



**City of Charlottesville**  
**Application for Funding Interest**

(all items must be completed)

**1. Applicant Information**

Organization/Applicant name: Community Services Housing, Inc. (CSH)

Contact name: Jennifer Fitzgerald

Title: Executive Director

Organization Address: 1001 E. Market Street, Suite 102, Charlottesville, VA 22902

Phone: 434-978-2007

Email: jenfitz.csh@gmail.com

**2. Project Information**

Project Name: The Mews on Little High Street

Project Location: 402 11<sup>th</sup> Street NE, Charlottesville, VA 22902

Project Description:

Community Services Housing is rehabilitating and substantially improving 40 apartment homes in The Mews on Little High Street rental community in the Martha Jefferson Neighborhood. This \$900,000 request from the City of Charlottesville will help fund the substantial rehabilitation and sustainable preservation of this important affordable housing community for people living with disabilities and extremely low incomes. The request represents \$22,500 per apartment. As part of a \$12.4 million project budget, City funds will be leveraged 13 times with state and federal funding sources, including Low Income Housing Tax Credits (LIHTC), VHDA loan funds, and DHCD Affordable and Special Needs Housing (ASNH) funds. The LIHTC program will ensure that the 40 apartments at The Mews will be preserved for the next 30 years as quality affordable housing in a conveniently accessible downtown location. Apartments will be designated for residents with incomes at or below 40%, 50% and 60% of the area median income (AMI). The rehabilitation will make 6 units fully 504 accessible and will provide 16 apartments with elevator access. All apartments will be extremely energy efficient with green building certification, reducing housing costs for residents and conserving energy. This project will make it possible for CSH to continue to improve and increase our affordable supportive housing portfolio (which currently includes 125 Charlottesville apartments).

Explain the status of applicant's site control: CSH has site control as the parent company of CH Mews Housing, LP, the owner of The Mews on Little High Street.

Purpose of requested funding: (check all that apply)

New Construction

Acquisition

Rehabilitation

Other: \_\_\_\_\_

Project type: (check all that apply)

Multi-family

Single family (detached)

Single family (attached)

Rehabilitation

New Construction

Acquisition

Other: \_\_\_\_\_

Income restrictions on project (indicate proposed number of units meeting each Area Median Income (AMI) category):

Incomes up to 30% AMI

20 Incomes between 30% and 50% AMI

20 Incomes between 50% and 60% AMI

Incomes between 60% and 80% AMI

Unrestricted units (>80% AMI)

40 Total Units

Term of Affordability (indicate proposed number of units meeting each affordability term):

5 - 10 years

10 - 20 years

\_\_\_40\_\_\_ 20 - 30 years (**30 years**)

\_\_\_\_\_ more than 30 years

\_\_\_40\_\_\_ Total Units

**3. Funding Requested**

Provide total amounts requested during City fiscal budget year based on construction timelines (add more lines if necessary).

Funding Item	Funding Amount(s) Requested by Need During Fiscal Year				
	FY2023-2024	FY2024-2025	FY2025-2026	FY2026-2027	FY2027-FY2028
The Mews – Substantial rehabilitation costs	\$900,000				
Future project to rehabilitate Pine Street/Altavista properties (22 units total) and Short 18 <sup>th</sup> Street project (12 units total) – aiming for a 2024 LIHTC application submission		\$1,100,000			

**4. Project Proposal**

Please provide following information as separate attachments to the application:

**1. Project Description** -- Provide a description of the proposed project. Include: project type and location, short and long term goals, the population(s) to be served. Discuss plans for accessibility/adaptability, energy conservation and/or any green building components.

**2. Demonstration of Need** -- Describe how the project contributes to the City of Charlottesville's housing goals.

**3. Demonstration of Equity** – Describe how this project demonstrates and promotes equitable housing needs and economic opportunity for low-income residents in the City of Charlottesville.

