

Introduced by _____ Council Bill No. R 126-12

A RESOLUTION

authorizing a HOME agreement with JES Dev. Co., Inc. for the
Gentry Estates housing development for senior citizens.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS
FOLLOWS:

SECTION 1. The City Manager is hereby authorized to execute a HOME agreement
with JES Dev. Co., Inc. for the Gentry Estates housing development for senior citizens.
The form and content of the agreement shall be substantially as set forth in "Attachment A"
attached hereto and made a part hereof as fully as if set forth herein verbatim.

ADOPTED this _____ day of _____, 2012.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

ATTACHMENT A HOME AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2012, by and between the City of Columbia, Missouri, a municipal corporation (hereinafter, "City"), and JES Dev. Co., Inc., a Limited Partnership organized under the Missouri Revised Uniform Limited Partnership Act, (hereinafter, "Owner").

WITNESSETH:

WHEREAS, the City receives HOME Investment Partnership Program (HOME) funds from the U.S. Department of Housing and Urban Development for the purpose of retaining and adding to the supply of affordable housing in the community; and

WHEREAS, the Owner has applied for funding to acquire and renovate housing to be used for low income senior citizens; and

WHEREAS, the Owner has demonstrated that, but for HOME funding, the housing project could not support itself with available funds:

NOW, THEREFORE, the City and the Owner agree as follows:

1. Eligible Activities

The City agrees to provide Owner an amount, equal to \$91,250 for the purpose of assisting in the construction of seven of the 42 rental units located on a tract of land described as "Gentry Estates". For the purposes of the HOME Program, the seven HOME funded units shall be considered as "floating units" as defined by HOME regulations. Funds shall be provided in the form of a loan at one percent (1%) per year fully amortized over a 30 year term. Said loan proceeds from the City shall be expended on eligible activities as defined in HOME regulations at 24 CFR Part 92.206, and shall not be expended to reimburse the Owner for the cost of the purchase of the land. The Owner shall not use HOME funding for the uses prohibited by 24 CFR Part 92.214. The Owner agrees that as a condition of receiving these funds; it will (a) execute a promissory note in the amount of \$91,250 that will require repayment of the full amount of HOME assistance if the Owner fails to comply with any of the terms of this Agreement; and (b) execute a Deed of Trust, subordinate to other deeds to be executed by the Missouri Housing Development Commission, to secure the property at "Gentry Estates".

2. Period of Agreement:

The period of this agreement ends twenty years from the date of project completion, as defined by the Department of Housing and Urban Development. All funds disbursed by the City shall be expended within two years of the date of this agreement.

3. Matching Funds and Subsidy Layering Requirements:

a) The Owner recognizes that resources for this project, provided to the Owner, include the generation of equity financing made available through State and Federal Low Income Housing Tax Credits. The Owner agrees to provide documentation concerning the sale and subsequent use of the proceeds from the use of State Low Income Housing Tax Credits and other non-Federal sources of funds for this project. The minimum amount of non-Federal documented match shall be \$75,000.

b) The Owner agrees that HOME funds provided to this agreement are in compliance with the subsidy layering requirements of 24 CFR Part 92.250. The Owner agrees that any major changes in the sources and uses of funds (more than 10% of each line item), as provided in Attachment B, are subject to approval by the City prior to the disbursement of City HOME funds.

4. Payments Requirement:

a) Prior to receiving funds, the Owner shall provide the City the following documents: after-construction value appraisal; final sources and uses of funds statement, including commitments from other sources of funds; a 15-

year pro forma; executed partnership and/or incorporation papers; final plans and specifications as approved by the City's Division of Protective Inspection and the Division of Public Works Engineering; a final cost estimate of the project; property management plan, including rent control and income verification provisions; statement of qualifications of the property manager, and an affirmative marketing plan as required by HOME regulations.

b) Payments will be made to the Owner based on invoices, statements, or signed forms supporting each cost incurred subsequent to the effective date of this agreement. Invoices shall be supported by documents showing compliance with Federal labor standards provisions, in accordance with Section 6(f) below; copies of construction contracts awarded and lien waivers from contractors, subcontractors, and material suppliers. The allocation of the various costs to the various sources of funding shall be included with each payment request.

5. Property Standards: All housing activities shall comply with building codes of the City of Columbia, the City's Property Maintenance code, and the Model Energy Code published by the Council of American Building Officials. A certification of compliance with each shall be provided to the City by the Owner. The Owner shall ensure that the property meets the City's Property Maintenance Code for a period of twenty years following the completion of this project in HUD's Integrated Disbursement and Information System.

6. The following other Provisions Apply as required by 24 CFR Part 92:

a) The Owner agrees to abide by all relevant HOME program procedures, including, but not limited to provision to the City of rent and income information as indicated at 92.252, and demonstrating that rents are affordable according to HOME requirements for the periods of time specified in 92.252(e) commencing with the date HOME funds are first provided. Prior to provision of HOME funding, the Owner shall sign a land use restriction to ensure compliance with the affordability requirements at 92.252 and property standards provisions. The Owner agrees to allow the City to review and approve all proposed rents and the Owner must provide tenants not less than 30 days prior written notice before implementing approved increases in rents. Assistance provided under this agreement shall be repaid if at any time during the affordability period rents are determined by the City of Columbia not to be affordable.

b) The Owner agrees to comply with all applicable provisions of the Americans with Disabilities Act and the regulations implementing the Act, including those regulations governing employment practices. The Owner agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Uniform Federal Accessibility Standards, and applicable building codes for the City of Columbia. A minimum of three units accessible to those that are physically disabled and one additional unit for those that are hearing impaired must be constructed.

c) The Owner agrees to comply with Chapter 643 RSMO of the Missouri Air Conservation Law and State Asbestos Regulation 10 CSR 10-6.080, and all other related applicable Federal and State regulations.

d) The Owner agrees to comply with the following laws governing fair housing and equal opportunity including: Title VI of the Civil Rights Act of 1964 and Executive Order 11063, the Fair Housing Act with implementing regulations at 24 CFR part 100-115, the Age Discrimination Act of 1975 with implementing regulations at 24 CFR Part 146, and Section 109 of the Housing and Community Development Act of 1974.

e) The Owner agrees to comply with the following laws and regulations regarding equal opportunity in employment and contracting: Executive Order 11246 with implementing regulations at 41 CFR Part 60, Section 3 of the Housing and Urban Development Act of 1968 regarding employment by lower income local residents, and Executive Orders 11625, 12432, and 12138 regarding outreach to minority and female owned businesses.

f) The Owner agrees to comply with Section 110 of the Housing and Community Development Act of 1974, as amended, 24 CFR 570.603, and State regulations regarding the administration and enforcement of labor standards; Davis Bacon Act (46 U.S.C. 2786a) with respect to prevailing wage rates; Contract Work Hours and Safety Standards Act of 1962, 40 U.S.C. 327-332 requiring that mechanics and laborers (including workman and guards) employed on federally assisted contracts be paid wages for all hours worked in excess of eight in a calendar day or forty in a work-week, whichever is greater; the Federal Fair Labor Standards Act, 29 U.S.C. Sec. 201 et seq. requiring that covered employees be paid at least the minimum prescribed wage, and that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week.

g) In accordance with the provisions of 24 CFR 85, the Owner agrees that the City may suspend or terminate this Agreement should the Owner materially fail to comply with any of the terms of this Agreement and that the award may be terminated for convenience in accordance with 24 CFR Part 85.44.

h) Upon finding that the Owner materially fails to comply with any term of this Agreement, any HOME funds on hand at the time of such funding shall be transferred to the City of Columbia and future HOME assistance may be denied.

i) The Owner shall comply with the conflict of interest provisions of HUD regulations at 24 CFR Part 570.611, which governs the procurement of supplies and contracts and the provision of services to clients with the use of HOME funds. The provisions cover services provided for, or by, persons who are employees, agents, or elected officials of the City of Columbia.

j) The Owner agrees to not use debarred, suspended or ineligible contractors as defined by 24 CFR Part 24.

k) The Owner agrees to provide a copy of its annual financial audit to the City, which covers the use of HOME funds expended under this agreement.

l) The Owner agrees that all leases shall not include prohibited lease terms as defined by 92.253. The Owner further agrees to develop a fair lease and grievance procedure, and a plan for allowing tenant participation in management decisions.

