

GARDEN TERRACE APARTMENTS

City of La Crosse

16-0592 – Kane Street Request for Proposals (RFP)

For 733 Kane Street from Highly Qualified Developers Seeking Low Income Housing Tax Credits for 2017

Proposal Submitted by Impact Seven, Inc.

July 29, 2016

Impacting communities. Impacting lives.





July 29, 2016

City of La Crosse CDBG Committee
Attention: Caroline Gregerson, Community Development Administrator
400 La Crosse Street
La Crosse, WI 54601

Re: The Garden Terrace Apartments | 16-0592 – Kane Street Request for Proposals (RFP)

Dear Ms. Gregerson,

Impact Seven is pleased to submit a proposal for The Garden Terrace Apartments in response to the Kane Street RFP. The Garden Terrace Apartments (Garden Terrace) will create a total of 67 apartments, split between the City-owned Kane Street site and a neighboring parcel on St. James Street. Fifteen units will be reserved for households who are very low-income, are U.S. military veterans and are prioritized for housing by the La Crosse Continuum of Care's Vulnerability Index.

At Impact Seven, we know that communities thrive when families have safe, stable and affordable housing. Impact Seven is a mission-driven, non-profit organization with over 46 years of experience developing and managing affordable apartment communities, including developments targeted to individuals who have special needs. Impact Seven will be the developer, owner and property manager of The Garden Terrace.

The Garden Terrace will be a development that is affordable, well-designed and enriched with services provided through referral partnerships with Couleecap, the Tomah VA Medical Center's HUD VASH program, and the Wisconsin Department of Veteran Affairs' Veteran Outreach and Recovery Program. Homeless households enrolled in comprehensive case management programs provided by these partners will have access to wrap-around services designed to support tenants in retaining housing and achieving personal goals. Impact Seven's development team will also work with City and others to secure service funding and rental assistance necessary to achieve the City's goal of housing the most vulnerable.

Impact Seven has an option to purchase two parcels on St. James Street that abut the Kane Street Community Garden. The 20 units and 2,600 square foot community center are designed to complement the Hunger Task Force's existing programming at the garden. We appreciate the opportunity to create a new housing option in La Crosse. If you have any questions, please feel free to contact me at 608-514-2108 or kristine.giornalista@impactseven.org. We look forward to working with you.

Sincerely,

A handwritten signature in blue ink that reads "Kristine B. Giornalista".

Kristine Giornalista
Vice President, Real Estate Development



This institution is an equal opportunity provider and employer.



SECTION 1 PROJECT SUMMARY

1. Developer/Applicant Information

Organization: Impact Seven, Inc.

Address: 2961 Decker Drive

City and Zip Code: Rice Lake Zip: 54868

Executive Director: Brett Gerber, President & CEO

Phone: 715-357-1603 Fax: 715-357-6233

Email: Brett.Gerber@impactseven.org

Project Contact Person: Kristine Giornalista, Vice President of Real Estate Development

Phone: 608-514-2108 Fax: 715-357-6233

Email: Kristine.Giornalista@impactseven.org

Developer Organization Type (check only one):

- Nonprofit Corporation
- For-Profit Corporation
- Other (please specify)

2. Proposed Ownership Structure (check all that apply)

- Nonprofit
- Tax credit entity
- Limited Liability Corporation (LLC) or Limited Liability Partnership (LLP)
- Other, Describe:

3. Local Partnership(s) for Supportive Services on Units for Homeless

Organization 1: Couleecap, Inc.

Organization Address: 700 North 3rd Street, Suite 202B

City and Zip Code: La Crosse Zip: 54601

Executive Director: Grace Jones

Phone: 608-634-3104 Fax: 608-634-3134

Email: Grace.Jones@couleecap.org

Project Contact Person: Kim Cable, Director of Housing and Community Services

Phone: 608-787-9890 Fax: 608-782-4822

Email: Kim.Cable@couleecap.org

Organization 2: Tomah VA Medical Center

Organization Address: 500 E. Veterans Street

City and Zip Code: Tomah Zip: 54660

Executive Director: Victoria P. Brahm, Acting Director

Phone: 608-372-1777 Fax: _____

Email: Victoria.Brahm@va.gov

Project Contact Person: Justin Rewertz, HUD VASH Case Manager

Phone: 608-372-7758 Fax: _____

Email: Justin.Rewertz@va.gov

Organization 3: Wisconsin Department of Veterans Affairs

Organization Address: 500 E. Veterans Street

City and Zip Code: Tomah Zip: 54660

Executive Director: Kenneth G. Grant, Administrator – Division of Veteran Services

Phone: 608-267-7207 Fax: _____

Email: Ken.Grant@dva.wisconsin.gov

Project Contact Person: Gerald Sieren, Outreach and Recovery Specialist

Phone: 608-881-9116 Fax: _____

Email: Gerald.Sieren@dva.wisconsin.gov



City of La Crosse- 733 Kane Street Developer Application

Table of Contents/Self-Certification Checklist (mark x in box for completion)

Section 1 Project Summary

Section 2 Project Description

Form 2a Proposed Units by Bedroom Count and Income Levels, Homeless/Non-Homeless Units

Form 2b Project Schedule

Form 2c LIHTC self-scoring <https://www.wheda.com/LIHTC/QAP/>

Attachment A Preliminary architectural drawings or concept picture and site plan

Section 3 Development Budget

Form 3 Development Budget

Section 4 Financing Sources

Form 4 Financing Sources

Section 5 Project Operations (to be completed by local supportive services provider on 30% units)

Form 5a Proposed Rents

Form 5b Operating, Service, and Rent Subsidy Sources

Form 5C Operating Pro Forma

Section 6 Organizational Capacity

Form 6 Developer Experience

Attachment B- Photographs/portfolio of other similar projects (no more than three (3))

Attachment C- Resume of lead coordinator

Section 7 Certifications

SECTION 2 PROJECT DESCRIPTION

Project Characteristics

Project Narrative

1. Please provide a brief narrative summary of the proposed concept and your technical approach to the project. Please include target population, number of units, rental rates, and unique aspects of the project. Please describe design considerations used for the units set aside for persons transitioning out of homelessness or other target population served by this development.

Impact Seven is proposing the development of The Garden Terrace Apartments (Garden Terrace), a multifamily community consisting of 57 apartments and a multi-purpose community center. The development will be split between two sites, with 37 units on the City’s RFP land and 20 units on two parcels on St. James Street that Impact Seven currently has under contract. Fifteen units, representing 40% of the units achieved on the City’s RFP land, will be targeted to households earning at or below 30% of the Area Median Income and those who are either homeless veterans, homeless families or chronically homeless (the Targeted Units). The Garden Terrace is designed to be independent housing for a range of households with varying incomes and needs for supportive services. As discussed below, the development is intended to blend into the existing neighborhood fabric, while at the same time providing a new physical space for therapeutic and community-enriching programming. The unit mix consists of 17 one-bedroom units, 6 two-bedroom units, 24 two-bedrooms with a den, and 10 three-bedroom units. Please refer to the table below for the rental rates, income restrictions and unit types.

Unit Type	# of Units	# BR	Unit SF	Max Household AMI	Tax Credit Unit	Targeted Unit	Project Based Rental Assistance	Contract Rent *
1 Bedroom - Targeted Unit	7	1	650	30%	7	7	7	\$ 496
1 Bedroom	5	1	650	50%	5			\$ 496
1 Bedroom	5	1	650	60%	5			\$ 608
2 Bedroom - Targeted Unit	5	2	875	30%	5	5	5	\$ 592
2 Bedroom + Den	7	2	990	50%	7			\$ 592
2 Bedroom + Den	10	2	990	60%	10			\$ 726
2 Bedroom + Den	7	2	990	Market				\$ 836
3 Bedroom - Targeted Unit	3	3	1,075	30%	3	3	3	\$ 836
3 Bedroom	8	3	1,075	50%	8			\$ 681
Total Rental Units	57				50	15	15	

* Contract rent is the amount paid to Owner by tenant and/or through a rental subsidy, after deducting the utility allowance from the gross rent.

The housing design does not distinguish between residents in a Targeted Unit or a market rate unit. Based on feedback from Couleecap, VAMC and WDVA, the Targeted Unit mix is weighted toward one-bedroom units. Recognizing the need to ensure a sense of safety, the development will incorporate security cameras and electronic key card access and follow Crime Prevention Through Environmental Design Principles (CPTED).

Consistent with the City of La Crosse’s goal of ending veterans’ homelessness in the City, Impact Seven has partnered with Couleecap, Inc., a fellow non-profit organization with a mission of promoting self-sufficiency, economic development and social justice. Impact Seven and Couleecap have entered into a Memorandum of Understanding (MOU) to provide tenant referral and advisory support to ensure that The Garden Terrace reaches vulnerable households for the Targeted Units. In addition, both the Tomah VA Medical Center (VAMC) and the Wisconsin Department of Veterans Affairs (WDVA) have expressed interest in working with Impact Seven to refer their veteran clients and provide ongoing case management and recovery services funded through existing programs.

2. Describe the non-residential space included in the project and its use.

The 2,600 square foot space on the upper lot will house a community center open to The Garden Terrace residents, the Kane Street Garden and the neighborhood. Currently referred to as the Kane Community Hub, this space will feature a multi-purpose meeting space, a catering-style kitchen for activities such as nutritional classes and community meals, and on-site property management offices. The Kane Community Hub will be a space for Impact Seven’s referral and supportive services partners to have one-on-one client meetings, group sessions and other programming.

Impact Seven purposefully located the Kane Community Hub adjacent to the Kane Street Community Garden with the intent of cross-pollinating the efforts of the Hunger Task Force and the development’s supportive service partners working with veterans and households transitioning out of homelessness. Impact Seven will seek a use agreement with the Hunger Task Force to give the Community Garden staff members access to meeting space, electricity and restrooms. In exchange, Impact Seven anticipates that opportunities to participate in gardening and food-focused programs will be a unique amenity for The Garden Terrace residents.

Design Quality and Compatibility

3. Attach a concept architectural drawings or picture and site plan of what the proposed development would look like.

Describe what design elements are included fit the criteria described in Section 1.3 Architectural Design Expectations.

To meet the City’s Multifamily Design Requirements and respond to the architectural design expectations specific to this site, Impact Seven worked with Engberg Anderson Architects to incorporate the following elements into The Garden Terrace:

- Two-story buildings with pitched roofs and a height of 35 feet to complement the massing of neighboring homes;
- Exterior cladding consisting of lapped cement board for a more traditional feel and a wood-like cement board product by Nihciha to add visual warmth;
- Protruding bays that break-up the façade;
- Dwelling units are “stacked flats” so dwelling units are on one level, allowing all ground floor units to be visitable by persons with physical impairments;

City of La Crosse, 733 Kane Street Application

- Dwelling units that are accessed directly from the exterior like a single family home or townhome; and,
- A total of 62 parking spaces (1.08 parking ratio), including 34 garage spaces which are tucked under the second floor residences, and 28 surface parking spaces with landscaping buffers.

In addition to complementing the existing neighborhood, the Garden Terrace is designed to attract a range of households looking for a high quality, safe home. The building will incorporate universal design principals, exceed minimum accessibility requirements, and achieve a Wisconsin Green Built Homes designation for energy efficiency and sustainability. Apartment sizes also range from 600 square feet to 1,075 square feet to match the housing preferences of single adults, couples or families with children.

