



## Travaux, Inc.

Real estate development consulting and program  
management services from  
Valued Business Advisors

January 22, 2019

# 1. Cover letter



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January 22, 2019

Ms. Melissa Krotts  
Procurement Manager  
Housing Authority of the City of Milwaukee  
650 W Reservoir  
Milwaukee, WI 53212

Dear Ms. Krotts:

On behalf of the entire Baker Tilly Virchow Krause, LLP (Baker Tilly) team, thank you for this opportunity to provide Travaux, Inc. (Travaux) with our qualifications to provide development consulting and program management services to assist in the pre-development planning and execution of current and future development projects for the Housing Authority of the City of Milwaukee (HACM) and other organizations with projects that are aligned with HACM's mission. It has been a pleasure learning more about Travaux, your values and your objectives and we appreciate the opportunity to demonstrate how our qualifications uniquely position us to meet your and HACM's goals as you look for ways to revitalize HACM's housing developments and continue to produce high-quality housing options that support self-sufficiency, good quality of life and the opportunity for thrive.

Members of our engagement team, including Chris Tritsis (the proposed project leader and primary point of contact) and myself, have had the opportunity to speak with members of HACM regarding your needs and potential challenges. Through our communications we were able to gain a good understanding of your development objectives and goals for HACM. Because of this knowledge and our significant experience working on projects of a similar size and scope with other developers and housing authorities, both in Wisconsin and other states, we have what Travaux is looking for in a real estate development consultant and are very excited for the opportunity to collaborate with you. We intend to continually validate the proposed development plan through the duration of our engagement with Travaux by working alongside Travaux's staff — in your offices — attending internal meetings, project site visits and presenting to the board. We anticipate dedicating approximately two days per week (on average over the course of the five-year engagement) to continually refine that plan as it evolves. The following proposal includes information on why Baker Tilly's Wisconsin-based real estate and finance development team is the right choice for this engagement. We hope you see value in our approach and our past performance, and we look forward to becoming a member of your team and assist you in carrying out your mission.

Like Travaux, Baker Tilly understands the importance of affordable housing in the communities in which we live and work, and we proactively take action to support the significant work you and HACM do. Members of our team volunteer their time with community-based, not-for-profit organizations with an emphasis on affordable housing at local, state and national levels. We also support these organizations through sponsorships, speaking and participation at their educational events. We are passionate about helping our clients (and the industry) to create and sustain quality housing. With that said, we are confident ***Baker Tilly has the capabilities to deliver the services Travaux needs to meet your strategic planning and revitalization objectives that will help HACM continue to serve its Milwaukee community for years to come.***

As you evaluate professional service providers, we believe the following factors allow Baker Tilly to provide competitive advantage to you:

- **Active involvement in Wisconsin affordable housing policy** — With Baker Tilly's housing team primarily located in Wisconsin, we are active in Wisconsin state policies and testified in 2018 to the Joint Finance Committee related to the state Low-Income Housing Tax Credit (LIHTC) that was passed. We also hold a permanent seat on the Wisconsin Housing and Economic Development Authority (WHEDA) tax credit advisory committee.
- **Baker Tilly's clients received 40 percent of all of the state LIHTCs WHEDA awarded in 2018** — We understand the process for underwriting these deals and how the project may fit within WHEDA's priorities.
- **Dedicated engagement team specializing in serving the housing and development industry** — Travaux will be served by professionals who are on the cutting edge of new housing programs and have the proven deal experience, technical expertise and creativity necessary to route the complex tasks for development projects. Primary members of your proposed engagement team average **15 years of experience serving not-for-profit and for-profit real estate developers** and have the knowledge and expertise to assist Travaux in meeting your objectives.
- **Diverse project experience in all stages of the real estate life cycle** — At any stage of the real estate life cycle — feasibility, concept, financing, design, acquisition, closing, construction, completion, management, disposition — Baker Tilly's specialists deliver a thorough understanding of the operational and capital challenges our clients face. Our Wisconsin transactions team (which includes specialists in affordable housing and economic development finance) has a wealth of resources and a successful record of providing financial advisory services and securing a wide array of financing sources, including federal LIHTC, Wisconsin LIHTC, Rental Assistance Demonstration (RAD), Historic Tax Credits (HTC), New Market Tax Credit (NMTC), Opportunity Zone, negotiated incentives, Tax Increment Financing (TIF), Property Assessed Clean Energy Programs (PACE) and Renewable Energy Tax Credits.
- **Strong relationships within the affordable housing lending and investing community** — Firmwide, Baker Tilly has **more than 4,000 real estate clients**. Because of this, we have worked with large financial institutions, mortgage lenders and community banks throughout the country and earned the trust of many equity syndicators (plus direct equity investors) and financial institutions that provide construction and permanent financing for affordable housing development. Travaux will find value in our prior experience negotiating for better terms with lenders and securing additional financing for future projects.
- **Efficient and effective transaction-oriented service approach** — Our team will help you structure — and close — market-proven transactions. In addition, we will bring innovative and creative ideas to address challenges such as financial risk, credit quality and regulatory barriers. In the past 24 months, the Baker Tilly team has participated in securing financing that has **funded more than 80 housing projects, which encompassed more than 6,000 units of affordable housing** (family, senior and supportive housing units). In sum, these deals accounted for approximately \$1.4 billion in total development costs and \$650 million of investor equity.

We recognize Travaux and HACM face unique business challenges as you begin to plan and execute current and future development projects. We look forward to helping you reach your objectives, while staying true to your values. Were we to collaborate with Travaux, our team will be readily available — at all times — to Travaux and we are willing to commit to performing the services expeditiously. We view our relationship with you as a catalyst for Travaux to expand its access to committed talent, and we stand behind that.

The following proposal details our tailored approach to working with Travaux to accomplish your objectives as well as additional information to help you make your decision. Baker Tilly will not use a subcontractor during our engagement with Travaux. This response will remain valid for not less than 90 days from the date of submission. You will be an important client for our firm and we look forward to building a lasting and collaborative relationship as your Valued Business Advisor.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink that reads "Donald N. Bernards". The signature is written in a cursive, flowing style.

**Donald N. Bernards, CPA, Partner**

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# Contents

<b>1. COVER LETTER .....</b>	<b>PREVIOUS</b>
<b>2. ENGAGEMENT APPROACH .....</b>	<b>1</b>
<b>3. PROJECT LEAD QUALIFICATIONS AND EXPERIENCE</b>	<b>8</b>
<b>4. PROJECT TEAM QUALIFICATIONS AND EXPERIENCE .....</b>	<b>15</b>
<b>5. ORGANIZATIONAL CAPACITY .....</b>	<b>38</b>
<b>6. FEE STRUCTURE .....</b>	<b>50</b>
<b>7. OTHER INFORMATION .....</b>	<b>52</b>
<b>8. REQUIRED CERTIFICATION FORMS AND AFFIDAVITS .....</b>	<b>54</b>
<b>9. PRIME CONTRACTOR FORMAL CONTRACT PROVISIONS FOR SUBCONTRACTING WITH EMERGING BUSINESS ENTERPRISES .....</b>	<b>62</b>
<b>10. SECTION 3 REQUIREMENTS .....</b>	<b>64</b>
<b>11. INSURANCE REQUIREMENTS .....</b>	<b>72</b>
<b>12. DESIGNATION OF PROPRIETARY AND CONFIDENTIAL INFORMATION .....</b>	<b>73</b>
<b>APPENDIX: SAMPLE DELIVERABLES .....</b>	<b>I</b>

This document contains confidential material that is proprietary to Baker Tilly Virchow Krause, LLP, and other related entities (collectively referred to herein as Baker Tilly). The materials, ideas, and concepts contained herein are to be used exclusively to evaluate the capabilities of Baker Tilly. The confidential information and ideas herein may not be disclosed to anyone outside parties and may not be used for purposes other than the evaluation of Baker Tilly's capabilities.





