
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: January 12, 2007

SUBJECT: **Request for \$300,000 Loan from the Housing Trust Fund to rehabilitate the Multi-Ethnic Senior Citizen Highrise Apartments at 120 South 200 West**

AFFECTED COUNCIL DISTRICTS: District 4

STAFF REPORT BY: Gary Mumford

ADMINISTRATIVE DEPT. AND CONTACT PERSON: Housing and Neighborhood Development
LuAnn Clark

The Utah Nonprofit Housing Corporation is putting together financing to rehabilitate the Multi-Ethnic Senior Citizen Highrise Apartments at 120 South 200 West and has applied for a \$300,000 loan from the City's Housing Trust Fund. The 25-year old 15-story building consists of 141 one-bedroom units for low-income senior citizens.

POTENTIAL MOTIONS:

At the briefing on January 9, 2007, the Council was generally supportive of authorizing a City loan for this housing rehabilitation project. The Council may wish to make the following motion.

["I move that the Council"] Adopt a resolution authorizing the Mayor to execute a loan agreement between Salt Lake City and Multi-Ethnic Senior Housing, LTD for a \$300,000 loan at 1% interest for rehabilitation of 141 rental units located at 120 South 200 West.

The following information was provided previously. It is provided again for your reference.

The Multi-Ethnic Senior Citizen Highrise was built in 1981 for low income seniors at 50% and below of area median income. The units were built through the U.S. Department of Housing and Urban Development (HUD) 202 program under which the tenant pays 30% of their income for rent and HUD subsidizes the remainder. The property will retain its HUD rental subsidy rates. Five of the units are fully handicapped accessible and five units will be set aside for homeless or nearly homeless individuals at 25% of area median income or lower.

Rehabilitation will include new windows, cabinets, carpet, new kitchen appliances, rewiring, bathroom plumbing, flooring, lighting, and painting. Other improvements will include replacing both elevators, installing a new roof, updating the boilers and chillers, and adding a security system. The Utah Nonprofit Housing Corporation has successfully rehabilitated similar projects with the residents in place. Although there will be disruptions, meetings have been held with residents and scheduling of work will be done to limit the amount of inconvenience.

The affordable housing status of this senior apartment building is not in danger of expiring. The purpose of the requested loan is not to preserve affordable housing but to assist with financing the rehabilitation. The Utah Nonprofit Housing Corporation will utilize low-income tax credits and HUD funds for the majority of the project costs. The Olene Walker Loan Fund will also provide \$233,867 toward the rehabilitation. The rehab cost per unit is listed at \$29,621 with a total construction cost \$4,088,317 including the roof, boilers, elevators, etc. Utah Nonprofit Housing Corporation is also refinancing the apartment building for a total cost of about \$11,510,000 including the rehabilitation.

Under HUD requirements repayment of the loan will be made to the City only if there is sufficient net operating income available for repayment. The proforma schedule indicates that net operating income should be available for repayment of the City's loan. The City will be in a third position after the tax credit financing and HUD loan. The State of Utah has agreed to take a fourth position after the City so that the City will be repaid before the State if sufficient net operating income is not available to repay both.

The average tenant income is currently 12.7% of area median income (AMI) according to the transmittal. Rents are as follows:

<u>Number of Units</u>	<u>AMI Target</u>	<u>Rent</u>
5	25%	\$288
50	30%	\$345
36	35%	\$403
30	40%	\$460
20	50%	\$575

HUD subsidizes rents so that residents do not pay more than 30% of their income. There are actually 142 apartments in the building, but one is for the on-site apartment manager.

The Utah Nonprofit Housing Corporation is asking for a 40-year loan at 0% interest. The City's Housing Trust Fund Board is recommending a 40-year loan at 1% interest. Mayor Anderson agrees with this recommendation. As part of the annual budget process, the City Council adopted a resolution accepting a study performed in compliance with Utah Code Section 10-8-2 approving the Housing Trust Fund appropriation and establishing loan criteria. The resolution outlines as a tangible benefit, that in many cases, the interest on loans will exceed the interest rate the City earned on its pooled investment. The City currently is making slightly more than 5% on its pooled investments. Without the tangible benefit of an interest rate at or above what the City is earning on its pooled investment a project must have higher intangible benefits. The Council could determine that this project has a higher than normal intangible benefit because it provides housing for very low income residents, all of whom are seniors.

The Utah Nonprofit Housing Corporation sets up a separate legal entity for each apartment complex. The entity that will receive the loan funds and repay the debt is Multi-Ethnic Senior Housing, LTD.

The City has two housing loan funds, and loans are generally alternated between the two funds. The Administration is proposing that this loan come from the RDA portion of the Housing Trust Fund. If this loan is granted, the remaining balances in the housing trust funds are \$3,786,818 in the City's Housing Trust Fund and \$833,016 in the RDA Housing Trust Fund.

A. LOUIS ZUNGUZE
DIRECTOR

BRENT B. WILDE
DEPUTY DIRECTOR

SALT LAKE CITY CORPORATION
DEPT. OF COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR

ROSS C. "ROCKY" ANDERSON
MAYOR

CITY COUNCIL TRANSMITTAL

TO: Rocky Fluhart, Chief Administrative Officer  **DATE:** December 1, 2006
FROM: Louis Zunguze, Community Development Director 
SUBJECT: A resolution authorizing the Mayor to execute a Redevelopment Agency Housing Trust Fund loan agreement between Salt Lake City Corporation and Multi-Ethnic Senior Housing, LTD, for the refinance and rehabilitation of the Multi-Ethnic Senior Citizen High-rise Apartment Project located at 120 South 200 West

STAFF CONTACTS: LuAnn Clark, Housing & Neighborhood Development Director, at 535-6136 or luann.clark@slcgov.com

ACTION REQUIRED: City Council adoption of the resolution

DOCUMENT TYPE: Resolution

BUDGET IMPACT: None

DISCUSSION:

Issue Origin: The Multi-Ethnic Senior Citizen High-rise (MESCH) was built in 1981 for low income seniors at 50% and below of area median income. The units were built through the United States Department of Housing and Urban Development (HUD) 202 program under which the tenant pays 30% of their income for rent and HUD subsidizes the remainder, similar to the Section 8 project based program.

The applicant is seeking to refinance and rehabilitate the MESCH using low income tax credits, HUD financing, and City loan funds. Utah Nonprofit Housing Corporation, as a partner in the Multi-Ethnic Senior Housing, LTD, is requesting a \$300,000 loan amortized over 40 years at 0% interest from the City's Housing Trust Fund. The project consists of 141 one-bedroom units, of which five units are fully handicapped accessible and five units will be set aside for homeless or nearly homeless individuals at 25% of area median income (AMI) or lower. It is anticipated the total cost of the project will be \$11,509,466.

HUD has recently approved new program guidelines enabling HUD 202 projects to utilize the low-income tax credit program while retaining the HUD subsidy. In the past, HUD would not allow the subsidy to remain if the project used tax credits to rehabilitate the housing units.

Analysis: Housing and Neighborhood Development staff prepared a staff evaluation for the Housing Trust Fund Board regarding the application submitted for funding. The evaluation contains information on the project's strengths and weaknesses, as well as compliance with statutory regulations and housing plan goals and priorities. The key issues are listed below:

- The project would rehabilitate 141 units of affordable housing for residents at 50% or less of area median income and preserve the HUD 202 subsidy.
- Five units would be set aside for those with incomes at 25% of area median income or less.
- The structure is 25 years old and the rehabilitation will fund the necessary major capital improvements needed for a building of this age.
- The refinancing of the units with low income tax credits would commit the use of the property as affordable housing for an additional 99 years.
- The applicant is requesting that the loan be a cash flow loan as required by HUD. Under the HUD requirement repayment of the loan will be made to the City only if there is sufficient net operating income available for payment. The proforma indicates that net operating income should be available for repayment of the City's loan.
- The applicant is requesting terms of 0% interest over 40 years. As part of the annual budget process, the City Council adopted a resolution accepting a study performed in compliance with Utah Code Section 10-8-2 approving the Housing Trust Fund appropriation and establishing loan criteria. The resolution outlines as a tangible benefit, that in many cases, the interest on loans will exceed the interest rate the City earned on its pooled investment. Without the tangible benefit of an interest rate at or above what the City is earning on its pooled investment a project must have higher intangible benefits. The City could determine that this project has a higher than normal intangible benefit because it preserves housing for very low income residents, all of whom are seniors who may be disabled or have special needs. The average AMI of the tenants of the MESCH project is 12.7% with subsidy from HUD to cover the rents outlined in the tax credit application. The interest rate the City received on its pooled investment for October of 2006 is 5.1% with an average rate of 4.7 since January 2006.
- The loan will be leveraged with low income housing tax credits, HUD and the State of Utah Olene Walker Housing loan funds.
- The State of Utah has agreed to the City taking second position on the property.

Copies of the staff evaluation and the meeting minutes of the Housing Trust Fund Advisory Board are attached (see Attachments B and C). An analysis of how this project meets new

housing policies currently being considered by the City Council is also included in the staff evaluation.

The current balance of the City's Housing RDA Trust Fund is \$1,133,016; approval of this loan request would leave the fund balance at \$833,016.

Recommendation:

A. Housing Trust Fund Board and Recommendation

Following an extensive review and discussion of key issues relevant to this project, the Housing Trust Fund Advisory Board unanimously recommended approval of a \$300,000 loan at one percent (1%) over 40 years structured as a cash flow loan as required by HUD. The Board recommended the 1% interest rate to ensure that the Housing Trust Fund receives some return on its funds. The repayment of loans, even with a low interest rate, ensures that funds will be available in the future for other affordable housing projects.

B. Mayor's Recommendation

Mayor Anderson reviewed the applicant's request and the Housing Trust Fund Advisory Board's recommendation on November 27, 2006. Mayor Anderson recommended the loan request be approved for \$300,000 at 1% over 40 years and that the loan be structured as a cash flow loan.

PUBLIC PROCESS:

This loan request was reviewed by the Salt Lake City Housing Trust Fund Advisory Board on November 9, 2006. The minutes from the Housing Trust Fund Advisory Board meeting are included as Attachment C.

RELEVANT ORDINANCES:

Chapter 2.80 of the Salt Lake City Code: Housing Trust Fund Advisory Board Resolution #47 of 2005: Housing Trust Fund Appropriations and Loan Criteria

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ATTACHMENT A
Resolution

ATTACHMENT B
Staff Evaluation

**EVALUATION
SALT LAKE CITY HOUSING TRUST FUND**

Name of Organization: Utah Nonprofit Housing Corporation
Name of Project: Multi-Ethnic Senior Citizen Highrise (MESCH)
Location of Project: 120 South 200 West

Project Description:
 MESCH was built in 1981 for low-income seniors at 50% of area median income or lower and consists of 141 one-bedroom units. Five units are fully handicapped accessible and five units will be set aside for homeless or nearly homeless individuals at 25% of area median income or lower. A refinance and rehabilitation of the building would commit its use as affordable housing for an additional 99 years.

The applicant is refinancing this project with Low-Income Housing Tax Credits (Richman Group) and HUD financing (CapMark). HUD requires residual receipts, or cash flow loans, from the City and the Olene Walker Housing Loan fund with 40 year terms for this project. A copy of the HUD Promissory Note (Form 92223) outlining the repayment requirements is attached to the application.