Please complete the following Excel forms

- **Form 2a, Units by Bedroom Count and Affordability.**
- **Form 2b, Project Schedule** (provide an estimate of the schedule of work).
Assume no re-location.
- **Attachment A, include preliminary architectural drawings or concept picture and site plan**

Form 2a Bedrooms and Income Levels

Impact Seven - The Garden Terrace Apartments

Supportive Housing Units for Homeless									
% of Median Income	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Beds	Total Units /Beds	
30%		7	5	3				15	
Subtotal Homeless Units	0	7	5	3	0	0	0	15	
Low-Moderate Income Housing Units									
% of Median Income	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Beds	Total Units /Beds	
50%		5	7	8				20	
60%		5	10					15	
								0	
								0	
								0	
								0	
								0	
								0	
								0	
								0	
Subtotal Low Mod Income Housing Units	0	10	17	8	0	0	0	35	
Common Area Units / Unrestricted Managers' Units								0	
Market Rate Units			7					7	
Total Units	0	17	29	11	0	0	0	57	

**Form 2b
Project Schedule**

Impact Seven - The Garden Terrace Apartments

Category	Tasks	Date Completed or Expected Completion	Status
Site Control	Option to Purchase: Upper Lot	March-16	<i>Executed Offer with Owners of 1109 St. James and 901 George</i>
Occupancy	Selection of service providers	July-16	<i>Core service providers identified for RFP</i>
Financing	Application for funding: VASH project-based	September-16	<i>Contingent upon WHEDA participating in application</i>
Design/Permitting	Preliminary drawings completed (Schematic)	September-16	
Feasibility/Due Diligence	Support of project by relevant neighborhood association	October-16	<i>Community meetings to secured support required for rezoning</i>
Financing	Application for funding: Neighborworks	October-16	
Construction	Selection of general contractor	October-16	<i>GC will have negotiated contract; part of development team from start</i>
Site Control	Redevelopment Agreement: City Lot	November-16	
Feasibility/Due Diligence	Market study	November-16	
Feasibility/Due Diligence	Phase I Environmental Assessment	December-16	
Financing	Appraisal	December-16	
Financing	Construction cost estimate	December-16	<i>Ongoing process; estimates at each design phase</i>
Design/Permitting	Zoning approval	December-16	
Design/Permitting	Site plan approval	December-16	<i>Detailed site plan approval may be required after LIHTC award</i>
Financing	Award date for funding source: VASH	January-17	
Financing	Financial underwriting: LIHTC App	January-17	<i>in preparation for WHEDA LIHTC application</i>
Financing	Application for funding: WHEDA LIHTC	February-17	
Design/Permitting	Final Plans and Specs Completed	February-17	
Design/Permitting	Building permits issued	February-17	
Financing	Award date for funding source: Neighborworks	March-17	
Financing	Award date for funding source: WHEDA LIHTC	May-17	
Financing	Application for funding: FHLB AHP	June-17	
Site Control	Closing: Upper Lot	June-17	<i>Last contingency - LIHTC award</i>
Feasibility/Due Diligence	Site survey	August-17	
Feasibility/Due Diligence	Phase 2 Environmental Assessment	August-17	
Design/Permitting	Drawings: 100% Design Development	August-17	
Site Control	Maximum Extensions: Upper Lot	August-17	<i>60 day extension beyond LIHTC award</i>
Financing	Lender selection	September-17	
Financing	LIHTC investor selection	September-17	
Design/Permitting	Drawings: 50% Construction Set	October-17	
Financing	Financial underwriting: Lender & Investor	November-17	<i>Credit/investment approval committees</i>
Financing	Award date for funding source: FHLB AHP	December-17	
Design/Permitting	Building permit application submitted	December-17	
Design/Permitting	Drawings: Bid Set	December-17	<i>Subcontractors competitively bid</i>
Site Control	Closing: City Lot	April-18	<i>Upon closing on construction financing</i>
Financing	Close on all construction financing	April-18	<i>includes LIHTC, City CDBG/HOME, AHP, project-based rental assistance</i>
Construction	Begin construction	April-18	
Occupancy	Begin lease-up	January-19	<i>Pre-leasing begins prior to building PIS</i>
Construction	Issued certificate of occupancy	March-19	
Occupancy	Placed in service - 1st Building	April-19	
Occupancy	Placed in service - Last Building	May-19	
Occupancy	Projected First LIHTC Year	July-19	
Feasibility/Due Diligence	Capital needs assessment	N/A	
Feasibility/Due Diligence	Relocation of existing tenants	N/A	
Occupancy	Selection of management entity	N/A	<i>Impact Seven intends to manage the company</i>
Financing	Funding for services	N/A	<i>See VASH application</i>

Form 2c
Anticipated WHEDA Scoring (2017)

Impact Seven - The Garden Terrace Apartments

Description		Your Score	Points Possible (Proposed)	Notes
1	Lower-Income Area	5	5	
2	Energy Efficiency / Sustainability	30	32	Project is in a Qualified Census Tract
3	Mixed Income Incentive	12	12	walkscore = 66, results in 2 of 4 total points for strong linkages
4	Serves Large Families (3-bedrooms +)	5	5	
5	Serves Lowest-Income Residents	60	60	
6	Supportive Housing	20	20	
7	Rehab-Neighborhood Stabilization	0	25	project does not qualify
8	Universal Design	18	18	
9	Financial Participation	4	25	\$450,000 City HOME/CDBG funds = 4.5% of total development costs
10	Eventual Tenant Ownership	0	3	Not compatible with this project type
11	Project Team	10	12	
12	Readiness to Process	12	12	
13	Credit Usage	4	30	WHEDA will require some credit usage points; thresholds for 2017 are not established; if selected, Impact Seven will reevaluate credit usage points to ensure the project's financial viability and competitiveness.
14	Employment Centers and High Need Areas (Opportunity Zones)	15	25	5 points for RFP and high need area; 10 points for access to services and amenities; zero points for median income, unemployment or school accountability score
TOTAL		195	284	

*Edit as needed

UPPER /LOWER LOT: 57 UNITS

TOTAL UNITS

1 Bedroom Units (17)	30%
2 Bedroom Units (6)	10.5%
2 BR+Den Units (24)	42%
3 Bedroom Units (10)	17.5%
57	100%

TOTAL PARKING 62 1.08/Unit

GARAGE: 34 spaces
SURFACE: 28 spaces

Upper Lot: 20 UNITS

OPEN SPACE 2,765 SF

North property line open for negotiation and further refinement

BUILDING B - ALT 18 UNITS

1 Bedroom Units (6): 600 SF	42%
2 BR+Den Units (12): 990 SF	58%
Garage Spaces: 10	

COMMUNITY CENTER (2nd Level) 2 UNITS

3 Bedroom Units (2): 1075 SF	100%
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TOTAL PARKING 16 .88/Unit

GARAGE: 10 spaces
SURFACE: 6 spaces

Lower Lot: 37 UNITS

OPEN SPACE 20,206 SF

BUILDING B 9 UNITS

1 Bedroom Units (3): 600 SF
2 BR+Den Units (4): 990 SF
3 Bedroom Units (2): 1075 SF
Garage Spaces: 6

BUILDING C 14 UNITS

1 Bedroom Units (4): 675 SF
2 Bedroom Units (2): 875 SF
2 BR+Den Units (4): 990 SF
3 Bedroom Units (4): 1075 SF
Garage Spaces: 8

BUILDING D 14 UNITS

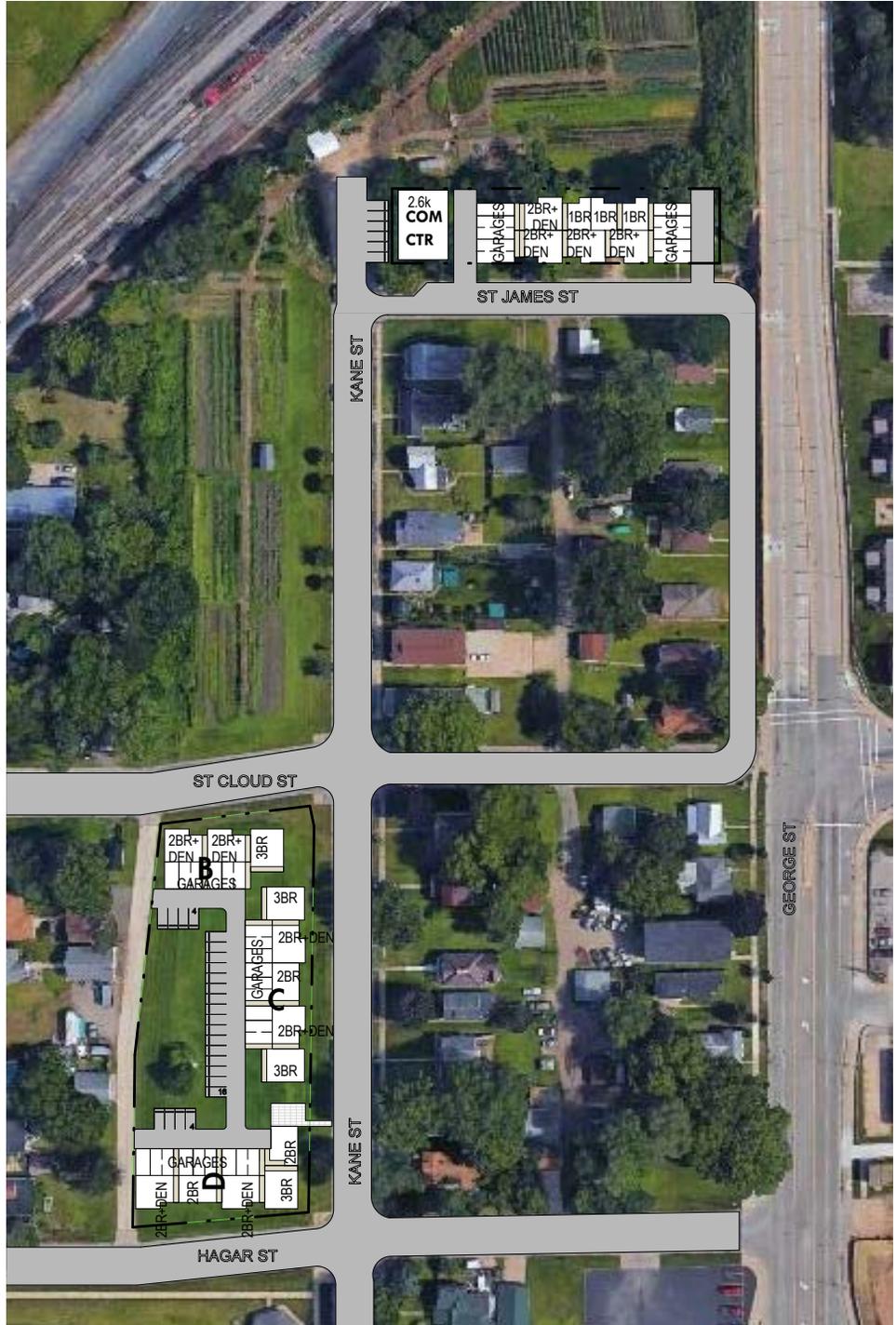
1 Bedroom Units (4): 675 SF
2 Bedroom Units (4): 875 SF
2 BR+Den Units (4): 990 SF
3 Bedroom Units (2): 1075 SF
Garage Spaces: 8

TOTAL UNITS 37

1 Bedroom:	11	30%
2 Bedroom:	6	16%
2 BR/BR + Den:	12	32%
3 Bedroom:	8	22%

TOTAL PARKING 46 1.27/Unit

SURFACE: 24 spaces
GARAGE: 22 spaces





Kane St. Development

MASSING STUDIES

Scale: 1/16" = 1'-0"

Engberg Anderson Project No. 162624



Engberg
Anderson

MILWAUKEE • MADISON • TUCSON



Kane St. Development

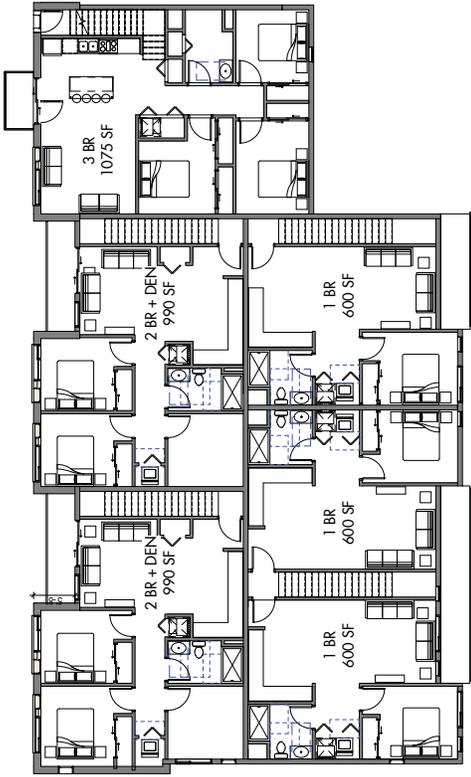
ELEVATIONS

Scale: 1/16" = 1'-0"