# Engagement approach

## Tailored specifically for Travaux

## 2. Engagement approach

### Understanding your needs

Travaux is a discrete, separate, legal 501(c)3 real estate development company with its own governing board or directors, mission and operations. It is an instrumentality of HACM and serves as the prime developer for all of HACM's projects, other public housing authorities and organizations that are aligned with HACM's primary mission. As an instrumentality of HACM, Travaux provides housing options to more than 10,000 Milwaukee families, seniors and disabled adults, Travaux is seeking a qualified consultant to assist in the pre-development planning and execution of current and future development projects.

We understand Travaux is looking for a project leader to join your team to provide technical and administrative support during the two functions of your planned engagement. Job expectations include:

#### 1. General development consulting (Scope #1)

- Active participation in the strategic planning on portfolio reposition of HACM's real estate holdings
- Assist in identifying, evaluating and creating Travaux development projects pipeline
- Assist in the evaluation of the feasibility of development projects, including the identification of financing sources and conceptualization of initial deal structures
- Provide inputs and assistance in project execution
- On an as needed basis, attend and facilitate operational and business meetings
- Provide input and feedback on Travaux's overall business strategies as it relates to real estate development

After a specific development project has been identified as feasible and conceptual planning has been completed and is moving into detailed planning, the following will be performed.

#### 2. Project specific consulting and program management (Scope #2)

- Financial consulting; to include financial modeling and identifying and securing possible sources of finance
- Assistance in the application for financing — grants or loans
- Assistance in the deal negotiation with investors and lenders
- Detail deal structuring or re-structuring
- Accounting services — pre-development or post-development
- Review of operating agreements and financing documents
- Procure other services, subject to Travaux's approval, such as underwriter, financial advisor, lenders, legal services and brokers
- Other assistance necessary to bring the project to closing and project completion

Because of the complexity of the planned engagement, Travaux anticipates building a long-term relationship that goes beyond the typical “consultant-client” association. *That firm is Baker Tilly.*

### Achieving your objectives

With years of experience serving the housing industry, Baker Tilly possesses a deep understanding of complex real estate transactions, a passion for supporting the mission of community stakeholders and a commitment to the financial and operational health of your organization in an increasingly-regulated environment. *By choosing Baker Tilly, Travaux will gain a Valued Business Advisor* that has the necessary qualifications to meet each of your objectives as detailed in Travaux’s RFP scope of services and outlined above. Our experienced housing team of more than 200 transactions, business advisory, audit and tax professionals serve the key players among many types of housing, including:

- Low-income housing
- Affordable housing projects for the elderly and people with disabilities
- Market rate
- Public housing
- Tribal housing
- Student housing
- Continuing-care retirement communities
- Skilled nursing and assisted living
- Mixed-income and mixed-use

Detailed below is our proven approach on how we intend to deliver the scope of services as requested by Travaux.

### Baker Tilly’s approach to understanding Travaux’s vision, goals and strategic objectives in a short period of time

Being a long-time resident of the city of Milwaukee and having served HACM on a variety of engagements over the last 14 years (as well as Travaux on a recent engagement) Baker Tilly has the unique advantage of already possessing a strong, basic understanding of Travaux’s vision, goals and strategic objectives as they pertain to HACM’s housing developments. Plus, partner Don Bernards and project leader Chris Tritsis have been in discussions with key Travaux team members, during the past year, giving added insight into overall core objectives (including visions, goals and strategic objectives for a variety of projects) and providing us with the opportunity to “hit the ground running” during our engagement with you.

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*“The Baker Tilly team’s familiarity with tax credits, multi-state programs, loan programs, governmental regulations and all aspects of the affordable housing industry is their greatest strength. We rely on them as a credible source of information to help guide our decision-making.”*

— Menachem Rapoport,  
Vice President Crown Court Property

At the onset of our engagement, Baker Tilly will review Travaux’s latest five-year development plans, projects currently underway, list of projects and land, HACM’s assets, and make site visits to these locations. Once we have made our review, primary members of our engagement team, including Chris, will meet with Travaux’s management for a kick-off meeting. The kick-off meeting allows participants to come together and confirm expectations to ensure that everyone is on the same page in terms of goals and objectives. We will also determine what aspects of the development plan are working and what are not. The meeting will further help us understand the breadth of Travaux’s projects, including asset class, mixed income, mixed use, formal strategy, internal sources of finance, among other key aspects.

In addition to the tasks mentioned above, Baker Tilly will provide deliverables to assist Travaux in visualizing the variety of projects and the complexities of financing on a measurable basis for Scope #1 and Scope #2 for development staff, the executive team and the board. Deliverables (samples of which can be found in **Appendix: Sample deliverables**) could include:

- Proposed individual project timelines (Attachment A)
- A consolidated portfolio of project timelines (Attachment B)
- Draft sample models for individual project evaluation (Attachment C)
- Overall total consolidated budget (Attachment D)
- Project checklist for tax credit applications (Attachment E)
- Change order log (Attachment F)
- Sample narrative process –RAD (Attachment G)

**Length of time and number of hours the project lead will commit to Travaux**

Travaux’s planned development projects are extensive and complex. You require a consultant who understands the finance, development and construction phase and is dedicated to helping you achieve your objectives in a timely and efficient manner, and is available to Travaux when and where you need us.

As outlined in Addendum #1, dated January 4th, 2019, the maximum annual required hours of the first year will be 700 hours; in years two, three, four and five, the maximum annual required hours will be 500 hours each. Baker Tilly’s project leader will spend these hours in Travaux’s offices, job sites or in meetings on behalf of Travaux (such as the mayor’s office, WHEDA or others). Below is an estimate on the number of hours Baker Tilly plans to invest during Travaux’s project, based on Travaux’s estimate. Your project leader will be onsite at Travaux’s headquarters for approximately 1.7 days the first year and 1.2 days per week the remainder of the engagement.

Service year	Days onsite	Total hours per week
Year one	1.7	13.5
Year two	1.2	9.6
Years three through five	1.2	9.6

**Proposed additional time commitment above Scope #1**

We acknowledge receipt of Addendum #1 to Travaux’s RFP, have reviewed the hourly demand and have taken into account the proposed scope, including:

- Scale of the Travaux’s portfolio
- Complexities of projects (mixed use, mixed income, market units, affordable units, public housing, RAD, LIHTC, state 4 percent credits, HOME, CDBG, NMTC, HTC, Opportunity Zone, tax and incentives, school adaptive reuse conversations, highest and best use of land)
- Variety and significant number of projects (anticipating nearly 20 RAD conversions, assorted traditional LIHTCs on larger sites and the potential for special projects)
- Various project phases (including feasibility, due diligence, entitlement, finance planning, construction)

As professional consultants who have provided similar services to those requested by Travaux, we anticipate the monthly time commitment for the project leader to be greater than the 700/500 hour proposed maximum. The goal is to increase opportunities for reduced risk, higher development fee, additional cash flow and residual value. The increased scope would require a project leader to be onsite a minimum of two days per week for the entire five-year term. The project leader's hourly demand blend for the first year would be approximately full time for the first six months and three quarter time during the second six months (approximately 33 hours per week). The second year's hourly blend would be between three quarter time and half time (approximately 20 hours per week). The remaining three years' hourly blend would amount to a quarter of the time (approximately 16 hours per week).

The hours per week above the two days would include offsite meetings, email, telephone and Skype for Business for base Scope #1 and Scope #2.

### Baker Tilly's collaboration with Travaux's development and construction team

#### **We will serve Travaux as a top priority**

Baker Tilly has assigned Chris Tritsis to serve as Travaux's primary point of contact and project leader during our engagement with you. Chris is a senior managing director with Baker Tilly who has more than 20 years of real estate development experience. Chris will become closely intertwined with Travaux's executive management, development and construction teams. His responsibilities will include:

- Continuing ongoing correspondence and communication, including monthly Owner/Architect/Contractor (OAC) meetings for every project to benchmark and execute according to the original financing and development plan and timeline. — Revisions to the plan will be made as needed.
- Organizing all status updates, entrance meetings and exit meetings with development, construction and design teams.
- Reviewing all deliverables to ensure we have met your expectations and that the format is consistent and appropriate.
- Reviewing owner's draw (including owner procured vendors, general contractors' sworn statement and subcontractor invoices) for accuracy and reasonableness. This review is in anticipation of monthly draw meetings and ultimately be submitted to state agencies and equity and debt providers.
- Assembling the most appropriate team to staff each step of the engagement. As more projects start, the project leader will help procure, interview and hire additional project managers (whether through Baker Tilly or Travaux) to operate at the individual project level. Project managers could ultimately handle one to five projects, depending on the size and complexity.
- Attending board meetings as needed to present the results of our progress.
- Serving as a primary point of contact with lenders and other vendors as needed.
- Tracking follow-up activities related to implementation of our recommendations, as deemed appropriate by Travaux.
- Formal, one-hour weekly status calls with Travaux's executives, Baker Tilly and your project leader.