7. Records and Reports

a) The Owner shall provide all information needed for compliance monitoring purposes by the City, the Missouri Housing Development Commission and the U.S. Department of Housing and Urban Development. The Owner shall permit City to inspect all assisted housing, and shall then submit a "Project Completion Report" to the City upon completion of construction activities and occupancy of all dwelling units.

b) The Owner shall retain all records pertinent to the HOME program and shall allow access to such records upon request and during monitoring visits.

c) The Owner shall maintain tenant data demonstrating tenant eligibility. Such data shall include, but not be limited to, tenant name, address, income level or other basis for determining eligibility, gender, race and size of household. Such information shall be made available to City monitors or their designees for review annually during the twenty year affordability period. The City shall also be allowed to inspect the premises on an annual basis during the twenty year period of affordability to determine compliance with housing codes and HUD Housing Quality Standards.

8. Reversion of Assets

Upon expiration of this agreement, the Owner must transfer to the City any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds.

9. Notice to Transferees

If the Owner or a successor sells, transfers, exchanges or encumbers the Property at any time after the initial date of HOME expenditures on the property described in this Agreement, the Owner or the successor shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Property or any interest therein that such acquisition is subject to the requirements of this Agreement. The Owner agrees that the City may void any sale, transfer, exchange or encumbrance of the Property if the buyer or successor or other person fails to assume in writing the requirements of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

CITY OF COLUMBIA, MISSOURI

BY: _____
Mike Matthes, City Manager

ATTEST:

Sheela Amin, City Clerk

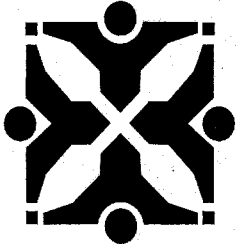
APPROVED AS TO FORM:

Fred Boeckmann, City Counselor

JES Dev, Co., Inc.

By: _____

Title: _____



Source: Community Development - CDBG/Home ¹¹ Agenda Item No:

To: City Council
From: City Manager and Staff *MM*

Council Meeting Date: Aug 6, 2012

Re: Approving an Agreement with JES Dev. Co., Inc for Gentry Estates

EXECUTIVE SUMMARY:

Approval of this Council resolution authorizes the City Manager to execute a HOME agreement with JES Dev. Co., Inc. The Gentry Estates project will consist of 42 housing units targeted towards senior citizens. The project is located near the southeast corner of Bethel and Nifong. Rental Production funding for the project was included in the City's 2012 Annual Action Plan for Department of Housing and Urban Development (HUD) funding. The project meets the need for affordable housing for low-income senior citizens, identified in the City's 2009-2014 Consolidated Plan. Funding for the majority of the project has been conditionally committed by the Missouri Housing Development Commission and Bank of Missouri. The attached agreement includes the statement of work, records and reports, and other terms and conditions of HUD funding.

DISCUSSION:

"Attachment A" includes an agreement to provide \$91,250 of HOME funding to JES Dev. Co., Inc., the owner/developer of the Gentry Estates project. Prior to a commitment of funding from the Missouri Housing Development Commission (MHDC), the City set-aside \$91,250 for this project. In accordance with the statement of sources and uses of funding (Attachment B), funding will include State and Federal Low Income Housing Tax Credits, HOME funds, and a participation loan from Bank of Missouri. A conditional funding commitment from MHDC is included in Attachment C.

Gentry Estates will consist of 42 units with 1 and 2 bedroom units available. Proposed rent and utilities for 1 bedroom units are \$385 for HOME assisted units and \$520 for tax credit only supported housing units. Proposed rent and utilities for 2 bedroom units are \$475 for HOME assisted units and \$610 for tax credit only supported housing units. Bethel Ridge Phases I and II are both located near the proposed development and were successfully developed with similar financing. Bethel Ridge Phases I and II included communal dining, kitchen, a beauty salon, exercise room, and other community rooms. A project description is included as "Attachment D".

Developer fees are estimated to be 10% of the project costs. The return on investment based upon the sale of Low Income Housing Tax Credits and cash flow is estimated to be 11% if the "deferred developer fees" are included as equity, and 13% if the "deferred developer fees" are not included, which are both below the maximum 15% subsidy layering limit established for each measure in the City's HOME program guidelines.

FISCAL IMPACT:

Approval of this agreement will have minimal fiscal impact. The City is required to monitor income and rents, and inspect HOME assisted rental units on an annual basis for 20 years. Monitoring is currently being funded with CDBG funding; at an annual costs estimated at \$20/ unit per year or \$2,800 during the 20 year period.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

The projects 11.2 by creating additional affordable, energy efficient, and accessible housing choices for senior citizens.

SUGGESTED COUNCIL ACTIONS:

The Council should approve the attached resolution authorizing the use of the HOME funds through the terms of the attached agreement.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$0.00	Duplicates/Epands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	Yes
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	11
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	11.2
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	FY12Task18

ATTACHMENT B

Gentry Estates
42 Units
Uses and Sources of Funds

Uses of Funds

Acquisition Costs	500,000
Reserves and Escrows	213,912
Hard Construction Costs	5,843,868
Other Development Costs	927,516
Developer's Fees	835,000

Total Uses

8,320,296

Sources of Funds

Total Tax Credit Equity	7,624,983
Limited & General Partner Equity	110
Bank of Missouri	500,000
City HOME Funds	91,250
Third Mortgage	0
General Partner Loan	0
Deferred Developer's Fee	103,953

Total Sources

8,320,296

ATTACHMENT C

Conditional Reservation Agreement

April 10, 2012

The MHDC Board of Commissioners approved financing for the development listed below on February 17, 2012. MHDC will not consider that a reservation has been made until the conditions, requirements and assumptions of this document have been agreed to by both the development owner and MHDC.

Sections I-VI below and all referenced and attached exhibits constitute this agreement ("Conditional Reservation"). MHDC reserves the right to rescind this Conditional Reservation if, in MHDC's sole opinion, performance has not been demonstrated concerning the requirements of this reservation and any other applicable laws and regulations, or if necessitated by any actions taken by the state and federal government which may affect the amount or the availability of Tax Credits or Loan Funds, as outlined herein, or if there is any material adverse change in the financial condition of the owner, the developer, or the management company.

I. Development Information

Project Information

Development Number	12-057-T
Development Name	Gentry Estates
Development Address	Southeast Corner of Bethel & Nifong
Development City, Zip Code	Columbia, MO 65203
Development County	Boone
Total Units	42
Affordable Units	42
Market Rate Units	0
Population Being Served	Elderly
Development Type	New Construction

Ownership Information

Owner Name	Gentry Estates, L.P.
Owner Address	206 Peach Way
Owner City, State Zip	Columbia, MO 65203
Owner Contact	Bob Ring
Owner Phone	573-443-2021
Owner E-Mail	bring@jesholdings.com

Developer Information

Developer Name	JES Dev Co, Inc.
Developer Address	206 Peach Way
Developer City, State Zip	Columbia, MO 65203
Developer Contact	Jill Lafferty
Developer Phone	jlafterty@jesholdings.com

Developer E-Mail
Non-Profit Information (if applicable)

jlafferty@jesholdin

Entity Name N/A
Entity Address
Entity City, State Zip
Entity Contact
Entity Phone
Entity E-Mail

Please review the information above carefully and make sure that what is presented is accurate and indicates the appropriate person(s) you wish to be contacted regarding the development.