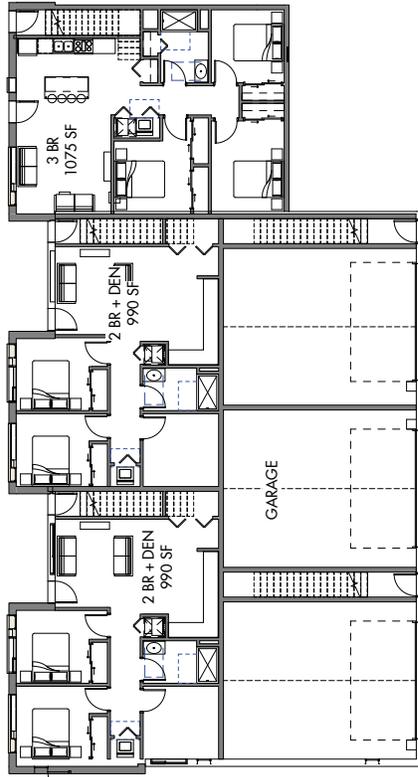
Engberg Anderson Project No. 162624



MILWAUKEE • MADISON • TUCSON



Building B 2nd Floor



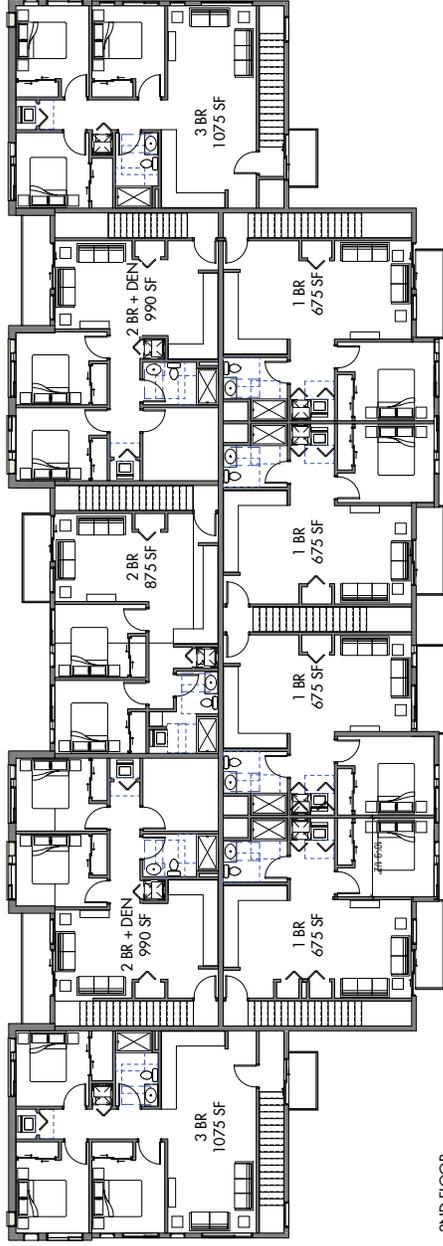
Building B 1st Floor

Kane St. Development

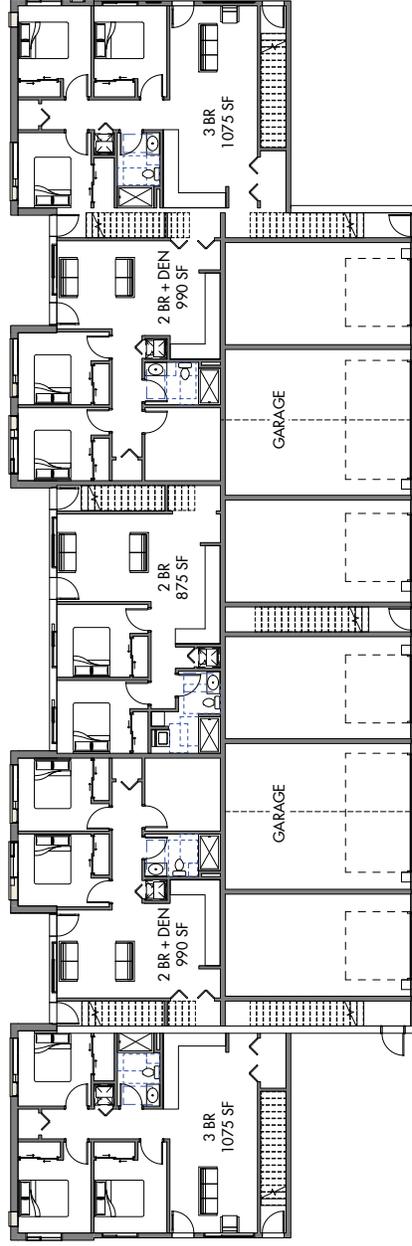
Building B

SCALE: 1/8" = 1'-0"

Engberg Anderson Project No. 162624



2ND FLOOR



1ST FLOOR

Kane St. Development

Building C

SCALE: 1/8" = 1'-0"

Engberg Anderson Project No. 162624

SECTION 3 DEVELOPMENT BUDGET

Development Budget Narrative

Please provide a brief description regarding the concept’s development budget. Please explain the choices the development team proposes to make around cost as they relate to both opportunities for project savings and long-term project sustainability (**Complete Form 3A and 3B**).

The Garden Terrace Apartments has a projected total development cost of \$10,433,631, which is approximately \$183,000 per unit. The hard construction costs and site costs total \$7,634,100, with is approximately \$133,900 per unit or \$112 per square foot for residential and community spaces. The construction costs are based on a cost estimate prepared by Catalyst Construction, which recently received hard bids in this price range for similar projects. The site costs assume clean fill to raise both the upper and lower lots above the flood plain, as well as structured storm water management on the lower lot. The soft costs and financing costs are based on similar LIHTC projects. The development estimates fall within WHEDA’s cost guidelines.

If selected as developer, Impact Seven will work with Engberg Anderson and Catalyst Construction to refine the plans to ensure an efficient design and construction approach. The design of multiple separate buildings is less efficient than a single building but responds to the neighborhood’s development pattern. Impact Seven is committed to creating apartment buildings with high-quality, durable materials that will withstand the 30-year affordability period.

Please complete the following Excel forms
➤ **Form 3: Development Budget**

Form 3 Development Sources and Uses Budget

Impact Seven - The Garden Terrace Apartments

Total Project Cost	Source:	Source:	Source:	Source:	Source:	Source:
	CDBG (\$450,000)	LIHTC (9%)	FHLB AHP	NeighborWorks Funds	Deferred Dev Fee / MM Equity	Private First Mortgage
Acquisition Costs:						
Land	1					1
Existing Structures	-					
Liens	-					
Closing, Title & Recording Costs	2,000					2,000
Extension payment	-					
Other <i>Purchase Upper Lots</i>	107,000					107,000
Other						
SUBTOTAL	109,001	-	-	-	-	109,001

Construction:						
Demolition <i>Single Family Homes at Upper Lots</i>	50,000	50,000				
New Building <i>Includes General Conditions</i>	6,543,003		5,693,003	750,000	100,000	
Rehabilitation	-					
Contractor Profit	293,619		293,619			
Contractor Overhead	143,932		143,932			
New Construction Contingency <i>5.1%</i>	356,439		356,439			
Rehab Contingency	-					
Accessory Building	-					
Site Work / Infrastructure <i>includes landscaping, addresses both lots</i>	600,732	400,000	200,732			
Off site Infrastructure <i>not included</i>	-					
Environmental Abatement (Building)	-					
Environmental Abatement (Land)	-					
Sales Tax	-					
Bond Premium <i>Included in Contractor Overhead</i>	-					
Equipment and Furnishings <i>Includes data wiring, security, utility connections</i>	88,500		88,500			
Other Construction Costs <i>Construction Material Testing</i>	10,000		10,000			
SUBTOTAL	8,086,224	450,000	6,786,225	750,000	100,000	-

Soft Costs:						
Buyer's Appraisal	6,500		6,500			
Market Study	6,500		6,500			
Architect	171,000		171,000			
Engineering	57,000		57,000			
Environmental Assessment	8,000		8,000			
Geotechnical Study	7,500		7,500			
Boundary & Topographic Survey	10,000		10,000			
Legal - Real Estate	31,500		31,500			
Developer Fee <i>38% is deferred fee paid via cash flow</i>	1,087,454		674,736		412,718	
Project Management / Development Consultant Fees	-					
Other Consultants <i>Green Design Consultant/Auditing</i>	15,000		15,000			
Other <i>Soft Cost Contingency, A/E Reimbursables</i>	21,250		21,250			
SUBTOTAL	1,421,704	-	1,008,986	-	412,718	-

Pre-Development / Bridge Financing						
Bridge Loan Fees	-					
Bridge Loan Interest	-					
SUBTOTAL	-	-	-	-	-	-

Construction Financing						
Construction Loan Fees	61,893		16,101			45,792
Construction Loan Expenses (Appraisal, 3rd Party Rpts) <i>incl. inspections</i>	22,000		22,000			
Construction Loan Legal	25,000		25,000			
Construction Period Interest	207,500		207,500			
Lease-up Period Interest	-					
SUBTOTAL	316,393	-	270,601	-	-	45,792

Permanent Financing						
Permanent Loan Fees	-					
Permanent Loan Expenses (Appraisal, 3rd Party Rpts)	-					
Permanent Loan Legal	-					
LIHTC Fees	92,435		92,435			
LIHTC Legal (Syndication/Organization <i>incl. owner and investor legal</i>)	90,500		90,500			
LIHTC Owners Title Policy	-					
State HTF Fees	-					
Other	-					
SUBTOTAL	182,935	-	182,935	-	-	-

Capitalized Reserves

Form 3 Development Sources and Uses Budget

Total Project Cost	Source:	Source:	Source:	Source:	Source:	Source:
	CDBG (\$450,000)	LIHTC (9%)	FHLB AHP	NeighborWorks Funds	Deferred Dev Fee / MM Equity	Private First Mortgage
Operating Reserves	154,915	154,915				
Replacement Reserves	-					
Other Reserves	-					
SUBTOTAL	154,915	154,915	-	-	-	-

Other Development Costs

Real Estate Tax	For upper lots	10,000	10,000			
Insurance		20,000	20,000			
Relocation		-				
Bidding Costs		-				
Permits, Fees & Hookups		6,500	6,500			
Impact/Mitigation Fees		-				
Development Period Utilities		-				
Nonprofit Donation		-				
Accounting/Audit		20,000	20,000			
Marketing/Leasing Expenses		28,500	28,500			
Carrying Costs at Rent up/ Lease Up Reserve		77,458	77,458			
SUBTOTAL		162,458	162,458	-	-	-

Bond Related Costs of Issuance (4% Tax Credit/Bond Projects Only)

Issuer Fees & Related Expenses	-					
Bond Counsel	-					
Trustee Fees & Expenses	-					
Underwriter Fees & Counsel	-					
Placement Agent Fees & Counsel	-					
Borrower's Counsel - Bond Related	-					
Rating Agency	-					
SUBTOTAL	-	-	-	-	-	-

Total Development Cost:	10,433,631					
Total Sources:	10,433,631	450,000	8,566,120	750,000	100,000	412,718
Number of Units	57					
Total Cost Per Unit	183,046					

SECTION 4 FINANCING SOURCES

Financing Narrative

1. Provide a short narrative to Form 4, Financing Sources, and any assumptions with regards to the project's financing. Describe any assumptions made for the amount of LIHTC funding. Describe any other unique financing details as they pertain to the project.

The permanent financing for The Garden Terrace includes the following sources and related assumptions:

- **Low-Income Housing Tax Credits** of \$874,181 in annual credits. At \$0.98 per credit, this will yield \$8,566,120 in equity. An initial review by National Equity Fund confirmed the \$0.98 pricing was achievable, and if a hard bid was made today, the pricing would be somewhat higher. (Note that attached Letter of Interest reflects a previous iteration of the proforma with 54 units, which means the credit amount and total equity do not match.) Impact Seven's projections assume 20% of the equity will be available during construction.
 - **City of La Crosse CDBG / HOME Loans** totaling \$450,000 with terms as described in RFP:
 - \$250,000 as a 1% interest only loan for 30 years, and
 - \$200,000 as a 0% loan for 30 years.
 - **Federal Home Loan Bank of Chicago Affordable Housing Program** (FHLB AHP) funds of \$750,000. As is required by tax credit investors, this grant to Impact Seven will enter the project as a sponsor loan that is cash-flow contingent. The terms are 1% interest, 30-year term and 30-year amortization.
 - **NeighborWorks America grant** of \$100,000. Likewise, this grant will enter the project as a sponsor loan. The interest rate is currently 0%. Impact Seven is one of a handful of organizations in the State of Wisconsin that are NeighborWorks members and eligible for this grant program.
 - **WHEDA Permanent Loan** of approximately \$155,000. WHEDA has a 30-year loan product designed for LIHTC projects. The current interest rate is 5.9% and it would be amortized over 30 years.
 - During the construction period, a **Construction Loan** of \$6,190,000 will be required to bridge the timing of the LIHTC equity contributions. The construction loan is assumed to have a 24-month term and charge 3.5% interest on the outstanding loan balance.
2. Describe how your organization is uniquely positioned to obtain the proposed financing as compared to other organizations. If applicable, describe the any gap in funding and possible ways to address these gaps. **(Complete Form 4).**

Impact Seven's status as a Community Development Financial Institution (CDFI), a member of the Federal Home Loan Bank of Chicago, and a NeighborWorks America affiliate rated Exemplary unlocks multiple sources of grant and low-cost debt capital unavailable to most conventional developers. In addition, as a Certified Housing Development Organization (CHDO) for non-entitlement communities, we have a substantial track record of experience in utilizing the identified funding sources necessary for the Garden Terrace project. As a non-profit, Impact Seven also has the advantage of eligibility for private philanthropic sources, such as the La Crosse Community Foundation and the HOME Depot Foundation grants of up to \$500,000, as this project aligns with their priority veteran-focused housing. With no gaps in the development budget that do not currently have an identified source, Impact Seven is uniquely positioned to obtain the proposed financing.