### Firm resources to support the project leader

With more than 3,000 professionals firmwide, including 300 professionals dedicated to the real estate and construction industry, Travaux will have access to significant breadth and depth of skills to meet your objectives, however much support you may require.

Your engagement team, introduced later in our proposal response, has been intentionally selected to fulfill the wide array of project requirements that will develop over the course of our relationship. Chris will call on these professionals when the need or opportunity arises. Team members have been selected based on their experience serving real estate developers and affordable housing authorities in the past, and the specialized skill sets and expertise they offer Travaux. Select areas of specialization include Opportunity Zone, Tax Increment Financing (TIF), PACE, LIHTC, RAD, Historic Tax Credit (HTC), NMTC, Federal Home Loan Bank (FHLB) and others. With a team as extensive as the one Baker Tilly offers Travaux, we anticipate looking for other innovative ways to reduce risk and generate proceeds through strategies such as, contract compliance (change order overbillings), developer fee maximization, increased cash flow of existing projects and proposed projects, and cost segregation studies to boost LIHTC yield.

### Assisting Travaux in completing a project

The most common way a project will be identified during our engagement with Travaux, will be during our review of portfolio assets, existing development plans, Travaux's development goals and conversations with the executive team. Identification will take place and include the overall process of Scope 1 (General Development Consulting), as outlined on page 2 of Travaux's RFP.

Once a project is identified, our work will transition to Scope #2 of the engagement (Project Specific Consulting and Program Management). Your project leader will update the total development budget to discuss with Travaux and HACM what resources are available to complete the project entirely in-house. This would include:

- Current personnel availability
- Financial soft resources (including PBV/PBRA, capital funds)
- Current/contingent financial obligations
- Strength of balance sheet and income statement

After this internal review your project leader will help determine whether the project should be developed 100 percent by Travaux (Path #1) or will be co-developed with a third party vendor (Path #2).

Once the approach is chosen, the project leader will confirm Scope #2 agreement is initiated. The project leader, along with support from your Baker Tilly engagement team, will manage and oversee the complete LIHTC application process.

#### 1. Application process

- Financing applications will start over the course of the next month (if applicable 4 percent LIHTC, 9 percent LIHTC (as WHEDA timing outlines), HOME, AHP and others)
- Communicate with key stakeholders (whether 4 percent, 9 percent, rehab, new construction) and manage the application process.
  - Architect — Confirm unit mix, layout, finishes, WHEDA QAP requirements and others
  - General contractor — Collaborate to finalize budget, schedule, environmental, specialized construction issues and logistics
  - Property management — Lease up timing, absorption, in place rehab
  - Third party vendors — PNA, market study, environmental, appraisal
  - Letters of intent (LOIs) — Construction and perm debt provider(s), equity investors, bridge lenders

- Confirmation of City/county zoning confirmation, correspondence as needed
- Internal client process — PBV, internal soft source requests, RAD (if applicable, start of CHAP process)
- Final review and signoff by board
- WHEDA correspondence
- Create and manage checklist for LIHTC application completeness (see Attachment: E for WHEDA 9 percent checklist in the [Appendix: Sample deliverables](#)) — checklist will be created for other financing sources as needed
- Compile information for a submittal of 9 percent or 4 percent LIHTC to HFA

For Path #2, the project leader, along with appropriate engagement team members, will:

- Help compile, review and score RFPs for a co-developer to partner with Travaux
- Manage Travaux’s relationship with the co-developer
- Baker Tilly will create financial models and assemble all applications for development

### **2. Award prior to close**

- Work with state agency, legal, vendors, lender/equity providers and HUD to prepare project for close
- Collaborate with city liaison to get any variances, zoning, soft funds and others
- Work with internal and external team to procure any special financing, including TIF, NMTC, historic, HOME, CDBG and FHLB
- Finalize budget and schedule with architect and general contractor; monitor permit processing
- Work with various vendor checklists to keep Travaux’s project moving to completion

For Path #2, the project leader, along with appropriate engagement team members, will:

- Work with co-developer to prepare documents for equity/debt/HFA project to close

### **3. Construction**

- Host kick off meeting with general contractor, architect, project manager and key Travaux staff
- Attend one OAC meeting per month
- Attend monthly pencil draw meeting
- Review monthly owner draw
- Monitor change orders, issues of construction and funding problems
- Provide monthly update to Travaux’s board on progress and key issues

For Path #2, the project leader, along with appropriate engagement team members, will:

- Work with co-developer on the above items

### **4. Special projects**

- Highest best use review on land parcels, existing projects for adaptive reuse

### Miscellaneous

To ensure projects are handled with the utmost accuracy and efficiency, the project leader will manage a maximum of five projects at one time, potentially fewer depending on the project's complexity and needs. As projects start to occur, the project leader will assist in the procurement process for additional project management support.

### Baker Tilly's expectations from Travaux's management

We are very sensitive to the fact that our clients have normal day-to-day responsibilities in addition to the development and management program services. We will strive to minimize disruptions by:

- Discussing and agreeing to the days the project leader will be onsite
- Sending “get ready” lists well in advance of due dates to keep the team updated of each projects progress
- Monitoring cost and timeline issues and advising the executive team in real time
- Utilizing a secure portal for work paper uploads so all team members have access
- Distributing industry newsletters and webinar invitations throughout the year to keep you up to date on affordable housing-specific matters
- Requesting feedback directly from you and making adjustments as necessary

To ensure an efficient engagement for Travaux, we have assigned Chris Tritsis as your project leader. He is a former General Electric certified Six-Sigma Green Belt and understands how to formulate, analyze and maintain processes (including define, measure, analyze, improve and control) of large, complex, ongoing projects and can break these down to individual components to simplify the approach for all team members involved.

The real estate development process is project specific and can be long and drawn out, depending on the objective. While the process itself is not without daily challenges, additional difficulties arise when multiple projects stack-up along other projects and processes within the same organization. Travaux's planned engagement is complex and will require multiple projects to run simultaneously, because of this, challenges may arise. In order for Travaux's engagement to be completed with utmost efficiency, Baker Tilly requires Travaux's management to be flexible. During Travaux's engagement, processes may need adjusting, personnel resources may need modification, software limitations can occur and financial obligations may alter. At these times, Travaux's management will need to be nimble and make decisions in real time. With Travaux's management being able to make decisions quickly and efficiently, and by understanding as more projects come online additional support will be needed, we will be able to work more efficiently.



# Project lead qualifications and experience

Dedicated project manager

## 3. Project lead qualifications and experience

### Christopher L. Tritsis, AIA, MBA

Chris Tritsis will serve as Travaux's primary point of contact and project lead.



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#### Education

Master of Business Administration, Finance and International Business  
University of Illinois at Chicago

Bachelor of Architecture, Structural Engineering  
University of Illinois at Chicago

Master of Real Estate Law, Honors College  
John Marshall Law School (Chicago, Illinois)

He is a senior managing director with Baker Tilly's real estate transaction services team. He is a seasoned professional with more than 20 years and \$4.4 billion worth of comprehensive development experience. He provides advisory services on real estate transactions that typically involve tax incentives such as the LIHTC, tax-exempt bonds, HOME, CDBG, seller financing, FHLB, trust fund or others. Services include reviewing financial feasibility of transactions, layered financial structuring and modeling, preparing and consulting on various tax credit and soft funding applications, securing equity and debt, reviewing relevant legal documents, and providing technical or strategic consultation.

Prior to joining Baker Tilly, Chris held several key positions with organizations, including with a regional social services company, a multimillion dollar boutique project management company, a publicly traded multibillion dollar Fortune 50 real estate company and an international architecture firm.