II. Funding Information

The funding information described in this section and in the 2013 attached as Exhibit A is based upon the information provided by you in your application. Numbers and assumptions may have been adjusted during processing to meet MHDC underwriting standards, policies and/or market conditions. The income, operating and development assumptions found in this Conditional Reservation represent what has been approved up to this point by MHDC. Any changes to the assumptions made must be approved by MHDC and could lead to a reduction in the funding amounts described in this Conditional Reservation. Please contact your underwriter for questions regarding the information found in this Conditional Reservation.

A. Tax Credits Awarded by MHDC

An annual federal low-income housing tax credit of:	\$620,000
An annual state low-income housing tax credit of:	\$620,000

Information regarding your award of low-income housing tax credits is further and more completely explained in the carryover allocation agreement ("Carryover Agreement") to be issued at the firm commitment stage for the development. The Carryover Agreement is a binding commitment pursuant to section 42 of the Internal Revenue Code ("IRC").

The tax credit amount(s) awarded was determined in accordance with the MHDC underwriting standards described in the Qualified Allocation Plan ("QAP"). The tax credit amount(s) will subsequently be reviewed, in accordance with Section 42(m)(2) of the IRC, using the same underwriting standards as in the QAP and may be reduced at that time. All contracts executed prior to the issuance of IRS Form 8609 must provide for possible adjustments in the tax credit amount(s).

Please note that if your development contains non-tax credit units, they must be distributed throughout the development, and no building can solely contain non-tax credit units. If you have a scattered site project that contains non-tax credit units, please contact your underwriter as soon as possible to discuss.

B. Loan Funds Provided by MHDC

Source	N/A
Type	
Construction Amount	
Construction Interest Rate	
Construction Term	
Lien Position	
Permanent Amount	
Permanent Interest Rate	
Permanent Term	
Permanent Amortization	
Lien Position	

C. Funding Changes

The amount and nature of the funding found in this Conditional Reservation is based upon the assumptions for sources and uses as described in the 2013 attached as exhibit A. If subsequent to the acceptance of this Conditional Reservation changes in the sources and uses result in a need for additional funding, MHDC may not be able to provide any increase to the approved amounts. You will be responsible for filling any further gaps as a result of development changes, but in no circumstance will MHDC proceed with closing and funding if there is an unfilled gap between sources and uses. All changes to the development, including assumptions about sources and uses, must be communicated and approved by MHDC. MHDC expects all developers to carefully consider costs and contain their budgets regardless of availability of sources without compromising quality.

The funding amounts reserved were determined in accordance with the QAP. This amount will subsequently be reviewed in accordance with Section 42(m)(2) of the IRC, using the same underwriting standards used in making this Conditional Reservation. As your development progresses through the various MHDC funding stages it will be underwritten using the standards outlined in the QAP and in accordance with all applicable guidelines and regulations. Due to the nature of the funding process, the amounts, terms and conditions of the financing sources described in this Conditional Reservation are subject to change. Therefore, all contracts executed prior to the issuance of IRS Form 8609 must allow for possible adjustment in funding amounts.

III. Fees

The following fees are due as described below. These fees are estimates based on the information provided to date and are subject to change if changes in deal structure or terms are made and/or approved by MHDC. Depending on the nature of any specific transaction, additional fees may be charged.

A. Due with the return of this Conditional Reservation:

Tax credit fee (7% of annual federal credit amount):	\$43,400
MHDC Third Party Appraisal Fee	\$5,000

B. Due at closing:

MHDC construction loan fee	\$0
Participation construction loan fee:	\$0
MHDC construction inspection fee:	\$10,000
MHDC permanent loan fee	\$0
Participation permanent loan fee:	\$0

C. Due after the last building is placed in service and prior to the submission of cost certification

Tax credit monitoring fee (\$300 per tax credit unit and common use unit):	\$12,600
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IV. Funding Requirements

A. Requirements

All developments that receive funding from MHDC are subject to all the applicable requirements found in this Conditional Reservation, the QAP, and any regulations that govern the financing described in section II above. The requirements for your development are subject to change during the funding process. If you have any questions regarding the requirements for your development, please contact your underwriter.

Below you will find a list of the various requirements for developments financed by MHDC. Boxes that are checked indicate requirements applicable to your development.

☒ Carryover Requirement

☒ Environmental Review Requirement

Please use the environmental review checklist found in Exhibit B.

☒ Firm Submission Requirement

Please use the firm submission checklist found in Exhibit C.

☐ Relocation Requirement

☐ Section 3 Requirement

☒ M/WBE Participation

☒ Construction Period Requirements

☒ Financing Requirement

☒ Participant Conduct Certification Requirement

Please read, sign and return with this Conditional Reservation the certification found in Exhibit D.

For more information on each requirement, including deadlines, please consult the 2012 Requirements for MHDC Financed Developments ("MHDC Requirements") attached as Exhibit E of this document. Please note this is not a comprehensive list of MHDC requirements.

B. Housing Priorities

It was represented in your application that the housing priority(ies) checked below would be met. Failure to qualify for the chosen priority(ies) may result in the cancellation of this Conditional Reservation and will affect future funding decisions.

☐ Non-Profit Involvement

☐ Service-Enriched Housing

☒ Special Needs Housing

C. Waivers

Waivers of some requirements, deadlines or documents may be allowed at the sole discretion of MHDC. Certain requirements, deadlines and documents cannot be waived under any circumstance. A request for a waiver of any requirement or deadline should be submitted to your underwriter as soon as possible and in no event later than two weeks before the date in which the requirement or deadline is scheduled. The first step in requesting a waiver is to contact your underwriter to discuss the situation. Waivers will be granted only for good cause as determined in the sole opinion of MHDC.

V. Special Conditions

The following conditions or items of note are relevant to your development and you need to be aware of their impact on your funding and standing with MHDC.

Special Needs Housing

You have represented that your development proposal will provide housing opportunities for persons with special needs, and that no less than 10% of the total units will be set-aside to meet this need. It is therefore a requirement of your funding that you commit to set-aside the stipulated minimum number of units as Special Needs Housing units. Failure to do so may result in the recapture of your funding and will affect future funding applications.

Green Building

☒ New Construction

All new construction developments must be designed and built to achieve green building certification from one of the approved green building rating systems. It is therefore a requirement of your funding that the development be designed and built to achieve certification. Failure to do so may result in the recapture of your funding and will affect future funding applications. You represented in your tax credit application that the development will be designed and built based on the following green building rating system:

- ☐ LEED
- ☒ Enterprise Green Communities
- ☐ NAHB National Green Building Program

VI. Timing and Other Considerations

The timing deadlines applicable to each of the requirements for your development are important. Missing a deadline without a waiver may result in a loss of funding and will result in the owner/developer being placed on the participant watch list. The participant watch list will be given to commissioners and will impact the consideration of any future funding requests presented by the owner/developer.

This reservation requires that you to meet two deadlines. First, you must submit the documentation required for the firm submission requirement before 5 p.m. Central on May 31, 2012. Second, you are required to have an investor limited partner and an executed amended and restated partnership agreement or operating agreement ("Executed Agreement") in place no later than 5 p.m. Central on September 1, 2012; and Closing must occur by September 1, 2012. The Executed Agreement must be deemed, in MHDC's sole opinion, to evidence the commitment of tax credit equity that your funding approval was predicated upon. Failure to close by the deadline may result in rescission of any and all types of financing provided for in this Conditional

Reservation or in future agreements between MHDC and the owner regarding the Development.

This Conditional Reservation expires at 5 p.m. Central on May 31, 2012, unless the documentation for firm commitment has been received by MHDC or the Reservation has been extended in writing by MHDC prior to termination. This Conditional Reservation is made specifically for the site(s) described in the original application and to the owner listed in Section I above, and the Conditional Reservation cannot be transferred to another site or owner without written approval of MHDC. Transfer of this Conditional Reservation to another site and/or owner without the written consent of MHDC will result in the immediate termination of this Conditional Reservation and the financing contemplated within.

