 21<sup>st</sup> largest affordable housing developer and Inside Self-Storage's 55th largest self-storage owner. Over the last several years Jeff has been active within the apartment and self-storage industry, including sitting on the steering committee for the National Association of Home Builders Housing Credit Group as well as the Self Storage Association's Large Operator's Council. Jeff is a member of the Young Presidents' Organization and has served as the featured speaker at several industry conferences.

Jeff previously worked at the Indiana Housing Finance Authority (now known as the Indiana Housing and Community Development Authority) as a Senior Financial Analyst. In addition to issuing single and multi-family mortgage revenue bonds, Jeff helped finance more than \$175 million of affordable housing across Indiana.

An Indianapolis native, Jeff graduated Phi Beta Kappa from Indiana University with a Bachelor of Arts degree. Later he attended Indiana University's Kelley School of Business where he earned his Master of Business Administration in Finance. Currently Jeff is active in various community and civic organizations in Indianapolis, where he lives with his wife and two daughters.



## [Todd E. Sears, CFA®]

Executive Vice President - Portfolio & Corporate Finance

Todd oversees HKP's newly formed portfolio management function and corporate finance activities. He also serves as a member of the senior management team of HKP.

Todd was previously the Executive Vice President of the Indianapolis Neighborhood Housing Partnership (INHP) from 2000 through 2005. He completed approximately \$25 million of mortgage sales/securitizations and the creation of two bank-financed loan pools (each over \$20 million).

Todd's career also includes two areas of state government: first, in various positions at the Indiana Housing Finance Authority (IHFA, now known as the Indiana Housing and Community Development Authority), including Deputy Director, and second, as the Executive Secretary of the Indiana State Board of Tax Commissioners. His responsibilities at IHFA covered a variety of areas such as single-family homeownership programs, multi-family rental housing activities, and community development funding. While at the Tax Board, Todd focused on policy issues related to residential property and reassessment.

Todd's previous work experience includes Arthur Andersen LLP and First Chicago/NBD (now part of JPMorgan Chase & Co.). Both of these experiences focused on commercial real estate in various forms including lending, valuation, and analysis.

Todd received a Bachelor of Science in Finance from the Honors Program of the Business School at Indiana University and graduated with Distinction. In 2002, he received a Masters in Economics from Indiana University at I.U.P.U.I. In 2008, Todd earned the Chartered Financial Analyst designation from the CFA Institute.

Todd serves on the board of the Coalition for Homelessness Intervention and Prevention and the CFA Society of Indianapolis. He is a member of the Affordable Housing Advisory Council of the Federal Home Loan Bank of Indianapolis.

## [R.J. Pasquesi, CFA®]

Executive Vice President - Development & Finance

R.J.'s role is to lead a team responsible for the generation and closing of the firm's development and acquisition pipeline. This includes the strategic use of capital markets for transaction financing. R.J.'s work at HKP encompasses equity and lender relationships, project specific financing issues, and growing the portfolio through the development and acquisition of conventional and Section 42 affordable apartment communities, as well as self-storage facilities. R.J. also serves as a member of the senior management team.

Since joining the company in 2006, R.J. has developed and financed over 2,600 apartment homes totaling more than \$250 million in investments. Additionally, he has developed over 600,000 square feet of self-storage totaling more than \$45 million in investments.

Prior to joining HKP, R.J. worked for Affinity Real Estate, LLC (Affinity). While working at Affinity, he developed real estate investment strategies through financial and market analysis for over thirty clients. R.J. also worked at Bank of America in two different groups - Investment Banking and Portfolio Management. While in the Investment Banking Group, he was responsible for developing corporate finance models to analyze capital structures, acquisitions / divestitures, and corporate valuations. In the Portfolio Management Group, R.J. assisted in the negotiating and structuring of senior bank debt facilities.

R.J. received his Bachelor of Science from the Kelly School of Business at Indiana University. In 2008 he earned his Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute and the CFA Society of Indianapolis. R.J. currently lives in the Indianapolis area with his wife and two daughters.



## [Jeffrey R. Guzzi]

Executive Vice President - Chief Operating Officer

Jeff oversees our Accounting and Information Technologies Departments, and leads the company in operations efficiencies. Since joining HKP in 2007, Jeff has doubled the productivity of the Accounting Department, overseen the implementation of multiple software systems to optimize the company's day-to-day business operations and has led the transformation towards a paperless office.

Prior to joining HKP, Jeff was the Senior Controller for HDG Mansur Capital Group, LLC and was responsible for all financial reporting and analysis, budget preparation, and accounting operations for HDG Mansur companies.

Jeff also spent five years as a public accountant, followed by six years in corporate accounting as Accounting Supervisor of a national long-term healthcare provider, and Corporate Controller of a manufacturing company. He spent two years as a shareholder of Force Equipment Corporation, a manufacturer of road construction equipment.

Jeff graduated from Purdue University with a Bachelor of Science degree in accounting, is a Certified Public Accountant, and a Chartered Global Management Accountant. Jeff is also a member of the Indiana CPA Society as well as the American Institute of Certified Public Accountants. He currently resides in Brownsburg with his wife and two daughters.



## [Jay R. Kellogg]

Executive Vice President, Construction

Jay is responsible and accountable for the overall day-to-day operations and performance of our entire construction and design departments. With his design staff, Jay's team initiates site plans, provides full construction drawings, construction estimates, centralized purchasing services, interior-design oversight and LEED/Green Building support. The construction team manages site development, demolition, infrastructure utilities/ roadways, building construction and implements LEED/ Green Building construction practices.

Prior to joining HKP in 2007, Jay was the Director of Development at Beazer Homes in Brea, California. Jay was responsible for overseeing offsite purchasing and contracting for all development, from initial land acquisition to project build-out. He also developed budgets, managed offsite development activities for 21 active communities and worked directly with state, local and federal agencies on encroachment type permits involving negotiations to get final agency approvals.

Jay has also worked as Vice President of Construction Operations for Empire Land, LLC in Ontario, California. There he oversaw all aspects of offsite development for over 30,000 residential tract lots and established competitive bidding protocols throughout California, Nevada and Arizona.

Jay is fluent in Spanish and attended Clarion State University with studies in Computer Science, Mathematics, and Spanish and holds a Green Associate credential for LEED building practices. Jay lives in Zionsville, Indiana with his wife and 3 of their 5 children. He is also an active member of Connection Point Community Church in Brownsburg and enjoys small game hunting.



## [Pat O'Connor]

Executive Vice President

Pat joined the company in July 2012 and is responsible for setting up HKP's capital markets activities and the formation of HKP's Broker/Dealer, Eagle Capital Company, LLC, to raise money for real estate projects.

Pat comes to HKP with over 30 years of experience in all aspects of real estate lending and equity finance. Prior to joining HKP, he spent 16 years at House Investments as Director of Acquisitions. He was responsible for the origination of tax credit equity transactions, as well as preferred equity and mezzanine loan opportunities. Previous to House Investments, Pat spent 15 years with Banc One Mortgage Company/Banc One Capital Company as a Vice President of Originations and Underwriting for construction loans and permanent loans under the FHA, Fannie Mae, and Freddie Mac programs, as well as for insurance companies.

Pat has a BA in Economics from Indiana University and an MBA from the University of Indianapolis. He has also completed a professional course work in real estate valuation through the American Institute for Real Estate Appraisers. Born and raised in Indianapolis, Pat is active in various community and civic organizations, and enjoys coaching sports at the grade school and high school level. Pat is married with three children.



## [David Thompson]

Executive Vice President & General Counsel

David joined HKP in 2002. David oversees HKP's Legal Department, which is responsible for all legal issues for the company. David also serves as a member of the senior management team. David's areas of legal expertise include real estate development and finance, Section 42 tax credits, corporate law and commercial law. During David's ten years at HKP, he has handled over 90 real estate closings and has seen the company's portfolio grow from a dozen properties in two states to over one hundred properties in eight states.

David has been practicing law in Indiana for 15 years. Prior to joining HKP, David was an Associate at the firm of Ice Miller in Indianapolis, where he was a member of the Real Estate Department and represented developers and property owners on a variety of real estate transactions. Prior to that, David worked as an owner in real estate loans, real estate development, trademark issues and estate planning.

David graduated Magna Cum Laude from Brigham Young University with a Bachelor of Arts degree in 1993 and earned his law degree from Columbia University in 1997. He is licensed to practice law in Indiana and is a member of the Indiana State Bar Association and the Association of Corporate Counsel.

In his spare time, David volunteers for the Boy Scouts of America and enjoys traveling, cooking, reading, camping and hiking with his wife and their four children.



## [Stephen A. Lavery]

Vice President, Property Management

Steve is responsible for our Apartment and Self-Storage group. Steve focuses on delivering financial results by developing strong teams to run HKP's properties. Since joining HKP in 2008, Steve has continually sought innovative ways to optimize performance and ROI through technology and training. He has also been responsible for growing the 3rd party management and receivership arm of our business.

Prior to HKP, Steve was the Senior Vice President for Empirion Property Management, Inc. There he managed a business unit of 5,000 to 9,400 apartment units, focusing on revenue enhancement and cost control. He also played a key role in guiding the company through three mergers.

Steve was also the Senior Vice President of Equity Residential (which merged with Empirion in 2006). In his role at Equity, Steve managed a business unit between 5,000 to 6,000 apartment units and assisted in the implementation of increased technological capabilities at properties, a divisional purchasing program, marketing initiatives and strategic plans for properties in challenging markets.

Steve has earned a Bachelor of Science in Journalism and a Masters of Sports Administration/Facility Management, both from Ohio University. He is a Certified Property Manager (CPM) and sits on the Board of Directors for both the Indiana Apartment Association and the Residential Property Management Program at Ball State University. Steve is also on the Board for the IU/PUI Athletics Club. In his spare time, he enjoys SCUBA diving, reading and BBQing with his family at the Indy 500.



## [Kelly Gangl]

Vice President - Human Resources

Kelly joined HKP in 2010. Kelly leads and provides direction for all human resource and marketing initiatives. In this role, she provides oversight for all employment related activities, including recruiting, selection, hiring, training, benefits, government requirements, employee relations and training.

Kelly has over 22 years of experience in Human Resource Management. Prior to joining HKP, she served as the Director of HR for the Indianapolis division of Sallie Mae and as the Employment Manager at BMG Direct before that.

Kelly earned her BSBA Degree from Ohio State University with a major in Human Resource Management. In addition, she obtained SPHR Certification in 2000. As a member of the Human Resource Professional Development Association (HRPDA), Kelly is currently serving on the marketing committee of the HRPDA Board.

In her free time, Kelly volunteers as an English as Second Language tutor for Indy Reads. She also enjoys reading on her own, exercising and spending time with her family.



playing well  
with others

"It is one thing to work with group like Herman & Kittle as a development partner but another to have a partner that steps up and SHOWS they are more than the sum of the tasks they do. Herman & Kittle has stepped up and supported us in the trenches by initiating a Herman & Kittle companywide food drive to benefit our Foster Grandparent program and volunteering at our annual Holiday Meal Program."

*Ed Tipton, Executive Director of Community Action of Greater Indianapolis (CAGI)*



## [partnerships] creating resources

HKP can provide consulting services to help non-profit organizations reach their goals related to housing. The tax credit application process is extensive and very competitive; most groups lack the capacity to take on the project of developing an affordable housing community, this is where HKP can help. Our team has the knowledge and experience to make your vision a reality.



Over the years HKP has built rewarding partnerships with many non-profit organizations. Our work with these groups directly supports our mission to create value through real estate. It also allows us to forge long-term relationships with organizations working to make our communities better places to live.

### What Can HKP Do For You?

- Predevelopment
- Applications
- Construction documents
- Financing
- General contractor
- Property management
- Accounting

Our non-profit partners include:

- The Julian Center (Indiana)
- Community Action of Greater Indianapolis (CAGI)
- The Butler Metropolitan Housing Authority (Ohio)
- Sycamore Services (Indiana)
- The Bethlehem House (Indiana)
- Hammond Housing Authority/Hammond Elderly Housing
- Indianapolis Housing Authority
- Area IV Agency on Aging and Community Action Partners (Indiana)
- Tri-County Community Action (Ohio)





## outside our walls

When we become involved in a new property, we understand that we become a part of the property's larger community. We make a concerted effort to have a positive impact on our communities through our team-led HKP Cares Committee. HKP Cares coordinates efforts such as company-wide outreach activities, the paid volunteer days that each employee can use and our philanthropic efforts.



## [outreach efforts] creating culture

HKP Cares coordinates activities like blood drives, food drives and the like. The idea behind these efforts is to choose an activity that allows each property to make an impact on its community, while at the same time participate with the rest of the company in a group effort. Since HKP Cares' inception in Spring 2011, we have completed countless community outreach efforts—some as individual properties and some as a company. The project we are most proud of was an ambitious care package drive for our troops overseas. Our team members collected food and toiletry items for several months before we packed them up to ship at our Annual Meeting. We collected enough items for 275 care packages, each with about 30 items in them!



## [volunteer days] creating community

HKP generously provides 2 full days of paid volunteer time to each team member (one day for part-time team members). Each team member may use this day to volunteer at any 501c3 organization of his/her choice. We encourage our team members to use their day with a group they are passionate about. Our volunteers have spent time teaching adults to read, volunteering at schools, libraries, animal shelters, sports competitions and more. We are inspired by our team members' dedication to making our communities a better place to work and live!