Rents

<u>Number of Units</u>	<u>AMI Target</u>	<u>Rent</u>
5	25%	\$288
50	30%	\$345
36	35%	\$403
30	40%	\$460
20	50%	\$575

The average tenant income for this project is 12.7% of area median income. Each tenant is required to pay 30% of their income in rent. HUD supplements the remainder of the tenant rents as per the above rent schedule.

Amount and terms requested: \$300,000 at 0% interest over 40 years

Is the entire project eligible for Housing Trust Fund money? YES

Are the funds leveraged with non-government dollars? YES

SOURCES OF FUNDS - Permanent Financing:

Equity	Richman Group	\$ 6,582,842
1st Mortgage	CapMark	4,000,000
2 nd Mortgage	SLC HTF	300,000
2 nd Mortgage	Olene Walker Loan Fund	233,867
Other	Deferred Developer Fee	331,584
	Existing Rental Reserves	61,173
	TOTAL	\$11,509,466

USES OF FUNDS

Existing Debt Balance	\$ 3,569,353
Property Acquisition Costs	1,730,647
Building Acquisition Fee	280,414
Site Work	81,490
Rehabilitation/Construction Costs	4,088,317
Rehab Contingency	88,225
A/E, Permit and Other Fees	94,138
Builder Overhead & Profit	286,456
Developer Overhead & Profit	391,020
Interim Financing Fees	486,116
Permanent Financing Fees	130,000
Soft Costs	68,790
Syndication Costs	72,500
Project Reserves	142,000
TOTAL	\$11,509,466

Cost per unit

Rehab cost per unit: \$29,621 Total construct cost per unit: \$81,627

Does the requesting agency have sufficient cash flow to repay the loan?

According to the pro forma submitted, sufficient cash flow should be available to repay the City's loan and the Olene Walker Housing Loan Fund loan. Loan repayment will be provided through rental revenue and subject to HUD residual receipts requirements.

Does the project have demonstrated community support?

Community support is not required on rehabilitation projects.

Does the requesting agency have a track record of owning, operating and maintaining this type of housing project?

YES. A detailed list of projects consisting of more than 1800 units owned and/or operated/managed by the applicant are include in the application.

Project Strengths:

This project would preserve 141 units of affordable housing for residents at 50% or less of area median income which meets priority goals of the Salt Lake Community Housing Plan to preserve the city's affordable housing stock.

Five units would be set aside for those with incomes at 25% of area median income or less.

Five units are fully handicapped accessible for residents who are mobility impaired. The entire project is visit-able for visitors with mobility impairment.

UNPHC has successfully built, developed, owned and rehabilitated similar projects. The applicant has overseen rehabilitation of over 300 units with the residents in place.

The tenants who would benefit from this loan and project rehabilitation are very low-income.

Project Weaknesses:

The applicant is requesting a cash flow loan as required by HUD.

The applicant is requesting terms of 0% interest over 40 years.

Contingency may be on the low side considering rising construction costs during the past year.

Housing Policies and Preferred Housing Criteria for City-funded Projects

This project meets the following new housing policies currently being considered by the City Council:

Affordable Housing

Preservation of existing affordable and subsidized housing in the City.
Income levels of residents will remain the same.

Housing Stock Preservation and Rehabilitation

This project is a rehabilitation project that will preserve existing, affordable housing stock
Reinvestment in an existing urban area

Board Options

Approve the loan as requested.

Approve the loan at a higher interest rate.

Deny the request.

Sandra.Marler@slcgov.com

Wednesday, October 25, 2006

Request for additional information regarding MESCH Loan Application:

Responses submitted October 31, 2006

After reviewing your application for the MultiEthnic Senior Citizens Highrise project, I have a few questions/comments..

- ❖ Will you please have Marion contact Robin Kemker at the Utah Housing Coalition and give his permission for Robin to answer any questions we might have on your low-income housing tax credit application? Without Marion's permission, Robin is not able to discuss your project with us.

Mr. Willey contacted Mr. Kemker on October 25th and requested he release information you needed for the loan review process.

- ❖ Please provide us with a revised pro forma that would reflect repayment of the SLC HTF loan.

Attached are copies of new one (1) and a fifteen (15) year cash flow projections showing the SLCHTF loan all in. Please note it is reflected therein as 0% \$300K loan with a 35 year term. This causes a 2.5% rate of increase but still enables the project to cash flow annually with a marginal \$75,000 net cash flow beginning in year one and with small incremental increases over the 15 year window. I have also asked Capmark to provide an updated executive financial summary and will forward it upon receipt this week.

- ❖ Please provide a brief explanation of the purchase of the project from MultiEthnic Senior Housing Corporation by MultiEthnic Senior Housing, LLC, the role HUD plays in the project and any impact on the 202 status of the project rents.

Multi-Ethnic Senior Housing Corporation is selling the property to Multi-Ethnic Senior Housing, LTD (as an LLC was initially established but the tax credit syndicator now requires limited partnership structures and requested the change this past month - a copy of the new Certificate of Limited Partnership is attached herein; the new tax i.d. number is being requested now).

As you know, HUD recently approved new program guidelines (Notice #H 04-21, issued November 12, 2004) enabling conversion of 202's as FHA 223(f) properties utilizing tax credits while retaining the project Section 8 rental subsidy rates at contract to help rehabilitate older properties and retain affordable housing rental stock that has historically served very-low income individuals. Capmark Financial is conducting the HUD Map process for the new long term loan commitment and FHA Mortgage Insurance. The new rental rate increases were submitted to HUD for final approval on August 24, 2006 and would become effective January 14, 2007.

- ❖ I noticed the information contained in the tax credit application reflects a loan to be requested from SLC for \$200,000 at 4.5% annual interest but the application requests \$300,000 at 0%

annual interest. Please explain the difference so I can explain it to the Board during their review.

The new loan amount requested from the SLCHTF reflects three elemental changes: (1) increased construction costs, (2) improvements included as a result of the HUD REAC inspection process this year, and (3) the fact that no state tax credits are now available to assist the project.

- ❖ Contingency for the \$4,088,317 rehab is \$88,225. This appears to be low to me. Will you please explain this so I can present that information to the Board?

The final bid has been fixed and Utah Nonprofit Housing Corporation intends to monitor the process closely and will utilize developer fees to make up a gap if there should be one. Capmark Finance, Inc. has reviewed them and finds them to be satisfactory given those circumstances.

- ❖ Will the developer's fee be deferred? In some places your application states it as a deferred developer fee, in others just as a developer fee. The Board will want to know when the developer fee will be paid.

The standard practice utilized here is to defer developer fees until the final cost certification; thus any over runs would come out of the fees first per your contingency question above.

- ❖ It is my understanding that there are a total of 142 units in the project but that one unit is used for a management office and there are only 141 units that will be rented out. Is this correct?

Per our earlier conversations, there is one (1) unit that is set aside and utilized for an on-site "resident assistant"; 141 units is therefore correct for cash flow purposes, although the building actually has 142 units over all.

- ❖ Will you please explain why Salt Lake City is being offered third position but the amount of funds put into the project, if your request is approved, is greater than the amount put in by the Olene Walker Housing Loan Fund?

Marion Willey, Executive Director for UNPHC will discuss this issue with the OWHLF; this has been done in the past and no issues regarding change in position are anticipated. An update will be provided prior to or at the loan review meeting.

- ❖ The numbers in the tax credit application differ from those on the application submitted to the SLC HTF. Will you please explain those differences so I can explain them to the Board? Total project costs in the tax credit application are \$10,076,763; in your HTF application they are \$11,509,466.

The financial projections reflect (1) increased construction costs from projected construction budgets to final guaranteed bids, and (2) improvements included as a result of the HUD REAC inspection process this past year. The new final bid detail was provided in the original application for your review due to the factors mentioned above. (It should be noted that UNPHC believes the \$1.4 MM differential however, remains lower than average market 20% plus cost spikes reported by state wide developers over the previous LIHTC funding approval cycles).

Attachments:

1 Year Cash Flow Projections
15 Year Cash Flow Projections
Certificate of Limited Partnership for MESH, LTD
Note - Capmark to provide a new Executive Financing Summary

If you have any further questions or I can be of additional assistance in this process please let me know.

Sincerely,



Marci L. Milligan
Associate UNPHC
801.509.1289

ATTACHMENT C
November 9, 2006 Minutes

HOUSING TRUST FUND ADVISORY BOARD

Meeting of November 9, 2006

The following board members were in attendance: Karen Cahoon, Cara Lingstuyl, Kent Moore, Peter Morgan, Nancy Pace, and Ahmed Ali. Staff members in attendance were LuAnn Clark, Director of Housing and Neighborhood Development, Sandra Marler, CD Programs Administrator, and City Council staff Janice Jardine.

Chairperson Kent Moore called the meeting to order at 12:18 p.m.

LuAnn Clark advised the Board that William Dalton has resigned from the Board due to relocating out of the City.

Kent Moore welcomed new Board member, Ahmed Ali. Mr. Ali introduced himself and briefed the Board on his work experience.

Peter Morgan motioned to approve the May 11th minutes. Cara Lingstuyl seconded the motion. All voted "Aye." The motion passed.

Consider a request from Utah Nonprofit Housing Corporation for a \$300,000 loan at 0% interest over 40 years to rehabilitate the Multi-Ethnic Senior Citizen Highrise (MESCH) Apartment project located at 120 South 200 West. The project consists of 141 affordable units for seniors at 50% or less of area median income. The applicant is refinancing this project with Low-Income Housing Tax Credits (Richman Group) and HUD financing (CapMark). HUD requires residual receipts, or cash flow, loans from the City and the Olene Walker Housing Loan fund with 40 year terms for this project.

Mr. Marion Willey representing Utah Nonprofit Housing Corporation, Mr. Scott Chamberlain of CapMark Finance and Ms. Marci Milligan, Consultant for Utah Nonprofit Housing Corporation were present to provide details and answer questions pertaining to the project.

Mr. Willey presented a brief history of the project. Mr. Willey said that it is important to know that the refinance and rehabilitation of the project would commit its use as affordable housing for an additional 99 years for very low income seniors. Mr. Willey explained the funding of the project consisting of low-income housing tax credits, HUD and the State of Utah Olene Walker Housing Loan Fund. Mr. Willey said that as a HUD project, the City loan will need to be structured as a cash flow loan with repayment from available net operating income. Mr. Willey said they are certain the project will cash flow with the excess cash flow paying the second and third mortgages, and that the City's loan will be repaid before the State's loan is repaid and that the State has agreed to this repayment schedule.

Mr. Chamberlain explained the history of HUD Section 202 loans stating that federal financing for major capital improvements had not been allowed in the past. In 2004, however, HUD changed the rules allowing additional federal funding options for capital improvements to existing 202 loan projects. Mr. Chamberlain explained the purchase of the 202 loan by Multi-Ethnic Senior Housing, Ltd. and the refinance through HUD as a 223f project. This property will retain the Section 8 rental subsidy rates from its initial contract.

The Board inquired if the residents were asked to provide input on the project. Mr. Chamberlain said that HUD's program encourages tenant meetings to allow them to address rehabilitation. Mr. Willey described the upgrades for the rehabilitation from resident input.

Mr. Willey said that the tax credits are locked in until June and they will be starting construction in March. The contingency reserve was discussed and Ms. Milligan said that the developer fees had been approved by the lender and will be deferred until after final cost certifications and will be used to cover any cost over runs. UNPHC will monitor the process closely. The Board inquired about the property acquisition costs. Mr. Willey discussed the acquisition fees and HUD's requirements on limited partnership structures, current ownership and the change in ownership of the property.