In issuing this Conditional Reservation, MHDC has relied upon information and representations submitted by the owner/developer, and does not constitute a representation, warranty, guaranty or implication as to the qualification for tax credits, loan funds or the feasibility and/or viability of the development and cannot be relied upon as such by any owner, developer, investor or other third party. MHDC's acceptance of the certifications and representations required in the Conditional Reservation process, do not constitute a representation as to compliance with the Internal Revenue Code, or any other laws and regulations governing the financing described in this Conditional Reservation. MHDC, its members, employees, agents, officers, successors and assigns shall not be held liable for any matter relating to this Conditional Reservation.

The undersigned acknowledges that they possess the proper authority to legally obligate the ownership entity which applied to MHDC and was selected for funding vis a vis the development identified above and is now responsible for its construction and operation. In the event the undersigned is not the proper and legal representative of the development's ownership, this agreement shall be null and void and shall result in the failure of a condition precedent to MHDC's execution of this Conditional Reservation.

To the extent that any requirement identified in this Conditional Reservation is not, in the sole discretion of MHDC determined to be satisfactory to achieve minimum compliance with any programmatic requirement of any funding or tax credit source referenced herein, the owner and MHDC agree that MHDC may interlineate any necessary change into this agreement for the purpose of programmatic compliance.

Note: Please be sure to achieve "placed-in-service" date PRIOR TO December 31, 2013 in order to retain the 9% application rate for both new construction and rehabilitation developments. Otherwise, if a building is placed in service on or after December 31, 2013, the applicable rate will have to be the floating rate published monthly by the IRS. This will be the applicable rate at the time of the execution of the carryover agreement or the placed-in-service date per the election made in the Carryover Allocation Agreement.

GENERAL PROVISION:

MHDC hereby reserves the right, without penalty, and in its sole discretion, to cancel this Reservation or to amend, modify or change any of the covenants, terms and conditions herein in the event of any of the following: (i) any changes, amendments or modifications are made with regard to any of the information, representations or materials submitted to MHDC in the Mortgagor's Application, (ii) MHDC determines the Mortgagor has misrepresented or failed to disclose information in the Mortgagor's Application (whether intentional or unintentional) which MHDC deems material to its decision to award loan funds/tax credits to Mortgagor, material to the amount of loan funds/tax credits awarded and/or material to the terms and conditions on which such loan funds/tax credits are to be provided, or (iii) MHDC becomes aware of any other information, or any other events occur, prior to the closing of the loan funds and/or issuance of tax credits provided for under this Reservation which MHDC was not expressly made aware of by Mortgagor prior to selecting the Mortgagor's Application for an award of funding/tax credits, and which MHDC determines, in its sole discretion, to have a material impact on MHDC's decision to provide loan funds/tax credits to Mortgagor, on the amount of loan funds/tax credits so awarded, and/or the terms and conditions on which such loan funds/tax credits are to be provided.

Time is of the essence in this agreement.

Please acknowledge your acceptance of all terms and conditions of this Conditional Reservation by signing and returning an executed copy and including the signed Participant Conduct Certification to your underwriter **by 5 p.m. Central on Friday April 13, 2012.** Please direct any questions regarding this Conditional Reservation and the MHDC process to your underwriter, **Gus Metz at 816.759.6878.**

VII. Exhibits to this Conditional Reservation

- Exhibit A: MHDC 2013, Development Budget, 15 year Pro Forma, Tax Credit Addendum and HOME Unit Analysis
- Exhibit B: Environmental Review Checklist
- Exhibit C: Firm Submission Checklist
- Exhibit D: Participant Conduct Certification
- Exhibit E: MHDC Requirements

(The remainder of this page has been intentionally left blank.)

ACCEPTANCE OF CONDITIONAL RESERVATION DATED April 10, 2012:

I hereby state that I have reviewed, understand, and agree to abide by the terms and conditions of this Conditional Reservation and the attached exhibits.

Owner

Gentry Estates, L.P.

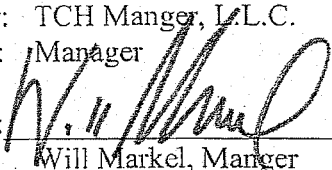
By: JES Partnerships - Gentry, L.L.C.

Its: General Partner

By: TCH Manger, L.L.C.


Its: Manager

By:


Will Markel, Manager

MISSOURI HOUSING DEVELOPMENT COMMISSION

By:


William Um

Director of Rental Production

I hereby state that this Conditional Reservation has been made this 1st of May, 2012.

[illegible]

XIX. MHDC Form #2013

Estimate of Replacement Costs

1) Site Work	\$972,955
2) Off-Site Improvement	\$27,045
3) Building Demolition	\$0
4) Interior Demolition	\$0
5) New Construction	\$4,126,200
6) Rehabilitation	\$0
7) Accessory Building	\$0
8) Bonding	\$0
9) Permits	\$0
10) General Requirements	\$307,572
11) Builder's Overhead	\$102,524
12) Builder's Profit	\$307,572
13) Total Construction Costs (lines 1-10)	\$5,843,868
14) Paid by owner - Construction Costs	\$0
14a) _____	\$0
14b) _____	\$0
15) Total Construction Costs (lines 11-13)	\$5,843,868
16) Architect's & Engineering Fee (Design)	\$158,000
17) Architect's Fee (Supervision)	\$42,000
18) Soil Report	\$3,000
19) Survey	\$10,000
20) Engineering	\$75,000
21) Total For All Improvements (lines 14-19)	\$6,131,868
22) Construction Loan Interest	\$192,150
23) Construction Period R. E. Taxes	\$3,000
24) Construction Period Insurance	\$5,000
25) MHDC Rental Production Application Fee	\$1,500
26) MHDC Construction Loan Fee	\$0
27) Other Construction Loan Fee	\$60,000
28) MHDC Construction Inspection Fee	\$7,500
29) Other Construction Inspection Fee	\$0
30) MHDC Permanent Financing Fee	\$0
31) Other Permanent Financing Fee	\$1,500
32) Environmental Study	\$5,000
33) Market Study	\$5,000
34) Appraisal	\$5,000
35) Title, Recording & Disbursing (Construction Loan)	\$12,500
36) Title, Recording & Disbursing (Permanent Loan)	\$12,500
37) Legal Costs (Construction)	\$12,500
38) Legal Costs (Permanent)	\$12,500
39) Organization (Legal/Fees)	\$2,500
40) Cost Certification	\$4,000
41) Accountant's Fee	\$0
42) Prepaid MIP (Risk Share only)	\$0
43) Contingency	\$143,566
44) Environmental Abatement	\$0
45) Historic Credit Fees	\$0
46) Relocation	\$0
47) FF & E	\$75,000
48) Other: (Describe) <u>Third Party Inspections</u>	\$22,800
49) Other: (Describe) _____	\$0
50) Replacement Cost w/o Acq (lines 20-48)	\$6,715,384
51) Legal Acquisition & Recording	\$0
52) Acquisition Cost of Buildings	\$0
53) Other Acquisition Related Costs	\$0
54) Land	\$500,000
55) Total Acquisition Cost (lines 50-53)	\$500,000
56) Total Replacement Cost (lines 49-53)	\$7,215,384
57) Developer's Fee (including overhead)	\$835,000
58) Consultant Fees	\$0
59) Tax Credit Allocation Fee (7%)	\$43,400
60) Tax Credit Monitoring Fee	\$12,600
61) AHAP Application & Reservation Fee	\$0
62) Bond Related Costs (see Tab XIII)	\$0
63) Other: (Describe) _____	\$0
64) Syndication Costs (see Tab X)	\$0
65) Lease-up/Marketing (from FIN-117, cash reserve)	\$20,000
66) Operating Reserve (cash escrow)	\$123,712
67) Replacement Reserve (cash escrow)	\$25,200
68) Other Escrow(s): <u>Special Needs Rent Subsidy</u>	\$45,000
69) Total Development Cost (lines 55-67)	\$8,320,296