## [donation] creating commitment

As we work to donate our time and service, we recognize that many non-profits doing exceptional work need further support to continue their efforts. In 2011, HKP committed to provide monetary support to community non-profits. Our strategic plan calls for donations to increase annually, ultimately reaching the goal of \$1M in donations by 2021. At HKP, "doing well by doing good" isn't just lip service, it's how we do business.





500 East 96<sup>th</sup> Street, Suite 300

Indianapolis, IN 46240

317.846.3111

[www.hermankittle.com](http://www.hermankittle.com)

[www.myfavoriteapartment.com](http://www.myfavoriteapartment.com)

[www.infiniteselfstorage.com](http://www.infiniteselfstorage.com)



# Certification of Existence

# The State of Wisconsin Department of Financial Institutions

LUTHERAN SOCIAL SERVICES OF WI AND UPPER MICHIGAN INC

is hereby certified to engage in business as a

## CHARITABLE ORGANIZATION

in the State of Wisconsin. This certification was approved on the 7th day of July in the year 1993.

The authority granted herein must be renewed by August 1 of each year by the granting authority.

In witness thereof, the State of Wisconsin Department of Financial Institutions has caused this certificate to be issued under the seal of the Department of Financial Institutions



Peter Bildsten  
Secretary, Department of Financial Institutions

Michael J. Mach  
Administrator, Division of Banking

This certificate of registration must be displayed conspicuously in the registrant's office or place of business.

This certificate was printed on the 6th day of June in the year 2014

# Update to By-Laws in lieu of Board Resolution

## OFFICER'S CERTIFICATE

I, Joe Arzbecker, certify that I am the duly appointed and qualified Chief Financial Officer of **LUTHERAN SOCIAL SERVICES OF WISCONSIN AND UPPER MICHIGAN, INC.**, a nonstock corporation organized and existing under the laws of the State of Wisconsin, and certify that the attached Amendment to the Bylaws of the Corporation was approved at a meeting of the Board of Directors of the Corporation, by a vote of not less than 2/3 of the Directors, duly called and held on May 6, 2014.

Dated: May 14, 2014.

  
\_\_\_\_\_  
Joe Arzbecker, Chief Financial Officer

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**AMENDMENT TO THE  
BYLAWS OF  
LUTHERAN SOCIAL SERVICES OF WISCONSIN AND UPPER MICHIGAN, INC.**

Add the following as new Article IX of the Bylaws:

**ARTICLE IX  
MISSION AND PURPOSES**

The Mission Statement of the Corporation is as follows:

Motivated by the compassion of Christ, we help people improve the quality of their lives.

In furtherance of the Mission Statement, the Corporation is committed to:

- (i) serving children, youth, adults, the elderly and families of all backgrounds as they seek to achieve and maintain responsibility and direction in their lives and in the broader community, including fostering low-income housing;
- (ii) strengthening the responsiveness and effectiveness of social systems through advocacy, innovation and high standards of quality;
- (iii) working in partnership with other organizations in a common concern for the well-being of people;
- (iv) anticipating the future directions and needs of society, and providing the services to meet those needs; and
- (v) an integral relationship with the Evangelical Lutheran Church in America in support of its total ministry.

The Corporation shall operate exclusively for charitable, educational and religious purposes, provided the Corporation shall restrict itself to activities which are permitted through an exempt organization under 501(c)(3) of the Internal Revenue Code of 1954, as amended from time to time, and it shall conform to the regulations thereunder.

The Corporation may engage in any lawful activities within the purposes for which a Corporation may be organized under the Wisconsin Nonstock Corporation Act.





May 14, 2015

Jeff Vitton, AICP  
Community Development Program Specialist  
City of Racine  
Department of City Development  
730 Washington Avenue, Room 102  
Racine, WI 53403

Re: Letter of Support for the development of 1520 Clark Street

Dear Mr. Vitton,

Through their involvement as the 100% partner of the 1520 Clark Street development, Lutheran Social Services of Wisconsin and Upper Michigan, Inc. (LSS) will impact the community through the provision of sustainable, attractive loft-style affordable housing that will serve Racine's Veteran population. LSS has significant housing and supportive services experience over a range of populations (Veteran, Elderly, Family, etc.). LSS will offer service coordination to the residents of the development and will offer to meet with residents at move-in to assess their needs and develop a service plan to put in place. These services may include, but are not limited to, the following:

- Community Supported Living
- Veterans Services
- Individualized Community Support
  - Employment readiness
  - Volunteering
  - Community Involvement
- Supportive Services
  - Health care connections
  - Assistance with self-direction and/or self-determination
  - Coordinating employees or employment paperwork
  - Connecting and communication between multiple services

LSS will partner with Herman & Kittle Properties, Inc. to complete the development of 1520 Clark Street. Together, these organizations form a strong partnership that can successfully provide high-quality housing for Veterans that is in great need in the Racine community. Thank you for your time and consideration of our application.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Gromacki'. The signature is fluid and cursive, with a large loop at the end.

David Gromacki  
COO



**CHANGING**

**LIVES**

# WHO WE ARE

Dedicated to representing God's love in the form of programs and services that help people in need, Lutheran Social Services of Wisconsin and Upper Michigan can trace its origin back to 1882, when Pastor E. J. Homme opened a home for orphaned children in Wittenberg, Wisconsin.

Through the decades, LSS has grown and adapted to meet the ever-changing needs of people and communities throughout our service area. Our 1,100 employees and 1,800 volunteers provide an array of services to meet the needs of people all along the human lifespan and across a wide variety of situations.

Affiliated with congregations of the Evangelical Lutheran Church in America located throughout Wisconsin and Upper Michigan, LSS welcomes and serves people of all faiths and all backgrounds. We thank these ELCA churches and the United Way organizations, county and state governments, corporations, foundations and thousands of individuals who support and fund our ministry of social service.





LSS operates **262**  
programs at **196**  
sites in **115**  
communities.

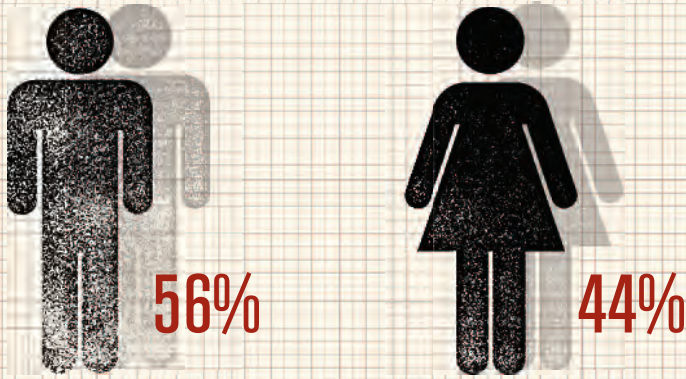


## Number of Lives Touched

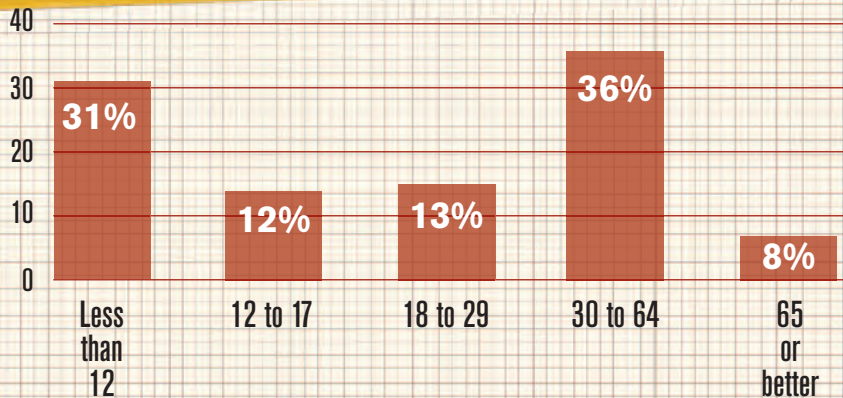
104,912 Lives



## Primary Clients by Gender



## Primary Clients by Age



\*Based on 2013 data

# WHO WE SERVE

While LSS works in partnership with the Lutheran Church to put faith into action in the name of Christ, our programs and services are open to all, regardless of religious affiliation or background. Sometimes our programs improve a life through a single contact — such as a counseling session for a runaway youth or a hot meal for someone who hasn't eaten. Sometimes we work with individuals, families and communities for a long time in order to meet multiple needs and change lives for the better.

During 2013, LSS touched more than 100,000 lives throughout Wisconsin and Upper Michigan.

These include:

## **Primary clients**

Individuals we serve on an ongoing basis

## **Collateral contacts**

The family members and loved ones of our primary clients

## **Brief encounter contacts**

Individuals who occasionally need our services

## **Community presentation participants**

Individuals who attend our presentations in their communities



## OUR MISSION

Motivated by the compassion of Christ,  
we help people improve the quality of their lives.

## OUR VISION

Change the world – one grace-filled life at a time.

## OUR VALUES

The infinite worth of each person:  
Each person is a unique creation and child of God.

### **Diversity**

LSS seeks diversity in its staff and volunteers  
as well as in those it serves.

### **Interdependence**

Individuals and organizations are intertwined  
and must rely on and support each other.

### **Excellence**

Excellence is the standard of quality for all  
agency services and operations.

### **Innovation**

Ongoing change calls for creativity in developing  
and providing services.

## WHAT WE DO

*LSS strives to provide life-changing services that meet the most urgent needs of individuals and communities throughout Wisconsin and Upper Michigan. We often work in collaboration with county agencies, state organizations and other valued partners.*

# SERVICES FOR CHILDREN AND FAMILIES

Adoption services for U.S., foreign-born and special needs children

Foster care for children in need of a safe, nurturing place to stay

Alternative education for grades 7–12 with support from special education-certified teachers

Before-school and after-school child care

Birth to 3 services for children with developmental delays or disabilities

Child care for children 6 weeks through 12 years old

Child abuse and neglect education for children and parents in the Racine area

Service coordination for children with disabilities

Counseling for birth parents considering placing their child for adoption

Parenting education and counseling to preserve families or help children cope with divorce

Residential services that include a youth treatment center and group home

Runaway services for children 11–17 years old and their families

Supervision services for juveniles, including home detention and electronic monitoring

Wraparound services to help families reunite and remain together



LSS is one of only three agencies in Wisconsin and the only agency in Upper Michigan to have this prestigious international adoption accreditation.

HAGUE ACCREDITED



## Annual Highlights\*

### Creating New Families

Finalized 51 domestic and international adoptions and 255 adoptions of children with special needs

### Helping Runaways to Safety

99% of runaway youth served by LSS returned home or to a safe alternative

### Preserving Families

100% of clients served by our Family Preservation Programs were satisfied with the services they received

\*Based on 2013 data



## MENTAL HEALTH SERVICES

Services for co-occurring disorders  
Financial counseling and debt management planning  
Outpatient counseling for mental health  
Outpatient counseling for substance abuse  
Pre-marriage workshops to help couples prepare for an enriching marriage  
Sexual assault services that include crisis support, counseling and advocacy  
School-based counseling to address truancy, behavioral problems and academic performance



### Annual Highlights\*

#### Improving Quality of Life

85% of outpatient counseling clients reported improvement in their quality of life

#### Recovering from Sexual Assault

92% of sexual assault victims reported that counseling is helping them

## SERVICES FOR PERSONS WITH DISABILITIES

Case Management  
Community Living Skills and Supports  
Day Services  
Residential Services



### Annual Highlights\*

#### Supporting Independent Living

100% of clients said that community living skills and support help them gain independence or remain independent in the community

#### Meaningful Experiences Every Day

100% of clients said their experiences while at day services were meaningful

\*Based on 2013 data

# SERVICES THAT DEVELOP COMMUNITIES

Clothing Distribution

Disaster Response

Drop-in Day Centers

Peer Support Services

Homelessness and Poverty Assistance

Refugee and Immigration Services

Vocational Support

Correction, Restorative and Re-entry Services

## Annual Highlights\*

### New Homes and Income Sources

100% of clients of the Welcome Home program for individuals dealing with poverty and homelessness exited the program to a permanent destination and more income

### Resettlement for Refugees

304 refugees were resettled in Wisconsin and Upper Michigan communities



# SERVICES FOR ADDICTION AND RECOVERY

Case Management

Intensive Outpatient Treatment

Primary Inpatient Treatment

Transitional Residential Services

Jail Programming

Peer Support Services

Taskforce Coordination

## Annual Highlights\*

### Restored to Employment

60% of clients were unemployed at the time of intake; that percentage decreased to 32% at the time of discharge and to 23% three months after discharge

### Dramatic Decrease in Homelessness Among those Receiving Addiction Services

26% of clients were homeless at the time of intake; that percentage decreased to 4% at the time of discharge and to 1% three months after discharge

\*Based on 2013 data



# SERVICES FOR OLDER ADULTS AND THEIR FAMILY CAREGIVERS

- Adult Day Centers
- Community Center
- Early Memory Loss Programs
- Education and Support Group Services
- Information and Referral
- Transportation
- Wellness Services



## SUBSIDIZED HOUSING SERVICES

- Older Adults
- Persons with Chronic Mental Illness
- Persons with Developmental Disabilities
- Persons with Physical Disabilities
- Service Coordination for Subsidized Housing