- 4. **Project Readiness** -- Provide evidence of: organizational experience and capacity to manage the project; pursue and acquire land, site control, required zoning variance and permitting (if applicable); financial commitments for the projects; community engagement plan (if applicable); resident relocation plan (if applicable); plans for preparation and coordination of necessary public meetings (if applicable).
- 5. **Project Budget** -- Provide a detailed description of the proposed project budget showing sources and uses. The project budget shall clearly show the financial gap requiring the need for City funding, in addition to a clear description of the reason for the financial gap.
- 6. **Project Schedule** -- Indicate the proposed project schedule; timing of starting construction and completing affordable housing units; pre-development, anticipated pursuit and acquisition timeline, site control, zoning approval, financing and construction milestones (if applicable) to project completion.
- 7. **Experience** -- Provide a summary of similar activities completed by the organization and project team.
- 8. **Capacity** – Provide a detailed description to demonstrate the applicant’s administrative, financial and personnel capacity in relation to its ability to complete this project.
- 9. **Property Maintenance Management Plan** – Provide a summary of activities intended in order to maintain the completed project including, but not limited to, on-site management, 24-hour responsible contact, long-term maintenance budgeting, staffing capacity, etc.

**Authorization:**

Organization Name: Community Services Housing

Project Title: The Mews on Little High Street

I, Jennifer Fitzgerald certify that I am authorized as Executive Director of Community Services Housing to submit this application for funding interest to the City of Charlottesville. I certify that all information contained herein is accurate to the best of my knowledge. I understand that no funding is guaranteed.

Jennifer Fitzgerald  
Signature

11/30/22  
Date

\_Executive Director\_\_\_\_\_

Title

## **Project Proposal** - Community Services Housing, The Mews on Little High Street

**1. Project Description** -- Provide a description of the proposed project. Include: project type and location, short- and long-term goals, the population(s) to be served. Discuss plans for accessibility/adaptability, energy conservation and/or any green building components.

The Mews on Little High Street is a 40-unit three-building apartment community that is home to 43 people living with disabilities. CSH developed The Mews about 15 years ago in 2007 when two buildings built in 1972 were acquired and rehabbed, and a third building was newly constructed. The Mews apartments are in dire need of substantial rehabilitation, including replacing the aging electrical system and failing HVACs, providing in-unit washers and dryers, replacing the roofs and gutters, installing an elevator in one of the buildings and making improvements for greater accessibility.

CSH is working closely with architecture and finance experts to develop a successful LIHTC financing application and implement a substantial rehabilitation plan that meets the unique needs of its residents for long-term, high-quality, supportive, affordable, accessible, and energy-efficient rental homes.

The apartments at The Mews have served Region Ten consumers and other people with special needs in the Charlottesville community for 15 years, but the apartments are in dire need of reinvestment. This project will preserve 40 units of affordable supportive housing, with CSH providing the housing and Region Ten and similar agencies and organizations providing or coordinating services for the residents. CSH has entered into MOUs with Region Ten to arrange for housing subsidies and ongoing services for its three most recent projects and plans to do so again for this project.

The rehabilitation of The Mews will use the Low Income Housing Tax Credit (LIHTC) program, along with other state and federal funding sources, to make substantial renovations and upgrades, including achieving green building certification and utilizing Energy Star appliances, water-saving fixtures, and energy-efficient HVACs and water heaters. The green building certification will mean substantial energy conservation and a reduction in housing costs for our residents in these apartments. In addition, the new roofs, gutters, windows, doors, accessibility improvements, and any necessary site work will improve the exterior aesthetics and will make them more visually similar to market-rate units in the city. Further, the rehabilitation of these 40 housing units will convert six of the units (15%) to meet Uniform Federal Accessibility Standards, with additional units meeting VHDA's Universal Design Standards.

The 40 apartments are and will be designated for people earning no more than 50% or 60% of the area median income; in fact, the average annual income of our residents living at The Mews is less than \$11,000, in a city where the annual income needed to afford a one- bedroom apartment is \$44,406. The apartment community is near public transportation, and residents are able to walk, bus or bike to the downtown mall as well as to local businesses, parks, trails, and public amenities.

By funding the substantial rehabilitation of The Mews, the City of Charlottesville will be leveraging the LIHTC program, which will ensure that these 40 units remain affordable under an Extended Use Agreement for the next 30 years. Additionally, the completion of the project will mean that CSH can significantly reposition itself financially by substantially decreasing both accumulated depreciation and operations and maintenance expenses. This will allow us to turn our attention to improving our other older properties and to growing our portfolio of affordable permanent supportive housing within the City of Charlottesville; future preservation and new housing projects are located on Short 18<sup>th</sup> Street and at Altavista and Pine Streets.