A short discussion followed by the Board concerning the 0% interest rate requested by the applicant. Mr. Chamberlain commented that it is not unusual for an acting not-for-profit organization that has been involved in the community for many years that provides low-income housing to request 0% interest. The Board was in favor of the project and that the project serves residents with a much lower AMI than most projects but proposed the project at an interest rate of 1%. The Board also agreed the 1% would provide the City some return on its loan funds. Cara Lingstuyl motioned to approve the loan request for \$300,000 at 1% over 40 years as a cash flow loan as required by HUD. Peter Morgan seconded the motion. All voted "Aye." The motion passed.

Consider a request from A.M.E. Enterprises, LLC, for a short-term loan in the amount of \$328,128 at 3% interest over five years in order to demolish an existing apartment complex and construct a new single family housing development project to be located at 345 Edith Avenue. The proposed project would replace the existing apartment project consisting of 5 four-plex cinderblock buildings built in the late 1960s and one uninhabitable house at the north end of the project on Blair Street.

Mr. Greg Pedroza representing A.M.E. Enterprises, LLC, Mr. Kirk Wooley and Mr. Jess Peterson from Bank of American Fork were present to provide details and answer questions pertaining to the project.

Mr. Pedroza provided a detailed overview of the project. Following Mr. Pedroza's presentation, the Board entered into an extensive discussion about the financial aspects of the project. The Board expressed support for the idea of single family housing development for this community, but expressed concern that the project proposal appeared to need additional equity of approximately \$750,000. A question arose relative to when the full extent of the developer's equity would be made available for the project and whether the project would be developed in phases with profits from each sale then funding further development. The Board expressed a preference that all of the equity be put into the project at the beginning of the development phase rather than at the end. The Board also requested additional information on how the affordability requirements for the Housing Trust Fund loan would be met. Mr. Pedroza explained that three of the homes would be made affordable for those at 80% or less of area median income. The Board requested detailed information on how this would be possible since lower income people cannot afford to pay the \$285,000 that will be the average price for these houses.

The applicant stated that they had developed a time line spreadsheet for the project that addressed all of the financial issues and the phases of the development but explained that this information had not been asked for in the application and therefore, had not been included.

The Board agreed to table the request until December 14, 2006 and requested the developer provide updated financial information, the phasing time table information and address the affordability issues for the proposed development.

The next HTF Advisory Board meeting is scheduled for Thursday, December 14, 2006.

There being no further business, the meeting adjourned at 2:15 p.m.

ATTACHMENT D
Loan Application

**FUNDING APPLICATION
SALT LAKE CITY HOUSING TRUST FUND
Cover Sheet**

Project Name: Multi-Ethnic Senior Citizen Highrise (MESCH)

Applicant/Organization: Utah Nonprofit Housing Corporation

Mailing Address: 223 West 700 South, SLC, Utah 84101

Contact Person(s): Marion Willey, Executive Director
Jennifer Spencer, Development Manager
Marci L. Milligan, Consultant

Phone Number: 801-364-6117

Fax Number: 801-364-7070

E-mail: mawilley@utahnonprofithousing.org
jennifers@utahnonprofithousing.org
mmilligan@utahnonprofithousing.org

Federal Employee Identification Number: #87-6164397

Project Name: Multi-Ethnic Senior Citizen Highrise

Project Location: 120 South 200 West, SLC, Utah 84101

Amount Requested: \$300,000

Terms Requested: 40 years @ 0%, monthly principal repayment cash flow note
Please contact Sandi Marler at 535-7269 if you have questions or need assistance
completing this application. The application is typed in Microsoft Word and is available
on disc.

Project Description Part I

1. Describe the scope of the project (how many total units, how many affordable units, type of project, etc.). Please address how your project will be accessible/visit-able. Please attach site plan, floor plan, and elevation of your project, if available.

MESCH was built in 1981 to meet the housing needs of low-income seniors in the greater Salt Lake City area. The refinance/renovation of the project would commit its use for affordable housing under joint HUD/LIHTC funding for an additional 99 years. MESCH provides all of its 141 (1-bedroom) units to Older Americans making less than 50% of the area median income (AMI) and has set aside 5 of these for Homeless or near homeless individuals making less than 25% of the AMI. Resident incomes are verified upon entry and on an annual basis thereafter. MESCH is both handicap accessible and visitable for people with disabilities and mobility impairments; it has an elevator which services the 15 story building. Of the 141 units, five are fully handicap accessible.

This is an existing property, therefore no site plan, floor plan or elevation changes are provided at this time.

2. Does the project conform to the City's Master Plans for the area? Please indicate which master plan(s). Briefly restate the master plan objectives the project will meet.

The MESCH refinance/renovation project does meet Salt Lake City's Master Plan goals as specifically outlined in its "Downtown Plan" which was adopted in 1995. It states, "The goal is to establish downtown as a well planned, desirable and diverse activity center serving the needs of a sizable 24 hour population." Further it denotes in objective #4 Housing, it intends to "Preserve existing housing and provide additional residential and hotel units along with properly designed neighborhood support services and amenities."

3. What is the property zoned?

The property is zoned D-4 by Salt Lake City. This is a downtown zoning classification allowing for various types of commercial and retail improvements allowed under a conditional use permit. A conditional use permit is required for multi-family housing. MESCH is a fully entitled existing property constructed and opened in 1981.

4. All new construction projects will need to be reviewed by the appropriate Community Council. Please provide a copy of the Community Council's response to the review of your project.

This is an existing property site; the project continues to be seen as a valuable resource to the area by the Community Council.

5. Please include a breakdown of the number of units that will be provided for the various percentages of area median income (i.e., how many units for those at 80%, 50% AMI, etc.), along with a list of the rents that will be charged to each group.

MESCH has 142 units of HUD subsidized apartments all affordable to low-income senior citizens. Households must have incomes that are less than 50% of the area median income; one (1) unit is set aside for an on site resident assistant.

- ❖ 136 @ 50% or less of AMI, Older Americans
- ❖ 5/136 @ 25% or less of AMI, Homeless or near homeless
- ❖ The current AMI distribution is as follows:
 - i. 10 Very Low
 - ii. 131 Extremely Low
 - iii. Average Income \$652.92 month/\$7,835.04 annually which is equivalent to 12.7% AMI (7835/61550 calculated on HUD's 2006 baselines) in Salt Lake County; UNPHC does not expect these figures to change much going forward given the tenure history of MESCH's residents.

6. How will the project be accomplished if the Salt Lake City Trust Fund is unable to fund this request?

Utah Nonprofit Housing Corporation would attempt to (1) seek additional State Tax Credit funding if still available in 2006, (2) leave in additional developer fee if any remained after common areas renovation expenses not covered by HUD/LIHTC, and/or (3) solicit grant funds as may be possible and appropriate.

7. How do you intend to use funds provided by Salt Lake City Corporation?

For the renovation of MESCH including major repairs and replacement of building systems. Below is an overview of the project renovation activities:

- ❖ Roof replacement
- ❖ Patch and seal parking lot
- ❖ Installation of security system
- ❖ Replace fire pump
- ❖ Replace elevators
- ❖ Replace and update chiller
- ❖ Replace and update boiler system
- ❖ General unit and common area items: windows, cabinets, carpet, new appliances, rewiring, bathroom plumbing, flooring, lighting, painting, and ventilation systems.

Project Funding Part II

1. Please list the sources of all funds as of the date of the application. **If this is a tax credit project, please provide one complete copy of the tax credit application.**

Permanent Sources of Funding/Post Construction:

	Source	Amount	%
Equity	Richman @.95	\$6,582,842	57.2
1 st Mortgage	CapMark, 223f	\$4,000,000	34.7
Sub-CFN	Olene Walker	\$233,867	2.1
Sub-CFN	SLCHTF	\$300,000	2.6
Other Secured Debts		NA	
Unsecured Debt		NA	

Other:	Developer Fee	\$331,584	2.9
	Existing RR	<u>\$61,173</u>	<u>.5</u>

Total Sources: \$11,509,466

- 1a. Ratio of Salt Lake City Trust Funding to total funding: (2.6%)
2. Please list the uses of all funds for the proposed project, being as specific as possible. The total of Uses of Funds should equal the total project cost.

Uses:

Land/Building Acquisition Cost
 Rehabilitation/Construction Cost
 A/E, Permit and other fees
 Other, please specify

MESCH Uses of Funding:

(*See Rehab Itemization List, Attachment A)

USES	AMOUNT
Existing Debt Balance	\$3,569,353
<i>(Debt as of 11/30/06 plus \$22,537 Dec interest)</i>	
Property Acquisition Costs	\$1,730,647
Building Acquisition Fee	\$ 280,414
Site Work	\$ 81,490
Rehab*	\$4,088,317
Rehab Contingency	\$ 88,225
Architectural & Engineering	\$ 94,138
Builder Overhead & Profit	\$ 286,456
Developer's Overhead & Profit	\$ 391,020
Interim Financing Fees	\$ 486,116
Permanent Financing Fees	\$ 130,000
Soft Costs	\$ 68,790
Syndication Costs	\$ 72,500
Project Reserves	\$ 142,000

Total Uses: \$11,509,466

3. What will be the value of the project at the time of completion?

\$5.3 MM of the "as is" appraised value plus the cost of repair and renovations per HUD Notice H04-21. However, for underwriting purposes (according to Capmark Finance Inc.) the value utilized is just \$5.3 MM to calculate LTV; it should be noted that HUD further restricts access to additional remaining value.

4. Please attach sales or operating projections for the project for the first five years after completion. Please list below the assumptions made to prepare the operating projection. Please show revenue and expense categories in as much detail as possible.

Please see the proposed MESCH operating projections which were part of the LIHTC application, Attachment B. As this is an existing HUD property, standard "Operational Cost Adjustment Factor

(OCAF)" procedures are followed for annual budgeting and rental processes; they take place in the 3rd quarter of each year (120 days prior to actual implementation) and are generally effective in January or February of the following year. HUD released the 2007 OCAF just this week and Utah's factor was 3.2; the new effective date will be February 11, 2007.

Assumptions:

- ❖ HUD certified annual budget process, last conducted in September 2006 and submitted.
- ❖ HUD certified annual rent adjustment process, last conducted in September 2006 and submitted.
- ❖ Changes are based on historical project expenditures and are then compared to market annually against the posted OCAF; the tax credit application operating projections reflect that historical trending but are subject to HUD review and on going approval processes which may be at or below the OCAF figure stated above for 2007.

5. What is the source of repayment of the funds?

Rental Revenues

6. What type of security is being offered to the City?

HUD allows for recourse on a cash flow note basis only, per HUD's Form 92223 - Promissory Note.

7. Please list **all** other governmental grants, loans, tax credits, licenses, etc., necessary for this project to proceed. Please include information on the status of all funding required for the completion of this project.

All funds have been approved pending final review by the City and any final adjustments will be made thereafter. Please see the State of Utah, Low Income Housing Tax Credit Program - "Project Development Schedule for Rehab Projects" for details on the project timelines to date, denoted as **Attachment #C**.

8. Please describe the purchase terms under which the applicant will/has acquire(d) the property. How much of the purchase price will be paid with equity provided by the applicant? By others?

The MESCH Agreement of Purchase & Sale, dated October 10, 2005 stipulates that purchase price will be the balance of the closing date of mortgage loans secured by the property, plus Five Hundred Thousand and No/100 Dollars (\$500,000).