### Annual Highlights\*

**Providing Respite for Caregivers**  
95% of caregivers indicated a decrease in stress as a result of participation in adult day programs

**Improving Quality of Life for Those with Memory Loss**  
100% of clients reported improved quality of life as a result of participation in early memory loss programs



### Annual Highlights\*

**Affordable Housing**  
98% occupancy rate in LSS-managed housing

**Assistance for Continued Independent Living**  
90% of clients who sought financial assistance experienced a decrease in their out-of-pocket expenses

\*Based on 2013 data







 **Lutheran Social Services**  
of Wisconsin and Upper Michigan, Inc.

647 W. Virginia Street  
Milwaukee, WI 53204  
(800) 488-5181  
(414) 281-4400

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**Appleton**

3003-A North  
Richmond Street  
Appleton, WI 54911  
(920) 730-1326

**Beaver Dam**

809 Park Avenue  
Beaver Dam, WI 53916  
(920) 887-3172

**Eau Claire**

1320 W. Clairemont  
Avenue, Suite. 200  
Eau Claire, WI 54701  
(715) 834-2046

**Homme –  
Wittenberg**

W18105 Hemlock Road  
Wittenberg, WI 54499  
(715) 253-2116

**Janesville**

612 North Randall Avenue  
Janesville, WI 53545  
(608) 752-7660

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**La Crosse**

2307 South Avenue  
La Crosse, WI 54601  
(608) 788-5090

**Madison**

6314 Odana Road  
Madison, WI 53719  
(608) 277-0610

**Marquette, MI**

1029 N. Third Street  
Marquette, MI 49855  
(906) 226-7410

**Superior**

33 N. 25th Street East  
Superior, WI 54880  
(715) 394-2054

**Wausau**

115 N. Sixth Street  
Wausau, WI 54403  
(715) 849-3344

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Affiliated with



**Evangelical Lutheran Church in America**  
God's work. Our hands.

Member of



Lutheran Services in America  
Together we can

An agency of



Accredited by





**Lutheran Social Services**  
of Wisconsin and Upper Michigan, Inc.

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**PERFORMANCE AND QUALITY  
IMPROVEMENT**

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**2014 Year-End Outcomes Report**

Released: February 2015

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## INTRODUCTION

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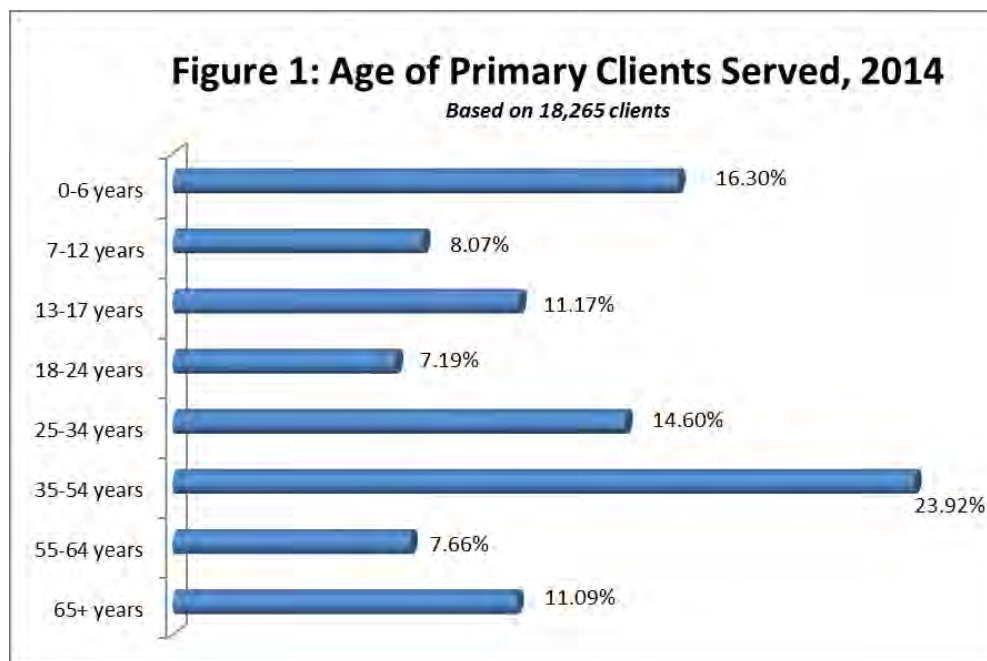
In 2014, Lutheran Social Services of Wisconsin and Upper Michigan, Inc. (LSS) impacted the lives of 106,666 individuals through a broad array of service modalities throughout communities in Wisconsin and Upper Michigan. The mission of LSS is “Motivated by the compassion of Christ, we help people improve the quality of their lives.” The positive change LSS creates is quantified through measurable outcomes. In addition, measurable outcomes allow LSS to demonstrate to clients and funders that we are the premier provider of services. The information contained in this report provides a summary of measurable program outcomes and outputs from the 2014 reporting year.

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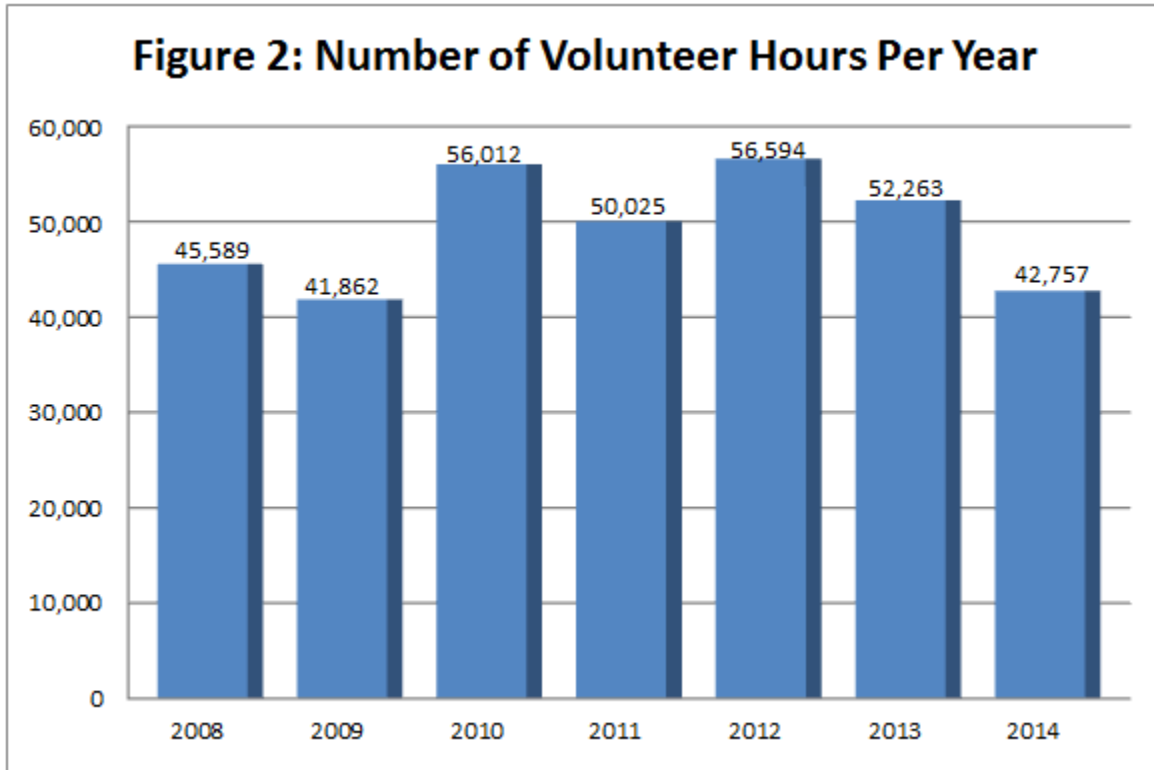
*LSS Vision: Change the world – one grace-filled life at a time.*

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In 2014, LSS offered 263 programs at 188 sites in 117 communities throughout Wisconsin and Upper Michigan. LSS has a corporate office in Milwaukee and offices throughout Wisconsin and Upper Michigan. The agency provides services across the lifespan and for a variety of needs. Services are available for children and families, adults, older adults and persons with disabilities. Services are open to all, regardless of religious affiliation or background. Figure 1 illustrates the ages of primary clients served in 2014.



Serving our clients and our communities would not be possible without the assistance of committed volunteers. Throughout 2014, 1,477 volunteers donated 42,757 hours of their time to LSS programs. In addition, the LSS Operating Board members and Foundation Board members volunteered for a total of 492.5 hours in 2014. Figure 2 captures the hours donated by volunteers at LSS programs from 2008 through 2014.



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## LSS SERVICES OFFERED

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Through all of life's stages, LSS improves lives.

### **Children and Families**

Adoption and Foster Care  
Alternative Education  
Before and After School Care  
Birth-to-Three  
Child Care  
Child Abuse and Neglect Education  
Children's Long Term Support  
Counseling  
Parenting  
Residential Services  
Runaway Services  
Safety Services  
Supervision Services  
Wraparound Services

### **Mental Health**

Co-Occurring Disorders  
Financial Counseling  
Outpatient Mental Health Counseling  
Outpatient Substance Abuse Counseling  
Sexual Assault Services  
School-based Counseling

### **Persons with Disabilities**

Case Management  
Community Living Skills and Supports  
Day Services  
Residential Services

### **Organizing Communities**

Basic Needs  
Clothing Distribution  
Disaster Response  
Drop-in Day Centers  
Peer Support Services  
Homelessness and Poverty  
Refugee and Immigrant Services  
Vocational Assistance  
Correction, Restorative and Reentry Services

### **Addiction and Recovery**

Case Management  
Intensive Outpatient Treatment  
Primary Inpatient Treatment  
Transitional Residential Services  
Jail Programming  
Peer Support Services

### **Older Adults**

Adult Day Centers  
Community Center  
Early Memory Loss Programs  
Education and Support Group Services  
Information and Referral  
Transportation  
Wellness Services

### **Subsidized Housing**

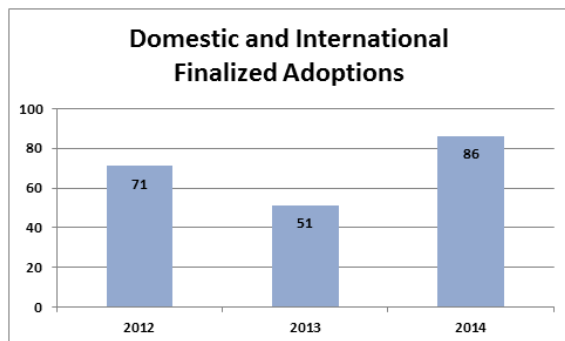
Older Adults  
Persons with Chronic Mental Illness  
Persons with Developmental Disabilities  
Persons with Physical Disabilities  
Service Coordination for Subsidized Housing  
Case Management for Subsidized Housing

LSS child and family services promote the well-being of children and families. Our programs aim to achieve stability and permanence for those we serve. Many programs work in collaboration with county or state partners.

Given the variety of programs in this service grouping, outcomes are often program specific. Many of the outcomes presented measure client satisfaction and client change or progress within a program.

**Adoption Services**

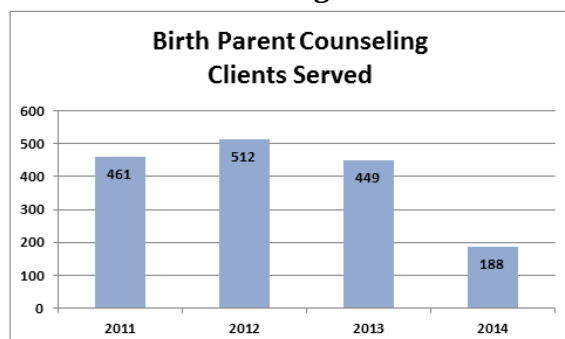
Table 1: Adoption Services 2014 Outcomes		
	International & Domestic	Special Needs
% of adoptive parents that indicated their overall level of program satisfaction was “good” or “excellent”	100%	NA
Number of finalized adoptions	86	358
Average months from placement to finalization (Target <10)	5.25	NA
% of LSS homes that did not have a substantiated instance of abuse or neglect (Target – 100%)	100%	100%



There were 9 International adoptions and 77 Domestic Adoptions for a total of 86 finalized adoptions in 2014. Increase from 51 in 2013 and 71 in 2012.

- Number of finalized special needs adoptions increased from 255 in 2013 to 358 in 2014.
- 100% of the children were safe in special needs adoption homes. Sustained from 2013, and slight increase from 99% in 2012.
- 100% of adoptive parents were overall satisfied. Increase from 94.7% in 2013, and sustained from 100% in 2012.

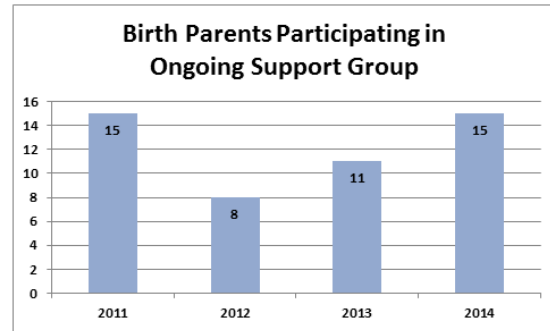
**Birth Parent Counseling**



188 individuals participated in individual counseling and/or ongoing support meetings. Decrease from 449 in 2013, 512 in 2012 and 461 in 2011.