**2. Demonstration of Need** -- Describe how the project contributes to the City of Charlottesville's housing goals.

The rehabilitation of the 40 apartment homes at The Mews will substantially improve and sustainably preserve this critical housing opportunity specifically for people living with disabilities and extremely low incomes. More than 2,000 households in Charlottesville are severely cost burdened, paying more than 50% of their income towards housing costs. People living with disabilities and with limited or fixed low incomes are most vulnerable to being in permanent housing crises -- priced out and locked out of housing opportunities due to unaffordability, inaccessibility, and unavailability. The average annual income of our residents living at The Mews is less than \$11,000, in a city in a city where the annual income needed to afford a one- bedroom apartment is \$44,406, and the average rent paid by residents is \$211.

This project aligns with Charlottesville's Affordable Housing Plan recommendations to preserve existing subsidized affordable homes (40) and the preference to support long-term affordability for households earning up to 60% of the area median income (AMI).

**3. Demonstration of Equity** – Describe how this project demonstrates and promotes equitable housing needs and economic opportunity for low-income residents in the City of Charlottesville.

This project is critical to preserving and improving 40 affordable apartment homes that are affordable to people living with disabilities who have very low fixed incomes. This affordable housing opportunity in the heart of downtown Charlottesville, where most housing is priced out of reach for the people we serve, promotes equitable housing needs for some of Charlottesville's lowest income residents. The Mews is currently home to 40 households, 100% of which include a person living with a disability. Seventy-eight percent are living solely on limited fixed incomes, 7% have both fixed income and some earned income, 5% have only earned income, and 10% report no income. Also, the vast majority of residents are utilizing housing vouchers for the majority of their rent; the average monthly rent paid by residents is \$228 and the average monthly housing voucher assistance is \$675. Twenty-eight percent of the residents have lived at the property at least since the 2007 renovations; another 10% have

lived there for ten years. Thirty-five percent of residents identify as African American. Ten percent of residents are veterans.

CSH demonstrates and promotes equitable housing needs for low-income City residents through its governance and through its policies and procedures. We accept Rapid Rehousing funds, Permanent Supportive Housing vouchers, Housing Choice Vouchers, HUD-Veterans Affairs Supportive Housing (VASH) vouchers, and Discharge Assistance Program (DAP) funding. We regularly collaborate with Region Ten and The Haven, and have a representative from each on our Board, in addition to a Board member who is a resident and Region Ten consumer.

**4. Project Readiness** – Provide evidence of: organizational experience and capacity to manage the project; pursue and acquire land, site control, required zoning variance and permitting (if applicable); financial commitments for the projects; community engagement plan (if applicable); resident relocation plan (if applicable); plans for preparation and coordination of necessary public meetings (if applicable).

Having developed three LIHTC projects and completed other substantial renovations, CSH has the organizational experience and capacity to manage this project. Since CSH already owns the property and is working with a LIHTC-experienced architect and the VCDC team that worked on the initial successful tax credit application, project readiness is strong. CSH will submit its LIHTC application in March 2023, will apply for DHCD Affordable and Special Needs Housing (ASNH) funding in April 2023, and expects to start construction in late 2023 and complete construction in late 2024.

CSH's community engagement plan includes a series of resident communications, written and in-person, to solicit feedback and address concerns about the upcoming rehabilitation and improvements. Resident engagement will begin at least 3 months before construction, and will include information shared with residents' service providers and the Little High Street Neighborhood Association. The resident relocation plan includes a combination of moving residents to vacant units, working with other local affordable housing providers, and contracting with local short-term stay options (hotels, etc.). CSH will coordinate the logistics, work with residents' service providers of choice, and will pay for movers, deposits, and any other short-term relocation costs. CSH has experience with successful resident relocation during the Carlton Neighborhood Housing renovations. There will be no public meetings necessary.

**5. Project Budget** -- Provide a detailed description of the proposed project budget showing sources and uses. The project budget shall clearly show the financial gap requiring the need for City funding, in addition to a clear description of the reason for the financial gap.

See attached project budget.



**6. Project Schedule** -- Indicate the proposed project schedule; timing of starting construction and completing affordable housing units; pre-development, anticipated pursuit and acquisition timeline, site control, zoning approval, financing and construction milestones (if applicable) to project completion.