The following equity sources are being utilized:

- ❖ \$6,582,842 LIHTC, Richman
- ❖ \$ 331,584 UNPHC Developer Fee
- ❖ **\$6,914,426 Total Equity**

9. If an appraisal of the property has been obtained, please attach a copy.

Please see the new appraisal from Capmark Finance Inc., included as **Attachment #D**.

10. Please state the number of years you will maintain this property as affordable.

The refinance/renovation of the MESCH would commit its use for affordable housing under joint HUD/LIHTC funding for an additional 99 years.

**Applicant Information
Part III**

1. Please check each of the following which is true for the Applicant

(a) The Applicant is an individual doing business under his/her own name.

(b) The Applicant has the status indicated below
and is organized or to be organized under the laws of the
State of Utah, as

(1) A corporation

(2) A nonprofit or charitable institution or corporation

(3) A partnership known as or to be known as:

A business association or joint venture known as or to be known as:

A Federal, State or local government or instrumentality thereof

Individual known as:

Social Security Number of Individual:

Other (explain):

2. If the Applicant is not an individual or a government agency, give date of organization:

Utah Nonprofit Housing Corporation's "Re-Stated Articles of Incorporation" dated March 4, 1999 are referenced herein as part of the Low Income Housing Tax Credit Funding Application provided as part of this application.

3. Please provide a list of the officers, director or trustees, board of trustees or board of directors, or partners of the applicant's organization.

Please see the board of director list for UNPHC, **Attachment #E**.

4. Who will manage the property once it has been acquired?

Utah Nonprofit Housing Corporation

5. Please provide a brief description of your organization.

Utah Non Profit Housing Corporation was incorporated in Utah in 1967, with a mission to improve the quality of life for low and very low income individuals and families by providing them with safe, decent and affordable housing. It was designated a 501(c)(3) corporation with the sole purpose of providing affordable housing in Utah. With an all-volunteer staff, a 32-unit multi family apartment complex in Salt Lake City was developed in 1976. Since then, UNPHC has grown to a staff of 42 (30 full time), has developed over 37 properties and rolled out a property management function. Today, UNPHC now has over 1,800 units representing 44 affordable housing projects.

Properties that have been developed include new construction, acquisition and rehabilitation and preservation of currently existing housing. These projects serve many low-income individuals and families in Utah, including populations such as seniors, families, physically disabled, mentally disabled, formerly homeless individuals and families, individuals with HIV/AIDS, and single women and families who have suffered from domestic or substance abuse. In addition, UNPHC has developed projects for low-income first time homebuyers. UNPHC has developed properties in Salt Lake, Davis, Weber, Cache, and Box Elder Counties in Utah.

Utah Non Profit Housing Corporation currently manages 27 projects, with approximately 1,061 units and has two outside management contracts covering 17 projects and an additional 748 units of affordable housing. UNPHC has managed projects since 1999.

6. Who will be responsible for this project?

Utah Nonprofit Housing Corporation

7. Please provide examples of experience your organization has with this type of project.

The current portfolio of Utah Non Profit Housing Corporation includes the following:

Property name	Location	Population	# Units	Funding
Aspenview	Salt Lake City	Special Needs	16	Low Income Housing Tax Credits
Box Elder Commons	Brigham City	Special Needs	15	Low Income Housing Tax Credits
Brigham City Senior Housing	Brigham City	Seniors	30	HUD 202
Carl Inoway Senior Housing	Logan	Seniors	41	HUD 202
Dominguez Park I, II, III	Salt Lake City	Seniors	170	HUD
Escalante Park I, II, III	Salt Lake City	Seniors	132	HUD, Low Income Housing Tax Credits
5 th East Transitional	Salt Lake City	Families	5	State of Utah, Salt Lake County
Family Support Center CROWN	Midvale	Families	8	Low Income Housing Tax Credits
Glendale Senior Housing	Salt Lake City	Senior	41	HUD 202
Goshen Street	Salt Lake City	Families	1	Single Family Mortgage
Hamilton Place	Salt Lake City	Senior	65	HUD 202
Holly Haven I	Clearfield	Seniors	36	Low Income Housing Tax Credits
Holly Haven II	Clearfield	Families	48	Low Income Housing Tax Credits
Ivy House	Salt Lake City	Special Needs	24	State of Utah, Salt Lake City
James E Kier Apartments	Salt Lake City	Seniors	51	Low Income Housing Tax Credits
Jacob Apartments	Salt Lake City	Transitional	12	State of Utah, Salt Lake City
Jared Alan Campbell Court	West Valley City	Special Needs	26	Low Income Housing Tax Credits
Jerald H. Merrill Senior Housing	Magna	Seniors	30	HUD 202
Justin C. Stewart Plaza	Magna	Physically Disabled	12	HUD 811
Landmark	Tooele	Families	52	Low Income Housing Tax

				Credits
LifeStart Village	Midvale	Special Needs	39	Low Income Housing Tax Credits
Lorna Doone Apartments	Salt Lake City	Special Needs	141	HUD, Low Income Housing Tax Credits
Lowell Apartments	Salt Lake City	Seniors	80	Low Income Housing Tax Credits
Martha's Terrace	Magna	Seniors	30	HUD 202
MESCH	Salt Lake City	Seniors/ Disabled	142	HUD 202
Preston Place	Salt Lake City	Seniors	65	HUD 202
Rio Grande Hotel	Salt Lake City	Special Needs	49	Low Income Housing Tax Credits
Riverwood Cove	Salt Lake City	Families	110	Low Income Housing Tax Credits
Sedona	Salt Lake City	Special Needs	16	Low Income Housing Tax Credits
Sego	Salt Lake City	Special Needs, HIV Aids	1	Single Family, Owned
Shadow Glen CROWN	Salt Lake City	Families	10	Low Income Housing Tax Credits
Stonehedge	Layton	Families	48	Low Income Housing Tax Credits
Village Square I & II	Ogden	Seniors	100	Low Income Housing Tax Credits
West Jordan Senior Apartments	West Jordan	Seniors	65	HUD 202
West Valley CROWN	West Valley	Families	10	Low Income Housing Tax Credits
Willow Park	West Valley	Families	88	Low Income Housing Tax Credits
Totals: #44			#1,809	

Current Ownership Information Part IV

1. Who is the current owner of the property?

Current:

Multi-Ethnic Senior Housing Corporation, 501(c)3 (Fed. ID # 94-2411163)

After Sale & Refinancing:

Multi-Ethnic Senior Housing, LTD (Fed. ID # 20-5808651)

General Partner – Utah Nonprofit Housing Corporation, 501(c)3

2. Who is the current manager of the property?

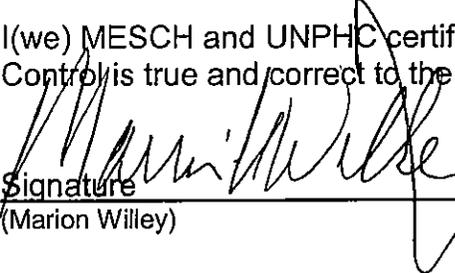
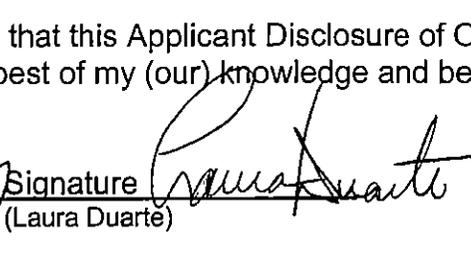
Utah Nonprofit Housing Corporation, 501(c)3 (Fed. ID# 87-6164397)

3. Please provide a list of the officers, director or trustees, board of trustees or board of directors, or partners of the organization that currently owns the property.

Please see the board of director list for MESCH, **Attachment #F**.

Certification

I (we) MESCH and UNPHC certify that this Applicant Disclosure of Ownership and Control is true and correct to the best of my (our) knowledge and belief.

Signature  Signature 
(Marion Willey) (Laura Duarte)

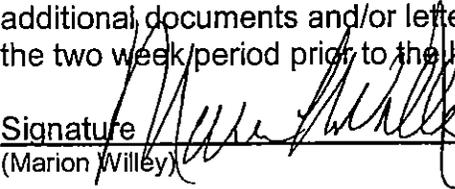
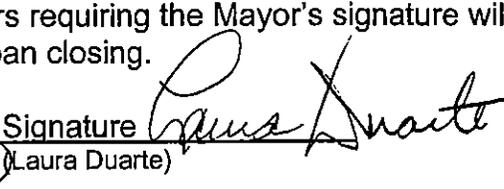
Title Title
Executive Director, UNPHC President, MESCH

Address and Zip Code Address and Zip Code
223 W 700 N SLC, UT 84101 120 S 200 W SLC, UT 84101

Date Date
Oct. 03. 06 10/03/06
(October 3, 2006) (October 3, 2006)

PREPARATION OF LOAN DOCUMENTS

I (we) MESCH and UNPHC understand and agree with Salt Lake City Corporation's policy that all loan documents required from Salt Lake City Corporation, necessary for closing of the loan, will be processed and signed two weeks prior to the loan closing date and that no changes to those loan documents and/or requests for additional documents and/or letters requiring the Mayor's signature will be made during the two week period prior to the loan closing.

Signature  Signature 
(Marion Willey) (Laura Duarte)

Title Title
Executive Director, UNPHC President, MESCH

Date Date
Oct. 03. 06 10/03/06
(October 3, 2006) (October 3, 2006)

NOTE: PLEASE PROVIDE FOURTEEN (14) COPIES OF YOUR ENTIRE APPLICATION AT THE TIME THE APPLICATION IS SUBMITTED AND ONE (1) COPY OF YOUR TAX CREDIT APPLICATION, IF APPLICABLE.

January 4, 2006

Mr. Marion A. Willey, Executive Director
Utah Nonprofit Housing Corporation
756 South 200 East, Suite A
Salt Lake City, Utah 84111

RE: Loan Application, Multi-Ethnic Highrise

Dear Mr. Willey:

The Olene Walker Loan Fund Board met December 21, 2005, and approved to fund \$233,867 at 4.5% as a 40 year cash flow loan per HUD requirements. Funding is contingent upon appraisal, receiving tax credits and obtaining all other funding as represented on the application. The Olene Walker loan is to be recorded in Sr. position preferably, but not less than Pari Passu (shared) position with the Salt Lake City loan. The funding source will be federal HOME CHDO.

The following items are required prior to loan closing:

- 1 Business entity documentation: **Check the one that applies and provide the necessary documentation and the applicable Federal ID#.**
 - _____ For-Profit Corporation, Non-Profit Corporation; **(If you are a Non-Profit submit a copy of the letter from the IRS showing your status);**
(Certified copy of articles of incorporation, and bylaws)
 - _____ Limited Liability Company;
(Certified copy of articles of organization, and operating agreement)
 - _____ General Partnership;
(Copy of partnership agreement certified by managing general partner)
 - _____ Sole Proprietor
(Certified copy any of registered business name or DBA)
- 2 Tax credit commitment letter.
- 3 Syndication purchase agreement.
- 4 Commitment letters from all other lenders showing max. DCR, interest, & terms. **(If the funding is from a government entity, the letter MUST specify if the funds are federal or state).**

- 5 Explanation of how the Olene Walker Housing Loan Funds will be used: **Check the one that applies.**
- New Construction
 - Acquisition
 - Rehabilitation
 - Both Acquisition and rehabilitation

(If the funds are being used for a new construction or rehabilitation activity, please provide a detailed work description).