15 birth parents participated in ongoing support group counseling. Slight increase from 11 in 2013, 8 in 2012 and sustained from 15 in 2011.



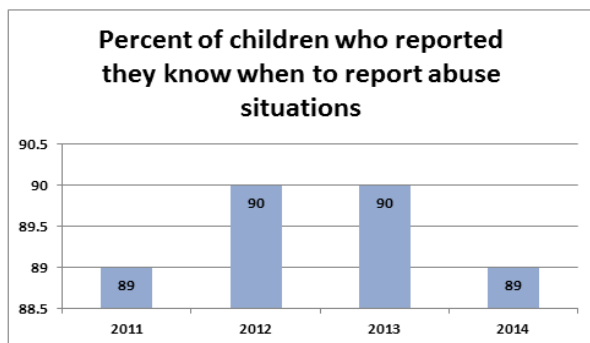
- 100% of the surveys returned responded they were overall satisfied with the services they received. Surveys are distributed at the time of case closure.

### Foster Care Services

- 98% demonstrated progress in their treatment within identified areas as assessed by CANS. Increase from 90% in 2013.
- 100% of youth were safe in their foster home as there were no substantiated incidences of abuse or neglect. Consistent with 2013.
- 98% of children maintained their placement. Increase from 90% in 2013.
- 80% of children were discharged from foster care to less restrictive or lateral placement. Discharges to higher level of care include hospitalizations or residential care. Decrease from 86% in 2013. Increase from 78% in 2012.
- LSS foster care program reduced the timeliness to reunification by four months from Q2 to Q3 in 2014.
- Benchmarking:** LSS foster care program has maintained the highest ranking against 43 agencies nationwide for Placement Stability – children with 2 or fewer placements in 12 months. This may be a result of effective foster parent recruiting, accurate matching of child to foster parent, and/or sufficient support by staff with maintaining placements.

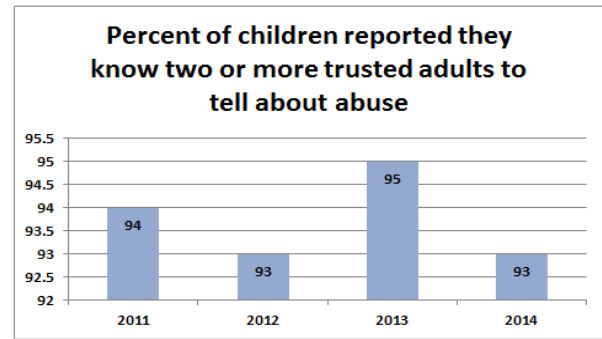
### Stop Child Abuse & Neglect (Education)

- 10,461 unduplicated students from Racine schools (pre-school, kindergarten, 2<sup>nd</sup> grade, 4<sup>th</sup> grade, and 6<sup>th</sup> grade) participated in this curriculum; a slight decrease from 10,706 students in 2013. The information below reflects outcomes from 8,648 of those students:

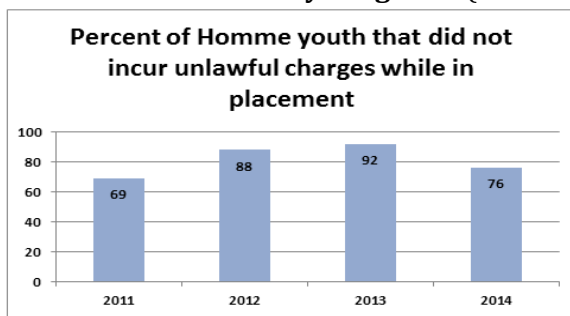


89% of the students reported they know when to report abuse situations. Slight decrease from 90% in 2013 and 2012 and consistent with 89% in 2011.

93% of the students reported they know two or more trusted adults to tell about abuse. Slight decrease from 95% in 2013, consistent with 93% in 2012 and slight decrease from 94% in 2011.

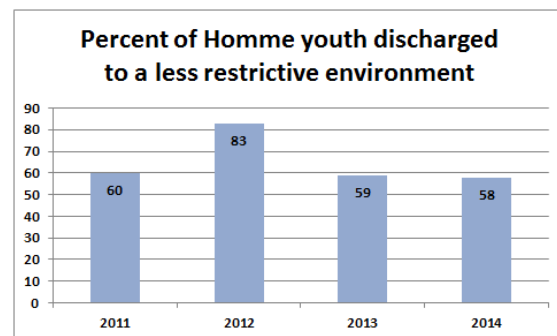


### Homme Youth & Family Programs (Residential Services)



76% of youth did not incur law enforcement charges while in placement. Decrease from 92% in 2013 and 88% in 2012, and increase from 69% in 2011.

58% of youth were discharged to a less restrictive placement. Youth that were discharged to a more restrictive placement include corrections, jail, or other residential facilities due to challenging behaviors. Slight decrease from 59% in 2013, Substantial decrease from 83% in 2012 and slight decrease from 60% in 2011.



- 90% of surveys returned indicated satisfaction with the services that were provided. Increase from 87% in 2013 and 89% in 2012; and sustained from 90% in 2011.
- Benchmarking:** In a nationwide benchmarking initiative with 74 other agencies, Homme Youth and Family Programs has improved ranking throughout 2014 related to number of discharges to a less restrictive environment, moving from below average in comparison to other agencies to average/favorable by year-end.

### Visions School (Alternative Education)

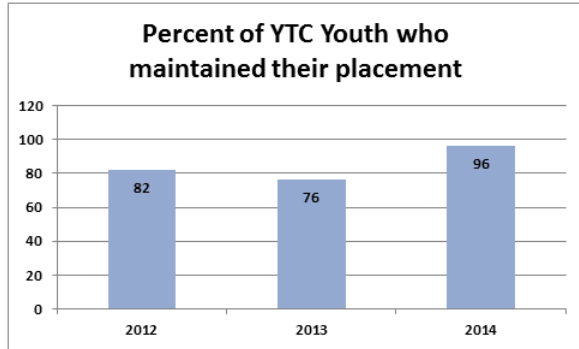
- 95% of high school students earned credit towards graduation. Decrease from 100% in 2013, 2012 and 2011.
- 100% of middle school students made progress toward completing curriculum requirements to advance to the next grade. Consistent with 2013, 2012 and 2011.

## Youth Treatment Center (YTC)

### Residential:

- 50% of residents did not incur contact with law enforcement. Increase from 38% in 2013 and from 46% in 2012.
- 77% of youth were discharged to less restrictive environment. Slight increase from 76% in 2013 and decrease from 83% in 2012.
- 75% of the surveys returned were overall satisfied with services received. Increase from 56% in 2013 and 54% in 2012.

### Shelter:



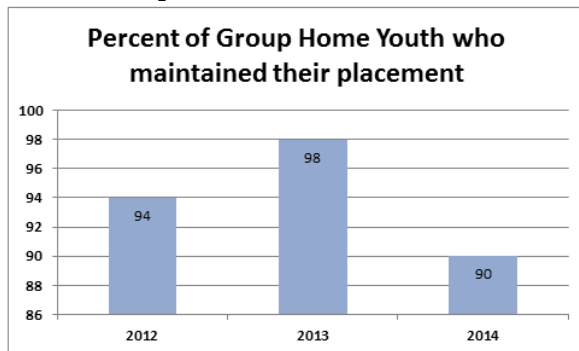
96% of youth maintained their placement. Increase from 76% in 2013 and from 82% in 2012.

- 84% of surveys returned were overall satisfied with service received. Increase from 80% in 2013 and from 81% in 2012.

### School:

- 100% of high school and middle school students earned credit towards graduation or made progress towards advancing to the next grade. Increase from 83% in 2013, and 86% in 2012.
- 100% of students had one or less police contact during school hours while enrolled in this school environment.

## Youth Group Home and Shelter Care



90% of youth served maintained their placement at the group home. Decrease from 98% in 2013, and from 94% in 2012.

- 77% of youth engaged in leisure, recreation, and/or community-based activities. Decrease from 79% in 2013 and 89% in 2012.
- 88% of surveys returned were overall satisfied with the services received. Increase from 74% in 2013 and 67% in 2012.

## Winnebago County Shelter Care – new program opened 2014

- 92% of youth served maintained their placement.
- 97% of surveys returned were overall satisfied with the services received.

### Family Preservation Programs (Counseling/Parenting)

- 86% of children who began services in the home remained in the home while receiving services.
- 71% of children who were out of the home at the beginning of services, returned to their parental home or to a less or lateral placement at discharge.
- Of the programs that assess family functioning with the Global Assessment of Relational Functioning (GARF) scale, families improved functioning by an average increase of 5 in their GARF Scores. (Target: 4)
- Benchmarking:** In a nationwide benchmarking initiative, LSS Family Preservation programs maintained favorable rankings throughout 2014 for discharge status to independent living or within the home.

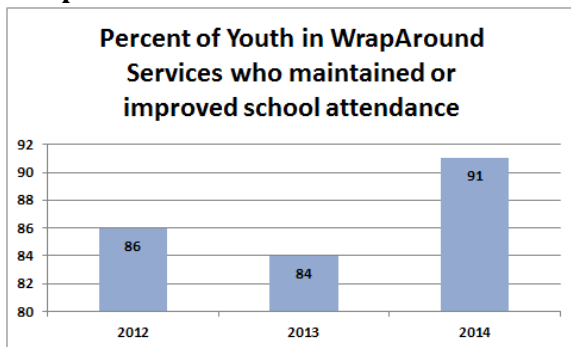
### Family Interactions Program (Parenting/Supervised Visitation)

- 97% of families were safe, without reported safety incidents while participating in the program. **Decrease from 100% in 2013, 2012 and 2011.**
- 85% of families attended 75% of their interactions. **Increase from 72% in 2013.** (Target 80%)

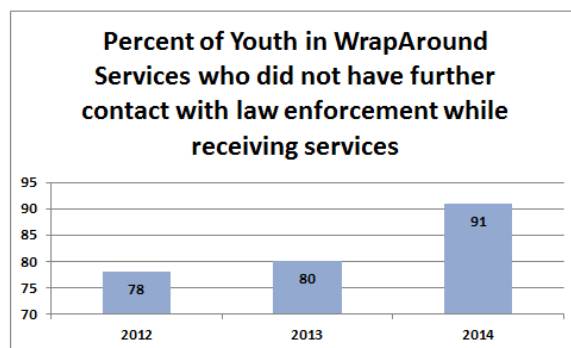
### Safety Services

- 84% of children/youth were living in their home at discharge.
- 100% of children were safe as there were no screened-in reports of abuse or neglect while receiving services. **Consistent with 2013 and 2012.**

### Wraparound Services



91% of youth maintained or improved school attendance. **Increase from 84% in 2013, and 86% in 2012.**



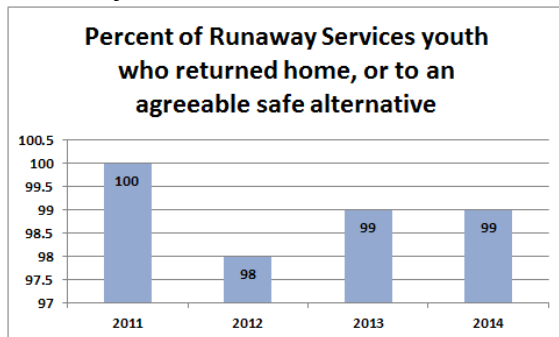
91% of youth did not have further contact with law enforcement while receiving services. **Increase from 80% in 2013 and 78% in 2012.**

- 77% of youth discharged were placed in a less restrictive or lateral placement. Slight increase from 75% in 2013.
- 86% of youth were on track for graduation, HSED, or completion of another educational program at the time of discharge. Increase from 76% in 2013 and 78% in 2012.

### Supervision Programs (Juvenile Justice)

- 93% of youth remained in the home or current level of placement.
- 71% of youth did not have further contact with law enforcement while receiving services. Decrease from 74% in 2013 and 91% in 2012.

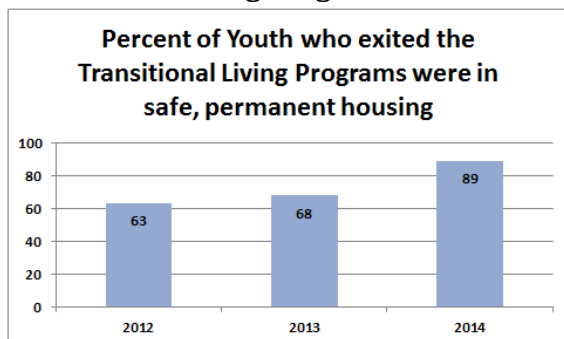
### Runaway Services



99% of youth returned home or to an agreeable safe alternative. Sustained from 2013, slight increase from 98% in 2012, and slight decrease from 100% in 2011.

- 96% of surveys returned reported overall satisfaction with services received. Increase from 93% in 2013 and 89% in 2012 and 2011.
- 81% of youth improved their CANS scores for “Youth Strengths” and “Family Nuclear.”

### Transitional Living Programs



89% of youth who exited the program were in safe permanent housing. Increase from 68% in 2013 and 63% in 2012. Four youth secured their own apartments and two enrolled in a local university and were residing in on-campus dormitories.