#### Affordable housing experience

- Consult on over \$150 million of 4 percent and 9 percent LIHTC projects in six states.
- Work with housing authorities and developers to analysis portfolio assets, utilize HUD notices, safe harbor and complete RAD transactions that include LIHTC in the capital stack.
- Work with new and experienced developers who provide in-house architecture, construction and property management on sponsor projects.
- Co-developed \$120 million six senior and family LIHTC projects totaling more than 400 housing units that utilized multiple forms of financing.

### Affordable housing experience continued

- Managed more than \$500 million of federal, state, historic and donation tax credit application projects on new construction and rehabilitation of senior and family projects across the U.S.
- Acted as developer, general contractor, self-performing subcontractors for over \$10 million on HUD's Neighborhood Stabilization Funds (NSP) on five scattered sites.
- Feasibility analysis, financial modeling, and soft financing applications for several proposed vacant school conversions into affordable housing.
- Coordinated with various governmental groups: City of Chicago, Illinois Housing Development Authority, Cook County, Federal Home Loan Bank and Housing and Urban Development.

### Specific experience (non-LIHTC)

- Managed several high profile projects and services, such as:
  - \$125 million, 329-unit market rate, Class A 500,000 sf mixed-use high rise with 10,000 SF retail
  - \$150 million proposed museum, feasibility, finance plan
  - \$45 million, 992 room hotel renovation completed within four months
  - \$25 million Feasibility Analysis of primary care center, early childhood center, and library, parking
  - \$42 million Mixed use (residential, retail, parking), mixed income (30 percent, 50 percent, 60 percent market)
  - \$325 million asset managed office, retail, residential, industrial portfolio in the Midwest to include annual budget, dispositions, lease negotiations, capital plans, financial modeling

### Industry involvement

- Adjunct Graduate Professor, DePaul University, Driehaus College of Business- for Design and Construction
- American Institute of Architects
- National Council of Architectural Registration Boards
- Illinois Architect
- Illinois Real Estate Broker
- Six Sigma Green Belt

## Project experience

Chris has worked with developers and housing authorities on a number of real estate development projects. Examples of Chris' applicable experience (both with Baker Tilly and prior) can be found on the following pages.

## Project lead qualifications and experience

Washington Park, LLC	
Project type	4 percent LIHTC
Project amount	\$17.9M
Location	Chicago, Illinois
Financing sources	<ul style="list-style-type: none"> <li>– \$6.4M permanent debt</li> <li>– \$1.5M seller note</li> <li>– \$876,000 HOME from state HFA</li> <li>– \$2.3M CDBG — City of Chicago</li> <li>– \$238,000 in accrued interest</li> <li>– \$5.7M LIHTC</li> <li>– \$325,000 in place income</li> <li>– \$573,000 deferred developer fee (DDF)</li> <li>– \$9.7M tax exempt bond conduit construction loan</li> </ul>
Project lead's role	<p>Worked with first time LIHTC developers who wanted to develop, property manage and serve as the general contractor. Chris collaborated with the state HFA, equity investor and debt providers in order to obtain trust and ensure each entity was on the same page on what was true risk and what was mitigatable for the developer to successfully execute in all three roles. Chris further worked with the sponsor, attorneys, architect and potential third-party project manager and general contractor (as plan B in case they could not do all three development team activities). Structured 4 percent bond deal with the city, state HFA and seller. Combined of 100 existing scattered site units that were two former LIHTC deals (one a 4 percent and one a 9 percent) from the city and state allocating agencies. Worked with city council, HFA, equity investor on material modification of soft debt and strategy to reduce Original Issue Discount event. Chris also worked on Section 811 units prior to close or after close for 10 percent of the units. He managed both HFA and city LIHTC applications, financials models, all communications, meetings, third party vendors (physical needs assessment (PNA), market study, appraisal, environmental, architect) and scope of rehab. Reviewed of all existing regulatory agreements (Land Use Restrictive Agreements (LURAs) to increase deep income targeted units to all 60 percent area median income (AMI) (if not income averaging)), existing hard and soft debt (existing soft debt to be assumed, subordination and extended), and all project financials. Assisted with the compilation of all documents to prepare project for close. Assisted developers with the renovation development scope strategy (hard bids by subcontractors) with tenants living in the building during renovation.</p>
Scope of work	<p>The 100-unit project included eight scattered site buildings (buildings with six, eight, 12 and 20 units) built in the 1920's. Each site had various needs and scope as outlined in the PNA and developer's local experience. Approximately 75 percent of the rehabilitation work was exterior, basement and common space (new high efficiency boilers with controls, overhead sewers, roof, porches, tuck pointing, lintel work, foundation work, hallway paint, lighting and carpet). The majority of the interior unit work included: new kitchen cabinets; countertops; bathroom furniture, fixtures and equipment; resilient flooring; unit finishes; heating, ventilation and air conditioning (HVAC) replacements</p>

## Project lead qualifications and experience

### Washington Park, LLC

(higher efficiencies); building mechanical controls; ground fault circuit interrupter outlet replacements; unit entry and interior doors.

### Aspen Court ,LLC

Project type	9 percent LIHTC
Project amount	\$12.3M
Location	Champaign, Illinois
Financing sources	<ul style="list-style-type: none"> <li>– \$4.2M permanent debt</li> <li>– \$7.8M LIHTC</li> <li>– \$370,000 DDF</li> </ul>
Project lead's role	Chris worked with the experienced developer in order to maximize points for a 9 percent award from the qualified allocation plan (QAP). He managed the HFA 9 percent application, financials models, correspondence with state HFA, architect, general contractor and debt and equity providers. Additionally, he developed the strategy for other financing sources for project.
Scope of work	Renovation of one- and two-bedroom units combined to make three three-bedroom units. The overall unit count was reduced from 140 to 137. Site work included new asphalt, striping of signage on all roads and parking areas. Sidewalks were replaced as needed and made compliant with the American with Disabilities Act (ADA) for ADA units and common areas. New entrance/exit gates were added as well as perimeter fencing. Exterior building renovations included new vinyl siding, brick tuck-pointing as needed, new exterior doors, select window replacement, new roofing and soffits, new gutters and downspouts, and new attic insulation. Interior building renovations will include new interior doors and trim, kitchen cabinets, countertops and bathroom vanities, new vinyl flooring and carpeting throughout, new appliances, all new sinks, toilets, bathtub surrounds, and plumbing fixtures. HVAC included new high-efficiency furnaces, exhaust fans, programmable thermostats, condensing units, and registers and grills. Electrical included new light fixtures, receptacles, switches, smoke detectors and select site lighting.

### Wind Mill Manor

Project type	9 percent LIHTC
Project amount	\$21.9M
Location	Batavia, Illinois
Financing sources	<ul style="list-style-type: none"> <li>– \$604,000 DDF</li> <li>– \$4.2M permanent loan</li> <li>– \$17.1M LIHTC</li> </ul>
Project lead's role	Chris reviewed the LIHTC application (he also worked with the HFA on shortfalls of first LIHTC application), HUD Subsidy Layering Application and financial models, he