- 6 Disclosure to Seller with Voluntary, Arm's Length Purchase Offer letter signed by the seller or proof of delivery (see attached **EXHIBIT A**).
- 7 Signed certification of delivery, General Information Notice (see attached **EXHIBIT B**).
- 8 Final construction budget, Construction contract, and timeline.
- 9 Copy of the rent as of the date of loan application.
- 10 Contractor qualification checklist (see attached **EXHIBIT C**).
- 11 Appraisal supporting purchase price. (Cannot be older than six months and not required if submitted at time of application).
- 8 Updated pro forma.
- 9 Proposed loan closing date (2 week notice required).
- 10 Environmental Description of Proposed Action and Clearance letter.
- 11 Proof of Builders Risk Insurance.
- 12 Proof of Payment or Performance Bonds listing the Olene Walker Housing Loan Fund as a dual obligee or a letter from permanent lender and/or Syndicator if not required.
- 13 Updated preliminary title report.
- 14 Copy of building permits
- 15 Proof of insurance listing the Olene Walker Housing Loan Fund as mortgagee for the amount of the loan.
- 16 Letter stating who will be providing the Davis Bacon documentation (check with housing staff to see if required).
- 17 Letter stating that the HOME assisted units are fixed or floating.
- 18 Letter from Salt Lake City stating if your funds will be federal or state.

If you have any questions or concerns, please feel free to contact me at 801-538-8653.

Regards,

Shelli Goble
Housing Program Specialist

2006-1

FOR UHC USE ONLY
 APPLICATION RECEIVED
 DATE: _____
 TIME: _____
 BY: _____

**STATE OF UTAH
 FEDERAL LOW-INCOME HOUSING TAX CREDIT
 CONSOLIDATED APPLICATION FORM**

All Information Must be completed or application Will Be Rejected as Non-Conforming

DATE OF APPLICATION 11-Oct-05	Other Applications DCED Housing Assistance <input checked="" type="checkbox"/> PAB Application <input type="checkbox"/> UHC Reimbursement Application <input type="checkbox"/>	LIHTC Competitive Cycles <input checked="" type="checkbox"/> Oct 11, 2005 <input type="checkbox"/> April 4, 2006	LIHTC & PAB (Bond) Cycles (Submit to PAB at DCED) <input type="checkbox"/> September 16, 2005 <input type="checkbox"/> December 16, 2005 <input type="checkbox"/> March 17, 2006 <input type="checkbox"/> June 16, 2006
---	--	---	---

APPLICATION TYPE <input checked="" type="checkbox"/> Initial (enclose appropriate fee) <input type="checkbox"/> Resubmitted (enclose \$200 fee)	SET-ASIDE POOL (Select one) <input checked="" type="checkbox"/> Non-Profit <input type="checkbox"/> General Pool	<input type="checkbox"/> Small Project <input type="checkbox"/> Rural Pool	<input type="checkbox"/> Home Ownership
--	---	---	---

PROJECT NAME AND ADDRESS

Name Multi-Ethnic Senior Citizen Highrise

Address 120 South 200 West

City Salt Lake City State Utah Zip 84101

Salt Lake County Census Tract 1025.00

Project Located in a Metropolitan Statistical Area? **Yes**

Qualified Census Tract? **Yes** HUD Hard-to-Develop Area? **No** UHC Rural Area? **No**

Fed. Congressional Dist: 05 State Senate Dist: 02 State House District: 02A

Pertinent Criteria and Project Type

The total Initial and Extended Use periods will be: **99** years.
 Weighted Percent of Median being served: **36.06** % based on Average Median Income (AMI) data for CURRENT yr.

(See calculation worksheet in the Allocation Procedures)

Type of Low-income Housing Tax Credit Requested:

<input checked="" type="checkbox"/> Rural Development Projects	<input type="checkbox"/> 4% Credit Request ONLY
<input checked="" type="checkbox"/> Not Applicable	<input type="checkbox"/> Tax-exempt Bond Project

Organizational Information

APPLICANT INFORMATION (GENERAL PARTNER/SPONSOR OF PROJECT)

Applicant Type Non-Profit (10)

Name Utah Nonprofit Housing Corporation a Utah Non-Profit Corp.
 State Utah Type
 Address 756 South 200 East, Suite A
 City Salt Lake City State Utah Zip 84111
 Contact Person Marion A. Willey Email mawilley@utahnprofithousing.org
 Title Executive Director
 Telephone (801) 364-6117 Fax Number (801) 364-7070

Applicant/Developer

LIHTC experience points: Applicant has developed 6 towns, UTAH LIHTC, 66 UTAH Sec. 103 Bond projects (10)

PROJECT OWNER INFORMATION

Name Multi-Ethnic Senior Highrise, LLC a Utah Limited Liability Co.
 State Utah Type
 Federal Identification Number Applied for Date Formed 11-Oct-05
 Address 756 South 200 East, Suite A
 City Salt Lake City State Utah Zip 84111
 Signatory Marion Willey Title Executive Director of Manager

Name of General Partner(s)/Officers

<u>Utah Nonprofit Housing Corporation</u>	Tel. <u>(801) 364-6117</u>	Ownership <u>100</u> %
_____	Tel. _____	Ownership _____ %
_____	Tel. _____	Ownership _____ %

Previous LIHTC or Sec. 103 Bond participation of General Partner or Applicant

Project Name and Location	State	Date of Application	Status of Project
<u>RWC Apartments, Ltd., Salt Lake City</u>	<u>Utah</u>	<u>14-Dec-90</u>	<u>Operating & in-compliance</u>
<u>Rio Grande Hote, SRP, Ltd., Salt Lake City</u>	<u>Utah</u>	<u>16-Feb-92</u>	<u>Operating & in-compliance</u>
<u>Westview Associates, LLC, Salt Lake City</u>	<u>Utah</u>	<u>1-Mar-94</u>	<u>Operating & in-compliance</u>
<u>Sedona Associates, LLC, Salt Lake City</u>	<u>Utah</u>	<u>3-Mar-95</u>	<u>Operating & in-compliance</u>
<u>Aspenview Associates, LLC, Salt Lake City</u>	<u>Utah</u>	<u>3-Mar-95</u>	<u>Operating & in-compliance</u>
<u>West Valley CROWN, LLC, Salt Lake City</u>	<u>Utah</u>	<u>6-Mar-98</u>	<u>Operating & in-compliance</u>
<u>West Valley Permanent Housing, LLC, West Valley City</u>	<u>Utah</u>	<u>13-Oct-99</u>	<u>Operating & in-compliance</u>
<u>Bear River Mental Health, LLC, Brigham City</u>	<u>Utah</u>	<u>16-Jul-99</u>	<u>Operating & in-compliance</u>
<u>Willow Park Associates, LLC, West Valley City</u>	<u>Utah</u>	<u>23-Oct-01</u>	<u>Operating & in-compliance</u>
<u>Dominguez Park III Associates, LLC, Salt Lake City</u>	<u>Utah</u>	<u>6-Apr-04</u>	<u>Operating & in-compliance</u>

Development Team Information

Please submit information on each member of the development team which lists qualification, address and telephone number.

Developer Utah Nonprofit Housing Corporation, 756 South 200 East, Suite A, SLC, UT 84111, (801) 364-6117
 General Partner Utah Nonprofit Housing Corporation, 756 South 200 East, Suite A, SLC, UT 84111, (801) 364-6117
 Contractor To be determined
 Management Company Utah Nonprofit Housing Corporation, 756 South 200 East, Suite A, SLC, UT 84111, (801) 364-6117
 Sponsoring Organization Utah Nonprofit Housing Corporation, 756 South 200 East, Suite A, SLC, UT 84111, (801) 364-6117
 Consultant _____
 Tax Attorney Dennis Poole, Poole & Adams, 4543 S. 700 E., Suite 200, SLC< UT 84107, (801) 263-3344
 Tax Accountant Haynie & Company, 5974 S. Fashion Pointe Dr., Suite 200, South Ogden, UT 84403

ARE ANY DEVELOPMENT TEAM MEMBERS ON HUD'S DEBARMENT LIST? No

List any direct or indirect, financial or other interest a member of the development team may have with another member of the development team. (Enter "None" if there are no identities of interest.)

None

NON-PROFIT PARTNERSHIP INFORMATION - IF APPLICABLE

For non-profit POINTS (also includes CHDO organizations), the following information must be provided:

(1) Articles of Incorporation or bylaws evidencing that exempt purposes of applicant include fostering of Low-income Housing.

(2) IRS Determination Letter as to Internal Revenue Code Section 501(c) Status.

To qualify for the non-profit set-aside, the non-profit applicant must materially participate in the development and operation of the project throughout the compliance period within the meaning of IRC 469(h). A non-profit shall be treated as materially participating in an activity only if the non-profit is involved in the operations of the activity on a basis which is regular, continuous and substantial. The non-profit organization may not be affiliated with or controlled by a for-profit corporation and must own an interest in the project.

501(c)(3) Organization

501(c)(4) Organization

Exempt purposes includes fostering of Low-income Hsg.

Other _____

Exempt from tax under Section 501(a)

Tax Exempt Government Agency
(NOT a "non-profit" for tax credit purposes)

Describe the non-profit's participation in the development and operation of the project. List other activity or involvement in low-income housing projects. If allocation is made under the Non-Profit set-aside, the non-profit activity must be significant and cause real benefit to the project, the population served and the continuation of the non-profit's ability to meet its goals. (See Exhibit "E" in Compliance Monitoring Plan)

Utah Non Profit Housing Corporation will be the manager and general partner of the ownership entity, and will be the developer of the project. The role that Utah Non Profit Housing Corporation will play will meet the requirements of the tax code. Utah Non Profit Housing Corporation has developed more than 1,500 units of affordable housing and manages more than 850 of those units.

If a CHDO, provide certificate of designation and State/HUD contact and telephone number where CHDO is registered.

Name Sherie Brinkerhoff Phone (801) 538-8713 Email sbrinkerhoff@utah.gov
Address 324 S. State Street, Suite 500 Fax (801) 538-8888
City Salt Lake City State Utah Zip 84111

List the Names of Board members and Officers for the non-profit organization. Are any representatives of special needs housing groups, i.e. homeless advocates, etc., if so, name of the organization and description.

Sharon Abegglen, Salt Lake Community Action Program; Bobbie Bailey; Gregory Chapman; Larry Cook; Laura Duarte, Salt Lake Community Action Program; Jerrold Jensen; Jerald Merrill; Lloyd Pendleton; John Potter, Mark Smith; W. Alan Whitchurch

Provide a copy of the latest Annual Report to identify all paid full-time key management and sources and amount of funds for annual operating expenses and current programs.

Notification of Local Official

Section 42 of the Code requires that the UHC notify the local political jurisdiction of this application for Tax Credits. Please complete the information requested below.