- 78% of youth who exited the program were employed. Increase from 62% in 2013 and 42% in 2012.
- 89% of youth who exited the program completed HSED/GED or were engaged in secondary education. Increase from 63% in 2013 and 75% in 2012.

LSS provides quality outpatient mental health and substance abuse services for people of all ages. Our counselors help clients build resilience, facilitate recovery and grow – helping them live fuller, more productive lives.

### Outpatient Mental Health & Substance Abuse Counseling

- ☛ The state-certified clinics and professional licensed staff are available to everyone in need and served 2,985 individuals in 2014. **Increase from 2,833 in 2013. Decrease from 3,443 in 2012.**
- ☛ 81% of surveys completed reported improvements in the quality of life and daily activities. **Slight decrease from 85% in 2013. Sustained from 81% in 2012.**
- ☛ 51% of clients discharged demonstrated moderate or significant improvement in their status. **Increase from 43% in 2013.**
- ☛ 98% of surveys completed reported overall satisfaction with services received. **Increase from 95% in 2014.**

### Older Adults Counseling

- ☛ 80% of surveys completed indicated they learned about and/or used additional community services while in counseling. **Substantial decrease from 98% in 2013. Slight increase from 79% in 2012.**
- ☛ 84% of surveys completed reported improvements in their quality of life and daily activities. **Decrease from 90% in 2013.**
- ☛ 99% of surveys completed indicated overall satisfaction with the quality of counseling services they received.

### Side by Side (Older Adults Substance Abuse Counseling)

- ☛ 96% of surveys completed reported improvements in the quality of life and daily activities. **Slight Increase from 95% in 2013.**
- ☛ 99% of surveys completed reported satisfaction with overall quality of counseling services. **Slight decrease from 100% in 2013.**

### Financial Counseling

- ☛ 9% of clients started a debt management plan. (Target 15%) **Decrease from 21% in 2013. Decrease from 24% in 2012 and 16% in 2011.**
- ☛ 80% of clients that were on debt management plans continued making payments after 12 months. (Target 50%). **Sustained from 80% in 2013.**
- ☛ 88% of clients reported overall satisfaction with services received. **Increase from 85% in 2013. Decrease from 90% in 2012 and 2011.**

### Sexual Assault Services

- ☛ 95% of surveys returned indicate counseling is helping them. **Increase from 92% in 2013. Sustained from 95% in 2012 and increase from 88% in 2011.**
- ☛ 93% of clients served at the hospital who returned surveys reported being satisfied with the crisis support they received. **Decrease from 97% in 2013. Sustained from 93% in 2012 and decrease from 100% in 2011.**

### Providing Access to Healing (PATH)

- 60% of the students demonstrated improvement in their academic performance. **Decrease from 63% in 2013.**
- 71% of students experienced a reduction in mental health symptoms. **Increase from 66% in 2013.**

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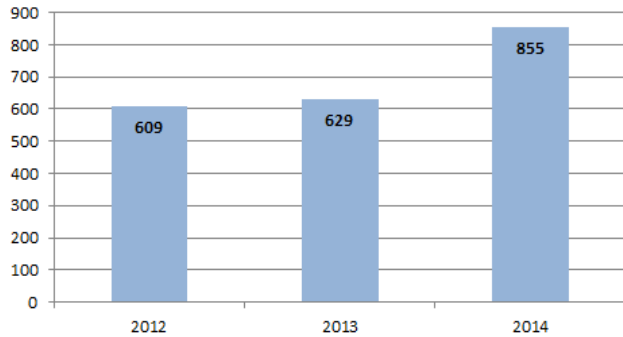
## Developing Communities

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LSS develops services to assist communities to better provide individuals with their most basic needs of shelter, food, clothing, hope and connection. These programs also strive to build partnerships to enhance sustainable resources in communities. Outcomes for this service group stem from a combination of number of clients served, client satisfaction, and client change or progress, depending on the program type.

### Off the Square Club, Positive Avenues, Friendships and Wellspring (Drop-in Day Centers)

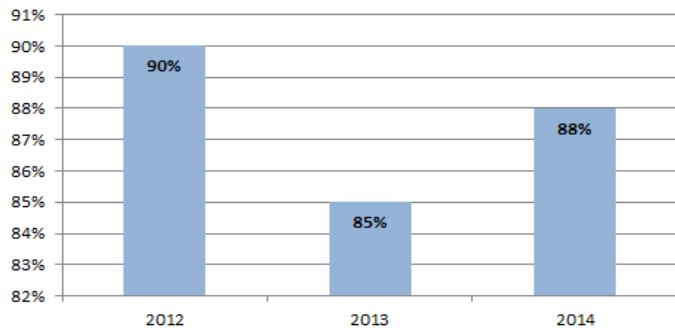
Clients Who Attended Drop-In Day Centers



855 adults were provided a safe place during the day. **Increase from 629 in 2013 and 609 in 2012.**

88% of clients responded “agree” or “strongly agree” regarding overall satisfaction with the program services. **Increase from 85% in 2013. Slight decrease from 90% in 2012.**

Drop-In Day Centers - Client Satisfaction

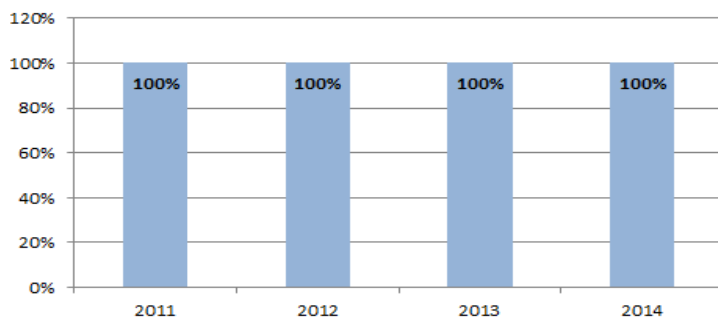


### Clubhouse (Psychosocial Rehabilitation Center)

- 123 adults were provided a safe place during the day. **Consistent with the 122 adults that were served in 2013.**
- 38% of clients participated in services to develop vocational goals. **Consistent with 2013. (Target 55%)**
- 89% of clients participated in the daily operation of the clubhouse to develop social and communication skills. **An increase from 70% in 2013. (Target 75%)**
- 93% of clients responded “agree” or “strongly agree” regarding overall satisfaction with the program services. **A slight increase from 91% in 2013. (Target 90%)**

### Welcome Home (Homelessness and Poverty)

**Clients Who Found Permanent Housing**

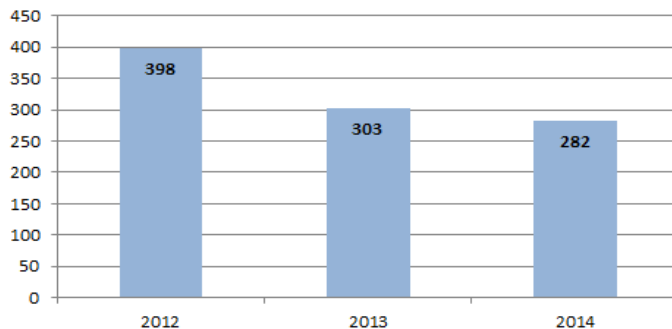


100% of clients exited the program to a permanent destination. **Sustained from 2013, 2012, and 2011.**

- 80% of eligible clients/families increased their income since participating in services at Welcome Home. (A new measurement for 2014.)
- 100% of clients demonstrated a greater sense of self-determination/empowerment since participating in services at Welcome Home. (A new measurement for 2014.)

### Urban Threads (Clothing Distribution)

**Foster Children Provided Basic Clothing**

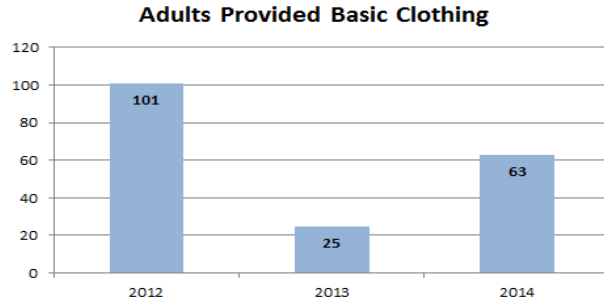


282 foster children were provided with basic clothing. **Decrease from 303 in 2013 and 398 in 2012.**

- 284 students benefited from clothing and haircuts provided by the Back to School Event. **An increase from 262 in 2013 and a decrease from 316 in 2012.**



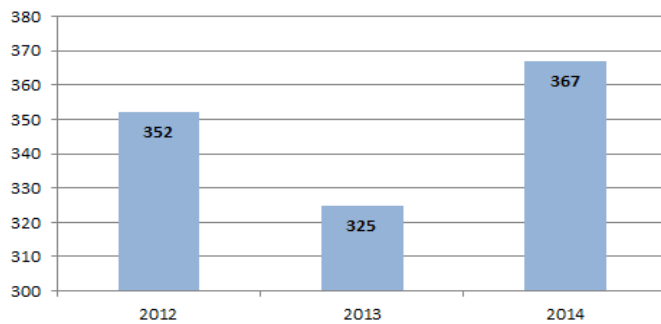
63 adults were provided basic clothing. Increase from 25 in 2013. Decrease from 101 in 2012.



- 347 volunteers assisted with the program mission, for a total of 3,334 hours. Increase from 326 volunteers and 3,095 hours in 2013 and 303 volunteers and 2,118 hours in 2012.

### Refugee and Immigration Services

Refugees Provided Preventative Health Services

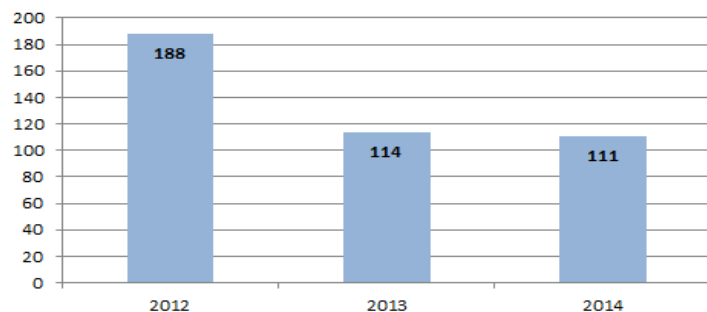


367 refugees were provided access to preventative health services for a total of 1,468 service activities relating to the refugee health screening process, which are approximately 4 contacts per refugee. Increase from 325 in 2013 and 352 in 2012.

- 65 older refugees were provided supportive case management. An increase from 59 in 2013 and 31 in 2012.
- 151 refugees were provided supportive case management through the Lutheran Immigration and Refugee Service (LIRS) matching grant. An increase from 99 in 2013; however, still a decrease from 212 in 2012.

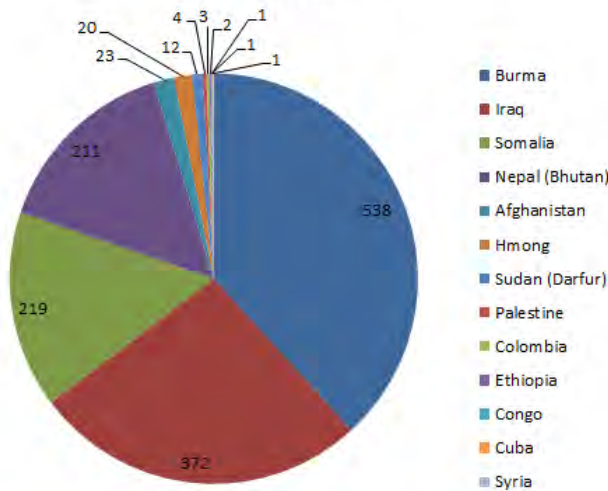
111 refugees were assisted with obtaining sustainable employment. One major employer, Cargill, and partner with LSS, closed its doors in 2014, causing employment loss and missed opportunities for other refugees finding employment. Slight decrease from 114 in 2013 and a decrease from 188 in 2012.

Refugees Finding Sustainable Employment



- Refugees resettled by country of origin in 2014: Bhutan 27, Iraq (including Iraqi Chaldean Christians) 143, Afghanistan 22, Burma (all ethnicities) 140, Ethiopia 1, Colombia 3, and Somalia 99, for a total of 435 refugees. A significant increase from 304 refugees served in 2013 and an increase from 352 in 2012.

**Refugees by Ethnicity/Country of Origin from 2011-2014**



**Residential Crisis Programs for Adults with Mental Illness and/or Co-Occurring Issues**

- 93% of clients stated they were provided an opportunity to learn new life skills, i.e. social, coping, and employment.
- 87% of clients stated they felt more emotionally stable after receiving LSS services.

**Residential Mental Health Programs**

- 93% of clients stated they were provided an opportunity to learn new life skills, i.e. social, coping, and employment.
- 90% of clients stated they felt more emotionally stable after receiving LSS services.

**Conditional Release**

- 94% of clients were provided stage appropriate interventions for each treatment goal within their service plans. (Target 90%)
- 96% of clients participated in 20 hours of meaningful activities per week. (Target: 90%)
- 40% of clients contributed to their cost of care for a total contribution of \$49,761.31 (Target 25%)
- 100% of clients moved to a less restrictive environment within 90 days of enrollment. (Target 75%)

**Outpatient Competency Restoration Program**

- 100% of clients met with their case managers at least once per week.
- 100% of clients met with their behavioral specialist at least 2 times per week.
- 100% of environmental assessments were completed within 7 days of notification.