## Project lead qualifications and experience

Wind Mill Manor	
	worked with city/civil engineer/legal/ for required entitlement and project zoning variances (zoning, committee of the whole, city council), attended meetings for permits (building department, fire marshal, police, civil engineers, economic development), assisted negotiation of financing (LPA/construction /perm loan), assisted the closing with legal/debt/equity/HFA, HUD Part 58, attended bi-monthly site visits and coordinated Enterprise Green certification process. Chris worked with the general contractor, architect and the City during construction, managing owner draw packages, conversion of construction to permanent financing, construction close out, turn over to property manager and review of 8609 packet.
Scope of work	The project consisted of an “L shaped,” low-rise property with three stories and an elevator. The building is of wood frame, slab on grade, with wood floor and roof trusses. The exterior walls had upgraded materials for longevity and were wood covered with masonry veneer and fiber cement siding. The exterior of the building includes asphalt architectural shingles, pre-finished aluminum fascia/soffit and gutters and vinyl windows. Site improvements include concrete paved parking, concrete sidewalks, and picnic areas. There are 121 surface parking spaces, with four ADA accessible spaces. Bike racks were placed at the front, north and southeast entrances of the building. Four picnic areas with tables and grills are placed throughout the site. Landscaping consists of a generous number and variety of canopy trees, under story trees, and shrubs to compliment the scenic and natural surroundings. The building's total square feet equaled approximately 84,318 square feet. The average one and two bedroom units are 740 and 983 square feet, respectively. The building has 8 accessible units, 72 adaptable units, and 2 sensory impaired units. Lastly the buildings design and construction will obtain a sustainable building certification from the Enterprise Green Communities program.
Gardiner Place	
Project type	9 percent LIHTC
Project amount	\$22.5M
Location	East Dundee, Illinois
Financing sources	<ul style="list-style-type: none"> <li>– \$2.4M permanent loan</li> <li>– \$400,000 village grant</li> <li>– \$420,000 Federal Home Loan Bank (FHLB)</li> <li>– \$1.93M LIHTC</li> </ul>
Project lead's role	Chris reviewed the LIHTC application, FHLBC application and the financial model. He worked with the general contractor and architect to fit the building into the site, including permits (building department), assisted the closing with legal/debt/equity/HFA, HUD Part. He also assisted in the negotiation of financing (LPA/construction /perm loan), worked with accounting to convey village grant to three-year rental trust fund, site visits, worked with the general contractor, architect and the city during construction. He managed change order review, draws, conversion of

## Project lead qualifications and experience

Gardiner Place	
	construction to permanent financing, construction close out, turn over to property manager and review of 8609 packet.
Scope of work	<p>East Dundee Senior Apartments is a mixed-income, 80-unit, new construction three-story elevator development for seniors 55 and older. The project consisted of 80 one- and two-bedroom units, 70 of which became affordable to seniors with incomes ranging from 30 percent to 60 percent. The remaining 10 units were left unrestricted. The project was designed specifically for the aging population and the building design allowed for an abundance of social space. The first floor includes approximately 14,000 square feet of community spaces, including the main lobby that has couches and tables, a dining room with kitchen, two sitting areas, doors that open onto the outdoor green area with a gazebo, a nurse's office, a banker's office, and an exercise room with equipment appropriate for the 55 and over population. The second floor includes more than 11,000 square feet of common area with two sitting areas, a library, a multi-media room, and a beauty salon. The third floor includes a computer room and games and craft room. Each spacious unit has an outdoor balcony, wireless internet and is cable ready. All kitchen appliances are energy star rated and include refrigerator/freezer, microwave, electric range/oven, and dishwasher. The units have vinyl or laminate flooring in the kitchen and bathroom and wall-to-wall carpet in the living and bedrooms.</p>

River Haven	
Project type	9 percent LIHTC
Project amount	\$22.5M
Location	East Dundee, Illinois
Financing sources	<ul style="list-style-type: none"> <li>– \$2.4M permanent loan</li> <li>– \$400,000 village grant</li> <li>– \$420,000 Federal Home Loan Bank (FHLB)</li> <li>– \$1.93M LIHTC</li> </ul>
Project lead's role	<p>Chris reviewed the LIHTC application, FHLBC application, the financial model and permits (building department). He assisted in the closing with legal, debt, equity, HFA and HUD Part, along with the negotiation of financing (LPA/construction/permanent loan). Chris worked with accounting to convey village grant to three year rental trust fund, site visits, worked with general contractor, architect and the city during construction, managing the change order review, draws, monthly meetings, conversion of construction to permanent financing, construction close out, turn over to property manager and review of 8609 packet.</p>
Scope of work	<p>The 100 percent LIHTC new construction project consisted of 68 units, ranging between two and four bedrooms, all of which are affordable to families with incomes ranging from 30 percent to 60 percent. The development consisted of 34 one-story, two-bedroom single family buildings, one one-story three-bedroom single family building, one two-story four-bedroom single family building, three one-story three-bedroom duplex buildings (six units), two one-story four-</p>

## Project lead qualifications and experience

### River Haven

bedroom duplex buildings (four units) and 11 two-story four-bedroom duplex buildings (22 units). The buildings have concrete foundations, stone and Hardie cementitious siding and are of wood construction. Additionally, each spacious unit has a backyard along with wireless internet, and is cable ready. All kitchen appliances are Energy Star rated and include refrigerator/freezer, microwave, electric range/oven, and dishwasher. The units have vinyl or laminate flooring in the kitchen and bathroom and wall-to-wall carpet in the living and bedrooms. Seven of the units are handicapped accessible.

Given that the project leader is key to the success of the Travaux's projects, we think it important to offer personal references for Chris in order to validate his qualifications. The following individuals have worked with Chris in a variety of capacities in recent years. We recommend you contact these individuals should you wish to discuss Chris' capabilities and expertise in real estate development consulting.

### Chris Tritsis references

#### General contractor

Kevin Kadlec, Owner  
**Door Creek Construction, LLC**  
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 715 891 0484  
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#### Housing Finance Agency

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 Multifamily Financing Department  
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#### Developer

Jim Bergman  
**Iceberg Development Group, LLC**  
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#### HUD

Jane Hornstein, Special Application  
 Center, Demolition and Disposition of  
 Public Housing (also former Cook County  
 Deputy Director of Finance, Development  
 & Special Projects)  
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 and Urban Development**  
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#### Architecture

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## Project team qualifications and experience

Intentionally selected to meet Travaux's real estate consulting needs

### 4. Project team qualifications and experience

Selecting a professional services team is one of the most important factors in creating a successful and enduring business relationship. Travaux seeks a dedicated engagement team with strong experience working with developers serving the affordable housing industry.

Your engagement team has been intentionally selected to fulfill the wide array of project requirements that will develop over the course of our relationship. Professionals have been selected based on their experience serving organizations like Travaux in the past and the specialized skill sets and expertise to help you through the entire real estate life cycle.

To reflect our understanding of the importance of your mission, members of this team comprise some of our most experienced staff, **totaling well over 250 years of combined, applicable industry experience**. This approach to staffing benefits Travaux because our experienced resources will:

- Offer significant WHEDA tax credit experience; in addition to the firm's experience providing this service to clients, engagement team member Bill Boerigter was the WHEDA tax credit manager, prior to joining Baker Tilly
- Bring a deep working understanding of RAD through the closing process
- Provide complex financial structuring and modeling as they provide to a top 5 bank in the U.S.
- Work diligently to understand complex compliance requirements before moving forward with an engagement
- Ensure that your engagement team possesses unmatched experience and a breadth of relevant skills
- Analyze problems and provide solutions more efficiently, thereby reducing the amount of time your resources need to spend supporting our team
- Ask knowledgeable and thought-provoking questions
- Not require training or orientation to the basics of your business because they are highly skilled in all aspects of the real estate development life cycle

The table on the following page shows the overall structure of the proposed engagement team. Partners and senior management average nearly 20 years of experience serving the affordable housing industry and have the capabilities to meet all of Travaux's project needs. However, with more than 300 professionals dedicated to real estate, Travaux can cost-effectively access a significant breadth and depth of skills to meet each of your objectives, however much support you may need.

We will tailor this structure for each approved project to assign the optimal mix of firm specialists, as outlined in more detail on the following pages.

## Travaux Inc.

### Primary points of contact



**Donald Bernards**  
Partner  
Madison, WI  
Partner-in-charge



**Chris Tristis**  
Senior Managing  
Director  
Chicago, IL  
Project and client  
relationship leader



**Kaitlin Scopoline**  
Manager  
Madison, WI  
Public housing  
specialist

### Subject matter specialists



**Bill Boerigter**  
Senior Manager  
Madison, WI  
State of  
Wisconsin tax  
credit specialist



**Kate Crowley**  
Principal  
Madison, WI  
Negotiated  
incentives



**David Haviland**  
Senior Manager  
Madison, WI  
Market research



**Russell Hissom**  
Partner  
Madison, WI  
Energy and utilities



**John Knepel**  
Partner  
Emeritus  
Milwaukee, WI  
Audit



**Anthony Ollmann**  
Firm Director  
Madison, WI  
Construction risk  
management



**Krista Pankop**  
Partner  
Milwaukee, WI  
Not-for-profit



**Nathan Pekul**  
Manager  
Madison, WI  
Historic Tax  
Credits



**Michael Ross**  
Principal  
Austin, TX  
New Market Tax  
Credits



**Kimberly Shult**  
Partner  
Minneapolis,  
MN  
Audit



**Colleen Wevodau**  
Senior Manager  
Washington, D.C.  
Property  
management auditor

# Donald N. Bernards, CPA

Donald Bernards, partner in the real estate group with Baker Tilly, has been active in many aspects of affordable housing since 1999.