Estimate of Annual Expenses

1) Conventions & Meetings	#6203	\$0
2) Management Consultants	#6204	\$0
3) Advertising & Marketing	#6210	\$1,000
4) Other Renting Expenses	#6250	\$0
5) Office Salaries	#6310	\$0
6) Office Expenses, Supplies & Postage	#6311	\$2,200
7) Office or Model Apt. Rent	#6312	\$0
8) Leased Furniture	#6313	\$0
9) Management Fees	#6320	\$16,632
10) Manager or Superintendent Salaries	#6330	\$39,280
11) Administrative Rent Free Unit	#6331	\$0
12) Legal Expenses (Project)	#6340	\$1,000
13) Audit Expenses (Accounting)	#6350	\$3,000
14) Telephone	#6360	\$3,500
15) Bad Debts	#6370	\$0
16) Misc. Administrative Expenses	#6390	\$13,530
17) Total Administrative Expenses	#6263T	\$80,142
18) Electricity	#6450	\$25,000
19) Water	#6451	\$3,500
20) Gas	#6452	\$0
21) Sewer	#6453	\$3,500
21) Cable T.V. / Internet Access	#6454	\$1,500
22) Total Utilities Expenses	#6400T	\$33,500
23) O & M Payroll	#6510	\$13,753
24) O & M Supplies	#6515	\$3,540
25) O & M Contracts	#6520	\$23,040
26) O & M Rent Free Unit	#6521	\$0
27) Garbage & Trash <u>Owner Paid</u>	#6525	\$3,500
28) Security Payroll / Contract	#6530	\$0
29) Security Rent Free Unit	#6531	\$0
30) Heating & Cooling Repair Contract	#6546	\$0
31) Snow Removal (Supplies & Contracts)	#6548	\$0
32) O & M Tools & Equipment	#6571	\$1,500
33) Pool (Supplies, Maintenance & Contracts)	#6520	\$0
34) Exterminating	#6515	\$1,660
35) Elevator Maintenance	#6520	\$2,500
36) Vacant Unit Prep (Carpets, Painting, Etc.)	#6580	\$750
37) Misc. Operating & Maintenance Exp.	#6590	\$0
38) Total Operating & Maint Expenses	#6500T	\$50,243
39) Real Estate Taxes	#6710	\$18,000
40) Property & Liability Insurance	#6720	\$17,500
41) MIP Insurance	#6850	\$0
42) Other Tax Assessments	#6790	\$0
43) Other: (Describe) _____		\$0
44) Total Fixed Expenses		\$35,500
45) Replacement Reserves		\$12,600
46) Total Expenses		\$211,985
47) No. of Units		42
48) Expenses per Unit		\$5,047

Annual Income Computations

1) Estimated Project Gross Income	\$291,240
2) Occupancy (93% family or 95% elderly)	95%
3) Effective Gross Income (line 1 X line 2)	\$276,678
4) Total Project Expenses	\$211,985
5) Net Income to Project (line 3 - line 4)	\$64,693
6) MHDC Debt Service	\$0
7) Other Hard Debt Service	\$38,168
8) Total Hard Debt Service	\$38,168
9) Cash Flow (line 5 - line 8)	\$26,525
10) Soft Debt Service Required before Distribution	
11) Debt Service Coverage (hard debt)	1.69

XIX. MHDC Form #2013

Debt Service Information

Lien Position	Source	Amount of Loan	Interest Rate	Amort Period (Years)	Term Period (Years)	Annual P & I	Soft/Hard Debt	% Dist From Cash Flow
1st	The Bank of Missouri	\$500,000	5.250%	30	20	\$33,132	Hard	N/A
2nd	City of Columbia	\$91,250	1.000%	20	20	\$5,036	Hard	N/A

Tax Credit Proceeds

	Annual Credit Amount	Years	Price	Owner %	Total Proceeds
Proceeds from Federal T.C.	\$620,000	X 10	X 0.820	X 99.98%	= \$5,082,983
Proceeds from State T.C.	\$620,000	X 10	X 0.410	X 100.00%	= \$2,542,000
Proceeds from Historic Federal T.C.	\$0	X 1	X 0.000	X 0.00%	= \$0
Proceeds from Historic State T.C.	\$0	X 1	X 0.000	X 0.00%	= \$0
Proceeds from AHAP T.C.	\$0	/	0.550		= \$0

Total Sources ("X" Indicates if HOME Funds are used)

1.		\$0
2.		\$0
3.		\$0
4.		\$0
5. The Bank of Missouri	<input type="checkbox"/>	\$500,000
6. City of Columbia	<input checked="" type="checkbox"/>	\$91,250
7.		\$0
8.		\$0
9.		\$0
10.		\$0
11. Total LIHTC Equity		\$7,624,983
12. Total Historic T.C. Equity		\$0
13. Total AHAP T.C. Donation		\$0
14. Trust Fund		\$0
15. General Partner Equity		\$110
16. Deferred Developer's Fee		\$103,953
17. <u>Total Sources</u>		<u>\$8,320,296</u>

Construction Period Funding Gap

1. Costs (Line 68)	+	\$8,320,296
2. MHDC Construction Loan Proceeds	-	\$0
3. Other Construction Loan Proceeds	-	\$6,000,000
4. Tax Credit Equity Paid During Construction	-	\$1,567,650
5. Dev Fee Paid After Construction Completion	-	\$668,000
6. Operating Reserve (escrow)	-	\$123,712
7. Replacement Reserve (escrow)	-	\$25,200
8. Other (describe): Rental Subsidy Escrow	-	\$45,000
9. <u>Total Construction Period Funding Gap</u>	=	<u>\$0</u>

No Construction Period Funding Gap

ATTACHMENT D

COMMUNITY DEVELOPMENT BLOCK GRANT/HOME
APPLICATION FORM (HOUSING)

Organization: JES Dev Co, Inc.

\$ 300,000 HOME funds requested:

\$ _____ HOME CHDO funds requested:

\$ _____ CDBG funds to be expended by Sept. 30, 2012

\$ _____ CDBG funds to be expended by Sept. 30, 2013

\$ _____ CDBG funds to be expended by Sept. 30, 2014

Please provide a two-sentence summary of the project for which your organization is seeking funds.

This project will consist of a three-story 42 unit
senior development for Columbia residents age 62 or older.

Contact Person: Bob Ring

Address: 206 Peach Way Columbia MO 65203
City State Zip

Phone: 443-2021 Fax: 874-7116 E-Mail bring@jeshddings.com Federal Tax ID: 43-1681080

Please indicate the category that best represents your organization:

☐ City Department ☐ Non-Profit ☒ Other (please specify) For-Profit Developer

What is the primary mission of your organization? Provide quality, safe and
affordable living opportunities for seniors.

How many clients does your organization serve annually? N/A

What is the total annual budget for your organization this year? \$ _____

Please indicate the source of your revenue and the percentage of revenue derived from each source.

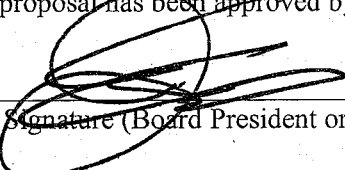
☐ Government (_____ %) ☐ Foundations (_____) ☐ Donations (_____ %) ☐ Fees (_____ %)
☐ Volunteers (_____) ☐ Other (_____ %) (please specify)

Annual value of in-kind contributions in dollars: \$ N/A

Annual number of volunteer hours: N/A

Fiscal Year End Date of the Last Audit Delivered: N/A

I have reviewed the CDBG/HOME information packet, instructions, and eligibility guidelines, and believe that our project is an eligible activity and will benefit low to moderate income persons in accordance with HUD income guidelines. I further certify that the information included in this proposal is accurate to the best of my knowledge, and that this proposal has been approved by the governing board (original signature must be submitted).