Name of Political Jurisdiction Salt Lake City
 Name of Mayor Mayor Rocky Anderson
 Name of Chief Administrative Officer Rocky Fluhart
 Title Deputy Mayor Telephone (801) 535-6426
 Address 451 S. State Street
 City Salt Lake City State Utah Zip 84111
 Name of Zoning Official Alex Ikesuna, Director
 Phone (801) 535-7226 Fax Number (801) 535-6174

Does this community have a "concerted" Community Revitalization Plan? No
 Does this community have a Community Revitalization Plan? Yes
 Plan and letter of support is attached Yes

Project Information

Total Number of Low-income Units 141 Total Number of Units 141
 Percent of Units that are Low-income 100% Percent of Floor Area Low-income 100%

New/Rehabilitation

Acquisition/Rehabilitation

Building Type

Urban High-rise (6 or more stories)

Type of Units

Multifamily Residential

Transitional SRO (McKinney Act)

Are McKinney Act units isolated to a single building? _____

If McKinney, list non-profit or Government Agencies providing services _____

Do units contain bathroom or kitchen facilities? _____ (McKinney units must be SRO units)

Special Needs Targeting of Affordable Set Aside Units

Select One Set-aside Units: 0
 List special features/services to be provided: _____

Service Provider: _____
 Housing for individuals with children

Select One Set-aside Units: 0
 Service provider: _____

Homeless/near homeless transitional (not McKinney Act)
 25% AMI or less set-aside units: 5

Service provider: Community Action Program
 Older Americans Minimum Units: 141

Project Characteristics

Elevator No. 2

15 Number of Floors (Above Garage)

0 No. Structured Parking stalls

Project Type

Older Americans 62+

Other (Please specify) _____

1 No. of buildings (with Apts.)

Assisted Living ¹

¹ Population type: _____

¹ License Type: _____

Large family (3 Bedrooms or more)
 Number of Units: 0

Wheelchair units
 Set-aside Units: 5

Architectural requirements for ADA units are discussed in the Administrative Section of the Qualified Allocation Plan, part 6c.

Lease-to-Own²
 Set-aside Units: _____

² MUST be approved by UHC before Application
 Project has entered into a memorandum of Understanding with the Local PHA to accept qualified Sec 8 tenants (Use Scoring Section, Exhibit C).

Site Information

Provide the following, if available:

Is there a current appraisal for the site? Yes No

Is there a current title report for the site? Yes No

Other Studies:

Is a Complete Comprehensive Market Study Attached? Yes No

Is the required rehabilitation Capital Needs Assessment attached? Yes No N/A

Attached Environmental Studies: (Check only ONE box)

Lender / Investor has determined that a study is NOT needed Yes Don't know

Phase I or II and/or habitat study is required, but NOT completed Yes

Phase I or II and/or habitat study is completed with NO outstanding issues Yes

Phase I or II and/or habitat study is completed with outstanding issues Yes

Site Control:

Are all parcels for proposed site under control? Yes No

If yes, what form: Contract, Agreement or Option Expiration date: 4/1/2006
Deed

Site Ownership:

Will land be contributed by owner? Yes No

Has owner held title longer than 10 years? Yes No

When was land purchased? year 1979 (year)

Total Cost of Land \$ 583,000 Exact Area of Site: 1.06 Acres 46,173 Sq. Ft.

Name of Seller Multi-Ethnic Senior Citizen Highrise Corporation

Address 756 South 200 East, Suite A

City Salt Lake City State Utah Zip 84111

Zoning Status

Does zoning permit multiple residential use that is consistent with the proposed project? Yes No

Has final density been approved? Units per acre: 134 Yes No Proposed: 133.0

Has project been approved by all public bodies? Yes No

Project is fully entitled and all approvals obtained. Permits can be issued. Yes No

Construction has commenced. Yes No

Parking requirements. How many stalls approved per unit? Existing

If there is assemblage of parcels--are ALL parcels properly zoned? Yes No

Are all utilities presently available on the site? Yes No

If no, please explain which utilities need to be brought to the site, the distance and the cost to the project.
Not applicable

If the project requires a road, specify the distance, specification and cost.
Not applicable

Acquisition of Existing buildings

How many buildings will be acquired for the project? 1

Are all the buildings currently under control for the project? Yes No

If not, how many buildings are under control for the project? _____ Year Project Blt: 1981

When will the remaining buildings come under control for the project? _____

Is there an appraisal enclosed with this application? Yes No

Is there an operating/rent subsidy that will remain with the project? Yes No

Please select program HED202 Number of contracted units: 141 Contract Term: 20

List buildings under control:

Identification No./Address	Type of Control	Number of Units	Acquisition Cost
1 <u>120 South 200 West, Salt Lake City, UT 84101</u>	<u>Purchase Agreement</u>	<u>142</u>	<u>\$4,500,000</u>
2 _____	_____	_____	_____
3 _____	_____	_____	_____
4 _____	_____	_____	_____
5 _____	_____	_____	_____
6 _____	_____	_____	_____
7 _____	_____	_____	_____
8 _____	_____	_____	_____
9 _____	_____	_____	_____
10 _____	_____	_____	_____
11 _____	_____	_____	_____
12 _____	_____	_____	_____
13 _____	_____	_____	_____
14 _____	_____	_____	_____
15 _____	_____	_____	_____
16 _____	_____	_____	_____
17 _____	_____	_____	_____
18 _____	_____	_____	_____
19 _____	_____	_____	_____
20 _____	_____	_____	_____

Provide the information listed below concerning the acquisition of building(s) for this project:

Building(s) acquired or to be acquired from: Related Party Unrelated Party

Building(s) acquired or to be acquired with Buyer's Basis:
 Determined with reference to Seller's Basis
 Not Determined with reference to Seller's Basis

List below by building and address the date the building was Placed-in-Service(PIS), the date it was or is planned for acquisition, and the number of years between the date the building was placed in service and date of acquisition. Attach separate sheet(s) with additional information as necessary.

	Building(s) Identification or Address(es)	Placed-in-Service (PIS) Date of building by the most recent owner	Applicant's Proposed Acquisition Date	Number of Years between PIS and Acquisition
1	120 South 200 West, Salt Lake City, UT 84101	31-Jan-81	31-Jan-06	25.02
2				0.00
3				0.00
4				0.00
5				0.00
6				0.00
7				0.00
8				0.00
9				0.00
10				0.00
11				0.00
12				0.00
13				0.00
14				0.00
15				0.00
16				0.00
17				0.00
18				0.00
19				0.00
20				0.00

Relocation Information

Does this project involve any relocation of tenants? Yes No

If yes, please describe the proposed relocation assistance.

Not applicable

Is an independent third party verification of rental history is attached Yes No
(See 2004 Plan, Administrative Procedures, Section C)

Minimum Set-Aside Selection

The owner irrevocable elects one of the following Minimum Set-Aside Elections

- DCED HOME/OWHTF applications without Tax Credit financing.
- At least 20% of the rental residential units in this development are rent-restricted and to be occupied by individuals whose income is 50%** or less of area median income (AMI). *Not recommended.* (Call UHC before selecting this election)
- At least 40% of the rental residential units in this development are rent-restricted and to be occupied by individuals whose income is 60%** or less of area median income (AMI).

****NOTE:** Owners committing to maintain rent levels below 60% of AMI for any units will also be required to restrict incomes on those units to corresponding levels, at the targeted levels **PLUS 5%** (not to exceed the election) for the full extended use period established in this application. Not available for Rural Development 515 or HUD Section 8 properties. Other funding sources may limit the 5% increase.

Direct Construction Cost Breakdown

LIHTC DETAILED CONSTRUCTION COST BREAKDOWN

Project: Multi-Ethnic Senior Citizen Highrise

Bid or Estimate Date: 29-Sep-05

Account Number	Category	Description	Budget	Category	Subtotals		
1 General Requirements							
1	310	Reasonable Construction Supervision	73,750				
1	320	Site engineering Costs attributable to buildings	600				
1	330	Job Office Expenses	4,616				
1	430	On-site temporary buildings, tool sheds, shops and toilets	11,075				
1	620	Temporary heat, water, light and power for construction	0				
1	630	Temporary walkways, fences, roads, siding and docking facilities	0				
1	650	Construction equipment rental not in trade item costs	3,350				
1	810	Clean-up and disposal of construction debris	6,048				
1	910	Security Costs	0				
1	950	Medical and first and supplies and temporary facilities	500				
1		Truck Allowance	3,000				
1		Blue Prints	3,342				
1		0	0				
1		0	0				
		Building permits are entered into category 18 below.				Subtotal:	106,281
2 On-Site Work							
2	110	Demolition	0				
2	230	Site Preparation	0				
2	510	Earth Work	0				
2	250	Paving and Surfacing	23,375				
2	320	Landscape - Fencing	22,770				
2	350	Trash Enclosures	0				
2	360	Site Signage	0				
2	370	Storm Drainage	0				
2	340	Sidewalks, Curbs and Parking Ballards	0				
2	440	Misc On-Site Improvements	0				
						Subtotal:	46,145
2 Off-Site Work							
2	700	Off-Site improvements	0				
2			0				
				Subtotal:	0		
3 Concrete							
3	110	Excavation	0				
3	210	Footing/Foundation, Labor and Materials	0				
3	220	Slab on Grade	0				
3	230	Misc. Concrete Handicap Sidewalks	0				
3	310		0				
3	350		0				
3	410		0				
				Subtotal:	0		
4 Masonry							
4	100	Masonry, Labor and Material	0				
4	200		0				
4	310	Retaining Walls	0				
4	350		0				
4	410	Diamond Wall	0				
				Subtotal:	0		

LIHTC DETAILED CONSTRUCTION COST BREAKDOWN

Account Number	Category	Description	Budget	Category Subtotals
5 Metals				
5	210	Misc. Metals	0	
5	310	Steel Joists and Girders	0	
5	410	Carports	0	
		Subtotal:		0
6 Wood				
6	110	Framing Material	0	
6	115	Framing Labor	0	
6	310	Finish Material	0	
6	315	Finish Labor	282,900	
6	510	Misc. Wood (wood repair)	0	
6	550	Sky Track/Generator (Trusses)	0	
6	610	Trusses	0	
6	640		0	
		Subtotal:		282,900
7 Thermal/Moisture Protection				
7	110	Misc. Thermal/Moisture Protection	0	
7	210	Soffit & Fascia	0	
7	310	Gutter and Downspout Labor & Materials	0	
7	410	Insulation Labor & Material	0	
7	510	Roofing Labor & Material	113,475	
7	610	Siding	0	
7	610	Suocco	0	
7	650	Waterproofing	0	
7	670		0	
		Subtotal:		113,475
8 Doors and Windows				
8	110	Hardware	0	
8	210	Steel Doors & Frames	0	
8	310	Wood Doors & Frames	351,834	
8	410	Windows Labor & Materials	73,000	
8	510	Misc. Doors & Windows	0	
8	540		0	
8	610	Garage Doors	0	
		Subtotal:		424,834
9 Finishes				
9	210	Drywall /Plaster Labor & Materials	14,200	
9	310	Ceramic Tile Labor & Materials	15,250	
9	410	Carpentry Labor & Materials	0	
9	415	Resilient Flooring Labor & Materials	373,526	
9	510	Painting and Wallcovering Labor & Materials	170,400	
9	540	Misc. Finishes	48,500	
9	540	Vinly Title	0	
9	610	Mold mitigation	0	
		Subtotal:		621,876