CSH's Executive Director Jennifer Fitzgerald is working closely with VCDC Development Officer Jen Wickham and architect Rick Funk to carefully plan and execute project milestones according to the following timeline:

December 2022 – March 2023: Architectural and financing planning  
March 2023: LIHTC application submitted  
June 2023: LIHTC awards announced  
July 2023: LIHTC agreements signed  
July 2023: Building permit submitted  
October 2023: Building permit issued  
Late 2023: Renovations begin  
Late 2024: Renovations complete

**7. Experience** -- Provide a summary of similar activities completed by the organization and project team.

Community Services Housing (CSH) is a Charlottesville-based non-profit with a strong history of providing affordable supportive housing throughout the city since 1991. Community Services Housing develops, owns, and operates clean, safe, affordable rental housing for people in Charlottesville living with disabilities. CSH has developed and maintains 25 properties with 125 apartments that provide high-quality, low-barrier, affordable, responsive, and stable homes for 150 people living with disabling conditions and other barriers to typical independent housing. Many residents have a history of homelessness or near-homelessness. The vision of CSH is Communities Without Limits, and CSH properties are located throughout Charlottesville's Belmont, Fifeville, Woolen Mills, and Martha Jefferson neighborhoods. No other Charlottesville landlord does what we do - we exist solely to provide housing for vulnerable and low-income people with disabilities.

CSH uses the Low-Income Housing Tax Credit (LIHTC) program, along with other state and federal funding sources, to develop and operate quality housing products that ensure long-term availability of affordable rental housing for people with disabilities. CSH has successfully developed three LIHTC projects: The Mews on Little High Street, Short 18<sup>th</sup> Street Housing, and Carlton Neighborhood Housing. The Mews is a thriving 40-unit apartment community, located off 11<sup>th</sup> Street NE between Little High Street and High Street, that was developed by CSH and placed in service in 2007. CSH acquired and rehabilitated six duplexes on Short 18<sup>th</sup> Street using LIHTC funding, and the buildings were placed in service in 2011. Carlton Neighborhood Housing consists of four properties along Carlton Avenue, originally built between 1990 and

2000, that CSH substantially rehabilitated in 2016 to include energy-efficiency and accessibility improvements.

Additionally, we rehabilitated and have operated four group home properties on Monticello Road, Grady Avenue, Spruce Street, and Carlton Avenue, under the HUD PRAC 811 program. In 2015, HUD performed intensive REAC physical inspections on these properties, yielding scores of 86%, 91%, 97%, and 92%, respectively. CSH serves as the Management Agent for all of its LIHTC and HUD 811 properties, and CSH owns and manages an additional 22 units (located on Altavista, Pine, 9<sup>th</sup> St SW, and 7 ½ St SW) under conventional mortgage loans through VHDA. These have all been owned and operated successfully for more than 15 years, and CSH built (as new construction circa 2003) most of the duplexes in the Pine Street area as well as the apartment building at 1210 Carlton Avenue.

CSH is a VHDA Certified Management Agent. We have a strong internal infrastructure with policies and procedures carried out routinely by our staff. Our policies and procedures, tenant files, rent rolls, financial records, and facilities are routinely reviewed by VHDA, HUD, and Virginia Community Development Corporation (VCDC). Two of our properties are also monitored by DHCD due to the inclusion of HOME funding in these properties. We accept Rapid Rehousing funds, Permanent Supportive Housing vouchers, Housing Choice Vouchers, HUD-Veterans Affairs Supportive Housing (VASH) vouchers, and Discharge Assistance Program (DAP) funding.

**8. Capacity** – Provide a detailed description to demonstrate the applicant’s administrative, financial and personnel capacity in relation to its ability to complete this project.

James P. Cox III is President of Community Services Housing. Jim is a real estate attorney at Michie Hamlett, where he has been practicing law since 1983, and is the current Chairman of the Real Estate Committee of the Charlottesville Albemarle Bar Association. He received a B.A. summa cum laude from Duke and a J.D. from the University of Virginia School of Law.

Jennifer Fitzgerald is Executive Director of Community Services Housing. Jennifer has worked for the organization since 2001 and has directed CSH since 2013. She has been certified by the National Association of Home Builders as a LIHTC Housing Credit Certified Professional since 2014, and she holds degrees in Psychology and English from Virginia Tech.