Please complete the following Excel forms
➤ **Form 4, Financing Sources**

Form 4 Financing Sources

Impact Seven - The Garden Terrace Apartments

Bridge Financing

Source	Amount	Anticipated Interest Rate	Loan Term	Amortization Period	Source of Repayment
Construction Loan (Lender TBD)	\$ 6,190,000	3.5% 24 months	N/A		Perm Loan / LIHTC Equity
City of La Crosse CDBG/HOME Loan	\$ 250,000	1.0% 24 months	N/A		Converts to Perm Loan
City of La Crosse CDBG/HOME Loan	\$ 200,000	0.0% 24 months	N/A		Converts to Perm Loan
Sponsor Loan - FHLB AHP	\$ 750,000	0.0% 24 months	N/A		Converts to Perm Loan
Sponsor Loan - NeighborWorks Funds	\$ 100,000	0.0% 24 months	N/A		Converts to Perm Loan
LIHTC Equity (Investor TBD)	\$ 1,714,486	0.0% N/A	N/A		
Total Bridge Financing	\$ 9,204,486				

Permanent Financing

Sources	Amount	Grant or Loan	Public or Private	Application Date	(Projected) Award Date	Interest Rate	Loan Term	Amortization Period	Repayment Structure (e.g. deferred, cash flow only, etc.)
First Mortgage - WHEDA	\$ 154,793	Loan	Private	Feb-17	May-17	5.9%	30 yrs	30 yrs	Fully Amort
City of La Crosse CDBG/HOME Loan	\$ 250,000	Loan	Public	Jul-16	Aug-16	1.0%	30 yrs	N/A	Interest Only
City of La Crosse CDBG/HOME Loan	\$ 200,000	Loan	Public	Jul-16	Aug-16	0.0%	30 yrs	N/A	Fully Deferred
Sponsor Loan - FHLB AHP	\$ 750,000	Loan	Private	Jun-17	Dec-17	1.0%	30 yrs	30 yrs	Cash Flow Only
Sponsor Loan - NeighborWorks Funds	\$ 100,000	Loan	Private	Oct-16	Feb-17	0.0%	30 yrs	30 yrs	Fully Deferred
Deferred Developer Fee	\$ 412,618	Loan	Private						
Managing Member Capital Contribution	\$ 100								
Subtotal	\$ 1,867,511								

Sources (excluding LIHTC Equity) **\$ 1,867,511**

Expected LIHTC Equity **\$ 8,566,120**

Total Residential Sources **\$ 10,433,631**

Total Development Cost (Form 3) **\$ 10,433,631**

July 29, 2016

Kristine Giornalista
Vice President, Real Estate Development
Impact Seven
642 W. North Avenue
Milwaukee, WI 53212

Re: Garden Terrace Apartments (“the Project”)
La Crosse, WI

Dear Ms. Giornalista:

We are pleased to present the following summary terms for an equity investment in a Limited Partnership, which will own and operate a 54-unit low income housing project to be known as Garden Terrace Apartments, located in La Crosse, Wisconsin. This summary of terms is based on the information we have received and is further based on certain assumptions made by NEF regarding the development budget, lease-up schedule, pro-forma operating statements, and ownership structure.

Annual Low Income Housing
Tax Credit Allocation (NEF, as
Limited Partner, will be entitled
to 99.99% of LIHTCs): \$836,075

Price per LIHTC: \$0.98

Total Tax Credit Equity: \$8,192,205

Equity Pay-In Schedule: Capital Contribution #1
(25%) at Closing

Capital Contribution #2

(25%) at Placed in Service, Cost Certification, Certificates of Occupancy.

Capital Contribution #3

(50%) at Achievement of Stabilized Operations, and Conversion of Construction Loan to Permanent Debt.

Capitalized Operating Reserve: 6 months of projected operating expenses and debt service.

Annual Replacement Reserves: \$350/unit/year, increasing 3.0% annually.

Due Diligence Fee: \$52,000, paid at closing.

- Other Terms and Conditions:
- 1) The General Partner must have a firm commitment for construction financing and fixed-rate permanent financing with terms, conditions and lender acceptable to NEF.
 - 2) Receipt, review, and approval of the appraisal, market study, environmental and geological reports, plans and specifications, contractor and architect agreements, and such other due diligence as is customary and reasonable for an equity investment of this nature and amount.
 - 3) The Capital Contributions are based on mutually agreed upon closing date, construction schedule and lease-up schedules.
 - 4) The terms of this letter are subject to change based upon investor yield requirements at the time of credit award.

After you have reviewed the terms outlined above, please contact me with any questions or issues that you may have. Upon the project's receipt of a Low Income Housing Tax Credit award, NEF will issue our binding Letter of Intent and begin our underwriting and closing process.

As always, we thank you for the opportunity and are excited about the prospect of investing in this development.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: 

Rachel Rhodes
Regional Vice President
312-697-8255

SECTION 5 PROJECT OPERATIONS

Project Operations

Please complete the following Excel forms

- **Form 5A, Proposed Rents**
- **Form 5B, Operating, Service, and Rent Subsidy Sources**
- **Form 5C, Operating Pro Forma**

Operating Pro Forma Narrative

1. Provide a narrative explanation of the proposed financial plan for covering operating expenses for 15 years and maintaining the quality of the apartment over the 30 year period of affordability. As the operation of the project may require a rental subsidy, describe your organizations track record in securing such subsidies (Section 8 vouchers, VASH Vouchers, other)

The current projections show the 57-unit project will perform well over the initial 15-year LIHTC compliance period and well into the extended LIHTC affordability period. If selected as developer, Impact Seven will secure a market study to test rental rates and work with a LIHTC investor to stress underwriting assumptions to ensure the project will be on a healthy footing. Current underwriting assumptions include:

- Minimizing hard debt service by filling capital gaps by deferring a significant portion of developer fee (38% of developer fee allowed under the WHEDA Qualified Allocation Plan). The deferred developer fee will act as loan with repayment that is contingent upon cash flow. This relieves stress on the proforma, particularly in the later years.
- The 15 units at 30% AMI have project based rental assistance (PBRA). Impact Seven will work diligently with the City and other partners to secure PBRA, as many of the households moving into the Targeted Units will have incomes well below 30% AMI. Based on feedback from City staff, the rental assistance option includes converting VASH vouchers already administered by WHEDA and the Tomah VAMC into project-based vouchers, or converting some of the La Crosse Housing Authority's housing choice vouchers for this project. Another option would be to apply for Section 811 project-based vouchers that are administered by WHEDA; eligible households must have a disability and be eligible for Medicaid. Impact Seven has extensive experience administering HUD and USDA Rural Development rental assistance. Ms. Giornalista worked on numerous projects that secured PBRA from the Chicago Housing Authority, Cook County Housing Authority, and Housing Authority of the City of Milwaukee.
- Units without rental subsidies are structured to be at least 10% below the maximum allowed for the AMI level.
- Tenants pay all utilities except water/sewer and trash/recycling. Impact Seven is open to adjusting this arrangement, particularly if rental assistance is secured for the 30% AMI units.
- A capitalized operating reserve of nearly \$155,000 will be available to help the development weather unforeseen expenses. Under current projections, the operating reserve will not be tapped to cover deficits until after year 25. The operating reserve will accrue interest as well.
- The operating budget also contributes \$350 per unit per year toward a replacement reserve. This reserve will be available for emergencies as well as a proactive capital management plan put in place by Impact Seven.

Supportive Housing Services (QUESTION 1-3 COMPLETED BY LOCAL AGENCY(IES) THAT WILL PROVIDE CASE MANAGEMENT SERVICES FOR UNITS SET ASIDE FOR FORMERLY HOMELESS INDIVIDUALS)

Case Management, Supportive Housing, Residential Support Services

2. Describe how the case management or permanent supportive services model will work and how it would lead to housing stability and self-sufficiency for homeless individuals or families. Describe how these services will be funded.

Impact Seven intends to team with three service providers – Couleecap, Tomah VA Medical Center (VAMC) and the Wisconsin Department of Veteran Affairs – to refer prospective residents and provide ongoing support to The Garden Terrace residents who are transitioning out of homelessness.

Couleecap, a multi-faceted human service organization, is Impact Seven’s primary referral partner. Couleecap administers several programs that assist individuals and families who have experienced homelessness, including their Supportive Housing Program (SHP). In SHP, case management staff work to support each household in improving their self-sufficiency by connecting households with mainstream resources, assisting households in increasing or securing income, and assisting households in improving their housing stability. As households become more stable and get connected with other supportive services in the community, they become more self-sufficient. Couleecap sees The Garden Terrace as a next stage for this cadre clients who are stable and ready to move to a greater level of independence. This is a housing type that is in short supply in the La Crosse area given high rental costs and landlord reluctance to take risks on renters with weak credit and past involvement with the criminal justice system. As a housing resource for those transitioning out of existing homeless assistance programs, The Garden Terrace will free up space in programs that provide the intensive case management and wrap-around support needed by chronically homeless individuals and families currently in shelter or living on the street.

Impact Seven will also work with the **Tomah VA Medical Center** to house veterans participating in the Veterans Affairs Supportive Housing (VASH) program. The VASH program, funded by HUD and the VA and provided locally through the Tomah VAMC, serves very low-income homeless veterans that have a mental health or chronic health condition for which they need case management. Following an assessment by case management staff that scores each veteran on an acuity matrix, veterans are placed on an “Interest List” prioritized first by chronically homeless veterans regardless of case management needs. When vouchers become available, they are provided in order of priority. During intake, veterans are oriented to the program and receive information on case management and supportive services which include, but are not limited to: obtaining required documentation, locating housing, financial management, and referral to indicated treatment, assistance services, other family services, or referral to VA medical services which include primary care, specialty care, treatment for PTSD, substance abuse, and home-based primary care for veterans who are homebound. Community-based partners provide treatment for substance abuse and mental health intensive case management for veterans with diagnoses such as schizophrenia or bipolar disorder needing more intensive supports such as assistance with tasks of daily living. The voucher stays with the veteran for as long as the program is funded, and the veteran continues to meet program eligibility requirements. Case management lasts as long as it is needed by the veteran. The Tomah VAMC’s VASH program currently provides tenant-based rental assistance. If new project-based VASH cannot be secured in the application round in September 2016, Impact Seven will work with the City, WHEDA and VAMC on project-basing some vouchers for the 15 Targeted Units.

Lastly, Impact Seven will also collaborate with the **Wisconsin Department of Veterans Affairs (WDVA)**. Through the Veterans Outreach and Recovery Program (VORP), WDVA provides case management for homeless veterans with mental/behavioral health or substance abuse who are not eligible for VA services. WDVA will refer veterans to Impact Seven for housing and will continue to provide case management and appropriate supportive services through referrals to ensure that veterans can successfully maintain independent housing.

3. Describe your organization's experience and success in working with individuals who were homeless and ability to stabilize these individuals and provide the necessary supportive services to ensure they are stabilized.

Couleecap has been providing services to the homeless population since 1988, and is the only major provider of supportive housing services in the City of La Crosse. Currently, Couleecap operates approximately 90 units of homeless housing on any single day of the year. Couleecap's programs provide housing, case management and supportive services to individuals and families who are experiencing homelessness. (See above.)

The VA has been providing HUD VASH vouchers and case management since 1992, with more than 78,000 vouchers issued nationwide as of 2015. The Tomah VAMC has Case Managers, Peer Support Specialists, a Registered Nurse and a Housing Specialist / Outreach worker who work in partnership with veteran participants to provide support and assistance to promote stability, housing permanence and recovery. Currently, this staff serves approximately 40 homeless veterans. The WDVA implemented VORP in 2014 and currently provides case management to 22 homeless veterans who are not eligible for VA services in the La Crosse region through one case manager.

4. Describe your organization's participation in the HMIS system and La Crosse's Continuum of Care. (If not participating, please explain.) Include any other unique aspects of this partnership.

Couleecap is the co-lead agency, along with the YWCA, of the La Crosse COC. Couleecap utilizes the HMIS System (Wisconsin Service Point) with close to 100% accuracy. Couleecap also leads the Point-In-Time count of homeless individuals two times per year. Couleecap staff are responsible for compiling the data, ensuring its accuracy and reporting to the State COC. The Tomah VAMC and WDVA both participate in the HMIS system through providing information to Couleecap for entry into the system. Couleecap also provides referrals to the Tomah VAMC's HUD VASH case management team for assessment and inclusion on the Interest List if eligible for HUD VASH vouchers.

5. Describe your plan for any other residential support services such as formation of a resident association, community building activities, job training, physical activity, GED classes, etc. Describe from Developer's Perspective how they will coordinate with local partner agency(ies). (Developer to complete this section)

If selected as the developer, Impact Seven will reach out to identify additional resources for tenants in partnership with Couleecap and case management staff. Additional residential support services may include working with Consumer Credit Counseling Services to offer Rent Smart training to tenants, Tenant Rights training through Legal Action, and Homebuyer Counseling through Couleecap for tenants transitioning to homeownership. As noted above, Impact Seven plans to work with the Hunger Task Force on nutritional and garden programming at the Kane Street Community Garden and is providing community space in the development plans.