LIHTC DETAILED CONSTRUCTION COST BREAKDOWN

Account Number	Category	Description	Budget	Category	Subtotals
10 Specialties					
10	110	Bathroom Accessories	1,750		
10	210	Signage	0		
10	310	Window Coverings	0		
10	410	Mirrors Labor & Material	0		
10	510	Fire Extinguishers	0		
10	610	Misc. Specialties (Termite Protection)	0		
		Subtotal:			1,750
11 Equipment					
11	110	Bath Appliances	0		
11	210	Kitchen Appliances	102,221		
11	310	Exercise & Office Equipment/Common Area Furnishings	0		
		Subtotal:			102,221
12 Furnishings					
12	110	Cabinets Labor & Material	412,870		
12	210	Common Area & Recreation Furnishings	55,000		
		Subtotal:			467,870
14 Conveying Systems					
14	110	Elevator Systems	350,000		
		Subtotal:			350,000
15 HVAC, Plumbing and Mechanical					
15	110	Heating & Cooling	52,600		
15	210	Plumbing Labor & Materials	237,668		
15	310	Misc. Electrical	0		
15		Pool	0		
15		Water heaters	0		
		Subtotal:			290,268
16 Electrical					
16	110	Security System	0		
16	210	Electrical Labor & Materials	458,262		
16	310	Lighting Fixtures & Materials	0		
16	410	Fire Detection Systems Labor & Material	0		
16	420	Misc. Electrical	0		
16	510		0		
		Subtotal:			458,262
17 Profit & Overhead					
17	110	Builder Profit	180,111		
17	210	Builder Overhead	60,037		
17	310	Construction Contingency	150,000		
		Subtotal:			390,148
18 Municipal/Utility Fees					
18	110	Impact Fees	0		
18	115	Building Permits	15,000		
18	120	Utility Connection Fees	0		
		Subtotal:			15,000

LIHTC Project Costs

List and indicate Eligible Basis by Credit Type (Residential Portion Only) Adequately describe all "Other" Categories

Itemized Cost	Actual Cost	Eligible Basis by Credit Type	
		4% Credit	9% Credit
Purchase Land and buildings			
Land	583,000		
Existing Structures	3,917,000	3,917,000	
Building Acquisition Fee	235,020	235,020	
Demolition	0		
Other (Specify)	0		
Total	4,735,020	4,152,020	
Site Work			
2 On-Site Work	46,145	0	46,145
2 Off Site Improvement	0	0	0
Other (ENGINEERING)	0	0	0
Total	46,145	0	46,145
Rehab and/or New Construction			
1 General Requirements	106,281	0	106,281
3 Concrete	0	0	0
4 Masonry	0	0	0
5 Metals	0	0	0
6 Wood	282,900	0	282,900
7 Thermal/Moisture protection	113,475	0	113,475
8 Door and Windows	424,834	0	424,834
9 Finishes	621,876	0	621,876
10 Specialties	1,750	0	1,750
11 Equipment	102,221	0	102,221
12 Furnishings	467,870	0	467,870
14 Conveying Systems	350,000	0	350,000
15 Mechanical	290,268	0	290,268
16 Electrical	458,262	0	458,262
18 Impact Fees and building permits	15,000	0	15,000
19 Energy Star Upgrades	150,437	0	150,437
Other	0	0	0
Total	3,385,174	0	3,385,174
Contingency			
17 Construction Contingency	150,000	0	150,000
Other (specify)	0	0	0
Total	150,000	0	150,000
Architectural and Engineering Fees			
Architect Fee-Design	60,000	0	60,000
Architect fee-Supervision	15,000	0	15,000
Mechanical Engineering	20,000	0	20,000
Civil Engineering	0	0	0
Other (SOILS REPORT)	0	0	0
Other (PHASE I ENVIRONMENTAL)	3,500	0	3,500
Other (Specify)	0	0	0
Total	98,500	0	98,500
Profit and Overhead**			
17 Builder Profit	180,111	0	180,111
17 Builder Overhead	60,037	0	60,037
Developer's Overhead	105,037	0	105,037
Developer's Fee	315,112	0	315,112
Other related party fees	0	0	0
Total	660,297	0	660,297
Total Fees including Acq. Fee: \$			895,317

**** NOTE: See Administration Procedures, Section 5 for limits and calculations.**

Itemized Cost	Actual Cost	Eligible Basis by Credit Type	
		4% Credit	9% Credit
Interim Financing Expenses			
Construction Casualty Insurance	49,709	0	49,709
Construction Interest	252,631	0	252,631
Construction Loan Fees	36,000	0	36,000
Construction Appraisal	7,500	0	7,500
Construction Legal Fees	15,000	0	15,000
Closing, Title & Recording est. \$19,005	20,000	0	20,000
HUD FHA Exam Fee	12,126	0	12,126
Construction Period Real Estate Taxes	42,600	0	42,600
Lender Inspection Fees	18,000	0	18,000
Other (specify)	0	0	0
Interim Proration Schedule of Expenses	0	0	0
Total	453,566	0	453,566
Permanent Financing Expenses			
Loan Origination Fee	36,000		
Loan Credit Enhancement	18,000		
Other (RATE LOCK FEE)	0		
Permanent Proration Schedule of Expenses	0		
Permanent Financing Legal Fees	15,000		
Closing, Title & Recording est. \$17,797	25,000		
Rate Lock Fee	0		
Other (Contingency)	0		
Total	94,000		
Appropriate and Reasonable amounts must be entered below.			
Soft Cost			
Market or Feasibility Study	6,000	0	6,000
UHC Tax Credit Fees	54,015		
Consultants or Processing Agent	20,000		
Environmental Study	0		
Marketing Expenses	0		
Survey	9,000		
Capital Needs Assessment	6,000		
Total	95,015	0	6,000
Syndication Costs			
Organization (Partnership)	30,000		
Bridge Loan Fees and Expenses	0		
Tax Opinion	5,000		
Accounting/Audit	7,500	0	7,500
Legal Fees	30,000		
Contingency	0		
Total	72,500	0	7,500
Project Reserves			
Rent-Up Reserve	0		
Operating Deficit Reserve	187,000		
Reserves for Replacement	99,546		
Residual Receipts	0		
Other (specify)	0		
Total	286,546		
Total Project Cost	10,076,763	4,152,020	4,807,182

(2) NOTE: Total Project cost must equal total Source of Funds on Page 15.

Tax Credit Calculation		4%	9%
Total Project Eligible Costs:		4,152,020	4,807,182
Less Portion of Federal grants used to finance qualifying development costs. List Grants with amounts. Total to the left.		0	0
Less amount of amenities that are optionally available to tenants on a fee basis		0	0
Less amount of nonqualified, nonrecourse financing		0	0
Less nonqualifying units of higher quality		0	0
Less nonqualifying excess portion of higher quality units		0	0
Less Federal Historic or Energy Tax Credit (Residential Portion Only - Attach Detail)		0	0
Total Eligible Basis		4,152,020	4,807,182
Multiplied by the Applicable Fraction (% of LIHTC Units or Square Footage, whichever is less)		100%	100%
Total Qualified Basis		4,152,020	4,807,182
HUD Hard to Develop Area or Designated Census Tract?			
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			130.00%
Building Acquisition & Fee:	4,152,020	0	6,249,337
Multiplied by the Applicable Percentage Rates: 9/2005 for cycle 2006-1		3.43%	8.00%
Total Amount of Tax Credit:		142,414	499,946
Total Tax Credits based on Qualified Basis(4% + 9%):		642,360	
Tax Credits Requested:		\$ 642,360	
Maximum Potential Credit Reservation is \$900,000 per year per developer or project or phase.			

Tax Credits Proceeds Information

Provide information concerning the syndication and estimated proceeds expected from tax credit investors.

Annual amount of Low-income Housing Tax Credits Requested: \$ 642,360
 Syndication Rate: \$0.930 per credit dollar.
 Gross proceeds from Tax Credit sale: 5,973,948
 Net proceeds to project: 5,973,351

When will these funds be paid?	Percent Paid in	Estimated Date	Trigger Event
	50 % at:	1/31/2006	Closing
	25 % at:	10/31/2006	Substantial Completion
	25 % at:	2/28/2007	Breakeven
	0 % at:		
	0 % at:		

Letter of Interest Attached Type of Offering Public Private
 Commitment Letter Attached Type of Investors Individuals Corporations

Investor or Syndicator The Richman Group
 Address 707 SW Washington Ave., Suite 1510
 City Portland State OR Zip 97205
 Contact Terry Gentry Tel. (503) 459-8741 Fax (503) 459-8742

Source of Funds (Permanent Financing)

Financing Source	Loan Amount	Annual Debt Service	Rate of Interest(8.5 etc.)	Amort (mos.)	Loan Type
Cash flow/Zero Pay Enter Zero					
1 Permanent Loan	\$ 3,600,000	\$ 260,650	6.750	480	Conventional
2	\$ -	\$ -	0.000	360	Select One
3	\$ -	\$ -	0.000	360	Select One
4	\$ -	\$ -	0.000	360	Select One
5 Deferred Developer's Fee	\$ -	\$ -	0.000	0	Deferred Fee
6 Salt Lake City	\$ 200,000	\$ -	4.500	0	Select One
7 Local Funds	\$ -	\$ -	0.000	480	Select One
8 Local Funds	\$ -	\$ -	0.000	360	Select One
9	\$ -	\$ -	0.000	360	HOME
10 OWHLF HOME Funds	\$ 233,867	\$ 12,617	4.500	480	HOME

Equity Financing

1 The Richman Group	5,973,351
Federal LIHTC	
2	
Utah LIHTC	
3 Owner Equity	\$ -

Financing Comments:
Under HUD 221(d)(4) the construction financing is the same as the permanent financing.

Grants

1 Existing Reserves	\$ 69,546
2	\$ -
3	\$ -
4	\$ -

DCR 1.16:1 \$10,076,764 \$273,267 Sources-Uses GAP: \$ -

Source of Funds (Grants and Other Monies)

Is any portion of the Sources of Funds, including CDBG or HOME funds, financed directly or indirectly from Federal, State or Local sources? Yes No

Tax-exempt financed percentage: 0.0%

Permanent loan credit enhancement: Select One

Existing Subsidies with Acquisition Projects:

Section 221(d)(3) BMIR Section 236 Section 8 HAP

Is HUD Approval for Transfer of Physical Assets Required? Yes No

Does HAP contract allow for annual increases? Yes No

HAP expiration date: 31-Jan-26 Renewal Period: 20 yrs.

Mark to Market in process Yes No

Expected resolution date: _____

Long Term Financing Sources and Contacts

List in order of lien priority ALL sources of funding and contact names, addresses and telephone numbers:

	Company / Institution Name & Complete Address	*Status Date	Contact Person & Title Telephone and Fax Numbers
Debt Financing			
1	CapitalSource Mortgage 4445 Willard Avenue Chevy Chase, MD 20815	A 3-Oct-05	Erik Lindenauer (301) 841-2700 (301) 841-2340
2	Olene Walker Housing Loan Fund 324 S. State St., Suite 500 Salt Lake City, UT 84111	A 11-Oct-05	Shelli Goble (801) 538-8653 (801) 538-8888
3	Salt Lake City Corporation 451 S. State Street, Room 406 Salt Lake City, UT 84111	A 11-Sep-05	LuAnn Clark (801) 535-6136 (801) 535-6078
4			
5			
Equity Financing (Other than LIHTC)			
1			
Grant and Other Monies			
1	Existing project reserves transferred to new ownership.	NA	
2			
3			

*Status codes: LOI=Letter of Intent, NA=No formal action taken; A=Application formally submitted; C=Commitment received. Attach proof of status.

