



WELCOME TO POSSIBILITY

OFFICERS

Roberta London
Chair

Miriam Fleming
First Vice-Chair

Bonnie Joseph
Vice-Chair

Herbert Zien
Treasurer

David Noshay
Assistant Treasurer

Suzy Ettinger
Secretary

DIRECTORS

Tanya Arbit
Jennifer L. Ciralsky
Judith Cranberg
Nancy Gorens-Edelman
Robyn Glick Jensen
Erica Johnson
Michael Lappin
Deborah Larkey, MD
H. Carl Mueller
Stuart Mukamal
Randy Nelson
Bryan Sadoff
Amy Shapiro
Jason Steigman
Olga Vaynshtok
Benjamin Wagner
Katrene Zelenovskiy
Steven Zimmerman

IMMEDIATE PAST CHAIR
Nathan Fishbach

PRESIDENT/CEO
Sylvan Leabman

JFS is a partner agency of the
Milwaukee Jewish Federation &
a beneficiary of the United Way



United Way
of Greater Milwaukee

June 23, 2011

Milwaukee County Board of Supervisors
c/o Gary Bottoni (Housing Division)
901 N. 9th Street, Room 201
Milwaukee, WI 53233

Members of the Board:

Please accept this letter as a request from Jewish Family Services (“JFS”) for **Federal HOME funding in the amount of \$550,000** for phase II of Deerwood Crossing, as more particularly described below. The purpose of the request is to fill a gap in funding sources in order to develop 33 additional units, **including 10 HOME units.**

JFS has provided comprehensive social services to families in the Milwaukee area since the organization’s founding in 1867. Its mission is to provide supportive services that help strengthen the elderly, children and families throughout their life cycle within the context of their needs.

In 2008 JFS applied for and obtained an allocation of section 42 federal income tax credits in order to construct Deerwood Crossing, a 66 unit residential care apartment complex (“RCAC”) located at 4195 W. Bradley Road, Village of Brown Deer, Milwaukee County, Wisconsin. This is an assisted living facility serving the elderly and providing services on the basis of individual need. This first phase has been an incredible success; the development is 100% occupied and has generated a lengthy waiting list. Of the 66 units, all but two are set aside units rented to individuals whose incomes range between 30% and 60% of the County median income. The development is a high quality, three-story stick frame structure with heated underground parking, private patios/balconies, generous common area amenities and high quality interior finishes. The exterior is traditional brick and siding. The central location offers interior finishes. The exterior is traditional brick and siding. The central location offers excellent access to public transportation and all linkages required by the project’s tenants.

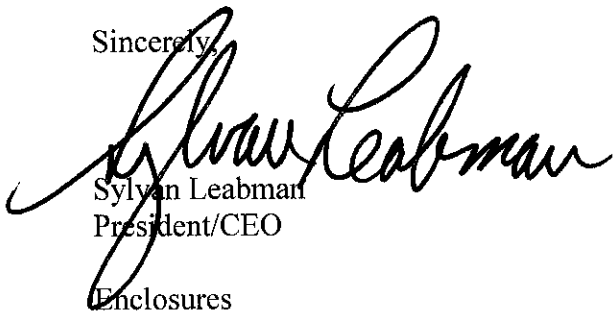
JFS’s goal is to break ground on phase II late Fall, 2011. The Village of Brown Deer owns the land adjacent to Deerwood Crossing and will contribute the land for phase II at zero cost. JFS anticipates that the

June 23, 2011
Milwaukee County Board of Supervisors
c/o Gary Bottoni (Housing Division)
Page 2

Wisconsin Housing and Economic Development Authority (“WHEDA”), which is the permanent lender on phase I, will provide the construction and permanent financing for phase II. General Capital Group will lead the development process, as it did for phase I, and will deploy the same development team with regard to the architecture construction, legal and accounting disciplines. In this manner JFS will be utilizing a proven team to ensure a successful outcome. It should be noted that Deerwood Crossing is directly across the street to the east of the to-be-built Bradley Crossing (60 unit supportive housing development which has received a recent allocation of section 42 tax credits; the County will be providing valuable rental assistance and HOME funding to assist JFS in creating housing which serves individuals with a variety of emotional, physical and developmental disabilities).

Included in this request is a proforma income statement, project cost budget and statement of sources and uses. In addition to creating 10 HOME unites the funding by the County will fill the gap between sources and uses, thus enabling the project to move forward. Please feel free to contact me should you have any question or require additional information. Thank you in advance for your consideration.