Don is well versed in structuring affordable housing transactions, including the tax issues. Don is adept at creating a checklist of major issues for each project that can put a deal at risk. Immersed in the affordable housing practice, Don has a wide range of experience with projects, owners and investors and has built a wide network of contacts within the field. His enthusiasm and passion for the industry are infectious. “It’s not just about numbers,” he says, “it’s about the end product and growing capacity.” Don has worked on affordable housing transactions in 26 states.

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**Education**

Bachelor of Business Administration in Accounting  
University of Wisconsin–Madison

**Specific experience**

- Manages a portfolio of clients with the affordable housing industry utilizing various programs including Section 42 and Section 8
- Provides financial modeling for acquisition/rehabilitation and new construction tax credit deals
- Part of HUD technical assistance team providing Rental Assistance Demonstration (RAD) technical assistance nationwide to housing authorities through one-on-one training as well as presenting at educational conferences and seminars
- Consults on various 4 percent and 9 percent deals that have a RAD award and are working toward closing
- Assists in the preparation of Low-Income Housing Tax Credit (LIHTC) applications and applications for soft sources of financing, including HOME, Affordable Housing Program (AHP) and Community Development Block Grants (CDBG)
- Determines optimal Historic Tax Credit transaction structure, works with attorneys to ensure structure abides by safe harbor guidelines and advises on maximizing qualified rehabilitation expenditures (QREs)
- Assists with obtaining debt for various types of affordable housing, including taxable and various tax-exempt debt totaling more than \$350 million over the past five years
- Provides assistance with portfolio acquisition and disposition strategies and implementation

### Donald N. Bernards, page 2

#### **Specific experience, continued**

- In the past five years, assisted in raising and closing more than \$500 million in equity for LIHTC and Historic Tax Credit projects
- Reviews budgets and performs financial analysis on assisted living projects
- Assists with cost segregation studies for affordable housing properties
- Involved in many tax aspects of a project, from transaction structuring to planning and preparation
- Reviews 10 percent tests and cost certifications
- Clients include developers that are not-for-profit, Public Housing Agencies, Tribal Housing Entities and for-profits, as well as tax credit investors

#### **Industry involvement**

- Wisconsin Institute of Certified Public Accountants (WICPA)
- American Institute of Certified Public Accountants (AICPA)
- American Bar Association -- Member Forum on Affordable Housing & Community Development Law; also, Tax Credits and Equity Financing Committee
- Tax Credit Advisory Board Member for State Housing Finance Agency
- Frequent speaker at regional and national conferences on affordable housing issues, including Affordable Housing Finance, National Housing & Rehabilitation Association, National Association of Housing and Redevelopment Officials, HUD, Iowa Finance Agency, Minnesota Housing Finance Agency, Illinois Housing Development Authority, Wisconsin Housing & Economic Development Authority, Michigan State Housing Development Authority, among others

#### **Community involvement**

- United Way of Dane County Foundation Board Member
- Luke House community meal program lead

# Kaitlin M. Scopoline

Kaitlin Scopoline, manager with Baker Tilly's real estate transactions team, has been with the firm since 2015.



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**Education**  
Bachelor of Science in Housing Studies  
University of Minnesota–Twin Cities

Kaitlin specializes in consulting with, and assisting developers apply for various sources of funds to build multifamily, affordable housing developments. She provides advisory services on real estate transactions that typically involve tax incentives such as Low Income Housing Tax Credits (LIHTC).

## Specific experience

- Assists in the preparation of LIHTC applications including 9 percent and tax exempt bonds
- Consults on applications for soft financing sources including HOME and CDBG
- Prepares applications for AHP funds to various Federal Home Loan Bank regions including Boston, Chicago, Cincinnati, Indianapolis and Pittsburgh
- Provides financial modeling for acquisition/rehabilitation and new construction LIHTC deals
- Provides consulting to housing authorities and developers on the US Department of Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) program from initial application to award to financing plan to RCC to closing
- Assists with tracking and monitoring construction budgets
- Assists in coordinating and executing due diligence for prospective mixed-use and residential developments
- Assists in securing equity for LIHTC projects through networking with investors and reviewing letters of intent
- Completes first year tax credit delivery calculations
- Provides Year 15 analysis for LIHTC projects
- In her four years at Baker Tilly, Kaitlin has worked on more than 20 9 percent LIHTC and eight 4 percent LIHTC applications in five states. In addition, she has worked on three RAD projects with \$35 million of project costs

# Bill Boerigter

Bill Boerigter, senior manager with Baker Tilly, joined the firm's real estate transaction services team in 2014.



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**Education**  
University of Texas–Austin  
Bachelor of Business Administration

University of Notre Dame “Certificate in Leadership”

Marquette University “Certificate in Management and Leadership”

University of Wisconsin “Real Estate Executive Certificate”

Prior to joining the firm, Bill worked with the Wisconsin Housing and Economic Development Authority (WHEDA) for 14 years, eight of those years as Manager of LIHTC Allocation, Multifamily Lending and Asset Management. He knows the staff, leadership and policies and has invaluable knowledge regarding securing LIHTC awards and tax-exempt bond debt. This knowledge is crucial, as HACM plans for the financing of multiple buildings in the future. WHEDA will be a critical financial partner and HACM needs every edge to help secure WHEDA resources, nearly all of which are competitive.

Under Bill's leadership at WHEDA, HACM received the largest 9 percent LIHTC award in the Wisconsin's history, the Westlawn Revitalization \$7.367 million of annual credit. Other noted HACM LIHTC awards under Bill's leadership include Becher Terrace, Scattered sites I, II and III, and Convent Hill.

Because of Bill's tenure with WHEDA, he developed solid working relationships with key HACM leadership and staff, including Tony Perez, Bobbi Marsells, Fernando Aniban, and Warren Jones. Bill has financed dozens of buildings in Milwaukee using either LIHTC or tax-exempt bonds, and literally hundreds across the State of Wisconsin. Some highlights of Bill's tenure at WHEDA:

- Managed all phases of multifamily loan origination and LIHTC allocation for WHEDA 2005 to 2014; record lending levels in 2006, 2007, and \$216 million in 2012; he also managed the State of Wisconsin LIHTC allocation process (\$120 million annually) and was responsible for policy development for Wisconsin's Qualified Allocation Plan (QAP)
- Helped develop WHEDA Multifamily loan products: Construction Plus, Preservation Plus, PRLF, and RAD Loan Program
- Created, implemented and managed Wisconsin's \$175 million TCAP and Exchange programs; Bill's team closed 75 projects in 13 months

### Bill Boerigter, page 2

#### Specific experience

- Specializes in affordable housing development services including assistance with obtaining and structuring funding sources such as LIHTC, tax-exempt bonds, HOME, Community Development Block Grants (CDBG), Federal Home Loan Banks (FHLB), and other public and private resources
- Provides strategic planning and general development consulting
- Completes financial modeling and structuring services for projects involving LIHTC, tax-exempt bonds, and Historic Tax Credits (HTC) among others
- Provides consultation on applications for 9 percent LIHTC, tax-exempt bonds, and soft financing sources (such as, HOME Funds, Federal Home Loan Bank AHP Funds)
- Assists in securing equity for LIHTC projects through networking with investors, reviewing letters of intent, and negotiating agreement terms
- Experience in multiple redevelopment projects with various mixed-finance programs
- Experienced in Section 8 preservation, and preservation of other federally subsidized housing, tax-exempt bond financing, and tax credit preservation, monitoring, and compliance
- Experienced in all areas of multifamily real estate development

# Kate Crowley

Kate Crowley, principal with Baker Tilly, has been with the firm since 2009.



