

file

Clinton Senior Housing, Inc.
54 East Main Street, Clinton, Ct 06413

December 29, 2014

Nick Lundgren
Deputy Commissioner
State Department of Housing
505 Hudson Street
Hartford, CT 06106-7106

Board of Selectmen

DEC 30 2014

Clinton, CT 06413

Re: Senior Housing development
Clinton, Ct.

Dear Mr. Lundgren:


As a follow up to our meeting together this month, attached is our pre-development application for \$288,000 to facilitate the development of 32 units of affordable senior housing. All units will be at 25%, 50% and 60% of the area median income.

We intend to apply for LIHTCs in the 2015 round and need to get started on the planning and zoning process as soon as possible. As you recall from our meeting, the Town of Clinton is very supportive of the project and assisting us in the zoning component of the project. We have a sympathetic owner of the property that is willing to wait until our funding is in order.

We estimate the Total Development Cost to be \$8.4 million, of which \$4.6 will be coming from LIHTCs. DOH Small Cities and DOH Flexible Subsidy Program makes up the balance of sources of funds.

Please do not hesitate to contact me on my cell phone with any questions at 860-490-8179.

Sincerely,



Arthur Isaacson
Chairman



Provide a detailed development schedule and submit as Exhibit C-3.

Provide an estimate of income and expenses for the project for the first year of operation and submit as Exhibit C-4.

Provide a Site Plan and submit as Exhibit C-5.

D. PREDEVELOPMENT LOAN

Predevelopment Loan Amount Requested: \$288,000

Anticipated repayment source(s): Re-Paid from DOH construction development sources at initial closing.

Provide the budget for the loan and submit as Exhibit D.

E. ADDITIONAL INFORMATION

DOH may require additional information from an applicant regarding the applicant, its owners or Board, the development team members, the project, the project financials, or any other matter in connection with DOH's review of this application, including, without limitation, information necessary for compliance with CGS 8-410 and its related regulatory requirements.

DEVELOPMENT SUMMARY

DEVELOPMENT NAME: Clinton Senior Housing APPLICANT: Clinton Senior Housing, Inc.

PERMANENT SOURCES OF FUNDS

CHFA SOURCES	4,657,116
CHFA Loan 1st Mortg. Loan [Tax-Exempt Bonds]	0
CHFA 1st Mortg. Loan [Taxable Bonds]	0
CHFA 1st Mortg. Loan [Non-Bond Proceeds]	0
Permanent Supportive Housing Initiative	0
Federal LIHTC Net Proceeds	4,657,116
CT HTCC Tax Credit Proceeds	0
DOH SOURCES	3,823,000
DOH / HUD HOME Funds	0
DOH Affordable Housing Program - FLEX	3,323,000
DOH Housing Trust Fund	0
DOH / HUD CDBG Small Cities Funds	500,000
DOH Other [Specify]	0
HOMEOWNERSHIP SALES PROCEEDS	0
OTHER SOURCES	0
TOTAL SOURCES	\$8,480,116

FUNDING GAP

TOTAL SOURCES	8,480,116
TOTAL USES	8,480,116
FUNDING GAP	\$0

RESIDENTIAL UNIT MIX

	NUMBER OF RENTAL UNITS	NUMBER OF HOMEOWNERSHIP UNITS	TOTAL NUMBER OF UNITS
0-BR	0	0	0
1-BR	32	0	32
2-BR	0	0	0
3-BR	0	0	0
4-BR	0	0	0
5-BR	0	0	0
TOTAL UNITS	32	0	32
Gross Square Feet	0	0	0

USES

Construction Hard Costs	65.3%	5,535,000
Construction Contingency	4.7%	400,000
Architectural / Engineering	3.7%	314,500
Finance and Interim Costs	2.4%	206,000
Soft Costs (Fees and Expenses)	2.6%	224,000
Developer Allow / Fee (Overhead+Profit)	8.8%	750,000
Pre-Develop Carrying Costs	0.0%	0
Site Acquisition (Recognized)	7.5%	640,000
Capitalized Reserves	3.5%	298,116
Other	0.0%	0
Recognized Lending Costs	98.7%	8,367,816
Entity / Syndication / Other Costs	1.3%	112,500
TOTAL USES		\$8,480,116

OPERATING PROJECTION

	2018
INCOME	
TOTAL RESIDENTIAL REVENUE	237,687
TOTAL OTHER REVENUE	720
GROSS INCOME	238,407
LESS: Overall Vacancy Loss (15.02%)	(35,783)
EFFECTIVE GROSS INCOME (EGI)	202,624
EXPENSES	195,432