**Form 5a
Proposed Rents**

Impact Seven - The Garden Terrace Apartments

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 Rental Income ** (B x E) x 12	Annual Gross Rental Subsidy Income *** (B x H) x 12	Annual Gross Rental Income J+K
30%	7	1	650	\$ -	\$ 63.00	\$ 63.00	\$ 496.00	\$ 559.00	\$ -	\$ 41,664.00	\$ 41,664.00
50%	5	1	650	\$ 496.00	\$ 63.00	\$ 559.00	\$ -	\$ 559.00	\$ 29,760.00	\$ -	\$ 29,760.00
60%	5	1	650	\$ 608.00	\$ 63.00	\$ 671.00	\$ -	\$ 671.00	\$ 36,480.00	\$ -	\$ 36,480.00
30%	5	2	875	\$ -	\$ 79.00	\$ 79.00	\$ 592.00	\$ 671.00	\$ -	\$ 35,520.00	\$ 35,520.00
50%	7	2	990	\$ 592.00	\$ 79.00	\$ 671.00	\$ -	\$ 671.00	\$ 49,728.00	\$ -	\$ 49,728.00
60%	10	2	990	\$ 726.00	\$ 79.00	\$ 805.00	\$ -	\$ 805.00	\$ 87,120.00	\$ -	\$ 87,120.00
30%	3	3	1075	\$ -	\$ 93.00	\$ 93.00	\$ 836.00	\$ 929.00	\$ -	\$ 30,096.00	\$ 30,096.00
50%	8	3	1075	\$ 681.00	\$ 93.00	\$ 774.00	\$ -	\$ 774.00	\$ 65,376.00	\$ -	\$ 65,376.00
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common Area Units /Unrestricted Mgr's Units				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market Rate Units	7	2	990	\$ 836.00	\$ 79.00	\$ 915.00	\$ -	\$ 915.00	\$ 70,224.00	\$ -	\$ 70,224.00
Totals	57								\$ 338,688.00	\$ 107,280.00	\$ 445,968.00

**Form 5 b
Operating, Service and Rent Subsidy Sources**

Impact Seven - The Garden Terrace Apartments

ANNUAL OPERATING SUBSIDY SOURCES (Do Not Include Service or Rent Subsidy Dollars Here)

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

ANNUAL SERVICE FUNDING SOURCES (Do Not Include Operating or Rent Subsidy Dollars Here)

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
VASH (Amount TBD)	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Annual Services Funding Sources	\$ -	\$ -	\$ -	

ANNUAL RENT SUBSIDY SOURCES (Do Not Include Operating or Service Funding Sources Here)

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
VASH or other HUD Project-Based Rental Assistance *	\$ 107,280.00	\$ -	\$ 107,280.00	15 years
* See narrative for discussion	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Annual Rent Subsidy	\$ 107,280.00	\$ -	\$ 107,280.00	

Total Rent Subsidy Reported on Form 5A

\$ 107,280.00

Form 5c
Operating Pro Forma

Impact Seven - The Garden Terrace Apartments

REVENUES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Residential Income							
Annual Gross Tenant Paid Rental Income	\$ 338,688	\$ 345,462	\$ 352,371	\$ 359,418	\$ 366,607	\$ 373,939	\$ 381,418
Annual Gross Rental Subsidy Income	\$ 107,280	\$ 109,426	\$ 111,614	\$ 113,846	\$ 116,123	\$ 118,446	\$ 120,815
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Name of First Other Source							
Name of Second Other Source							
Total Residential Income	\$ 445,968	\$ 454,887	\$ 463,985	\$ 473,265	\$ 482,730	\$ 492,385	\$ 502,232
Total Annual Service Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	\$ 445,968	\$ 454,887	\$ 463,985	\$ 473,265	\$ 482,730	\$ 492,385	\$ 502,232
Less Annual Residential Vacancy	\$ (31,218)	\$ (31,842)	\$ (32,479)	\$ (33,129)	\$ (33,791)	\$ (34,467)	\$ (35,156)
Less Annual Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	\$ 414,750	\$ 423,045	\$ 431,506	\$ 440,136	\$ 448,939	\$ 457,918	\$ 467,076

EXPENSES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Operating Expenses-							
Management - On-site	\$ 77,000	\$ 79,310	\$ 81,690	\$ 84,140	\$ 86,665	\$ 89,264	\$ 91,942
Management - Off-site	\$ 29,033	\$ 29,903	\$ 30,801	\$ 31,725	\$ 32,676	\$ 33,657	\$ 34,666
Accounting	\$ 12,825	\$ 13,210	\$ 13,606	\$ 14,014	\$ 14,435	\$ 14,868	\$ 15,314
Legal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 491	\$ 28,840	\$ 29,705	\$ 30,596	\$ 31,514	\$ 32,460	\$ 33,433
Real Estate Taxes	\$ 886	\$ 52,015	\$ 53,575	\$ 55,183	\$ 56,838	\$ 58,543	\$ 60,300
Marketing	\$ 30	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710
Security	\$ 4	\$ 258	\$ 265	\$ 273	\$ 281	\$ 290	\$ 299
Maintenance and Janitorial	\$ 120	\$ 7,045	\$ 7,257	\$ 7,474	\$ 7,698	\$ 7,929	\$ 8,167
Decorating/Turnover	\$ 80	\$ 4,697	\$ 4,838	\$ 4,983	\$ 5,132	\$ 5,286	\$ 5,445
Contract Repairs	\$ 412	\$ 24,205	\$ 24,931	\$ 25,679	\$ 26,449	\$ 27,243	\$ 28,060
Landscaping	\$ 230	\$ 13,503	\$ 13,908	\$ 14,326	\$ 14,755	\$ 15,198	\$ 15,654
Pest Control	\$ 18	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194
Fire Safety, See maint contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer	\$ 400	\$ 23,484	\$ 24,189	\$ 24,914	\$ 25,662	\$ 26,431	\$ 27,224
Garbage Removal	\$ 114	\$ 6,698	\$ 6,894	\$ 7,101	\$ 7,314	\$ 7,533	\$ 7,759
Electric	\$ 75	\$ 4,275	\$ 4,403	\$ 4,555	\$ 4,671	\$ 4,812	\$ 4,956
Oil/Gas/Other	\$ 75	\$ 4,275	\$ 4,535	\$ 4,671	\$ 4,812	\$ 4,956	\$ 5,105
Telephone	\$ 102	\$ 5,920	\$ 6,174	\$ 6,390	\$ 6,600	\$ 6,747	\$ 6,949
Other	\$ 230	\$ 13,085	\$ 13,478	\$ 13,882	\$ 14,298	\$ 14,727	\$ 15,169
Total Expenses	\$ 305,081	\$ 314,182	\$ 323,556	\$ 333,211	\$ 343,157	\$ 353,400	\$ 363,951
Replacement Reserve	\$ 19,950	\$ 20,549	\$ 21,165	\$ 21,800	\$ 22,454	\$ 23,128	\$ 23,821
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Reserves	\$ 19,950	\$ 20,549	\$ 21,165	\$ 21,800	\$ 22,454	\$ 23,128	\$ 23,821
Residential Support Service Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	\$ 325,031	\$ 334,730	\$ 344,721	\$ 355,011	\$ 365,610	\$ 376,527	\$ 387,774
NET OPERATING INCOME (EGI - Total Expenses)	\$ 89,719	\$ 88,315	\$ 86,785	\$ 85,125	\$ 83,329	\$ 81,390	\$ 79,302

DEBT SERVICE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
First Mortgage - WHEDA	\$ 154,793.00	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018
City of La Crosse CDBG/HOME Loan	\$ 250,000.00	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
City of La Crosse CDBG/HOME Loan	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Fee	\$ 412,618.00	\$ 71,202	\$ 69,596	\$ 67,859	\$ 65,985	\$ 63,969	\$ 61,804
Sponsor Loan - FHLB AHP	\$ 750,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsor Loan - NeighborWorks Funds	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	\$ 84,719	\$ 83,114	\$ 81,376	\$ 79,503	\$ 77,486	\$ 75,322	\$ 73,272
Gross Cash Flow	\$ 5,000	\$ 5,201	\$ 5,409	\$ 5,622	\$ 5,842	\$ 6,069	\$ 6,331
Debt Coverage Ratio	1.06	1.06	1.07	1.07	1.08	1.08	1.08

Form 5c
Operating Pro Forma

REVENUES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income								
Annual Gross Tenant Paid Rental Income	\$ 389,046	\$ 396,827	\$ 404,764	\$ 412,859	\$ 421,116	\$ 429,538	\$ 438,129	\$ 446,892
Annual Gross Rental Subsidy Income	\$ 123,231	\$ 125,696	\$ 128,210	\$ 130,774	\$ 133,389	\$ 136,057	\$ 138,778	\$ 141,554
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Name of First Other Source								
Name of Second Other Source								
Total Residential Income	\$ 512,277	\$ 522,523	\$ 532,973	\$ 543,633	\$ 554,505	\$ 565,595	\$ 576,907	\$ 588,445
Total Annual Service Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	\$ 512,277	\$ 522,523	\$ 532,973	\$ 543,633	\$ 554,505	\$ 565,595	\$ 576,907	\$ 588,445
Less Residential Vacancy	\$ (85,859)	\$ (86,577)	\$ (87,308)	\$ (88,054)	\$ (88,815)	\$ (89,592)	\$ (90,384)	\$ (91,191)
Less Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	\$ 476,418	\$ 485,946	\$ 495,665	\$ 505,578	\$ 515,690	\$ 526,004	\$ 536,524	\$ 547,254
EXPENSES								
Operating Expenses-								
Management - On-site	\$ 94,701	\$ 97,542	\$ 100,468	\$ 103,482	\$ 106,586	\$ 109,784	\$ 113,078	\$ 116,470
Management - Off-site	\$ 35,706	\$ 36,778	\$ 37,881	\$ 39,017	\$ 40,188	\$ 41,393	\$ 42,635	\$ 43,914
Accounting	\$ 15,773	\$ 16,246	\$ 16,734	\$ 17,236	\$ 17,753	\$ 18,285	\$ 18,834	\$ 19,399
Legal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 34,436	\$ 35,470	\$ 36,534	\$ 37,630	\$ 38,759	\$ 39,921	\$ 41,119	\$ 42,353
Real Estate Taxes	\$ 62,109	\$ 63,972	\$ 65,891	\$ 67,868	\$ 69,904	\$ 72,001	\$ 74,161	\$ 76,386
Marketing	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710	\$ 1,710
Security	\$ 307	\$ 317	\$ 326	\$ 336	\$ 346	\$ 356	\$ 367	\$ 378
Maintenance and Janitorial	\$ 8,412	\$ 8,665	\$ 8,925	\$ 9,192	\$ 9,468	\$ 9,752	\$ 10,045	\$ 10,346
Decorating/Turnover	\$ 5,608	\$ 5,776	\$ 5,950	\$ 6,128	\$ 6,312	\$ 6,501	\$ 6,697	\$ 6,897
Contract Repairs	\$ 28,902	\$ 29,769	\$ 30,662	\$ 31,582	\$ 32,529	\$ 33,505	\$ 34,511	\$ 35,546
Landscaping	\$ 16,124	\$ 16,607	\$ 17,106	\$ 17,619	\$ 18,147	\$ 18,692	\$ 19,252	\$ 19,830
Pest Control	\$ 1,230	\$ 1,267	\$ 1,305	\$ 1,344	\$ 1,384	\$ 1,426	\$ 1,469	\$ 1,513
Fire Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer	\$ 28,041	\$ 28,882	\$ 29,749	\$ 30,641	\$ 31,561	\$ 32,507	\$ 33,483	\$ 34,487
Garbage Removal	\$ 7,992	\$ 8,231	\$ 8,478	\$ 8,733	\$ 8,995	\$ 9,265	\$ 9,543	\$ 9,829
Electric	\$ 5,258	\$ 5,415	\$ 5,578	\$ 5,745	\$ 5,918	\$ 6,095	\$ 6,278	\$ 6,466
Oil/Gas/Other	\$ 5,288	\$ 5,415	\$ 5,578	\$ 5,745	\$ 5,918	\$ 6,095	\$ 6,278	\$ 6,466
Telephone	\$ 7,158	\$ 7,373	\$ 7,594	\$ 7,822	\$ 8,056	\$ 8,298	\$ 8,547	\$ 8,803
Other	\$ 16,093	\$ 16,576	\$ 17,073	\$ 17,585	\$ 18,113	\$ 18,656	\$ 19,216	\$ 19,792
Total Residential Operating Expenses	\$ 374,818	\$ 386,011	\$ 397,540	\$ 409,415	\$ 421,646	\$ 434,244	\$ 447,220	\$ 460,586
Replacement Reserve	\$ 24,536	\$ 25,272	\$ 26,030	\$ 26,811	\$ 27,615	\$ 28,444	\$ 29,297	\$ 30,176
Operating Reserve	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Total Reserves	\$ 24,538	\$ 25,275	\$ 26,030	\$ 26,811	\$ 27,615	\$ 28,444	\$ 29,297	\$ 30,176
Estimated Residential Support Service Expenses	\$ 2	\$ 3	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
TOTAL PROJECT EXPENSES	\$ 399,358	\$ 411,289	\$ 423,574	\$ 436,226	\$ 449,262	\$ 462,688	\$ 476,518	\$ 490,762
NET OPERATING INCOME (EGI - Total Expenses)	\$ 77,060	\$ 74,657	\$ 72,091	\$ 69,352	\$ 66,428	\$ 63,315	\$ 60,006	\$ 56,492
DEBT SERVICE								
First Mortgage - WHEDA	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018	\$ 11,018
City of La Crosse CDBG/HOME Loan	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
City of La Crosse CDBG/HOME Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsor Loan - FHLB AHP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsor Loan - NeighborWorks Funds	\$ -	\$ 36,684	\$ 46,858	\$ 44,668	\$ 42,328	\$ 39,838	\$ 37,191	\$ 34,380
Non-Residential Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	\$ 13,518	\$ 50,201	\$ 60,376	\$ 58,185	\$ 55,846	\$ 53,356	\$ 50,708	\$ 47,897
Gross Cash Flow	\$ 63,542	\$ 24,456	\$ 11,715	\$ 11,167	\$ 10,582	\$ 9,960	\$ 9,298	\$ 8,593
Debt Coverage Ratio	5.70	1.49	1.19	1.19	1.19	1.19	1.18	1.18

SECTION 6 ORGANIZATIONAL CAPACITY

General

6. Indicate the roles of the Developer in the project. *(check all that apply)*
- Ownership Entity
 - Managing Partner or Managing Member
 - Social Service Provider
 - Property Management
 - Sponsoring Organization
 - Developer
 - Other, Describe:

Ownership Entity

7. Describe the proposed ownership entity and if the relationship between the ownership entity and the Developer is expected to change over time.