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**Principal**

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**Education**

Master of Urban Planning  
University of Illinois–Urbana-Champaign

Bachelor of Science in Economics  
University of Wisconsin–Madison

Kate leads the firm’s negotiated incentives practice, providing comprehensive project finance solutions for development initiatives and business expansions. These services include strategic planning and impact analysis, tax credit and incentives analysis and negotiation, development incentive review and implementation, and creative financing and funding solutions.

**Specific experience**

- Performs financial analysis of economic development strategies and development initiatives to optimize available project financing options
- Identifies new incentives and tax programs that impact client’s growth initiatives
- Provides application and feasibility reviews for federal and state tax credit, financing, and funding programs
- Experience working with closely privately held businesses dealing with growth and capitalization
- Develops tax increment financing (TIF) strategies and projections, creates TIF districts, and consults on redevelopment and TIF Agreements
- Responsible for strategic planning related to incentives services offered by Baker Tilly
- Formerly served as an economic development consultant to public sector and not-for-profit agencies
- Formerly worked as a project manager for a private development firm

**Industry involvement**

- Council of Development Finance Agencies
- International Council of Shopping Centers
- National Grocers Association
- Financial Industry Regulatory Authority (FINRA) – Series 79 and 63 Securities Licenses

# David S. Haviland

David Haviland, senior manager with Baker Tilly, has been with the firm since 2009.



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## Education

Bachelor of Business Administration in Real Estate and Urban Land Economics and Finance, Investment and Banking  
University of Wisconsin–Madison

David has been conducting real estate market research and consulting services since 2001. He provides effective and practical solutions for property owners, tenants, mortgage lenders, public officials and others involved in all aspects of the real estate process. His strong background in finance and the real estate industry provides for a sound, thorough evaluation of real estate situations.

## Specific experience

- Specializes in a variety of real estate advisory services to clients throughout the Midwest including market rate and Section 42 tax credits, and senior and multifamily housing market feasibility studies
- Assisted in developing and financing of various housing types including multifamily, senior independent living, senior assisted living and single family
- Has written more than 800 market studies and conducts in excess of 25 market feasibility studies at any given time
- Gained extensive real estate development experience as a project manager overseeing several mixed use developments in Dane County for a local commercial real estate developer
- Worked with MONY Realty Capital assisting with the internal underwriting and due diligence process of more than \$200 million in debt

## Industry involvement

- National Council of Housing Market Analysts (NCHMA)
- University of Wisconsin Real Estate Alumni Association

# Russell A. Hissom, CPA, CIA, CISA, CRMA

Russell Hissom, partner on the energy and utilities team, has been with Baker Tilly since 1983.



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**Education**

University of Wisconsin – Milwaukee  
Bachelor of Business Administration in Accounting

Russ has extensive experience with contract compliance audits under jointly owned electric generation contracts, overhead cost allocation studies, enterprise risk management implementation projects, benchmarking studies, work order asset management implementation projects, construction cost reviews, management audits, financial and compliance audits of electric utilities. Russ also specializes in enterprise risk advisory and internal audit services, software selection and implementation projects, business process and controls reviews, operational reviews and scorecard and metrics reporting. He provides specialized risk management, operational and financial training courses for utilities and public sector organizations.

**Specific experience**

- Performs management audits that analyze key business processes of utility operations to determine and recommend greater efficiencies
- Performs benchmarking analyses, overhead cost allocation studies and utility financial performance projects
- Assists public sector organizations in developing benchmark and scorecard reporting
- Performs enterprise risk management implementation projects
- Provides internal audit and enterprise risk advisory services
- Performs compliance audits that analyze the impact and performance of utilities under jointly owned electric generation contracts
- Evaluates energy procurement and trading practices and recommends policy and process improvements
- Develops internal controls reviews under the COSO internal control framework
- Serves as partner-in-charge of financial audits for electric, water, wastewater, gas and communications utilities as well as public sector enterprise funds (electric, water, wastewater, gas and communications)
- Leads public sector utility software selection and implementation projects

### Russell A. Hissom, page 2

#### **Specific experience (cont.)**

- Analyzes revenue requirements and performs cost of service studies and rate design for electric, water, wastewater, gas and communications utilities
- Serves as an expert witness before regulatory bodies in utility rate proceedings
- Performs work order asset management and FERC/NARUC accounting implementation projects
- Performs specialized training for utilities in the areas of enterprise risk management programs, work order asset management systems, internal audit programs and accounting standards implementation
- Authors numerous articles related to the utility industry

#### **Industry involvement**

- American Institute of Certified Public Accountants (AICPA)
- American Public Power Association (APPA)
- Illinois Municipal Utilities Association
- Institute of Internal Auditors
- ISACA (formerly Information Systems Audit and Control Association)
- Sustainability Accounting Standards Board Energy Standards Group
- Other national and state public sector and utility organizations

# John A. Knepel, CPA

John Knepel has been in the accounting industry since 1977.



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**Education**  
University of Wisconsin–Milwaukee  
Bachelor of Business Administration in Accounting

A partner in the state and local government group of Baker Tilly, he has extensive experience in providing accounting, financial auditing and consulting services to public sector entities.

## Specific experience

- Partner in charge of financial audits of counties, cities, villages, towns, public school districts and public colleges
- Provides strategic planning and implementation services for governmental units, implementing Governmental Accounting Standards Board (GASB) Statements
- Develops formal budget procedures, prepares annual budgets and designs and implements financial systems
- Provides tax incremental financing (TIF) district financial compliance audits
- Provides audits of federal and state programs
- Develops written accounting policies and procedures to improve the operation of the accounting function and strengthen internal controls
- Reviews and prepares comprehensive annual financial reports which have been awarded a Certificate of Achievement for Excellence in Financial Reporting
- Reviews annual regulatory reports for municipalities and public utilities
- Reviews and develops accounting systems for governmental units including fund structures and charts of accounts
- Reviews single audits in accordance with OMB Uniform Guidance and State Single Audit Guidelines
- Assists governmental units in developing formal budget procedures, preparing annual budgets, and designing and implementing financial systems

### John A. Knepel, page 2

#### **Industry involvement**

- American Institute of Certified Public Accountants (AICPA)
- Government Finance Officers Association (GFOA) member and Certificate of Achievement Review Committee
- Speaks on accounting and financial reporting topics at industry conferences
- Wisconsin Institute of Certified Public Accountants (WICPA)
- Wisconsin Government Finance Officers Association (WGFOA)

# Anthony Ollmann, CPA, CCA

Tony Ollmann is the firm director of Baker Tilly's construction risk management practice.



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### **Firm Director**

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bakertilly.com

### **Education**

Bachelor of Business Administration in Accounting  
University of Wisconsin–Milwaukee

He has more than 20 years of experience in the construction industry providing risk management, project controls and operations consulting services to owners, operators and contractors. His project experience spans from large complex construction audits to single thread financial controls and process improvement consulting. Additionally, Tony provides litigation support services to owners and contractors. He is a regular contributor to Construction Accounting and Taxation, as well as a requested speaker to numerous construction, trade, audit and industry associations.

### **Specific experience**

- Plan and execute construction audits
- Plan and execute construction financial controls evaluation, assessment and optimization engagements
- Plan, design and implement construction project performance benchmarking engagements
- Plan and execute information system selections and implementations for financial, construction management and project management systems
- Analyze, design and implement workflow improvement initiatives

### **Industry involvement**

- American Society for Healthcare Engineering (ASHE)
- Association of Healthcare Internal Auditors (AHIA)
- Authors various articles related to the construction industry
- Construction Financial Management Association (CFMA)
- Illinois Road and Transportation Builders Education Committee chairperson
- National Association of Construction Auditors (NACA)
- Speaks on construction management, financial controls, financial systems, and project management topics to a variety of industry and professional organizations
- The Institute of Internal Auditors (IIA)

# Krista Pankop, CPA

Krista Pankop, partner with Baker Tilly, serves as the co-leader of the Wisconsin not-for-profit practice and the Wisconsin and Illinois healthcare practice leader.