ESTIMATED INITIAL NOI: \$27,952

Exhibit 6.3 - DEVELOPMENT BUDGET

DEVELOPMENT NAME	APPLICANT		%	BUDGET	TAX CREDIT ELIGIBLE BASIS				FINANCE PLAN				Total	
	Clinton Senior Housing	Clinton Senior Housing, Inc.			70% NPV - 9% dt	30% NPV - 4% Exist. Building	30% NPV - 4% (New / Rehab.)	Acquisition Credit	DOH Small Cities	DOH Flex	LIHTC Equity	0		
SITE & IMPROVEMENTS (Div. 1-76) Hard Costs				4,747,850					500,000					4,747,850
GENERAL REQUIREMENTS (Max. 9% Site + Improvements)			6.3%	300,000	300,000	N/A								300,000
OVERHEAD AND PROFIT (Max. 7% Site + Improvements)			7.0%	330,000	330,000	N/A								330,000
BOND PREMIUM / L.O.C. COST				42,012	42,012	N/A								42,012
BUILDING PERMITS AND OTHER DEVELOPMENT FEES				80,138	80,138	N/A								80,138
CONSTRUCTION (Project Cost Summary) Sub-Total				5,500,000	5,500,000	N/A			500,000				0	5,500,000
Other : Owner Security System for building				35,000	35,000	N/A								35,000
Other				0	0	N/A								0
CONSTRUCTION CONTINGENCY (10% Max) [% Const. >]			7.3%	400,000	400,000	N/A			500,000				100,000	400,000
CONSTRUCTION				5,935,000	5,735,000	N/A			500,000				0	5,935,000
ARCHITECT - Design				119,000	119,000	N/A								119,000
ARCHITECT - Contract Admin (Min. 35%) [% Contract >]			38.2%	67,500	67,500	N/A								67,500
ENGINEERING (Civil-Site / Structural / Etc.)				93,000	93,000	N/A								93,000
SURVEYS (A-2; Exist. Conditions and As-Built)				5,000	5,000	N/A								5,000
Other Special Inspections				10,000	10,000	N/A								10,000
Other Concrete/Other testing				10,000	10,000	N/A								10,000
Other Architect reimbursables				10,000	10,000	N/A								10,000
Other				0	0	N/A								0
ARCHITECTURAL and ENGINEERING				314,500	314,500	N/A			0				123,000	314,500
INTEREST (Bridge loan)				145,000	145,000	N/A								145,000
LOAN ORIG. / COMMIT. FEE			1.24%	46,000	46,000	N/A								46,000
INTEREST - Bridge Loan				0	0	N/A								0
FEES - Bridge Loan				0	0	N/A								0
R. E. TAXES / PLOTS - Const. Period				15,000	15,000	N/A								15,000
INSURANCE - Const. Period (Builder's Risk / Liability / Hazard)				0	0	N/A								0
UTILITIES - Const. Period (If Owner Paid)				0	0	N/A								0
Negative Arbitrage on Bonds (If Applic.)				0	0	N/A								0
Credit Enhancement Premium (HUD or Private Perm. Mortg. Insur.)				0	0	N/A								0
Other				0	0	N/A								0
Other				0	0	N/A								0
FINANCE and INTERIM COSTS				206,000	160,000	N/A			0				46,000	206,000
CHFA CONSTRUCTION OBSERVATION				75,000	75,000	N/A								75,000
LEGAL COUNSEL - Real Estate (Closing Docs and Title Work)				25,000	25,000	N/A								25,000
CHFA EXTERNAL LEGAL COUNSEL				20,000	20,000	N/A								20,000
TITLE INSUR. PREMIUMS and RECORDING COSTS				35,000	35,000	N/A								35,000
APPRAISALS / MARKET STUDY (CHFA / LIHTC Required)				30,000	30,000	N/A								30,000
LEASE UP & MARKETING				7,000	7,000	N/A								7,000
COST CERTIFICATIONS (CHFA/LIHTC/DOH Required)				0	0	N/A								0
ENVIRONMENTAL REPORTS and TESTING				0	0	N/A								0
Other				0	0	N/A								0
Other				0	0	N/A								0
SOFT COST CONTINGENCY (5% Max) [(A&E+FIN+SOFT)%]			4.5%	32,000	32,000	N/A			0				10,000	32,000
SOFT COSTS - Fees & Expenses				224,000	159,000	N/A			0				45,000	224,000
TOTAL DEVELOPMENT COSTS (TDC)				6,679,500	6,368,500	N/A			500,000				3,821,500	6,679,500