**Opening Avenues to Reentry Success Program**

- 100% of clients were provided stage appropriate interventions for each treatment goal within their service plans. (Target 90%)
- 34% of clients contributed to their cost of care for a total contribution of \$175.00 (Target 25%)
- 100% of clients moved to a less restrictive environment within 90 days of enrollment. (Target 70%)

LSS offers a comprehensive selection of addiction and recovery services. Programs work in partnership with most Wisconsin counties, the Department of Health Services, and state and federal corrections departments.

Addiction and recovery programs track similar outcomes across all programs; however for 2014 a decision was made to group certain programs together based on service provisions. Grouping certain programs together allows for more accuracy in measuring outcomes. Because of this, there are no direct comparisons for prior years.

The groups are as follows:

Residential AODA Treatment and AODA Treatment - Affinity House, CARR – Eau Claire and Chippewa Falls, Fahrman Center, Genesis House and Women’s Way

Transitional Housing - Corrections - Cephas House, Exodus House, and Wazee House

Correctional Case Management - Community Transitions Center (CTC)

### **Residential AODA Treatment and AODA Treatment**

- 81% of clients with a history of mood-altering chemical use increased the amount of time since their last use, **at discharge**, as compared to intake.
- 74% of clients with a history of arrest and/or incarceration increased the amount of time since their last arrest or incarceration, **at discharge**, as compared to intake.

### **Transitional Housing - Corrections**

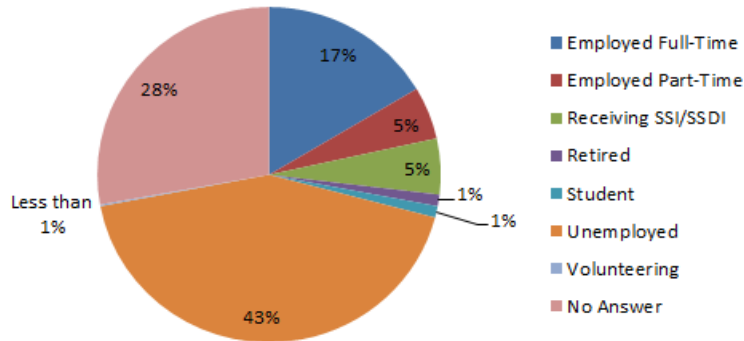
- 78% of clients with a history of mood-altering chemical use increased the amount of time since their last use, **at discharge**, as compared to intake.
- 93% of clients with a history of arrest and/or incarceration increased the amount of time since their last arrest or incarceration, **at discharge**, as compared to intake.

### **CTC – Correctional Case Management**

- 81% of clients with a history of mood-altering chemical use increased the amount of time since their last use, **at discharge**, as compared to intake.
- 81% of clients with a history of arrest and/or incarceration increased the amount of time since their last arrest or incarceration, **at discharge**, as compared to intake.

## Residential AODA Treatment and AODA Treatment

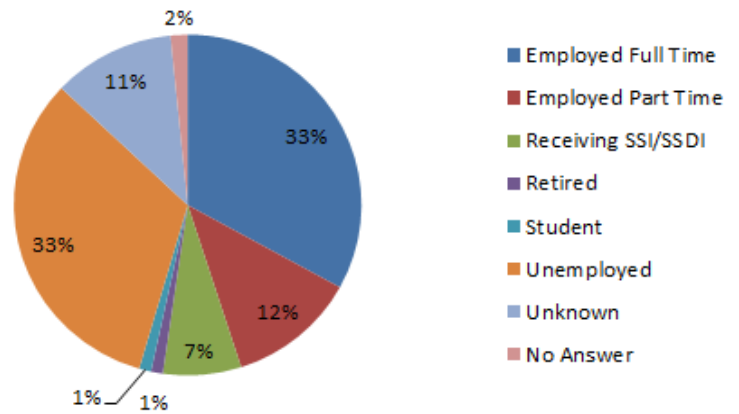
**Employment Status at Intake**



At intake, 43% of clients were unemployed, while that percentage decreased to 33% at discharge. **The decrease in unemployment rate from intake to discharge for clients participating in these programs is: 10%.**

At intake, 17 % of clients were employed full-time; at discharge that rate increased to 33%. **Full-time employment status improved for clients participating in these programs by 16%.**

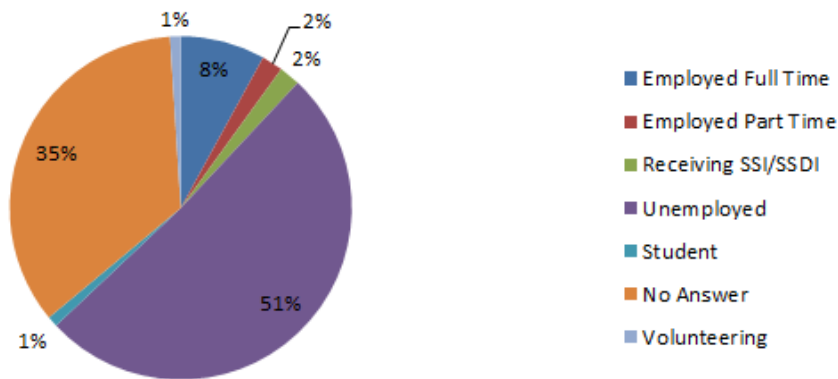
**Employment Status at Discharge**



There is no data to report for 3 months after discharge.

## Transitional Housing – Corrections

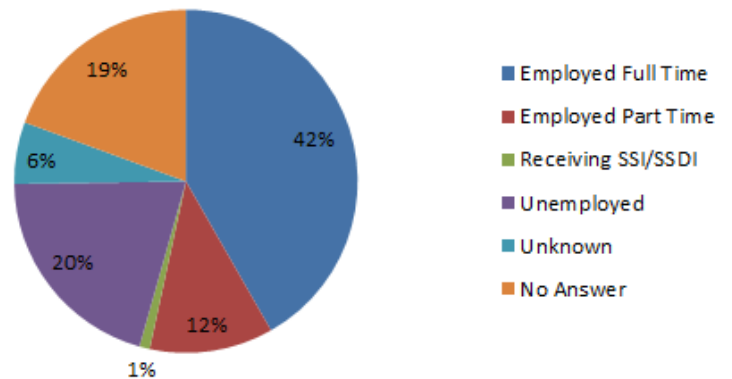
### Employment Status at Intake



At intake, 51% of clients were unemployed, while that percentage decreased to 20% at discharge. **The decrease in unemployment rate from intake to discharge for clients participating in these programs is: 31%.**

At intake, 10% of clients were employed either part-time or full-time; at discharge that rate increased to 54%. **44% of clients experienced an improvement in employment situation from intake to discharge.**

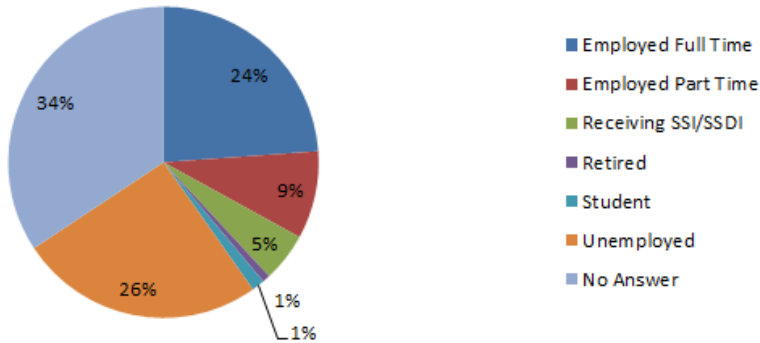
### Employment Status at Discharge



There is no data to report for 3 months after discharge.

## CTC – Correctional Case Management

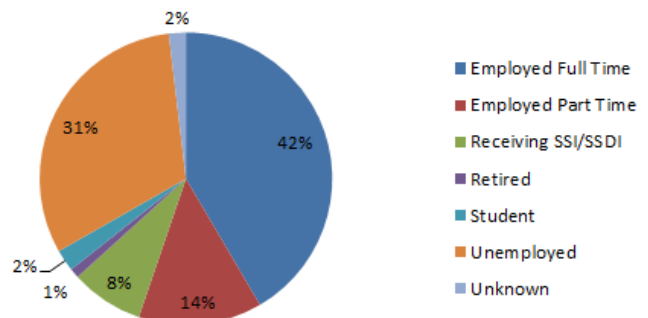
### Employment Status at Intake



At intake, 26% of clients were unemployed, while that percentage increased to 31% at discharge. **The increase in unemployment rate from intake to discharge for clients participating in these programs is 5%.**

At intake, 33% of clients were employed either part-time or full-time; at discharge that rate increased to 56%. **23% of clients experienced an improvement in employment situation from intake to discharge.**

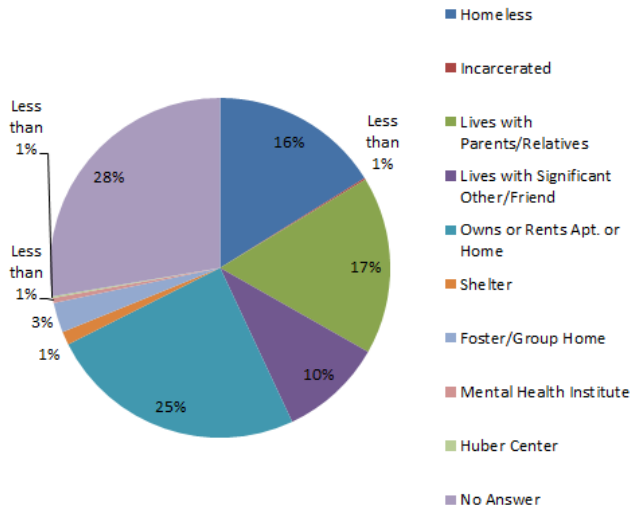
### Employment Status at Discharge



There is no data to report for 3 months after discharge.

## Residential AODA Treatment and AODA Treatment

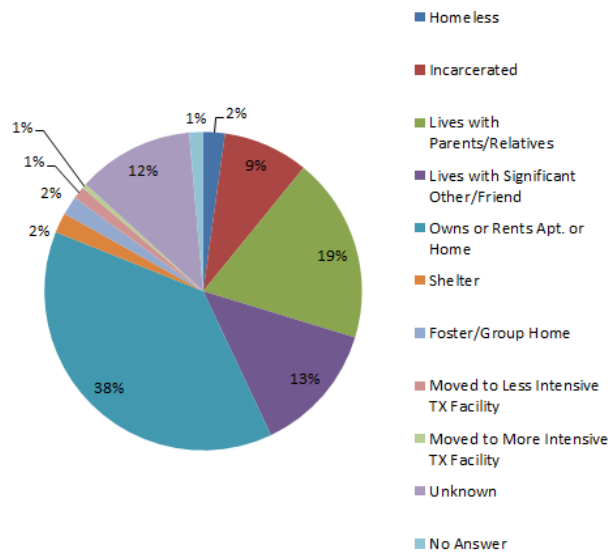
**Living Situation at Intake**



The rate of homeless clients was 16% at intake; at discharge that rate decreased to 2%. **This resulted in a 14% decrease in homelessness.**

At intake 25% of clients owned or rented an apartment or home; at discharge that rate increased to 38%. **This resulted in a 13% increase in clients who own or rent an apartment or home.**

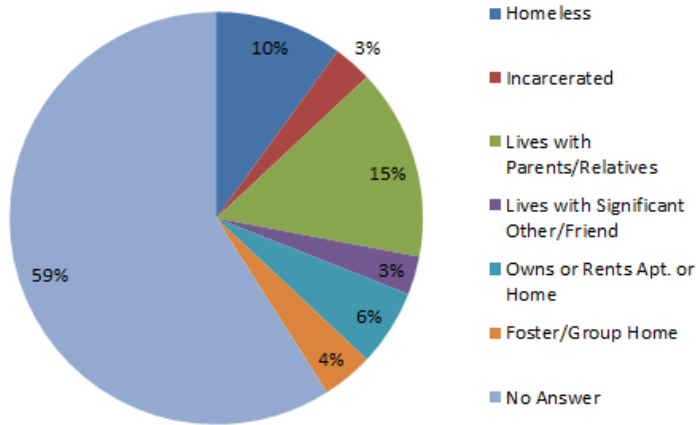
**Living Situation at Discharge**



There is no data to report for 3 months after discharge.