Annual Expense Information

I. Administrative

1 Advertising	2,380
2 Management	80,055
3 Legal	1,144
4 Partnership	23,173
5 Accounting/Audit	25,178
6 City Bus. Licence Fee	2,621
Total Administrative Cost:	134,551

II. Maintenance

1 Interior Maint.	53,053
2 Int/Ext. Repairs	76,026
3 Exterminating	4,286
4 Landscaping	1,500
5 Paving/Grounds	3,800
6 Other	1,500
Total Maintenance Cost:	140,165

III. Operating Costs

1 Elevator	15,101
2 Electric (Common Area)	0
3 Gas (Common Area)	0
4 Water/Sewer	19,964
5 Trash Removal	4,317
6 Payroll	
Management Salaries	64,123
Office/Accounting	27,423
Salaries (Other)	20,326
7 Payroll Taxes	15,194
8 Property Insurance	32,024
9 Snow Removal	1,200
Other	0
Total Operating Costs:	199,672

Typical Tenant Paid Utilities
Paid by Project Owner

	92,259
	31,587
	123,846

R. E. Tax Calculator

\$	818,020
	3,581,319
	3,917,000
\$	8,316,339
	55%
\$	4,573,986
	1.031%
\$	47,157

Total Expenses: **474,388**

IV. Real Estate Taxes

R.E. tax est: 56,400

TOTAL ANNUAL OPERATING EXPENSES: **\$ 645,391**

Total Annual Capital Replacement Reserve: **\$ 42,300**

Replacement Reserve/Unit: **300**

Percentage increase in annual expenses **3%**

Expenses w/o Reserves or Util: **\$ 3,699 / unit**

HOW WERE EXPENSES AND RESERVES DETERMINED? Historical numbers from project

INCOME ANALYSIS SUMMARY

Gross scheduled LIHTC rents	701,730
Other Income	20,304
Operating Subsidies - Specify * <u>HUD 202</u>	318,546
Less vacancy	-36,102
Total Operating Income	1,004,478
Less Operating Expenses	645,391
Less annual Capital Replacement Reserves	42,300
Net Operating Income	316,787
Less Annual Debt Service	273,267
NOI Before Taxes	43,521

Net Income per Unit: **\$309**

Minimum Net Income per Unit: **300**

Debt Service Coverage Ratio: **1.159**

* Operating Subsidies include Rural Development Service 515, HUD 236, HAP, etc.

The following two pages are intentionally blank.

State of Utah Low-Income Housing Credit Calculation

State of Utah Tax Credits are available to projects at time of federal LIHTC application. See Administrative Procedures, Section 24. (You may want to simplify the number of rent tiers at different rents/unit types to avoid confusion in managing the project.)

LIHTC Application				Proposal with State Tax Credits				Total Monthly Income Reduction
Unit Type	Number of Units	Target AMI	Net Rents	Unit Type	Changed Number of Units	New Target	Reduction in Monthly Rents	
1	50	30%	345	1	0	0%	0	0
1	36	35%	403	1	0	0%	0	0
1	30	40%	460	1	0	0%	0	0
1	20	50%	575	1	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
0	0	0%	0	0	0	0%	0	0
1	5	25%	288	1	0	0%	0	0
0	0	25%	0	0	0	0%	0	0
0	0	25%	0	0	0	0%	0	0

Total Reduction in Project Income: \$ -

State Tax Credit Cap per Project: \$ 64,236
 *Capitalized value of rent reduction: \$ -
 STC Purchase Rate: \$ 0.50
 STC Allocation Amount: \$0

Generally, rent reductions should not exceed 10% of AMI.
 *Capitalized at the first mortgage terms.

Source of Funds after adding State of Utah Tax Credits

Financing Source	Loan Amount	Annual Debt Service	Rate of Interest(8.5 etc.)	Term (mos.)	Amort. Period(mos.)
Debt Financing					
1 Permanent Loan	3,600,000	260,650	6.750	480	Conventional
2	0	0	0.000	360	Select One
3	0	0	0.000	360	Select One
4	0	0	0.000	360	Select One
5 Deferred Developer's Fee	0	0	0.000	0	Deferred Fee
6 Salt Lake City	200,000	0	4.500	0	Select One
7 Local Funds	0	0	0.000	480	Select One
8 Local Funds	0	0	0.000	360	Select One
9	0	0	0.000	360	HOME
10 OWHLF HOME Funds	233,867	12,617	4.500	480	HOME
Equity Financing					
1 The Richman Group	5,973,351				
Federal LIHTC					
2 The Richman Group	0				
State Tax Credit Investor					
3 Owner Equity	0				
Grants					
1 Existing Reserves	69,546				
2	0				
3	0				
4	0				
Totals:	10,076,764	273,267			

Financing Comments Using State Tax Credits:

Sources-Uses GAP: -1

INCOME ANALYSIS SUMMARY

Gross scheduled annual base rents	701,730
Other Income	20,304
Operating Subsidies - Specify* HUD 202	318,546
Less vacancy	-36,102
Total Operating Income	1,004,478
Less Operating Expenses	645,391
Less annual Capital Replacement Reserves	42,300
Net Operating Income	316,787
Less Annual Debt Service	273,267
NOI Before Taxes	43,521

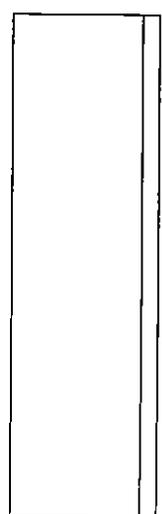
Net Income per Unit: \$309

DCR: 1.159

Project Name:	Multi-Ethnic Senior Citizens Housing										
Total Units: 142	Tax Credit Sales Price										

Income Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Residential Rents-Resstricted Income Units	1,037,186	1,057,940	1,079,069	1,100,881	1,122,694	1,145,148	1,168,051	1,191,412	1,215,240	1,239,545	1,264,336	1,289,620	1,315,415	1,341,724	1,368,558
Gross Residential Rents-Non-restricted Income Units															
Less: Vacancy	865,336	1,005,043	1,025,144	1,045,647	1,066,560	1,087,891	1,109,449	1,131,942	1,154,476	1,177,553	1,201,119	1,225,142	1,249,645	1,274,637	1,300,130
Scheduled Commercial Rents															
Less: Vacancy															
Laundry, Parking	7,011	7,151	7,294	7,440	7,589	7,741	7,896	8,053	8,215	8,379	8,546	8,717	8,892	9,069	9,251
Other:	50,803														
Communication lower basis															
Other:															
Total Effective Gross Income	1,043,150	1,064,013	1,085,264	1,107,000	1,129,140	1,151,722	1,174,757	1,198,252	1,222,217	1,246,661	1,271,655	1,297,025	1,322,867	1,349,426	1,376,415

Expense Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Management Fees:	85,655	87,786	89,891	92,241	94,547	96,911	99,334	101,817	104,362	106,971	109,646	112,387	115,196	118,076	121,028
Legal & Audit (included in other admin)															
Advertising	217	222	228	234	240	246	252	258	264	271	278	285	292	299	307
Gas & Electric	112,165	114,970	117,834	120,751	123,810	126,906	130,078	133,330	136,663	140,080	143,582	147,172	150,851	154,622	158,488
Water, Sewer, Waste Removal	25,016	25,566	26,131	26,709	27,302	27,909	28,532	29,170	29,824	30,495	31,182	31,887	32,609	33,349	34,108
Supplies and Contracts	45,318	46,381	47,458	48,551	49,660	50,785	51,926	53,084	54,259	55,451	56,661	57,888	59,132	60,394	61,665
Payroll	26,141	26,822	27,518	28,229	28,956	29,699	30,458	31,233	32,024	32,831	33,654	34,493	35,348	36,219	37,107
Insurance	10,492	10,702	10,919	11,143	11,374	11,612	11,857	12,109	12,367	12,631	12,899	13,173	13,453	13,739	14,032
Elevator Maintenance	13,971	14,320	14,678	15,045	15,421	15,807	16,202	16,607	17,022	17,448	17,884	18,331	18,789	19,259	19,741
Minorance / Repair	43,854	44,768	45,696	46,638	47,594	48,565	49,551	50,552	51,568	52,599	53,645	54,706	55,782	56,874	57,982
Outgoing Expenses															
Replacement Reserves	43,050	44,075	45,117	46,306	47,464	48,651	49,867	51,113	52,391	53,701	55,044	56,429	57,850	59,307	60,798
Real Estate Taxes	87,075	89,867	92,714	94,476	96,777	99,196	101,676	104,218	106,823	109,494	112,231	115,037	117,913	120,861	123,882
Other:															
Local & State Assessments (City Rental Tax)	4,389	4,508	4,621	4,736	4,855	4,976	5,100	5,228	5,359	5,492	5,630	5,771	5,915	6,063	6,214
Other:	37,303	38,266	39,223	40,204	41,209	42,239	43,295	44,378	45,487	46,624	47,789	48,984	50,208	51,464	52,751
Payroll Taxes/Employee Benefits/PPS	63,564	65,174	66,803	68,473	70,185	71,938	73,733	75,571	77,471	79,408	81,393	83,428	85,513	87,651	89,843
Other:	1,945	1,994	2,043	2,093	2,147	2,201	2,256	2,312	2,370	2,428	2,490	2,552	2,616	2,681	2,748
Other:															
Total Expenses	659,405	675,900	692,787	710,107	727,660	746,056	764,708	783,225	803,421	823,206	844,004	865,197	886,226	908,997	931,722
Net Operating Income	383,745	388,113	392,477	396,893	401,280	405,666	410,049	414,427	418,797	423,155	427,630	432,030	436,141	440,429	444,693
Debt Service (HUD Tax Mortgage Note - 34,000,000 @ 6.25%, 35 Years and HUD MIP)	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787	259,787
Debt Service Coverage Ratio	1.28	1.29	1.31	1.32	1.34	1.35	1.37	1.38	1.40	1.41	1.43	1.44	1.45	1.47	1.48
Cash Flow	124,958	128,326	132,690	137,106	141,493	145,879	150,262	154,641	159,015	163,384	167,749	172,110	176,467	180,820	185,179
Reserve Receipts Paymto:															
Reserve Receipts Paymto:	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Reserve Receipts Paymto:	12,017	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617	12,617
Operating Grant:															
Net Cash Flow	63,832	68,210	72,593	76,978	81,367	85,753	90,136	94,513	98,893	103,242	107,587	111,917	116,227	120,518	124,789



Promissory Note

**U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner**

For Value Received, on or before _____ * years from the date hereof, the undersigned promises to pay to:

the sum of _____ Dollars (\$ _____), payable at _____

with interest on any remaining balance of principal at _____ per cent (^{0.00}%)

per annum payable annually, commencing _____, 20____, and thereafter

on the first day of _____, until the entire indebtedness has been paid. Any interest not so paid shall not create any default in the terms of this note but shall accrue and be payable in full at the date of maturity thereof. In any event, the balance of principal, if any, remaining

unpaid, plus accrued interest, shall be due and payable on _____, 20____.

It is a condition of this note that the maker hereof may pay any amount or all of the principal of this note at any interest paying date, but no such prepayment of principal in any amount or any payment of interest shall be made except from non-project revenue or from surplus cash as such term is defined, and in accordance with the conditions prescribed, in that certain Regulatory Agreement between the maker and the U.S. Department of Housing and Urban Development

dated _____, 20____.

The undersigned hereby waives presentment, demand, protest and notice of demand, protest and nonpayment of this note.

Dated at _____, this _____ day of _____, 20____.

* Maturity shall be at or after maturity of the mortgage.

Mortgagor's Name: _____

By: (Name, title, & signature of the mortgagor's authorized representative) _____

X _____