Sincerely,



Sylvan Leabman
President/CEO

Enclosures

Pro Froma **FOR DISCUSSION ONLY! SUBJECT TO CHANGE**
JFS Brown Deer Phase 2 - 4% bond deal
Pro Froma - P&L
 Print Date: 22-Jun-11
 Last Update: 6/21/2011

Units Type	# Units	Percent Of Total	Utility Allowance	Net Rents	Sect. 42 Rent (total)	Sect. 42 Max. Rent	% of Max. Rent	Annual Rent	% of Total	Square Feet	One Bed Per/SF
1BR-30%	0	0.0%	\$36	\$0	\$36	\$381	9%	\$0	0.0%	642	\$0.00
Eff- 40%	0	0.0%	\$36	\$0	\$36	\$474	0%	\$0	0.0%	540	\$0.00
Eff- 40%	0	0.0%	\$36	\$0	\$36	\$474	0%	\$0	0.0%	579	\$0.00
1BR-40%	0	0.0%	\$36	\$0	\$36	\$508	7%	\$0	0.0%	642	\$0.00
1BR-50%	10	30.3%	\$36	\$625	\$661	\$678	97%	\$75,000	20.0%	642	\$0.97
1BR-60%	0	0.0%	\$36	\$0	\$36	\$814	4%	\$0	0.0%	642	\$0.00
1BR-Market	1	3.0%	\$0	\$950	\$36	\$0	0%	\$11,400	3.0%	642	\$1.48
1BR-Market	1	3.0%	\$0	\$950	\$0	\$0	0%	\$11,400	3.0%	691	\$1.37
2BR-Market	9	27.3%	\$0	\$1,100	\$0	\$0	0%	\$118,800	31.7%	908	
2BR-Market	12	36.4%	\$0	\$1,100	\$0	\$0	0%	\$158,400	42.2%	954	
2BR-Market	0	0.0%	\$0	\$0	\$0	\$0	0%	\$0	0.0%	960	
2BR-60%	0	0.0%	\$44	\$820	\$864	\$976	89%	\$0	0.0%	958	
2BR-60%	0	0.0%	\$44	\$0	\$864	\$976	89%	\$0	0.0%	1,074	
2BR-60%											

Total	33	100.0%	27,373	\$947				\$375,000	100.0%	27,373	
Market Rate Units	23	69.70%	0					\$375,000	100.0%		
9% Basis Eligible	10	30.30%	0.00%								

P&L Summary	Assumptions	\$\$\$	Per Unit Month	% of Net Revenue	Notes:
Potential Rental Revenue		\$375,000	\$947	104.4%	
Vacancy	5.0%	(\$18,750)	(\$47)	-5.2%	
Net Rents		\$356,250	\$900	99.2%	
Laundry Revenue	\$7.58	\$3,000	\$8	0.8%	
Other Revenue -	\$0	\$0	\$0	0.0%	
Total Net Revenue		\$359,250	\$907	100.0%	
Operating Expenses	\$4,725 per unit/yr -43.4%	\$155,925	\$394	43.4%	
NOI	\$513	\$203,325	\$513	56.6%	1 Bed 12 36.4%
check		\$0			2 Bed 21 63.6%
Reserves	\$250 per unit/yr	(\$8,250)	(\$21)	-2.3%	Total 33 100.0%
Asset Management Fee (Tax Credit Buyer)	\$0 \$4,975	\$0	\$0	0.0%	30% 0 0.0%
					40% 0 0.0%
Cash Flow Available for Debt Service		\$195,075	\$493	54.3%	50% 10 30.3%
Implied Cap Rate	4.72%				60% 0 0.0%
P&I		(\$168,726)	(\$426)	-47.0%	Market 23 69.7%
					Total 33 100.0%
Cash Flow Available for Distribution		\$26,349	\$67	7.3%	