The ownership entity will be a single-purpose limited liability corporation (LLC) created for this project. The LLC will have an investor member that will own 99.99% of the LLC and a managing member that will own 0.01%. This structure is typical of projects with Low-Income Housing Tax Credits (LIHTC). Impact Seven will control the managing member and will have day-to-day control of the project. Impact Seven intends to remain the managing member for the entire 30-year affordability period.

Experience

8. Describe the Developer's experience assembling and financing heavily leveraged projects, working with HUD CDBG/HOME funds, as well as coordinating with multiple community stakeholders and elected officials. Describe any experience working with supportive housing units. (Include photographs of past projects in Attachment B (no more than 4)).

Impact Seven began as a consultant to assist counties, municipalities and Native American communities in identifying needs, assembling projects, applying for funding, overseeing construction and managing projects. In 1985, Impact Seven began developing projects of our own. Since 1970, Impact Seven has successfully developed over 2,000 units throughout Wisconsin, financed with a wide variety of public funding sources:

- Low Income Housing Tax Credits (16 projects)
- HUD 202 and HUD 811 (45 projects)
- HOME funds (7 projects)
- Section 8 project-based rental assistance (14 projects)
- USDA Rural Development 515 loans (12 projects)
- Historic Tax Credits (5 projects)
- FHLB Affordable Housing Program funds (41 projects)

In addition to contributing considerable equity and financing of its own, Impact Seven has leveraged these funds with investments from many Wisconsin banks, municipalities, foundations and other partners, both private and nonprofit. Our strong experience coordinating complex capital stacks and successfully managing development

produces projects that meet the needs of a variety of tenant profiles, and are attractive, financially-sustainable community assets.

Impact Seven employs two full-time Service Coordinators who are licensed social workers to serve our 23 HUD 202 projects to connect residents with the benefits and services they need in order to maintain independence. In addition, Impact Seven owns and operates two group homes, including a four-unit property in River Falls and a six-unit property in Burlington, for which we contract with third party providers to provide supportive services for tenants, delivered by live-in providers. On an annual basis, an average of 95% of Impact Seven's elderly and disabled tenants in 390 units of housing are able to maintain independent living.

9. Is your organization or any affiliate currently engaged in any project workouts? Yes No
If yes, please explain.

10. Indicate record of securing and/or syndicating LIHTC allocations, note any potential conflict resulting from upcoming or present obligations.

Impact Seven has secured LIHTC allocations for 16 separate affordable housing properties, totaling 358 affordable and 39 market-rate units in locations throughout Wisconsin, and has also demonstrated success in leveraging multiple other funding sources essential to bringing these projects into development and completion. Our Vice President of Real Estate Development, Kristine Giornalista, recently sat on WHEDA's Qualified Allocation Plan (QAP) Advisory Committee to provide recommendations on structuring the WHEDA'S LIHTC program from a non-profit developer's perspective. WHEDA is a major long-term, trusted partner of Impact Seven, having collaborated in the development and financing of LIHTC, New Markets Tax Credit, and other affordable housing and economic development projects throughout the state.

Impact Seven has no potential conflicts resulting from upcoming or present obligations. Impact Seven recently completed two LIHTC projects totaling 60 units with no others pending. Our development team has sufficient capacity to pursue multiple projects simultaneously, including any potential future projects.

11. Why should the Developer be chosen for this project over other qualified affordable housing developers?

Impact Seven's strong track record of developing and managing attractive, financially-sustainable affordable housing evidences our capacity and competence as a developer, property manager and community partner. Furthermore:

- In addition to the two parcels on St. James already programmed, Impact Seven has four parcels on the 700 block of Charles Street (across the alley from the RFP site) currently under contract. If selected as developer, Impact Seven will explore the feasibility, with City and neighborhood input, of incorporating these properties into the development.
- The relationships we initiated with key service providers including Couleecap, the VA and the WDVA, in addition to the neighboring community garden, will be further pursued and developed in order to deliver the level of services necessary to effectively serve the City's homeless and veteran population.
- Impact Seven's non-profit status and affiliations with community development funders uniquely position us to obtain critical financing sources unavailable to most conventional developers.

- Finally, Impact Seven views the development and management of affordable housing for disadvantaged populations as integral to our mission of impacting communities and lives through innovative and socially-motivated investment and service.

12. What is the Developer’s plan should they not successfully obtain LIHTC funding this year for 9% tax credits (2017)?

First, Impact Seven will structure the application to be as competitive as possible in the 2017 LIHTC round. If 9% credits are not awarded, Impact Seven will consider a 4% tax exempt bond financing approach. Additional soft funds will be necessary to close the gap with 4% financing. The 2018 LIHTC application will be in November 2017, which is earlier than usual. Impact Seven may also opt to resubmit the application in the 2018 round. The 9% credits are invaluable to creating housing that is deeply affordable to vulnerable populations such as chronically homeless veterans.

PERSONNEL

13. List the names of key members of the Developer organization’s development team, their titles, and their years of experience in affordable housing.

Name	Title (e.g., executive director, project manager.)	Years’ Experience in Affordable Housing
Kristine Giornalista	Vice President, Real Estate Development	12
Rachel Kennedy	Director of Real Estate Development	3
Jim Landreth	Director of Real Estate Analysis	5
Caroline Loyas	Director of Resource Development	7

14. Name the individual who will serve as lead for the development team and who will direct and coordinate the development effort to completion. This person must remain on the project and be the primary point of contact unless substitution is approved by the City of La Crosse. Describe their relevant experience below, particularly with development that house people with special needs or supportive housing units. Attach their resume as Attachment C.

Kristine Giornalista, Impact Seven’s Vice President of Real Estate Development, will lead the development team, directing and coordinating the project through completion. Ms. Giornalista heads Impact Seven’s team responsible for creating and preserving affordable and mixed-income housing in communities throughout Wisconsin. To ensure that developments are financially sound and responsive to each community’s unique needs, Kristine builds and manages relationships with public and private development partners. She also develops and monitors management systems to ensure projects are accessible, sustainable, and delivered on time and on budget. Oversees the planning, implementation and monitoring of all aspects of multifamily residential and commercial development projects from inception to completion including design, budgeting, construction and deal structuring. Ms. Giornalista formerly served as Neighborhood Services Manager for the Village of Oak Park, IL, was Senior Project Manager for IFF, and was Associate Director of Real Estate Development for Heartland Alliance. She is LEED A.P. BD+C certified and brings an extensive background in HUD- and tax credit-funded affordable housing and community development. Ms. Giornalista has a Master’s degree in Public Affairs from UW-Madison. With more than 12 years of experience in affordable housing planning, development, and policy, Ms. Giornalista possesses the knowledge and skills necessary to plan and

execute a project that meets community needs and goals, retaining neighborhood character while remaining financially sustainable.

REFERENCES

15. List the names of three (3) references for the developer. References that are relevant to the scope of work are most desirable (permanent lender, other City developer has worked with, LIHTC limited partner investor, community group that has worked with the developer, prior experience in a comparable development)

Name	Title/Organization	Contact Information (phone/email)	Relationship
Rachel Rhodes	VP Regional Manager National Equity Fund	312-697-8255 rrhodes@nefinc.org	LIHTC investor on numerous projects
Jim Mathy	Housing Division Administrator Milwaukee County DHHS	414-257-7689 James.Mathy@milwcnty.com	Gov't funder on supportive housing project
Nicolas Sparacio	City Planner City of Manitowoc	920-686-6931 nsparacio@manitowoc.org	Gov't funder on historic rehab

Property Management

16. A key indicator of success will be the ability of the project to maintain the property. Briefly summarize the anticipated management plan for this project.

Impact Seven’s Property Management division provides a full range of property management services, inclusive of automated systems for operations, physical, financial and administrative management utilizing RealPage property management software. The Regional Property Manager is responsible for the day-to-day operation of the project and will assign duties to the appropriate staff, which includes two assisted housing managers and five intake staff who manage tenant referrals, the application and tenant selection process, coordinating reasonable accommodations, move-ins, and collection of rents (including rental assistance and any third-party payments), any evictions and move-outs. Residents will be provided with a resident handbook that covers use and care of the unit; local emergency information and evacuation procedures; and policies and procedures such for guests, parking, garbage and recycling and maintenance requests. With three other properties in La Crosse County, efficiencies in maintenance activities will be achieved. The Regional Maintenance Supervisor will directly oversee a part-time caretaker who will be specifically assigned to the project to maintain the grounds, perform or coordinate routine and preventive maintenance, respond to calls for repairs, and prepare units for move-ins. Impact Seven has a 24-hour maintenance hotline for tenants to report needed repairs. Administrative systems include timely verification of work completeness and quality.

17. Will management be provided on site? If yes, what will be the form of management?

The Impact Seven property management team will have an office at the Kane Community Hub. Office space for use by third-party case managers will also be provided at the Kane Community Hub.

- Resident Managers (Number of Units): 0
- Management Office (Business Hours Only): 1.0 FTE Site Manager, staffed during regular business hours
- Management Office (24 Hours): 0
- Other, Describe: 0.25 FTE Caretaker.

Equal Opportunity (MBE/WBE), Non-Discrimination, Section 3 Compliance

18. The City of La Crosse anticipated investing significantly in this project and expects local employment and economic development. What will the Development Team’s approach be to ensuring strong participation by local businesses? What is the Developer’s prior experience in attracting and utilizing minority-owned and women-owned businesses?

Impact Seven has equal opportunity and non-discrimination policies that apply to employment practices as well as third-party vendor selection, and has an established history of proactively complying with Section 3 requirements. Impact Seven’s Procurement Policy for real estate development states that the procurement of all services and products associated with the acceptance of third-party funding will incorporate the most restrictive funder procurement requirements into the real estate development project plan, including requirements for encouraging participation by local businesses, as well as minority-owned and women-owned businesses as necessary. Two Wisconsin businesses are part of the development team; Engberg Anderson Architects, and the construction manager Catalyst Construction. Impact Seven is committed to working with local firms for other professional services such as civil engineering and surveying.

19. HUD Section 3 Requirements will apply to the construction work on this project, even though CDBG funding will not be applied to construction costs. Describe the approach and methods the Developer would utilize to employ residents of a development and other individuals eligible as Section 3 participants.

To achieve construction hiring and contracting goals, Catalyst Construction has worked with the City of Milwaukee Office of Small Business Development, WHEDA, and HUD and is well-versed in MWSBE compliance. These measures include coordinating the bidder's list with both State of Wisconsin and municipal MWSBE contractor listings, interacting with various minority associations (i.e. Hispanic Chamber of Commerce, African American Chamber of Commerce), holding local meetings for interested subcontractors, and using local publications to post bid invitations. Their extensive experience with MWSBE participation allows them to meet, and often exceed, project goals for MWSBE participation.

As a construction manager that does not self-perform any work, Catalyst has the flexibility to select contractors to achieve local and MWSBE goals. Catalyst Construction exceeded the required 18% MWSBE participation on the Milwaukee Brewery Point multifamily project with 26.5% participation. At the recently completed Artist Lofts project co-developed by Impact Seven, Catalyst achieved a 27% Disadvantaged Business Enterprise participation and 24% local Manitowoc contractor and supplier participation. Catalyst takes great pride in providing opportunities to all bidders and providing a chance for the under employed to find meaningful work.