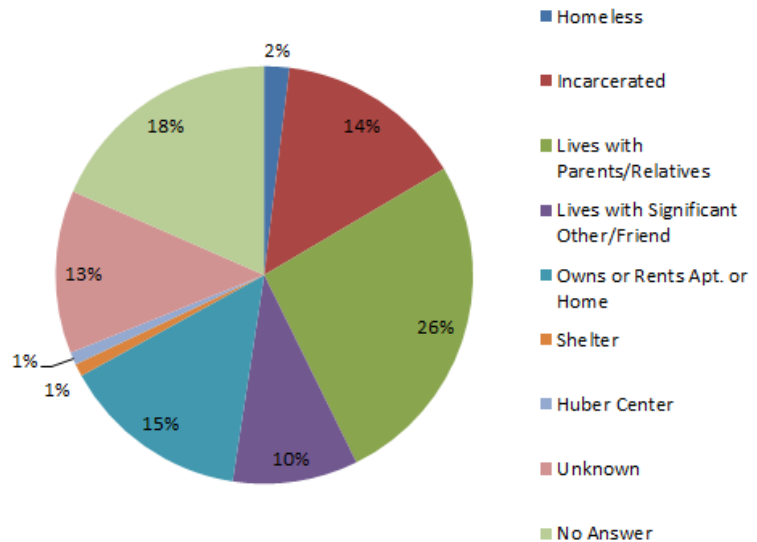
## Transitional Housing – Corrections

### Living Situation at Intake



The rate of homeless clients was 10% at intake; at discharge that rate decreased to 2%. **This resulted in an 8% decrease in homelessness.**

### Living Situation at Discharge



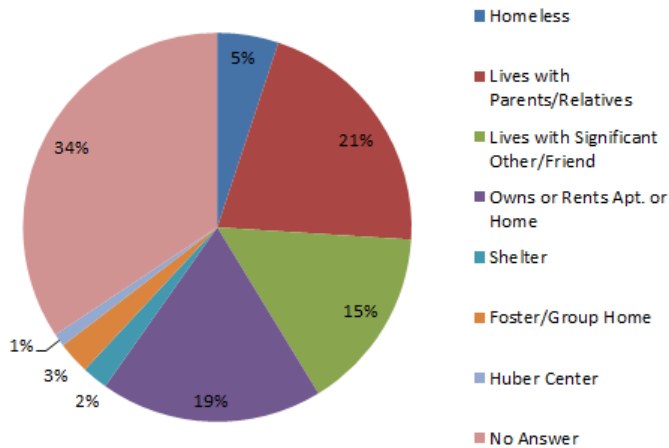
At intake 6% of clients owned or rented an apartment or home; at discharge that rate increased to 15%. **This resulted in a 9% increase in clients who own or rent an apartment or home.**

There is no data to report for 3 months after discharge.



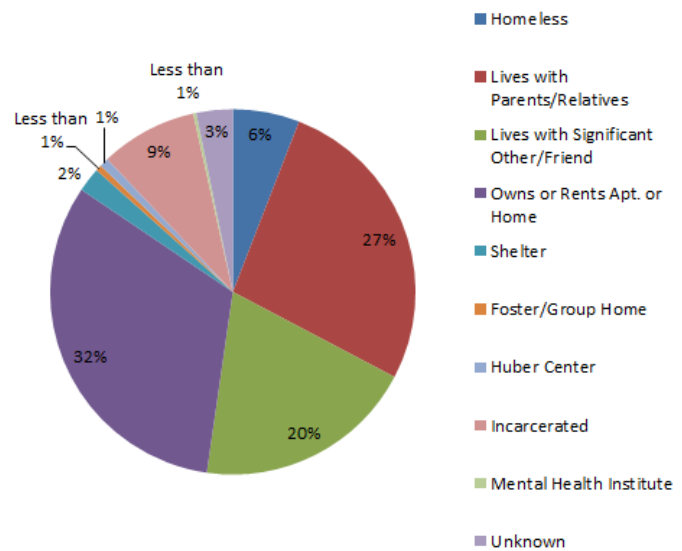
## CTC – Correctional Case Management

### Living Situation at Intake



At intake 19% of clients owned or rented an apartment or home; at discharge that rate increased to 32%. **This resulted in a 13% increase in clients who own or rent an apartment or home.**

### Living Situation at Discharge



There is no data to report for 3 months after discharge.

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## Persons with Disabilities and Older Adults

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LSS provides an array of services for persons with disabilities and older adults including community-based and residential services. LSS programs respond to the clients' needs and those of the caregivers in order to self-direct their supports and live as independently as possible.

This area of service revised outcomes for 2014. As a result, there are no comparisons to prior years.

### **Adult Day Services**

- 95% of clients agreed that they were given the opportunity to decide what supports/services they received.
- 95% of clients reported they were given the opportunity to remain connected or become connected to their community based upon the services received.
- 94% of clients reported they were able to live a full and independent life based upon the supports/services they received.

### **Community Based Residential Facilities and Adult Family Homes**

- 80% of clients agreed that they were given the opportunity to decide what supports/services they received.
- 78% of clients reported they were given the opportunity to remain connected or become connected to their community based upon the services received.
- 82% of clients reported they were able to live a full and independent life based upon the supports/services they received.

### **Early Memory Loss Programs**

- 43% of clients agreed that they were given the opportunity to decide what supports/services they received.
- 43% of clients reported they were given the opportunity to remain connected or become connected to their community based upon the services received.
- 43% of clients reported they were able to live a full and independent life based upon the supports/services they received.

### **Education and Support Group Services**

- 91% of clients agreed that they were given the opportunity to decide what supports/services they received.
- 93% of clients reported they were given the opportunity to remain connected or become connected to their community based upon the services received.
- 91% of clients reported they were able to live a full and independent life based upon the supports/services they received.
- 95% of clients were satisfied with the services at LSS.

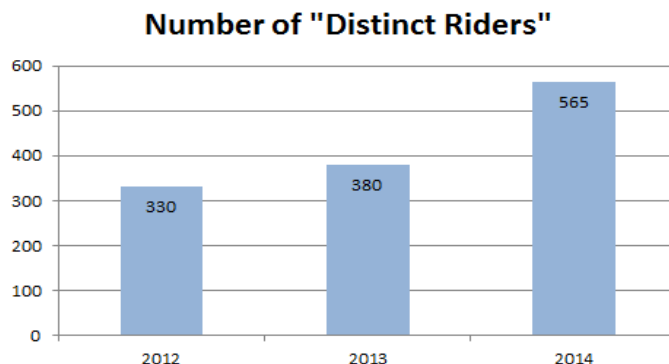
### **Information and Referral Services**

- 88% of adults and/or caregivers stated they received accurate, up-to-date, and relevant information relation to senior resources.
- 92% of adults and/or caregivers increased their knowledge of senior resources or aging related topics.

- 79% of adults and/or caregivers reported that the information received had a positive impact on their lives and/or the lives of their loved ones.
- 96% of adults and/or caregivers were satisfied with the services at Senior Connections.

## Transportation

565 “Distinct Riders” (clients) accessed transportation services at Making the Ride Happen in 2014 for a total of 4,482 rides. **Increase from 380 in 2013 and 330 in 2012.**



Clients who utilized transportation services indicated their primary use as follows:

- 52% for medical needs. (Target 30%) **Increase from 47% in 2013 and comparable to 2012.**
- 20% for social/recreational needs. (Target 5%) **Decrease from 28% in 2013 and comparable to 2012.**
- 26% for shopping/personal business needs (banking, self-care, and other errands). (Target 20%) **Slight increase from 23% in 2013 and comparable to 2012.**

Through the NAHBRS\* Courtesy Shuttle, clients utilized the transportation services as follows:

- 50% for medical needs. (Target 40%)
- 43% for social/recreational needs. (Target 30%)
- 7% for shopping/personal business needs (banking, self-care, and other errands). (Target 5%)
- 81% of clients reported they were given the opportunity to remain connected or become connected to their community based upon the services received.
- 100% of clients were satisfied with the services at Making the Ride Happen.

\* NAHBRS stands for Non-Profit Affordable Housing-Based Rental Services and is a non-profit agency created by Outagamie County Housing Authority and Outagamie County Senior Housing, Inc. NAHBRS provides affordable rental housing and supportive services to low-income people of the Fox Valley. This particular service within Making the Ride Happen is a collaborative effort between LSS, United Way and Outagamie County Housing Authority.

### TCC Clinics (Wellness Services)

- 100% of clients agreed that they were given the opportunity to decide what supports/services they received.
- 100% of clients reported they were given the opportunity to remain connected or become connected to their community based upon the services received.
- 100% of clients reported they were able to live a full and independent life based upon the supports/services they received.

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## Subsidized Housing

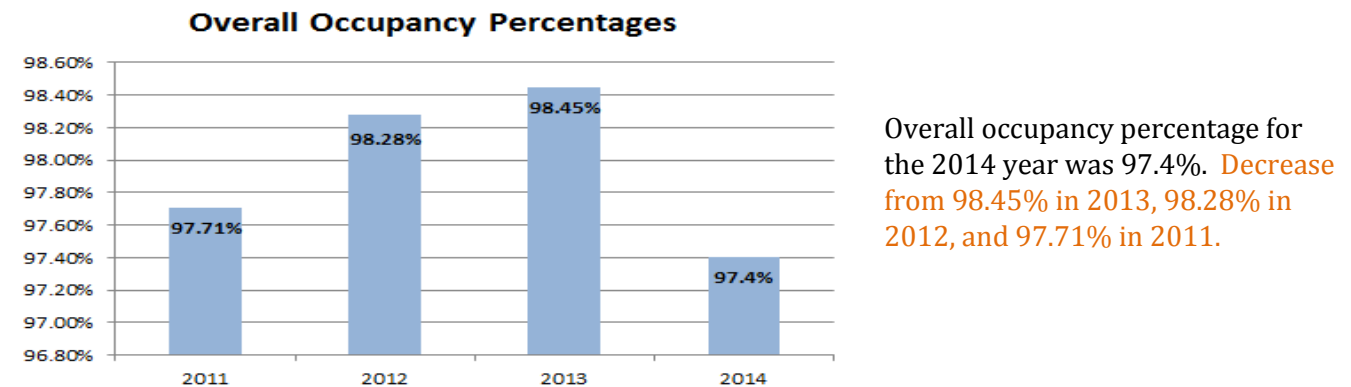
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In cooperation with the U.S. Department of Housing and Urban Development (HUD), LSS owns and operates multiple subsidized housing apartment buildings for older adults, persons with developmental disabilities, persons with chronic mental illness, and persons with physical disabilities.

### Subsidized Housing

LSS provided 416 apartments through HUD programs and 74 units through either Section 8 or market rate housing programs in 2014. In addition, LSS manages 43 units owned by other entities. The two primary program goals and 2014 performance outcomes are provided below:

Ensure availability of affordable housing

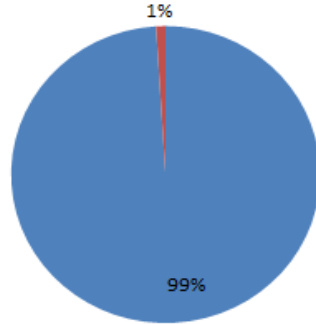


- 96% of residents who returned surveys indicated overall satisfaction with the services they received.

### Service Coordination/Case Management

Service coordinators and case managers provide supportive services to low-income elderly persons and people with disabilities in order for them to continue to live independently. This valuable service provides opportunities for clients to thrive in their communities and in their lives. The outcomes below capture the collective performance for service coordination sites. (The annual reporting period runs from October through September.)

## Residents Maintaining Independence



99% of residents were able to maintain independence in their current environment – less than 1% needed to move to a higher level of care.

- Residents were able to save a total of \$420,275.79 as a result of the services provided by the service coordinator and/or case manager.

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## CONCLUSION

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This report defines and provides measurable data to support how LSS is impacting the lives of individuals, families and communities. This report not only describes how LSS performed in 2014, but it is also a tool for growth and development as we move into 2015. The customer satisfaction information will be used to adjust the quality of services for clients. The quantitative outcome measures serve to identify successes, issues, and patterns in outcomes across clients and to identify the potential need for program modifications.

## **SECTION 10 SERVICES**

### **INTAKE AND TRANSITION**

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1. If in Section 3, Question 5 you indicated that your organization is working with a referral agency, describe their focus and service areas:

The Racine County Veterans Service Office (VSO) assists Veterans and their dependents in applying for a wide array of State and Federal benefits. Covering a broad spectrum from home loans to burial allowances, they provide not only the necessary forms, but also advice and direction in navigating the maze of "red tape" often found in dealing with large governmental agencies. They also provide assistance in obtaining homelessness assistance, locating housing, nursing home placement, grants for re-training and tuition reimbursement, military records and awards, transportation to VA clinics in Milwaukee and Union Grove, and emergency food vouchers.

2. If in Section 3, Question 5 you indicated that your organization is **NOT** working with a referral agency, describe how individuals and families will find out about your program:

- a. If your organization intends to serve homeless individuals and families, indicate your expected client source (check all that apply):

Streets

Shelters

Hospitals

Jails

Other (please explain)

3. Specify any imposed time limit on tenancy (i.e. up to 24 months for transitional housing).  Months
4. Explain how time-limited households will transition into permanent housing.

N/A – 1520 Clark Street does not offer transitional housing.

### **CASE MANAGEMENT & OTHER SERVICES**

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5. Describe your case management or services model and how it leads to housing stability and self-sufficiency for the client.

LSS offers a variety of services throughout Wisconsin and Upper Michigan. With the help of over 1,000 employees, LSS provides services across a person's lifespan, addressing a variety of conditions. Services are available for children and families, adults, veterans, older adults, and

persons with disabilities. Each year, LSS offers over 262 programs at over 196 sites in 115 communities. LSS works in collaboration with county agencies, state organizations and other valued partners to provide information and assistance, care management, and referrals to its clients. Please see the attached 2014 Outcomes Report and LSS brochure for more information.