Pro Forma

JFS Brown Deer Phase 2 - 4% bond deal

Cost Schedule and Basis Calculation

Print Date: 22-Jun-11

Last Update: 6/21/2011

# of Apt. Units	Units	Total Cost	9.0% Eligible Basis	Cost Per Unit	Cost PSF (Ex. Gar.)	Comments:
33	33		100.00%	33	\$2,995	
Cost Pro Forma						
Parcel 1	-	-	-	\$0	\$0.00	contributed by Brown Deer
Parcel 2	-	-	-	\$0	\$0.00	
Demolition	-	-	-	\$0	\$0.00	
Basis reduction re:	-	-	-	\$0	\$0.00	
Total Land Costs	-	-	-	\$0	\$0.00	
New Construction - Hard Costs	33	2,700,000	2,700,000	\$81,818	\$81.83	
Contingency	5.0%	167,500	167,500	\$5,076	\$5.08	
Construction Management		175,000	175,000	\$5,303	\$5.30	
Builders Overhead		50,000	50,000	\$1,515	\$1.52	
General Requirements		175,000	175,000	\$5,303	\$5.30	
Payment & Perf. Bonds/LC Fee		40,000	40,000	\$1,212	\$1.21	
Total Building Costs		3,307,500	3,307,500	\$100,227	\$100.24	
construction contract amount		3,307,500				
owner's contingency		-				
Site Work		200,000	200,000	\$6,061	\$6.06	
Off Site Improvements		-	-	\$0	\$0.00	
Landscaping		30,000	30,000	\$908	\$0.91	
Total Site Work		230,000	230,000	\$6,970	\$6.97	
Subtotal Construction Costs		3,537,500		\$107,197	\$107.21	
Personal Property - PPE		30,000	30,000	\$909	\$0.91	
Total Construction Costs		3,567,500		\$108,106	\$108.12	
Const. Loan Fees & Expenses		50,000		\$1,515	\$1.52	
Perm Loan Fee/Expenses		50,000		\$1,515	\$1.52	
Title & Recording		5,000		\$152	\$0.15	
Issuance/Other Charges		5,000		\$152	\$0.15	
Bond Counsel		20,000		\$606	\$0.61	
Total Financing Fees		130,000		\$3,938	\$3.94	
Development Fee				\$0	\$0.00	
Accounting		5,000	5,000	\$152	\$0.15	
Legal Building		30,000	30,000	\$908	\$0.91	
Subtotal Soft Costs		35,000	35,000	\$1,061	\$1.06	
Construction Interest		50,000	50,000	\$1,515	\$1.52	
Construction Loan Expenses		10,000	10,000	\$308	\$0.30	
Architectural/Structural Engineering		150,000	150,000	\$4,545	\$4.55	
Civil Engineering		10,000	10,000	\$303	\$0.30	
Consultants		-	-	\$0	\$0.00	
Inspection and Plan Reviews		6,000	6,000	\$182	\$0.18	
Construction Insurance		10,000	10,000	\$303	\$0.30	
Real Estate Taxes During Construction		5,000	5,000	\$152	\$0.15	
Engineering - Consultants		2,500	2,500	\$76	\$0.08	
Title & Recording		2,500	2,500	\$76	\$0.08	
City Impact Fees		-	-	\$0	\$0.00	
Survey		5,000	5,000	\$152	\$0.15	
Market Study		5,000	5,000	\$152	\$0.15	
Appraisal		5,000	5,000	\$152	\$0.15	
Environmental		2,500	2,500	\$76	\$0.08	
Tax Accounting		2,500	2,500	\$76	\$0.08	
Cost Certification		10,000	10,000	\$303	\$0.30	
Misc./Contingency		25,000	25,000	\$768	\$0.76	
Subtotal Building Soft Costs		301,000	301,000	\$9,121	\$9.12	
Organizational - Legal		1,000		\$30	\$0.03	
Organizational - Accounting		1,000		\$30	\$0.03	
Syndication - Legal		-		\$0	\$0.00	
Syndication - Accounting/Opinion		-		\$0	\$0.00	
Tax Credit Fee (10% + costs)		3,855		\$117	\$0.12	
Oakbrook Design/Programming Serv		10,500	10,500	\$318	\$0.32	
Lease Commission - Residential		20,750		\$629	\$0.63	
Rent up/Marketing - Residential		5,000		\$152	\$0.15	
Subtotal Other Soft Costs		42,105	10,500	\$1,276	\$1.28	
Subtotal Soft Costs Before Reserves		508,105	346,500	\$15,397	\$15.40	
Post Construction Interest Expense		60,000		\$1,818	\$1.82	
Operating Reserve -		-		\$0	\$0.00	
Replacement Reserve		-		\$0	\$0.00	
Debt Service Reserve -		-		\$0	\$0.00	
Total Reserves		60,000		\$1,818	\$1.82	
Total Soft Costs		568,105	346,500	\$17,215	\$17.22	
Total Net Project Costs		4,135,605	3,914,000	\$123,321	\$123.34	

Operating Proforma
JFS Brown Deer Phase 2 - 4% bond deal
Capital Structure
 Print Date: 22-Jun-11
 Last Update: 6/21/2011

Perm. Sources:		
1st. Mtg. (Perm) Conventional Tax Credit Loan	2,675,000	
Equity	910,605	
3rd. Mtg.	-	
Brown Deer TIF Estimate	-	
HOME funds	550,000	
Fees Deferred	-	
GAP/Other Subsidies	-	
Cash Flow	-	
1st Equity Pay in	-	15%
2nd Equity Pay in	-	60%
3rd Equity Pay in	-	20%
4th Equity Pay in	-	5%
	-	100%
Total	4,135,605	
check		
Uses:		
Estimated Project Cost	4,135,605	
cost per unit	\$125,321	
		Cap Rate
		4.72%

Tax Credit Calculation:	
Eligible Building Basis	\$3,914,000
QCT Multiplier	1.00
Eligible Basis	\$3,914,000
Applicable Fraction (estimate)	30.30%
Qualified Basis	\$1,186,061
Credit Percentage	3.25%
Potential Annual Credit	\$38,547
Credit Reserved	\$38,547
# of Years	10
Gross Credits	\$385,470
Price Per LIH Credit	\$0.00
Investor Percentage	99.99%
Tax Credit Equity Proceeds	\$0
	\$0.00

Development Fee Paid	
Development Fee #1	0
Development Fee #2	0
Development Fee #3	0
Development Fee #4	0
Total Paid	0
Total Deferred	-
Total Development Fee	0

TIF Calculation	
Units	33
Stipulated Value	50,000
Implied Value	1,650,000
Percentage	15.91%
TIF Proceeds	262,515

Construction Sources	
1st. Mtg. (Perm) Conventional Tax Credit Loan	2,675,000
Brown Deer TIF Estimate	-
HOME funds	550,000
GAP/Other Subsidies	-
3rd and 4th Development Fee	-
Fees Deferred	-
1st Equity Pay in	-
Construction/Bridge Loan	15%
Total	4,135,605
Uses	
Construction Uses	4,135,605