Signature (Board President or Principal)

Jeffrey E. Smith
Typed/Printed Name

9/28/11
Date

PROJECT BUDGET FORM (Housing)**September 30, 2013 Deadline***Please see Sources #1 ~~see~~*

ACTIVITIES	A. HOME? _____ CDBG? _____ Funding Requested	B. Amount of Cash Applicant can Provide	C. Amount of In- kind Services Applicant can provide(in \$)	D. OTHER (SPECIFY, include previous CDBG/HOME Awards)	E. TOTAL
Acquisition					
Relocation					
Architectural Design					
Housing Inspection					
Lead Hazard Evaluation					
New Construction					
Housing Rehabilitation					
Other Professional (Attach Explanation)					
Minor Home Repair (CDBG only)					
Demolition and On-site Improvements					
Housing Infra- structure(CDBG only)					
Homeownership Assistance					
Rental Assistance, including Tenant-Based Rental Assistance (TBRA)					
Other					
Developer Fee (HOME Projects Only)					
Program Administration (CDBG and TBRA Only)					
TOTAL \$					

Project Narrative

Project Description

The proposed project is 42 units of senior housing located near the southeast corner of Bethel and Nifong. The property will serve residents of Columbia ages 62 and older. The development includes a 42 unit, 3-story L-shaped building with ample outdoor leisure space including large patio with furniture and walking paths. The newly constructed building will feature a maintenance-free exterior with masonry, hard board siding and architectural grade shingles. All apartments will be two bedroom, two bath units of approximately 900 square feet. The all electric units will have full size kitchens with garbage disposals, self-cleaning ovens, microwaves and frost free refrigerators. Other amenities include central air conditioning, washer & dryer, cable-ready connections, mini blinds, wall-to-wall carpeting, smoke detectors and steel entry doors with viewers and deadbolts. The building will also contain a community room, parlor, fitness center, a computer area with Internet access for tenant use, a leasing office and an elevator. One parking space will be provided for each tenant and the building and site will be fully accessible. In addition, a private bus service will make shopping and errands easy for residents. JES Dev Co, Inc. (JES) has developed, built and managed several other properties in Columbia and are confident that this senior development will be another one the City will be proud to have.

Based upon past market studies and occupancy rates at other JES properties in Columbia, the City of Columbia is in great need of more senior housing. JES currently owns and manages many other senior properties in Columbia; Hanover Estates I, II and III, Hanover Manor, Hanover Gardens, Bethel Ridge & Bethel Ridge II. These properties have continued to stay 100% occupied with waiting lists. Based upon past market studies and the success of our other properties, JES feels additional senior housing is needed in Columbia. An updated market study has been engaged and will be provided by November 14, 2011.

The City of Columbia has made many of these developments possible by allocating City HOME money towards the construction. Hanover Estates is a three phase development that would not have been possible without the help of City HOME funds. Hanover Estates has senior and units specifically designed and marketed to individuals with physical disabilities. Both Bethel Ridge and Bethel Ridge II received City HOME funding. The City's past commitments to these developments in the form of HOME funds in conjunction with federal and state tax credits has kept the unit rents at affordable levels and provided a safe place for hundreds of Columbia seniors.

Organizational Description

JES Dev Co, Inc. (JES) is an acknowledged leader in the development of affordable multi-family housing and historic rehabilitation. JES addresses the diverse housing needs of each of the communities it serves. The experienced development staff builds strong relationships and works closely with City leaders and representatives of the community in assessing and meeting their specific needs. A significant number of the company's more than 100 affordable apartment communities are home to the nation's rapidly expanding senior population. With great attention to the needs of our seniors, these developments provide various special amenities. JES's long term commitment to serving communities is reflected in the quality, durability and beauty of its' housing units.

Fairway Construction Co., Inc. (FWC) will be responsible for the construction of the 42 unit senior development. FWC has been providing construction services to JES for nearly 25 years. Due to their reputation for consistently completing quality projects on time and within budget, FWC is now providing third-party construction and consulting services to outside developers.

Fairway Management, Inc. (FWM) will be managing this development upon construction completion and has over 20 years of experience in the affordable housing market. FWM manages nearly 4,000 units of senior and multi-family tax credit properties. Through its experienced compliance department, FWM provides assurance that developers, property managers and investors understand and comply with tax credit rules and regulations.

Bethel Ridge III Senior Development
42 Units
Uses and Sources of Funds

Uses of Funds

Acquisition Costs	600,000
Operating, Replacement and Leases	150,426
Hard Construction Costs \$109.40/sq ft	6,089,288
Other Development Costs	1,092,471
Developer's Fees	835,000

Total Uses **8,767,185**

Sources of Funds

Total Tax Credit Equity	7,198,880
Limited & General Partner Equity	110
MHDC (HOME) Loan 1.00% 360	1,225,000
City HOME Funds	300,000
Third Mortgage	0
General Partner Loan	0
Deferred Developer's Fee	43,195

Total Sources **8,767,185**

22 units PUD - 17
 5.5
 17
 5.5 units

Bethel Ridge III
 Development Budget

Total Units Total Square Feet	42 55,660 Plug / %	Cost / Unit 23,809.52	Cost / SF 17.97	Total Cost 1,000,000	4% Basis Acquisition	4% Basis Rehab.	9% Basis 1,000,000	Non-Basis Depreciable	Funded Expenses	Non Amortizable	Historic Basis
Site Work											
Off-Site Improvement											
Demolition											
New Construction		103,368.57	78.00	4,341,480			4,341,480				
Commercial Space											
Rehabilitation											
General Requirements	6.00%	7,630.69	5.76	320,489			320,489				
Builder's Overhead	2.00%	2,543.57	1.92	106,830			106,830				
Builder's Profit	6.00%	7,630.69	5.76	320,489			320,489				
Total Construction Cost		144,983.05	109.40	6,089,288			6,089,288				
Architect & Engineering Fee-Design	2.07%	3,000.00	2.26	126,000			126,000				
Architect Fee - Supervision	0.69%	1,000.00	0.75	42,000			42,000				
Soils Report		71.43	0.05	3,000			3,000				
Survey & Plat		238.10	0.18	10,000			10,000				
Engineering		952.38	0.72	40,000			40,000				
Construction Loan Interest		5,583.79	4.21	234,519			208,131		26,388		
Pre Development Loan Interest											
Construction Period R.E. Taxes		71.43	0.05	3,000			3,000				
Construction Period Insurance		357.14	0.27	15,000			15,000				
Construction Loan Fee	0.50%	628.29	0.47	26,388			26,388				
Other Construction Loan Fee	0.00%										
MHDC Application Fee		35.71	0.03	1,500					1,500		
Construction Inspection Fee		178.57	0.13	7,500			7,500				
Permanent Financing Fee	0.00%										
Other Permanent Financing Fee											
Environmental Study		119.05	0.09	5,000			5,000				
Market Study		119.05	0.09	5,000			5,000				
Appraisal		47.62	0.04	2,000			2,000				
Title Recording & Disbursing		595.24	0.45	25,000			12,500		12,500		
Legal		595.24	0.45	25,000			12,500		12,500		
Organization		47.62	0.04	2,000					2,000		
Cost Certification		166.67	0.13	7,000			7,000				
Prepaid MIP (Risk share only)	0.00%										
Contingency (Hard & Soft Cost)	5.00%	7,249.14	5.47	304,464			304,464				
Relocation											
FP&E		2,142.86	1.62	90,000			90,000				
Other: Construction Period Land Lease											
Other: Plan & Spec Review, Monthly Constr. Reviews		542.86	0.41	22,800			22,800				
Other:											
Acquisition Cost of Bldgs.											
Other Acquisition Related Costs											
Land		14,285.71	10.78	600,000						600,000	
Total Replacement Cost		183,010.93	138.10	7,686,459			7,031,571		54,888	600,000	
Developer's Fee (including overhead)		19,880.95	15.00	835,000			835,000				
Consultant's Fee											
Tax Credit Application Fee		1,166.67	0.88	49,000					49,000		
Tax Credit Monitoring Fee		150.00	0.11	6,300					6,300		
All Bond Related Costs											
State Historic Credit Fee											
Working Capital											
Syndication Costs											
Operating Reserve		2,981.56	2.25	125,226						125,226	
Replacement Reserve		600.00	0.45	25,200						25,200	
Other: Lease Up & Marketing		952.38	0.72	40,000					40,000		
Total Development Costs		208,742.49	157.51	8,767,185			7,866,571		150,188	750,426	
(subtotal line 39-48)											
				11,922,015.00							
Less: Federal Historic Credits											
Less: Personal Property (Historic)											
Subtotal							7,866,571				
Times: LIHTC Applicable Percentage					100%	100%	100.00%				
Eligible Basis							7,866,571				
Qualified Census Tract Adjustment					100%	100%	100%				
Qualified Basis							7,866,571				
Times: Applicable Rate					3.40%	3.40%	9.00%				
Annual Low Income Tax Credits							707,991				
Total Low-Income Justified Credits / Qualified Rehabilitated Expenditures							7,079,910				
221 d(3) Cost Limit				11,922,015							
Total Replacement Cost per above				7,686,459							
Is Replacement Cost Within 221 D(3) Limits?				Yes							
Is Development Cost Minimum standard met (C(2) of QAP)?				Yes							