6. What are the proposed staffing levels (case manager to household ratio)? Your answer should match the staffing levels proposed in Form 10A.

case managers to  households

7. If services will be provided by another agency, provide the name of the organization that will provide the services, the roles and responsibilities of the agency, and who will be the lead.

Service Provider	Role/ Responsibility	Lead at Service Provider
N/A		

8. Describe how coordination of services will be handled.

Tenants will meet with a service coordinator at move-in to assess their needs and develop a service plan to put in place. LSS will serve as the central service coordinator.

**PROJECT FIT WITH AGENCY MISSION**

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9. Briefly describe how this project fits the Sponsor’s mission and that of any project partners’ mission.

LSS strives to provide life-changing services that meet the most urgent needs of individuals and communities throughout Wisconsin and Upper Michigan. LSS recognizes there is a strong need for Veteran’s housing and services in Racine. In order to serve those in need, we often work in collaboration with county agencies, state organizations and other valued partners.

10. Describe your property management experience, or that of your proposed property manager entity, as it relates to working with the proposed population.

Herman & Kittle Properties, Inc. has over ten years of experience in managing projects with permanent supportive housing (PSH) units. As the manager, HKP does not provide services directly. HKP partners with local non-profits who connect tenants with the appropriate services.

**CULTURAL COMPETENCY**

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11. Explain how your agency will provide culturally competent services that meet the needs of the proposed population.

Through the decades, LSS has grown and adapted to meet the ever-changing needs of people and communities throughout our service areas. LSS will be providing service coordination that will meet the needs of the Veterans population to be served at 1520 Clark Street. These services will include referrals to service providers for Medicare, Medicaid, and Social Security; Counseling Services; Medical Suppliers; and Caregivers. LSS will also assist and provide information on almost any request topic from tenants including but not limited to client rights, application procedures, services availability, and new programs applicable to the individual. LSS will also help tenants build informal support networks with other tenants, friends, and family; link with volunteer programs; and assist with transportation arrangements. This list is only a sample of the wide range of service coordination LSS provides.

12. Describe how your agency’s staff and board reflect the population that will be served, and how your agency is working to broaden staff and board diversity and knowledge around cultural competency.

Staff and board members at LSS are composed of individuals representing various racial and ethnic backgrounds, genders and age groups. LSS is an EEO and Affirmative Action employer. We take steps to seek out diversity through various diversity and veteran job fairs, and job fairs hosted by the Department of Workforce Development. Where applicable, we also use job boards geared towards women and minorities. Finally, LSS board members live in communities across the two state area we serve to ensure that the board is reflective of the communities that we support.

Please complete the following Excel forms, and insert them behind Tab 10:  
▶ Form 10A, Service Personnel Budget  
▶ Form 10B, Total Service Budget

**Attachments**

<input type="checkbox"/>	Memorandum of Understanding
<input type="checkbox"/>	Services funding commitment letters



### Form 10A Service Personnel Budget

**Sponsor Name:** Lutheran Social Services of Wisconsin & Upper Michigan, Inc. **Project Name:** 1520 Clark Street

Uses								Annual Funding Sources		
Enter the title of every paid service staff person working on this project including those paid by sub-contracted and partner agencies. Include administrative and supervisory positions.	Enter the name of Agency that employs this person.	Enter the full-time Annual Salary of an FTE in this position. (If unknown, leave \$0.)	Enter the % of time this person will work on this project.	Total cost for this person on this project.	Enter the Benefit Rate (%).	Benefit Amount	Total Project Cost for This Person.	Name of Fundsource #1 paying for this position	Name of Fundsource #2 paying for this position	Name of Fundsource #3 paying for this position
								Committed? Yes or No	Committed? Yes or No	Committed? Yes or No
								Enter the \$ Amount from Fundsource #1	Enter the \$ Amount from Fundsource #2	Enter the \$ Amount from Fundsource #3
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
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		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
		\$0	0%	\$0	25%	\$0	\$0			
<b>Total</b>				<b>\$0</b>		<b>\$0</b>	<b>\$0</b>			

**Budget Narrative:** Please add any notes to help explain the information on the worksheet above.

## Form 10B Total Services Budget

<b>Sponsor Name:</b>	Lutheran Social Services of Wisconsin & Upper	<b>Project Name:</b>	1520 Clark Street
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Uses				
Expense Item	Total Project Cost	Name of Fundsource #1	Name of Fundsource #2	Name of Fundsource #3
		Committed? Yes or No	Committed? Yes or No	Committed? Yes or No
		Enter the \$ Amount from Fundsource #1	Enter the \$ Amount from Fundsource #2	Enter the \$ Amount from Fundsource #3
Personnel	\$0			
Client Assistance	\$0			
Local Travel/Mileage	\$0			
Equipment	\$0			
Supplies	\$0			
Telecommunications/Computers	\$0			
Printing/Duplication	\$0			
Office Space	\$0			
Project Administrative Costs*	\$0			
Other	\$0			
Other	\$0			
<b>Total Annual Budget</b>	<b>\$0</b>			

\*Please remember not to exceed the caps on administrative costs for each funding source.

**Budget Narrative: Please add any notes to help explain the information on the worksheet above.**

## **SECTION 11**

### **LIHTC SCORING SYNOPSIS**

If this project includes Tax Credit Financing, please complete the following Excel form and insert it behind Tab 11:

▶ Form 11, LIHTC Scoring Synopsis

## Form 11 LIHTC Scoring Synopsis

Fill out this form only if your project plans to be financed with Low-Income Housing Tax Credits.

This page represents the Project's intention to choose the following scoring criteria in the next LIHTC Allocation round. Please see the Wisconsin Housing and Economic Development Authority Policies for an explanation of scoring criteria.

	MAXIMUM	SELECTED
<b>1 LOWER INCOME AREAS</b>	5	5
Energy Efficiency and Sustainability	43	39
<b>2</b>		
<b>3 Community Notification and Support</b>	8	8
<b>4 Mixed-Income Incentive</b>	15	12
<b>5 Serves Large Families (Three-bedroom or larger units)</b>	8	0
<b>6 Serves Lowest-Income Residents</b>	80	80
<b>7 Supportive Housing</b>	20	20
<b>8 Elderly Assisted Living-RCACs</b>	18	0
<b>9 Rehab/Neighborhood Stabilization</b>	30	0
<b>10 Universal Design</b>	23	23
<b>11 Financial Participation</b>	25	25
<b>12 Ownership Characteristics</b>	6	6
<b>13 Eventual Tenant Ownership</b>	3	0
<b>14 Development Team</b>	50	38
<b>15 Readiness to Proceed</b>	15	15
<b>16 . Credit Usage</b>	40	40
<b>17 Employment Centers and High Need Areas</b>	20	20
<b>TOTAL POINTS SELECTED</b>	<b>409</b>	<b>331</b>

# Construction Estimate

Group	Phase	Description	Total Amount	Total Cost/Unit
<b>01-00000</b>		<b>GENERAL REQUIREMENTS</b>		
	01-01308	Labor - General Labor	14,850	200.68 /Unit
	01-01310	Labor - Project Managers	78,000	1,054.05 /Unit
	01-01311	Labor - Superintendents	132,000	1,783.78 /Unit
	01-01312	Labor-Assist. Superintendents	47,500	641.89 /Unit
	01-01313	Misc. Supplies	3,460	46.76 /Unit
	01-01314	Mileage	30,264	408.97 /Unit
	01-01315	Lodging (Includes Cable)	36,400	491.89 /Unit
	01-01316	Meals	18,200	245.95 /Unit
	01-01317	Flights	19,500	263.51 /Unit
	01-01320	Blue Prints	4,500	60.81 /Unit
	01-01450	Material Testing	13,600	183.78 /Unit
	01-01511	Temp Water	7,150	96.62 /Unit
	01-01512	Temp Heat	6,250	84.46 /Unit
	01-01513	Temp Electric	15,100	204.05 /Unit
	01-01514	Telephone	9,100	122.97 /Unit
	01-01521	Office Trailer Rent	19,200	259.46 /Unit
	01-01522	Portable Toilets	5,070	68.51 /Unit
	01-01523	Office Supplies	2,600	35.14 /Unit
	01-01524	Dumpsters	22,200	300.00 /Unit
	01-01530	Temp Roads	4,000	54.05 /Unit
	01-01561	Security / Safety	12,500	168.92 /Unit
	01-01562	Street Sweeping	5,000	67.57 /Unit
	01-01563	Winter Protection	40,000	540.54 /Unit
		<b>GENERAL REQUIREMENTS</b>	<b>546,444</b>	<b>7,384.38 /Unit</b>
<b>02-00000</b>		<b>SITE</b>		
	02-02200	Demolition	650,519	8,790.79 /Unit
	02-02300	Site Excavation	15,000	202.70 /Unit
	02-02310	Road Access	7,500	101.35 /Unit
	02-02360	Erosion Control	19,264	260.32 /Unit
	02-02365	Lime Stabilization		/Unit
	02-02500	Storm Drain System	10,000	135.14 /Unit
	02-02510	Sanitary Drain System	30,000	405.41 /Unit
	02-02520	Water System	45,000	608.11 /Unit
	02-02530	Electrical Distribution	20,000	270.27 /Unit
	02-02535	Site Lighting	15,850	214.19 /Unit
	02-02540	Phone Utilities-Underground		/Unit
	02-02550	Gas Utilities - Underground	15,000	202.70 /Unit
	02-02600	Monument / Signage	19,510	263.65 /Unit
	02-02740	Site Paving	145,908	1,971.73 /Unit
	02-02745	Pavement Repair	5,000	67.57 /Unit
	02-02770	Site Sidewalks	22,756	307.51 /Unit
	02-02775	Site Curbs	10,628	143.62 /Unit
	02-02820	Fencing	10,915	147.50 /Unit
	02-02910	Landscaping	77,625	1,048.99 /Unit
	02-02915	Tree Save		/Unit
	02-02960	Site Staking	5,000	67.57 /Unit
	02-99999	Contingency - Site		/Unit
		<b>SITE</b>	<b>1,125,475</b>	<b>15,209.12 /Unit</b>
<b>03-00000</b>		<b>BUILDING</b>		

Group	Phase	Description	Total Amount	Total Cost/Unit
	03-03300	Concrete Work	15,000	202.70 /Unit
	03-03500	Concrete - Lt.Wt.	75,589	1,021.47 /Unit
	03-03600	Pile Drive Foundations		/Unit
	03-04200	Masonry	296,250	4,003.38 /Unit
	03-04210	Masonry - Material	205,250	2,773.65 /Unit
	03-05500	Structural Steel	25,000	337.84 /Unit
	03-05510	Steel Stairs / Rails	18,000	243.24 /Unit
	03-06100	Carpentry - Labor	670,573	9,061.80 /Unit
	03-06110	Carpentry - Material	469,340	6,342.44 /Unit
	03-06200	Interior Trim - Material	33,130	447.70 /Unit
	03-06400	Cabinets & Tops	139,860	1,890.00 /Unit
	03-06450	Interior Trim - Labor	86,138	1,164.02 /Unit
	03-07210	Insulation	154,606	2,089.27 /Unit
	03-07310	Roofing	476,625	6,440.87 /Unit
	03-07320	Gutters & Downspouts	65,000	878.38 /Unit
	03-07460	Siding		/Unit
	03-08300	Overhead Doors	10,000	135.14 /Unit
	03-08400	Interior Doors	256,450	3,465.54 /Unit
	03-08500	Hardware	61,026	824.68 /Unit
	03-08800	Windows	673,800	9,105.41 /Unit
	03-09200	Drywall	490,620	6,630.00 /Unit
	03-09600	Floor coverings	164,600	2,224.32 /Unit
	03-09900	Painting	143,563	1,940.04 /Unit
	03-10550	Mailboxes	8,510	115.00 /Unit
	03-10900	Blinds,Mirrors,Specialties	51,800	700.00 /Unit
	03-11450	Appliances	119,272	1,611.79 /Unit
	03-14200	Elevators	210,000	2,837.84 /Unit
	03-15300	Fire Sprinklers	177,035	2,392.37 /Unit
	03-15400	Plumbing	688,200	9,300.00 /Unit
	03-15405	Water Submetering	9,990	135.00 /Unit
	03-15700	H.V.A.C.	736,600	9,954.05 /Unit
	03-16200	Electrical	683,480	9,236.22 /Unit
	03-16300	Fire Protection	9,250	125.00 /Unit
	03-16500	Fire/Security Alarm Systems	48,400	654.05 /Unit
	03-16800	Sound & Video		/Unit
	03-17000	Final Cleaning	33,130	447.70 /Unit
	03-99999	Contingency - Building	33,300	450.00 /Unit
		<b>BUILDING</b>	<b>7,339,387</b>	<b>99,180.90 /Unit</b>
<b>04-00000</b>		<b>AMENITIES</b>		
	04-19100	Swimming Pool		/Unit
	04-19300	Leasing Office & Furniture	125,000	1,689.19 /Unit
	04-19350	Furniture, Fixtures & Equipmnt	80,000	1,081.08 /Unit
	04-19400	Misc. Hardscape	48,500	655.41 /Unit
	04-19500	Garage / Storage		/Unit
	04-19600	Carports		/Unit
	04-19700	Trash Enclosure	21,000	283.78 /Unit
		<b>AMENITIES</b>	<b>274,500</b>	<b>3,709.46 /Unit</b>