Jen Wickham is the Development Officer at Virginia Community Development Corporation where she has worked since 2017 to help organizations finance and develop affordable housing. Jen has 19 years of experience in affordable housing, and her prior experience includes five years as a Housing Development Officer with Community Housing Partners. She earned her Masters of Urban & Regional Planning from VCU and her BA from JMU.

Richard Funk, Jr., AIA, is Vice-President of dBF Associates, Architects. Rick has been employed by the firm since 1982, was made partner in 1989, and has managed the Charlottesville office

since that time. He has developed expertise in many key project areas including multifamily housing projects. He graduated from Virginia Tech with a degree in Architecture.

**9. Property Maintenance Management Plan** – Provide a summary of activities intended to maintain the completed project including, but not limited to, on-site management, 24-hour responsible contact, long-term maintenance budgeting, staffing capacity, etc.

Community Services Housing has a strong property maintenance management track record and plan. CSH is designated as a VHDA Certified Management Agent and our properties are inspected by VHDA, HUD, and VCDC. CSH's staff work closely together as a team to ensure maintenance needs at each of our 125 apartment homes are met efficiently and effectively, from immediate repair requests to longer-term preventive maintenance. CSH's property management team includes a Property Manager who has experience serving people living with disabilities and a skilled Maintenance Technician who has worked with CSH since 2020. Their skills are enhanced by regular training including fair housing training and compliance training through the Mid-Atlantic Affordable Housing Management Association. CSH's full staff team includes Executive Director, Finance Administrator, Property Manager, and Maintenance Technicians (1.5 FTE). CSH utilizes Appfolio property management software and subscribes to AppFolio's Smart Maintenance module. There is a 24/7/365 maintenance line so that residents can call in work orders any time. (Residents also have the option of using a tenant portal to enter their own work orders.) The service alerts on-call personnel who can dispatch maintenance technicians or vendors. CSH's current property maintenance plan includes hiring a second, part-time, maintenance technician and cutting back on our use of contractors for some of the more routine work. Our numerous long-time trusted contractors will still be used when needed for turnovers and less-routine issues. (We routinely use vendors for painting and cleaning, and for grounds work and pest control.)

**Development Sources and Uses - The Mews (A CSH Project)**

**A. Contract Costs**

				Comments
1.	Land Improvements			
	a. Off-Site	\$0		
	b. On-Site	\$2,535,365		
	c. Cost Overruns	\$0		
	d. Engineering Fee (construction)	\$0		
SUBTOTAL			\$2,535,365	
2.	Structures			
	a. Residential	#DIV/0!	\$7,000,000	
	b. Non-Residential		\$0	
SUBTOTAL			\$7,000,000	
3.	Other Costs			
	a. General Requirements	\$0		
	b. Builders Overhead	\$0		
	c. Builders Profit	\$0		
	d. Building Permits			
	e. Completion Assurance LOC	\$0		
SUBTOTAL			\$0	
TOTAL CONTRACT			\$9,535,365	

**B. Development Cost**

1.	Site Engineering/Survey	\$0		
2.	Design & Supervising Architect(s)	\$538,939		
3.	Soil Borings/Geotechnical	\$0		
4.	Environmental Phase I	\$15,000		
5.	Appraisal & Market Study	\$17,145		
6.	Mortgage Placement Fee			
7.	VHDA Processing & Financing Fees	\$22,000		
8.	VHPF Fees	\$0		
9.	Construction Interest	\$430,006		
10.	Taxes during Construction	\$35,000		
11.	Insurance during Construction	\$32,500		
12.	Title/Recording Expense	\$55,000		
13.	Legal Fees	\$80,000		
14.	Cost Certification	\$9,700		
15.	Tax Credit Fee	\$32,500		
16.	Contingency Reserve	\$700,000		
17.	Lease Up Reserve	\$190,000		Lease Up \$30k, Operating Reserve \$160k
18.	Relocation Costs	\$80,000		
19.	Tap Fees	\$0		
20.	Building Permit	\$0		
21.	LOC Fees (2.5% @ 1.5%)	\$0		
22.	Construction Loan Costs @ 2%	\$40,000		
23.	Furniture, Fixtures & Equipment	\$0		
SUBTOTAL			\$2,277,790	