**Bethel Ridge III
Income & Trending Assumptions**

RENTAL INCOME FROM REHAB. / NEW CONSTRUCTION UNITS

Type of Unit	Total No. of Units	Market Units	Income Target % of AMI	Square Footage /Unit	Total Square Footage	Market Square Footage	Gross Rent per Month	Utility Allowance	Net Rent per Month	Rent per Square Foot	Total Rent per Month	Total Annual Rent
2 BDRM	6	-	50%	935	5,610	-	679	129	550	\$ 0.59	3,300	39,600
2 BDRM	36	-	60%	935	33,660	-	739	129	610	\$ 0.65	21,960	263,520
		-			-	-	-			\$ -	-	-
Community Space / Hallways					16,390							
	42	-			55,660	-					25,260	303,120

Asset Management Fee	5,000
Partnership Management Fee	5,000
Base Other Income	0.00%
Base Replacement Reserves	\$ 300.00 /per unit \$ 12,600
Annual Income Increase	2%
Annual Other Income Increase	2%
Annual Operating Expense Increase	3%
Annual Replacement Reserve Increase	3%
Annual Vacancy (Years 1-15)	5%
Annual Vacancy (Years 16+)	5%
Annual Asset Management Fee Increase	0%
Annual Partnership Management Fee Increase	0%
Base Net Operating Income	\$ 76,914

Low Income Unit Percentage	100.00%
Low Income Sq Ft Percentage	100.00%
LIHTC Applicable Percentage	100.00%
(Minimum of Unit & Sq Ft Percentage)	

Bethel Ridge III

OPERATING EXPENSES					
	Underwriting / Unit	Underwriting Budget	Comments	Developer Expenses	Agency Expenses
Management Salary & Benefits	-	-		-	-
Accounting	-	-		-	-
Advertising	-	-		-	-
Legal Fees	-	-		-	-
Leased Furniture	-	-		-	-
Management Fee	-	-		-	-
Non-Residential Unit Rent	-	-		-	-
Office Supplies & Postage	-	-		-	-
Telephone	-	-		-	-
Misc. Administrative Costs	-	-		-	-
Maintenance Salaries & Benefits	-	-		-	-
Vacant Unit Preparation	-	-		-	-
Exterminating	-	-		-	-
Grounds/Snow Removal	-	-		-	-
Maintenance Supplies	-	-		-	-
Pool	-	-		-	-
Repairs/Maintenance	-	-		-	-
Contract Services	-	-		-	-
Elevator Maintenance	-	-		-	-
Owner-Supplied Cable TV/Internet	-	-		-	-
Owner-Supplied Electricity	-	-		-	-
Water & Sewer	-	-		-	-
Owner-Supplied Natural Gas	-	-		-	-
Garbage Collection	-	-		-	-
Training	-	-		-	-
Misc. Operating & Maintenance	-	-		-	-
Real Estate Taxes	-	-		-	-
Personal Property Taxes	-	-		-	-
Mortgage Insurance Premium	-	-		-	-
Property/Liability Insurance	-	-		-	-
Other Fixed Expenses	4,725	198,450		198,450	-
		<u>198,450</u>		<u>198,450</u>	-
Per Unit Expense		4,725		4,725	-
Per Unit Expense (with Reserves & Mgmt Fee)		5,025		5,025	300

Contact Information

Bob Ring

Vice President

JES Dev Co, Inc.

206 Peach Way

Columbia, MO 65203

(573) 443-2021

bring@jesholdings.com

Jill Lafferty

Development Coordinator

JES Dev Co, Inc.

206 Peach Way

Columbia, MO 65203

(573) 443-2021

jlafferty@jesholdings.com

Other Agency Sources of Funds

In order for the development to move forward, it will be contingent upon receiving financing and tax credits from the Missouri Housing Development Commission (MHDC). We will be submitting an application to MHDC in November 2011 and will be notified whether we will receive an allocation of tax credits by January 2012.

In addition to the City of Columbia HOME loan, we will also be requesting HOME money from MHDC in the application mentioned above. In order to keep our rents at affordable prices, it is critical that our projects have below market rate permanent financing. Just like the City of Columbia, MHDC is working with a fixed amount of HOME money and they receive requests for much more than they have to disburse. The less amount of funding that we request from MHDC will greatly improve the chances of this project being funded. It is for this reason that we are requesting \$300,000 from the City of Columbia.

Construction and Lease Up Timeline

Assuming this project receives tax credit financing through MHDC, Fairway Construction (FWC) would begin ground work by June 2012. It will take FWC approximately 12 months to complete construction which should be June 2013. Fairway Management (FWM) will begin pre-leasing up the property approximately 60 days prior to construction completion and would have the building fully occupied by September 2013.



City of Columbia

Community Development Department

701 EAST BROADWAY • PO BOX 6015 • COLUMBIA, MO 65205-6015

November 2, 2011

Missouri Housing Development Commission
Attn: Rental Production Division
3435 Broadway
Kansas City, MO 64111

RE: Columbia Senior Housing Development
Near Southeast Corner of Bethel & Nifong

Dear Staff:

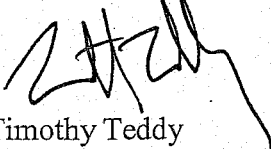
This letter will confirm that the land described in Exhibit "A" attached hereto has a zoning classification of Planned Unit Development (PUD-17), which is adequate to allow the development, construction, operation, maintenance, management, rental and use of the above referenced housing development proposed to be constructed upon the land described in Exhibit "A" attached hereto. This zoning classification yields a residential density of seventeen (17) dwelling units per acre on an approximately 2.25 acre site.

Development of the property is subject to approval of a development plan by the City Council following a public hearing on the plan before the Planning and Zoning Commission.

If you need further information, please contact me at (573) 874-7318 or ttteddy@gocolumbiamo.com.

Sincerely,

CITY OF COLUMBIA


Timothy Teddy
Community Development Director

C: Leigh Britt
Randy Cole

Building & Site Development
(573) 874-7474
Fax (573) 874-7283

Neighborhood Services
(573) 817-5050
Fax (573) 442-0022

Planning & Zoning
(573) 874-7239
Fax (573) 874-7546



JES HOLDINGS, LLC

RECEIVED

SEP 29 2011

PLANNING DEPT.