Please complete the following Excel forms

- **Form 6, Developer Experience**
- **Attachment B, Include up to 4 photographs (with captions) of similar projects developed by Developer described in question 3.**
- **Attachment C, Resume of lead coordinator of project.**

Form 6 Sponsor Experience

Impact Seven - The Garden Terrace Apartments

Project History

Projects Completed	Role (owner, developer, etc.)	City and State	Number of Units	Date Development Activities Began	Placed in Service Date	Sources of Financing (LIHTC, HOME, CDBG, etc.)
Example: Heritage Town Center, MF, NC	Developer	La Crosse, WI	50	01/2014	01/2015	
Franklin School	Developer, Owner	Rice Lake, WI	20	5/2015	6/2016	LIHTC, HOME, AHP, NeighborWorks
Impact Milwaukee I	Developer, Owner	Milwaukee, WI	24	10/2014	08/2016	LIHTC, HOME, AHP, NeighborWorks
King Drive Commons IV	Developer, Owner	Milwaukee, WI	40	7/2012	12/2013	LIHTC, HOME, AHP
Layton Blvd West Neighbors Rent to Own	Developer, Owner	Milwaukee, WI	24	5/2012	8/2013	LIHTC, HOME, AHP
Medford Affordable Housing	Developer, Owner	Medford, WI	22	5/2011	6/2013	LIHTC, HOME, AHP
Mitchell Street Market Lofts	Developer, Owner	Milwaukee, WI	24	8/2011	8/2012	LIHTC, HOME, AHP
National Avenue Lofts	Developer, Owner	Milwaukee, WI	73	10/2010	10/2012	LIHTC, HOME

Pipeline

Projects Currently Being Developed	Role (owner, developer, etc.)	City and State	Number of Units	Date Development Activities Began	End (projected) Placed in Service Date	Sources of Financing (LIHTC, HOME, CDBG, etc.)
Example: Heritage Town Center, MF, NC	Developer	La Crosse, WI	50	01/2009	08/2010	
Artist Lofts, MF, Historic Rehab	Developer, Owner	Manitowoc, WI	40	6/2013	7/2016	LIHTC, HOME, AHP, NeighborWorks, City of Manitowoc TIF, WEDC
Barron County Housing, MF, Rehab	Developer, Owner	Barron Co., WI	40	1/2014	8/2016	USDA 515, HOME, AHP, WHEDA mortgage
Pine Meadows, MF, Rehab	Developer, Owner	Sullivan, WI	16	1/2015	10/2017 (projected)	USDA 515, AHP, WHEDA mortgage
Eastridge Senior Expansion	Developer, Owner	Altoona, WI	48	1/2016	12/2019	LIHTC, HOME, AHP, NeighborWorks



328 FRONT STREET SOUTH / LA CROSSE, WI 54601
Telephone No 608.782.0404 Facsimile 608.783.7532

July 21, 2016

Caroline Gregerson
Community Development Administrator
City of La Crosse
Planning Department – 3rd Floor
400 La Crosse Street
La Crosse, WI 54601

Re: Support for Impact Seven's Proposal
733 Kane Street RFP

Dear Ms. Gregerson:

I am writing to express my enthusiastic support for Impact Seven's proposal for the development of the 700 block of Kane Street in La Crosse.

I have worked with Impact Seven on several other high-impact development projects in the City of La Crosse, including the Charmant Hotel, an adaptive reuse of a historic landmark into a 67-room boutique hotel; and two phases of the Riverside Center, providing corporate office space and creating hundreds of jobs. Impact Seven provided critical gap financing to make these projects a reality, including New Markets Tax Credits and federal Community Economic Development funds.

As a strong supporter of the United States military, I believe that our veterans deserve, and we have a responsibility to provide, opportunities to pursue a safe and dignified life in our community. Providing affordable housing and supportive services to homeless veterans and the chronically homeless has been proven effective in breaking the cycle of homelessness. With the support of the VA-Tomah and services provided by CouleeCAP, Impact Seven's proposed project offers a long-term solution to homelessness and supports the Mayor's commitment to ending veteran homelessness in the City of La Crosse.

With 39 units on the city's RFP site and an additional 17 on neighboring property that Impact Seven holds under contract as well as a community center tied to the Kane Street Community Garden, the development will contribute positively to community and neighborhood development.

Thank you for your consideration of Impact Seven's proposal in response to the 733 Kane Street RFP.

Sincerely,

A handwritten signature in black ink that reads 'Donald J. Weber'. The signature is written in a cursive, flowing style.

Donald J. Weber
Founder and Chairman



HOUSING RESUME

>>> DEVELOPMENT

Since its founding in 1970, Impact Seven has successfully developed or provided development consulting services for over 2,000 affordable housing units throughout Wisconsin. These projects have been financed with a wide variety of public funding sources such as:

- Low Income Housing Tax Credits (16 projects)
- HUD 202 and HUD 811 (45 projects)
- Section 8 Project-Based Rental Assistance (14 projects)
- USDA Rural Development 515 Loans (12 projects)
- FHLB Affordable Housing Program Funds (41 projects)
- HOME Funds (7 projects)
- Historic Tax Credits (5)

In addition to contributing considerable equity and financing of its own, Impact Seven has leveraged these funds with investments from many Wisconsin banks, municipalities, foundations and other private and nonprofit partners.

Impact Seven began as a consultant for other counties, municipalities and Native American communities. In this capacity, Impact Seven assisted with identifying needs, setting up ownership/management entities, assembling financing, and overseeing the construction and management. In 1985, Impact Seven began developing projects of its own. Today, Impact Seven is parent to 52 wholly-owned subsidiary corporations consisting of a total of 1,297 units of affordable housing. Projects are located across Wisconsin in rural communities, mid-sized metropolitan cities and urban Milwaukee neighborhoods. The list includes approximately 840 units set aside for elderly persons or persons with disabilities.

Impact Seven's approach to housing development is built on three core values:

- **Be flexible.** Understanding a community's needs and the flexibility to craft a project that is responsive to those needs are critical elements to a successful housing development. Impact Seven is committed to working with project partners and local stakeholders to build developments that support community goals and improve the lives of low and moderate income households. We have broad experience with a range of rental housing development types such as new construction, historic and adaptive reuse, mixed use, urban infill and rural developments. Impact Seven will work anywhere in the State of Wisconsin, whether it is an urban infill or rural rehabilitation.
- **Be sustainable.** Impact Seven seeks to develop rental communities that are sustainable from both a design and financial perspective. As a long-term owner, Impact Seven has a vested interest in utilizing



This institution is an equal opportunity provider and employer.



building methods and materials that create a building that is energy efficient and will withstand the test of time. In addition, Impact Seven employs underwriting to ensure its developments can remain affordable to tenants and will be financially viable over a thirty-year period.

- **Be resourceful.** Impact Seven has a successful track record of securing various grants, low interest loans and other sources of “soft financing” that close budget gaps and provide long term affordability. Impact Seven views real estate development as a collaborative process and considers strong relationships to be an important resource.

The development team is led by [Kristine Giornalista](#), Vice President of Real Estate Development. Prior to joining Impact Seven in 2015, Ms. Giornalista served as Neighborhood Services Manager for the Village of Oak Park, Illinois; Senior Housing Project Manager for IFF; and Associate Director of Real Estate Development for Heartland Alliance. She is a LEED Accredited Professional and brings an extensive background in HUD- and tax credit-funded affordable housing and community development. Ms. Giornalista has a master’s degree from the UW-Madison LaFollette School of Public Affairs.

[Rachel Kennedy](#), Director of Real Estate Development, joined the Impact Seven team in 2013 and assists in all aspects of Impact Seven’s development projects including grant administration, predevelopment, scheduling, draws and financing. Ms. Kennedy has a J.D. from Marquette University. [Jim Landreth](#), Director of Real Estate Analysis, joined Impact Seven in 2010 and is charged with guiding acquisitions of multi-family developments to preserve affordable housing throughout Wisconsin. Mr. Landreth holds a Master of Architecture degree from the University of Minnesota.

>>> PROPERTY MANAGEMENT

Impact Seven’s Property Management Department currently manages **1,545 units**, including 255 for other entities. These units are located in more than 100 distinct buildings located across Wisconsin, ranging from rural northern Wisconsin to urban metropolitan Milwaukee. Project sizes range from single-family homes and duplexes to a 73-unit multifamily building.

The Impact Seven property management team includes **28 full-time** and **40 part-time staff** who are highly qualified and experienced with the full array of income eligibility, accounting, reporting, maintenance and compliance requirements found in all major state and federal affordable housing programs, such as Low-Income Housing Tax Credits and HUD project-based rental assistance. Positions are specialized around specific components. For instance, affirmative marketing procedures, income eligibility and tenant recertification are each consolidated specialized positions. Housing staff undergo regular training and attend both national and statewide conferences including the WHEDA state housing conference, WI-CARH annual meetings and events, and NeighborWorks Training Institutes.

With support from [Emily Gall](#), Director of Marketing and Communications, and a full-time Marketing Assistant, Impact Seven utilizes a broad range of marketing channels using both new and traditional media, in addition to the Lead-to-Lease™ software platform for market analysis and strategy implementation. Impact Seven also employs a full-time Asset Manager who is responsible for tracking Impact Seven’s housing portfolio and planned capital needs at all of our properties. This position functions as a regular member of the Property Management leadership team.

The management team is led by [Mike deWerd](#), Vice President of Property Management. Mr. deWerd has been with Impact Seven for 21 years. Prior employment included serving as Occupancy Director for LifeStyle, Inc., where he monitored market rate, subsidized and tax credit projects. Certifications include Nonprofit Housing Management Specialist (NHMS) from the Consortium for Housing and Asset Management (CHAM), Certified Occupancy Specialist (COS) from the National Center for Housing Management (NCHM), Assisted Housing Manager (AHM) from Quadel Consulting Corp. National Leased Housing Association, and Certified Occupancy Manager (COM) from the Minnesota Multi Housing Association (MHA).

Mr. deWerd is assisted by Regional Property Manager [Don Laubach](#), who is responsible for Impact Seven's southern projects, and Regional Property Manager [Ranei Johnson-Scholler](#), who is responsible for Impact Seven's northern projects. Director of Occupancy and Compliance [Shiloh Sadtler](#) is an Accredited Housing Compliance Professional and a certified Housing Quality Standards Inspector. Director of Maintenance [Tim Mather](#) has a degree in building science and is responsible for long-term capital planning for Impact Seven's portfolio. Impact Seven also has three HUD Service Coordinators who provide on-site support for elderly tenants and tenants with disabilities at numerous locations.

>>> IMPACT SEVEN

Impact Seven is a private nonprofit 501(c)3 corporation recognized as a trusted partner for developing, building and maintaining quality communities throughout its service area. Impact Seven has two offices in Barron County, as well as a Milwaukee, Wisconsin office focused on southern regions of the state.

Impact Seven was founded in 1970 by Wisconsin residents in a seven-county area who were concerned with a waning economy, outmigration of youth and high poverty. Since then, the organization has grown into a well-established statewide CDC that organizes the resources and capacities of low-income communities to provide affordable housing and employment opportunities for residents. Over the past 45 years, Impact Seven has provided quality, affordable housing for tens of thousands of low-income households throughout the state, assisted thousands of successful business ventures throughout Wisconsin and created thousands of jobs.

Impact Seven is certified by the U.S. Department of the Treasury as a [Community Development Financial Institution](#) (CDFI), a unique type of nongovernmental entity established to provide credit, financial services and other development services to underserved markets or populations. At the end of 2014, Impact Seven had total assets of \$107 million, including \$44 million in net assets. Impact Seven currently maintains a loan portfolio of \$30.6 million, primarily placed in loans for job-creating business development ventures. Through its partnership with WHEDA and other member institutions in the Greater Wisconsin Opportunity Fund, Impact Seven has brokered the placement of [New Market Tax Credits](#) since 2005, with \$207 million in tax credit allocation under management. In 2015, Impact Seven became a [member of the Federal Home Loan Bank of Chicago](#), allowing the organization to access a range of financial products at extremely advantageous rates and terms.

In an addition, Impact Seven is a [Community Housing Development Organization](#) (CHDO) in Milwaukee and for Wisconsin's "balance of state" communities, which makes Impact Seven eligible for specially-designated HOME funds to develop affordable housing. Impact Seven is one of 235 charter [NeighborWorks America](#) member organizations across the country, which gives Impact Seven access to grants, programmatic support, training and technical assistance for a broad range of community development initiatives.

For more information about Impact Seven, please visit the website at www.impactseven.org.