**C. Land/Building/Development Costs**

1.	Total Improvement Cost	\$11,813,155		
2.	Cost of Land	\$0		
3.	Cost of Building	\$0		
4.	Total Developers Fee	\$600,000		
5.	Other	\$0		
SUBTOTAL			\$12,413,155	\$12,413,155
TOTAL DEVELOPMENT COST				\$12,413,155
If HIEE, allowable amount:		\$ 1,181,315.50		

**D. Sources of Funds**

	Loan(s)	Amount	Annual Debt Service	Name of Fund Provider	Committed or pending?	(months)	
						Interest Rate	Amortization
a.	HOME	\$900,000	\$4,500	DHCD		0.5%	360
b.	VHTF	\$900,000	\$4,500	DHCD		0.5%	360
c.			\$0	VHDA		3.0%	420
d.	FHLBA - AHP		\$0	FHLBA		0.0%	360
e.	City of Charlottesville	\$900,000	\$0	Charlottesville		0.0%	360
f.	VHDA REACH	\$3,000,000	\$137,543	VHDA		3.0%	420
g.							
h.							
2. Grants							
a.		\$0					
b.							
c.							
d.							
e.							
f.							
g.							
h.							
3.	Syndication (net equity from tax credit)	\$6,600,000					
4.	Cash Equity	\$0					
5.	Defferred Dev Fee	\$113,155					
Total Annual Debt Service			\$146,543				
TOTAL						\$12,413,155	

GAP -->

**E. Developer's Fee Sources**

1	VHTF/NHTF/HOME	\$0
2	Syndication	\$600,000
3	Other	\$0
TOTAL		\$600,000



## B. Expense Summary

Total Units	40		
		Per Unit	Annual
<b>ADMINISTRATIVE</b>			
Advertising		0	
Office Salaries		0	
Office Supplies		6.8	\$272
Office/Model Apartment (type ____)		0	
Management Fee		400	\$16,000
Managers Salaries		820.275	\$32,811
Staff Units (type ____)		0	
Legal		0	
Auditing		125	\$5,000
Bookkeeping/Accounting Fees		0	
Telephone & Answering Service		26.1	\$1,044
Tax Credit Monitoring fee		34.125	\$1,365
Miscellaneous Administrative		150	\$6,000
Total Administrative			<u>\$62,492</u>
<b>UTILITIES</b>			
Fuel Oil		0	
Electric(clubhse,site,vacant)		83.3	\$3,332
Water & Sewer		395.4	\$15,816
Gas		0	\$0
Total Utility			<u>\$19,148</u>
<b>OPERATING &amp; MAINTENANCE</b>			
Janitor/Cleaning Payroll		0	\$0
Janitor/Cleaning Supplies		0	\$0
Janitor/Cleaning Contract		181.9	\$7,276
Exterminating		112.4	\$4,496
Trash Removal		271.4	\$10,856
Security Payroll/Contract		0	
Grounds Payroll		0	\$0
Grounds Supplies		0	\$0
Grounds Contract		67.1	\$2,684
Maintenance/Repairs Payroll		407.4	\$16,296
Repairs/Material		270.9	\$10,836
Repairs Contract		204.2	\$8,168
Elevator Maintenance/Contract		0	\$0
Heating/Cooling Repairs & Maint.		208.3	\$8,332
Pool Maintenance/Contract		0	\$0
Snow Removal		0	\$0
Decorating Payroll/Contract		0	\$0
Carpet Supplies & Replacement		0	\$0
Miscellaneous		54.2	\$2,168
Operating & Maintenance Totals			<u>\$71,112</u>
<b>TAXES &amp; INSURANCE</b>			
Real Estate Taxes		850	\$34,000
Other Payroll Taxes		0	
Misc. Taxes/Licenses/Per		0	\$0
Property & Liability Insurance		750	\$30,000
Fidelity Bond		29.375	\$1,175

Workman's Compensation	0	\$0	
Health Insurance & Employee Benefits	0	\$0	
Other Insurance	0	\$0	
Total Taxes & Insurance			\$65,175
<b>Total Operating Expenses</b>			<b>\$217,927</b>
REPLACEMENT RESERVES	\$300	\$12,000	\$12,000
<b>TOTAL EXPENSES</b>			<b>\$229,927</b>