September 28, 2011

Mr. Timothy Teddy
City of Columbia Planning & Development
P.O. Box 6015
Columbia, MO 65205

RE: Senior Housing Development
City of Columbia HOME Funds

Dear Mr. Teddy:

Enclosed please find our application for HOME financing from the City of Columbia for an affordable senior housing community near the Southeast corner of Bethel & Nifong. This development will consist of 42 senior units in a 3-story building nearly identical to our highly successful Bethel Ridge & Bethel Ridge II developments across the street. Those two developments were made possible with the award of City of Columbia HOME money and we respectfully request a similar award for this new development.

We will be submitting an application to Missouri Housing Development Commission (MHDC) on November 14, 2011 for financing and tax credits for this development. A commitment by the City for HOME financing towards this project makes this development that much more attractive to and fundable for MHDC. We would love an opportunity to discuss this with you at your earliest convenience.

Sincerely,

Robert A. Ring
Vice President

RAR/jml

C Randy Cole

021098

Permanent Record
Filed in Clerk's Office

Introduced by McDavid

First Reading 8-15-11

Second Reading 9-6-11

Third Reading 10-3-11

Ordinance No. 021098

Council Bill No. B 216-11 A

AN ORDINANCE

rezoning property located on the southeast corner of Nifong Boulevard and Bethel Street from Districts R-1, R-2, R-3 and O-1 to Districts PUD-17 and C-P; repealing all conflicting ordinances or parts of ordinances; authorizing a development agreement; directing the city clerk to have a certified copy of the development agreement recorded; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The Zoning District Map established and adopted by Section 29-4 of the Code of Ordinances of the City of Columbia, Missouri, is amended so that the following property:

Two lots located in the southwest quarter of Section 25 T48N R13W and in the northwest quarter of Section 36 T48N R13W, in Columbia, Boone County, Missouri, being Lot 1 and Lot 2 Rockbridge Subdivision Block VIII, recorded in plat book 20 page 72 of the Boone County records.

will be rezoned and become a part of District PUD-17 (Planned Unit Development) with a development density not exceeding 17 dwelling units per acre, and C-P (Planned Business District), as set forth in Sections 3, 4, 5 and 6 of this ordinance, and taken away from District R-1 (One-Family Dwelling District), District R-2 (Two-Family Dwelling District), District R-3 (Multiple-Family Dwelling District) and District O-1 (Office District).

SECTION 2. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 3. The following property:

Development Area A

A tract of land located in the northwest quarter of Section 36 T48N R13W, in Columbia, Boone County, Missouri, being part of Lot 1 Rockbridge Subdivision Block VIII, recorded in plat book 20 page 72 of the Boone County records, described as follows:

Starting at the southwest corner of Lot 1 Rockbridge Subdivision Block VIII, thence N 3°18'00"W, along the westerly line thereof, 139.53 feet to the point of beginning.

From the point of beginning, thence continuing along the lines of Lot 1 Rockbridge Subdivision Block VIII, N 3°18'00"W 151.78 feet; thence along a curve to the right, having a radius of 730.94 feet, a distance of 52.36 feet, the chord being N 1°15'00"W 52.35 feet; thence along a curve to the right, having a radius of 30.00 feet, a distance of 46.11 feet, the chord being N 44°53'50"E 41.70 feet; thence N 88°55'50"E 98.55 feet; thence N 77°45'40"E 286.60 feet; thence, leaving the lines of Lot 1 Rockbridge Subdivision Block VIII, S 14°56'00"E 73.99 feet; thence S 0°00'00"W 224.04 feet; thence S 89°56'10"W 417.24 feet to the beginning and containing 2.48 acres.

will be rezoned and become a part of District C-P (Planned Business District) and may be used for the uses allowed in the lengthy and redundant Statement of Intent, marked "Exhibit A," which is hereby made a part of this ordinance.

SECTION 4. The following property:

Development Area B

A tract of land located in the southwest quarter of Section 25 T48N R13W and in the northwest quarter of Section 36 T48N R13W, in Columbia, Boone County, Missouri, being part of Lot 1 and Lot 2 Rockbridge Subdivision Block VIII, recorded in plat book 20 page 72 of the Boone County records, described as follows:

Starting at the southeast corner of Lot 2 Rockbridge Subdivision Block VIII, thence along the southerly line thereof, N 89°24'00"W 98.75 feet; thence S 89°56'10"W 585.39 feet; thence, leaving said line, N 0°03'50"W 330.30 feet to the point of beginning.

From the point of beginning, thence S 89°56'10"W 316.53 feet; thence N 0°00'00"E 224.04 feet; thence N 14°56'00"W 73.99 feet to the northerly line of Lot 1 Rockbridge Subdivision Block VIII; thence along said line and the northerly line of Lot 2 Rockbridge Subdivision Block VIII, N 77°45'40"E 422.24 feet; thence, leaving said line, S 0°00'00"E 384.59 feet; thence S 89°56'10"W 77.05 feet to the beginning and containing 3.11 acres.

will be rezoned and become a part of District C-P (Planned Business District) and may be used for the uses allowed in "Exhibit A."

SECTION 5. The following property:

Development Area C

A tract of land located in the southwest quarter of Section 25 T48N R13W and in the northwest quarter of Section 36 T48N R13W, in Columbia, Boone County, Missouri, being part of Lot 2 Rockbridge Subdivision Block VIII, recorded in plat book 20 page 72 of the Boone County records, described as follows:

Beginning at the southeast corner of Lot 2 Rockbridge Subdivision Block VIII, thence along the southerly line thereof, N 89°24'00"W 98.75 feet; thence S 89°56'10"W 585.39 feet; thence, leaving said line, N 0°03'50"W 330.30 feet; thence N 89°56'10"E 77.05 feet; thence N 0°00'00"E 384.59 feet to the northerly line of Lot 2 Rockbridge Subdivision Block VIII; thence along the lines of said Lot, N 77°45'40"E 53.60 feet; thence along a curve to the left, having a radius of 1315.95 feet, a distance of 552.70 feet, the chord being N 65°43'50"E 548.65 feet; thence S 3°18'00"E 953.81 feet to the beginning and containing 11.44 acres.

will be rezoned and become a part of District C-P (Planned Business District) and may be used for the uses allowed in "Exhibit A."

SECTION 6. The following property:

Development Area D

A tract of land located in the northwest quarter of Section 36 T48N R13W, in Columbia, Boone County, Missouri, being part of Lot 1 and Lot 2 Rockbridge Subdivision Block VIII, recorded in plat book 20 page 72 of the Boone County records, described as follows:

Beginning at the southwest corner of Lot 2 Rockbridge Subdivision Block VIII, thence N 3°18'00"W, along the westerly line thereof, 330.83 feet; thence leaving said line, N 89°56'10"E 733.77 feet; thence S 0°03'50"E 330.30 feet to the southerly line of Lot 2 Rockbridge Subdivision Block VIII; thence S 89°56'10"W, along said line, 715.10 feet to the beginning and containing 5.49 acres.

will be rezoned and become a part of District PUD-17 (Planned Unit Development) with a development density not exceeding 17 dwelling units per acre and may be used for apartment houses, multi-family dwelling structures and private amenities for the residents.


SECTION 7. The City Manager is hereby authorized to execute a development agreement with Jeffrey E. Smith Investment Co. as it relates to the rezoning of the property described in Section 1. The form and content of the agreement shall be substantially as set forth in "Attachment B" attached hereto and made a part hereof as fully as if set forth herein verbatim. The rezoning of the property described in Section 1 is subject to the condition that the property owner enters into this development agreement.

SECTION 8. The City Clerk is authorized and directed to have a certified copy of the development agreement recorded in the office of the Boone County Recorder of Deeds.

SECTION 9. This ordinance shall be in full force and effect from and after its passage.

PASSED this 3rd day of October, 2011.

ATTEST:

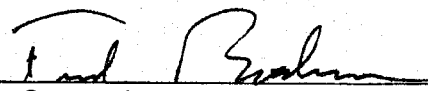


City Clerk



Mayor and Presiding Officer

APPROVED AS TO FORM:



City Counselor