\$10 MILLION
total development cost

41 UNITS
of affordable housing



MILWAUKEE

historic loft-style apartments
single-family homes and duplexes
townhomes
community room
exercise room
outdoor spaces
on-site management
5,000 sf of commercial space



KING DRIVE COMMONS IV

Single-Family Homes, Duplexes and Apartments in Milwaukee



>>> PROJECT TYPE

historic mixed-use, new construction

>>> IMPACT SEVEN'S ROLE

co-developer and co-owner with
Martin Luther King Economic
Development Corporation,
property manager

>>> PARTNERS / FUNDING SOURCES

Low-Income Housing Tax Credits
FHLB Affordable Housing Program
City of Milwaukee HOME Funds
City of Milwaukee NSP Funds
CD Bank Permanent Loan
Chase Construction Loan

King Drive Commons IV (KDC IV) is the fourth and largest phase of a multi-year, campus-style revitalization effort surrounding the 2700 block of Dr. Martin Luther King, Jr. Drive in Milwaukee, Wisconsin.

Located in the north side Harambee neighborhood, KDC IV is a mixture of 41 new and renovated units including single family homes, duplexes, townhomes, and historic apartments. The first floor of the historic building on the well-traveled King Drive corridor consists of 5,000 square feet of commercial space, on-site property management offices, a community room and a fitness room. Twenty-nine of the units (71% of the total) are affordable to households earning at or below 50% of the Milwaukee Area Median Income (AMI). The remaining 12 units are affordable to households at or below 60% AMI. The unit mix consists of 13 two-bedrooms units, 24 three-bedroom units and four four-bedroom single family homes. Units are well sized for families with an average unit size of 1,485 square feet.

The King Drive Commons development effort began in 2002. Phases I through III, which consist of a total of 66 residential units and commercial space, were completed by Martin Luther King Economic Development Corporation (MLKEDC) with Wisconsin Redevelopment as consultant. On Phase IV, Impact Seven joined the team as the co-developer, co-owner and property manager. Like previous phases, KDC IV put city-owned residential lots and a vacant commercial building back into productive use.



AN IMPACT SEVEN REAL ESTATE DEVELOPMENT PROJECT



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\$9.4 MILLION
total project cost

40 UNITS
36 designated affordable

VETERAN
targeted marketing

MANITOWOC

ARTIST LOFTS

- 2- and 3-bedroom loft-style units
- exposed architectural elements
- original hardwood floors
- Energy Star lighting and appliances
- central air conditioning
- on-site laundry
- community room
- art studio and gallery
- on-site management
- indoor parking

NeighborWorks
CHARTERED MEMBER



>>> PROJECT TYPE

historic rehabilitation, adaptive re-use

>>> IMPACT SEVEN'S ROLE

owner, co-developer, property manager

>>> PARTNERS / FUNDING SOURCES

Low Income Housing Tax Credits
Federal and State Historic Tax Credits
FHLB Affordable Housing Program
HOME Funds
City of Manitowoc
Bank Mutual

Mirro Plant #3 in Manitowoc was constructed in 1929 by the nation's largest aluminum goods manufacturer, Manitowoc-based Aluminum Goods Manufacturing Company, also known as Mirro. By 2003, all Mirro company production operations were transferred out of Manitowoc and overseas, which left all of Mirro's original Manitowoc facilities either demolished or vacant. This \$9 million project will renovate one of the last historic icons of early Manitowoc industry and will provide exceptional loft-style apartment units, indoor parking, artist spaces and on-site management.

This project is ideally located for workforce housing being near downtown Manitowoc and adjoining a city bus line for easy access to all parts of Manitowoc. The project is designated for low-income individuals with a 30-year affordability period, so special care will be taken to ensure that the latest in energy-efficient equipment, materials and methods are used in the project, as well as durable and low-maintenance building materials. Construction follow Wisconsin Green-Built Standards, a nationally-recognized initiative that reviews and certifies new homes, multifamily units and remodeling projects that meet sustainable building and energy standards.

In addition, 25% of the project's apartment units are targeted to veterans in need of supportive services. Manitowoc County Veterans Services Office, working in conjunction with Lakeshore CAP, will provide veteran support services in space allocated in the development. In addition to veterans, the Artist Lofts will target the artist community, allowing individuals to create, display, and sell their work in the same building in which they live.

Construction commenced in November 2015 and began occupancy in the summer of 2016.

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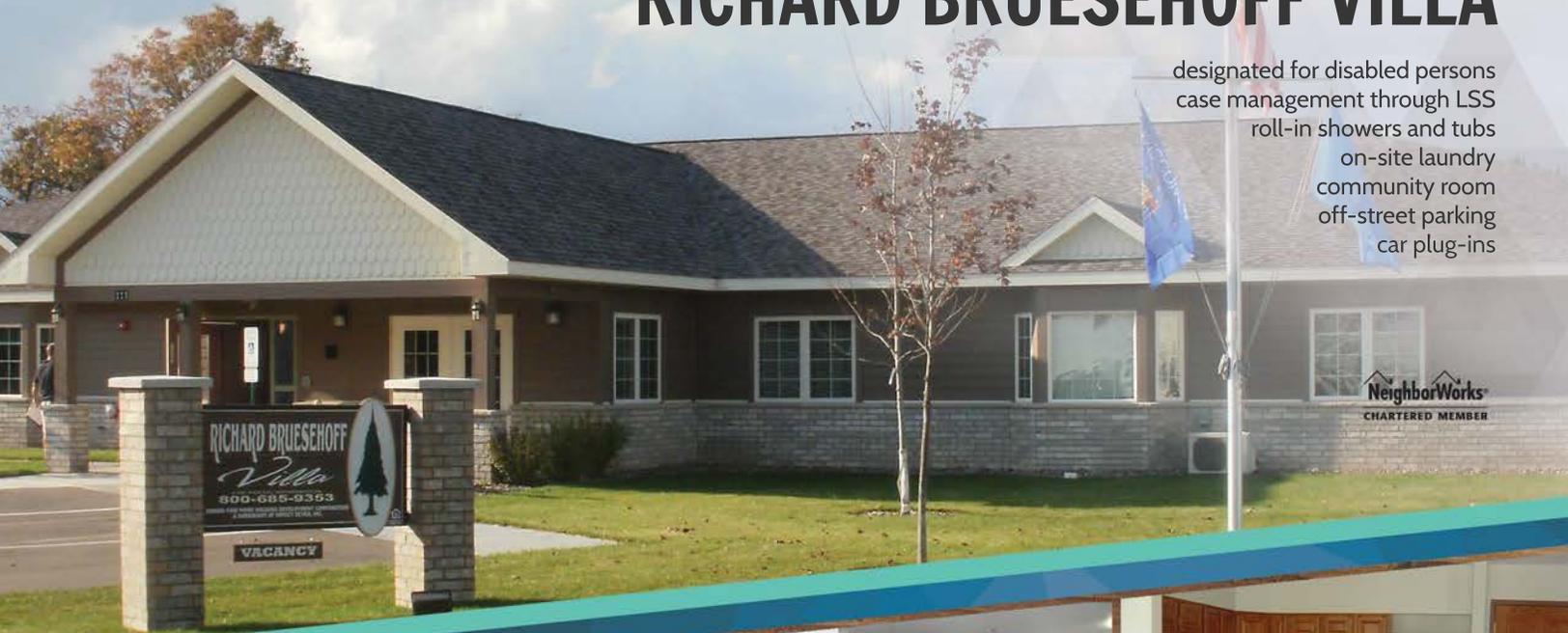
\$990,000
total project cost

8 UNITS
of affordable housing for those living with disabilities



RICHARD BRUESEHOFF VILLA

designated for disabled persons
case management through LSS
roll-in showers and tubs
on-site laundry
community room
off-street parking
car plug-ins



>>> PROJECT TYPE
new construction

>>> IMPACT SEVEN'S ROLE
owner, developer, property manager

>>> PARTNERS / FUNDING SOURCES
HUD Section 811 Program

In 2009, there were no supportive housing projects in Jackson County available for persons living with disabilities - a significant need in an area with the fifth highest developmentally disabled services budget in the state. To fill this gap in services, LSS and Impact Seven partnered to build and manage Richard Bruesehoff Villa, an 8-unit apartment building in Black River Falls.

Close to area amenities including shopping, healthcare, churches and entertainment, Richard Bruesehoff Villa offers residents open floor plans, accessible units, a community room and more. An ongoing relationship with Lutheran Social Services ensures residents have attentive case management services helping them connect to the local services they want and need to maintain independence and a high quality of life.



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KRISTINE GIORNALISTA

VICE PRESIDENT, REAL ESTATE DEVELOPMENT

Ms. Giornalista leads the team responsible for creating and preserving affordable and mixed-income housing in both urban and rural communities. Kristine builds and manages relationships with public and private development partners to ensure that developments are financially sound and responsive to each community's unique needs.

EXPERIENCE

2015-Present **Vice President, Real Estate Development** [Impact Seven | Milwaukee, WI](#)

- Provides leadership and direction for Impact Seven's Real Estate Development projects throughout Wisconsin and beyond
- Oversees the planning and implementation of all aspects of multifamily residential development projects from inception to completion including design, deal structuring and construction
- Develops and monitors management systems to ensure projects are accessible, sustainable, and delivered on-time and on-budget

2014-2015 **Neighborhood Services Manager** [Village of Oak Park | Oak Park, IL](#)

- Led division of ten staff members in three areas: housing loan and grant programs, Community Development Block Grant (CDBG) administration and property maintenance inspections
- Oversaw the five-year CDBG Consolidated Planning process for the Village's \$1.5 million annual allocation; initiated planning process for a new business loan program using the HUD Section 108 loan program
- Developed procedures for new rental licensing program and created training for property owners in concert with the police department on nuisance abatement code

2011-2014 **Senior Project Manager-Housing** [IFF | Chicago, IL](#)

- Provided programmatic and grant-writing support to the West Cook County Housing Collaborative; highlights included leading a strategic planning process and administering the Transit Oriented Development Loan Fund
- Created implementation plan for IFF's first scattered site housing development involving acquisition and rehab of condominium units for persons leaving long-term institutional care
- Managed successful completion of two supportive housing developments funded through the Neighborhood Stabilization Program and oversaw ownership transfer to non-profit organizations

2010-2011 **Associate Director of Real Estate Development** [Heartland Housing Inc. | Chicago, IL](#)

- Coordinated all aspects of projects, starting with concept development and financial analysis through construction management and lease-up
- Closed financing on Capuchin Apartments, a supportive housing development, in a weak investor market; delivered the building on time and secured Enterprise Green Communities Certification
- Provided input on supportive housing policies to Milwaukee Continuum of Care, City of Milwaukee Department of City Development and WHEDA



2004-2009 Project Manager Heartland Housing, Inc. | Chicago, IL

- Led completion of Prairie Apartments, Heartland's first supportive housing development in Milwaukee, garnering a LEED for Homes Gold Certification and Wisconsin Builder Top Project of 2008 award
- Helped establish Heartland as a developer of choice in Milwaukee with strong communication skills and understanding of individuals with special needs
- Supervised construction completion of three Chicago developments, including a 137-unit historic tax credit rehabilitation

EDUCATION

Master of Public Affairs May 2004 | University of Wisconsin-Madison, La Follette School of Public Affairs

Bachelor of Arts with Distinction May 2003 | University of Wisconsin-Madison

PROFESSIONAL DEVELOPMENT

LEED A.P. BD+C Certified

CCIM Member

Continuing education on Low-Income Housing Tax Credits, financial underwriting, construction management, code enforcement, real estate closings and accessible design

CONTACT

e: Kristine.Giornalista@impactseven.org

p: 608-514-2108

642 W. North Avenue
Milwaukee, WI 53212

7. Certification of Acknowledgement and Disclosure of Any Conflict of Interest

CERTIFICATION

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this application as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same.

The UNDERSIGNED hereby declares that they have read and understand all standard contract conditions outlined in Attachment A in the Request for Proposals, and that their proposal is made in accordance with the same. Furthermore, should they be the selected applicant, the undersigned will agree to these standard contract terms and conditions, which may be subject to change.

The UNDERSIGNED hereby declares that any person(s) employed by the City of La Crosse, who has direct or indirect personal or financial interest in this RFP, application, or in any portion of the profits that may be derived there from, has been identified and the interest disclosed below. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City of La Crosse employee, City of La Crosse Council Member, City of La Crosse Community Development Block Grant Committee, who would be paid to perform services under this proposal. An example of indirect interest would be a City of La Crosse employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

Declaration of any Conflict of Interest with the City of La Crosse.

None

ORGANIZATION NAME: Impact Seven, Inc.

AUTHORIZED SIGNATURE: Kristine B. Giornalista DATE: 7/29/16

PRINT NAME & TITLE: Kristine Giornalista, Vice President of Real Estate Development

ADDRESS: 2961 Decker Drive, Rice Lake, Wisconsin 54868

PHONE NUMBER: 608-514-2108 FAX NUMBER: 715-357-6233

FEDERAL TAX IDENTIFICATION NUMBER (Required): 39-1141037

DUNS Number: 068180793

NOTE: RFP must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal. RFP must be signed and returned with proposal.