**C. Cash Flow Summary**

Rent Income	\$411,936	
Other Income	\$8,816	
<b>GROSS INCOME</b>		\$420,752
Vacancy/Credit Loss	(\$29,453)	
<b>EFFECTIVE GROSS INCOME</b>		\$391,299
Operating Expenses	\$229,927	
<b>NET OPERATING INCOME</b>		\$161,372
Debt Service	\$146,543	
Operating Cash Flow	\$14,829	
Operating Expense Cushion	6.45%	
Debt Coverage Ratio	1.10	

**Operating Proforma for the Affordability Period**

	Stabilized				
	Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	\$391,299	\$399,125	\$407,108	\$415,250	\$423,555
Less Oper. Expenses	\$229,927	\$236,825	\$243,930	\$251,247	\$258,785
Net Income	\$161,372	\$162,301	\$163,178	\$164,003	\$164,770
Less Debt Service	\$146,543	\$146,543	\$146,543	\$146,543	\$146,543
Cash Flow	\$14,829	\$15,758	\$16,635	\$17,460	\$18,227
Debt Coverage Ratio	1.10	1.11	1.11	1.12	1.12

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	\$432,026	\$440,667	\$449,480	\$458,470	\$467,639
Less Oper. Expenses	\$266,548	\$274,545	\$282,781	\$291,265	\$300,003
Net Income	\$165,478	\$166,122	\$166,699	\$167,205	\$167,636
Less Debt Service	\$146,543	\$146,543	\$146,543	\$146,543	\$146,543
Cash Flow	\$18,935	\$19,579	\$20,156	\$20,662	\$21,093
Debt Coverage Ratio	1.13	1.13	1.14	1.14	1.14

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	\$476,992	\$486,532	\$496,262	\$506,187	\$516,311
Less Oper. Expenses	\$309,003	\$318,273	\$327,821	\$337,656	\$347,785
Net Income	\$167,989	\$168,259	\$168,441	\$168,532	\$168,526
Less Debt Service	\$146,543	\$146,543	\$146,543	\$146,543	\$146,543
Cash Flow	\$21,446	\$21,716	\$21,898	\$21,989	\$21,983
Debt Coverage Ratio	1.15	1.15	1.15	1.15	1.15

	Year 16	Year 17	Year 18	Year 19	Year 20
Eff. Gross Income	\$526,637	\$537,170	\$547,914	\$558,872	\$570,049
Less Oper. Expenses	\$358,219	\$368,965	\$376,345	\$387,635	\$399,264
Net Income	\$168,419	\$168,205	\$171,569	\$171,237	\$170,785
Less Debt Service	\$146,543	\$146,543	\$146,543	\$146,543	\$146,543
Cash Flow	\$21,876	\$21,662	\$25,026	\$24,694	\$24,242
Debt Coverage Ratio	1.15	1.15	1.17	1.17	1.17

	Year 21	Year 22	Year 23	Year 24	Year 25
Eff. Gross Income	\$581,450	\$593,079	\$604,941	\$617,040	\$629,380
Less Oper. Expenses	\$411,242	\$423,579	\$432,051	\$445,012	\$458,363
Net Income	170,208.31	169,500.06	172,890.06	172,027.35	171,017.78
Less Debt Service	\$146,543	\$146,543	\$146,543	\$146,543	\$146,543
Cash Flow	\$23,665	\$22,957	\$26,347	\$25,484	\$24,475
Debt Coverage Ratio	1.16149056	1.15665748	1.17979063	1.173903578	1.1670143

	Year 26	Year 27	Year 28	Year 29	Year 30
<b>Eff. Gross Income</b>	\$641,968	\$654,807	\$667,904	\$681,262	\$694,887
<b>Less Oper. Expenses</b>	\$472,114	\$486,277	\$496,003	\$510,883	\$526,209
<b>Net Income</b>	\$169,855	\$168,530	\$171,901	\$170,379	\$168,678
<b>Less Debt Service</b>	\$146,543	\$146,543	\$146,543	\$146,543	\$146,543
<b>Cash Flow</b>	\$23,312	\$21,987	\$25,358	\$23,836	\$22,135
<b>Debt Coverage Ratio</b>	1.15907621	1.150041	1.17304182	1.162655769	1.1510466

Estimated Annual Percentage Increase in Revenue 2.00%

Estimated Annual Percentage Increase in Expenses 3.00%