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**Partner**

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**Education**

Bachelor of Business Administration in Accounting  
University of Wisconsin – Whitewater

Krista has been with the firm since 1995. Krista specializes in numerous not-for-profit industries including, but not limited to, healthcare, senior living, voluntary health and welfare organizations, associations, religious orders and their ministries, and behavioral health organizations. Krista has extensive experience with compliance auditing including Uniform Guidance and the U.S. Department of Housing and Urban Development (HUD). She is also one of our firm assurance quality leaders.

**Specific experience**

- Serves as Wisconsin and Illinois healthcare practice leader and audit partner
  - Partner-in-charge of numerous behavioral health, senior living and other assisted living facilities experienced in the valuation methodologies of patient receivables and government funding
- Serves as assurance quality leader for Baker Tilly's not-for-profit industry practice
  - Ensures quality through providing internal trainings, consultations with other partners on technical matters, concurring reviews and oversees internal inspection of not-for-profit engagements
- Serves as partner-in-charge on numerous not-for-profit audit engagements including compliance auditing
  - Deep understanding of contributions including donor restrictions, classifications of net assets, government grants and their compliance requirements, membership organizations, associations, and foundations including endowments
- Audits numerous religious orders and their ministries
  - Proficient in auditing investments, patrimony funds, consolidations of sponsored ministries and internal control assessments
- Specializes in audits conducted in compliance with OMB Uniform Guidance, the HUD Consolidated Audit Guide 2000.04, and the Wisconsin State Single Audit Guidelines

### Krista K, Pankop, page 2

#### **Specific experience (continued)**

- Participates in firm recruiting and plans and conducts internal staff technical training
- Previous experience performing audits, reviews and compilations for municipalities, banks, commercial entities and school districts
- Assists with compliance issue resolution, working with federal, state and county departments
- Extensive consolidation experience including for-profit subsidiaries

#### **Industry involvement**

- American Institute of Certified Public Accountants (AICPA)
- Wisconsin Institute of Certified Public Accountants (WICPA)
- Financial Accounting Standards Board (FASB) Not-for-Profit Advisory Committee Resource Group
- Chairperson for Baker Tilly's GROW (Growth and Retention of Women) initiative
- "Organizational Strategic Planning: Positioning for the Future," co-presenter at LeadingAge Wisconsin Fall Conference (September 2018)
- Healthcare Financial Management Association (HFMA) Wisconsin Chapter
  - WI HFMA Women in Healthcare conference, November 2016
  - 2016 Mega Conference
- Treasurer for Clement Manor 2018; Board Member 2016 – 2018
- Executive Women's Golf Association–Milwaukee Chapter (Nomination Committee, 2013; Treasurer, 2009-2011)
- Bottomless Closet – Past Board Member, helped educate and clothe underprivileged individuals for interviews
- Speaker at Resource Center for Religious Institutes: 2012-2016
- Past presenter at WICPA NFP conference
- Authored publications for WICPA and for internal NFP training

# Nathan C. Pekul, MBA

Nathan Pekul, senior manager with Baker Tilly, has been with the firm since 2014.



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## Education

Master of Business Administration in Accounting  
University of Phoenix (Madison, Wisconsin)

Bachelor of Business Administration in Marketing,  
Certificate of International Business  
University of Wisconsin–Milwaukee

He specializes in real estate underwriting services and is involved in various aspects of real estate projects such as financial modeling, tax credit investor and lending services and deal structuring to optimize project benefits for the client.

## Specific experience

- Provides financial modeling for projects involving acquisition/rehabilitation and new construction Low Income Housing Tax Credits (LIHTC)
- Provides financial modeling for projects involving Historic Tax Credits (HTC), both direct investment and master lease structures
- Has worked on transactions involving more than \$2 billion in total development costs and more than \$1 billion in LIHTC and HTC investments
- Provides assistance in structuring of LIHTC, HTC and twin LIHTC/HTC transactions
- Provides assistance with tax-exempt bond transactions
- Assists in securing tax credit investors and construction, permanent and bridge loan debt for LIHTC and HTC projects
- Conducts research on transaction related regulatory and policy issues
- Experienced in commercial underwriting and appraisal review for single-family, multifamily, office/retail, industrial and mixed-use developments

## Community involvement

- Vice President of the Board of Directors for the Badger Childhood Cancer Network

# Michael P. Ross, CPA

Michael Ross, partner with Baker Tilly and president of Baker Tilly Capital, LLC, the wholly-owned private investment banking subsidiary of Baker Tilly.



## **Baker Tilly Virchow Krause, LLP**

### **Partner**

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### **Education**

Bachelor of Business Administration in Accounting  
University of Wisconsin–Whitewater

He specializes in real estate and comprehensive project finance for development projects. Additionally, Mike is a licensed investment banker and CPA.

### **Specific experience**

- Team leader for Baker Tilly's transactions team
- New Markets Tax Credit financial benefits consultant; application and product review, tax benefit analysis and support
- Develops new services for the firm's clients, researching new incentives and taxes that impact clients
- Responsible for strategic planning related to real estate services offered by Baker Tilly
- Has managed client relationships in all sectors of the real estate market including market-rate housing, senior and assisted living housing, affordable housing, hospitality buildings and businesses, office buildings, industrial buildings and land development
- Has managed more than 125 audit clients of affordable housing projects including Low-Income Housing Tax Credit (LIHTC) projects, HUD projects, bond projects, HOME and other federal and state subsidy source projects
- Provides strategic planning services to both for profit and not-for-profit clients serving multifamily, single family and commercial sectors of the real estate market
- Provides litigation support services to communities, developers and investors as needed based on experience in the affordable housing industry
- Experience in structuring, modeling and analyzing transactions, acquisitions, dispositions and reorganization of real estate and related businesses within
- the construction and real estate group primarily representing developers of real estate
- Specializes in tax regulations that impact real estate clients including tax-deferred exchanges, passive activity regulations, real estate professional regulations, Historic Tax Credit, Low-Income Housing Tax Credit, New Markets Tax Credit and cost capitalization

### Michael P. Ross, page 2

#### **Specific experience (continued)**

- Established a cost segregation practice using an engineered approach to Baker Tilly clients and new clients
  - Served a critical role in setting up Baker Tilly Capital, LLC, and The Valued Advisor Fund, LLC; these entities were set up to assist accredited and institutional investors place equity with real estate developments and businesses seeking capital and to help clients secure financing; assisted in developing financial models used by this group to determine the proper structure of their deal
- Has consulted on tax credit compliance including 100% first year reviews, acquisition reviews, cost certifications, compliance audits and quality control assessments

#### **Industry involvement**

- American Institute of Certified Public Accountants (AICPA)
- Affordable Housing Tax Credit Coalition
- Texas Affiliation of Affordable Housing Providers (TAAHP)
- New Markets Tax Credit Coalition
- Featured speaker for Wisconsin statewide New Markets Tax Credit educational series sponsored by the Department of Commerce and the Wisconsin Housing and Economic Development Association
- National, state, and local speaker on subjects related to affordable housing and community development

# Kimberly M. Shult, CPA

Kimberly Shult, a partner in the state and local government group, has been with Baker Tilly since 1996.



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## **Education**

Bachelor of Business Administration in Accounting  
University of Wisconsin – Eau Claire

Kim specializes in providing financial and single audits to governmental entities including counties, municipalities, tribal governments and other government entities.

## **Specific experience**

- Partner-in-charge of financial audits of counties and municipalities, municipal electric, water and sewer utilities, public housing authorities, redevelopment authorities, tribal governments and special districts
- Partner-in-charge of audits of federal and state awards for governmental entities, including counties, municipalities, tribal governments and public housing agencies
- Assists clients with implementation of new accounting standards
- Reviews regulatory reports for municipalities and municipal utilities
- Develops rate studies for water and sewer utilities
- Reviews Comprehensive Annual Financial Reports which have been awarded a Certificate of Achievement for Excellence in Financial Reporting
- Provides a variety of accounting and budget assistance to municipalities
- Firm engagement quality reviewer for government financial and single audit engagements
- Speaks at industry conferences on topics, including the Wisconsin Government Finance Officers Association, Wisconsin Rural Water Association and Wisconsin AICPA School District Audit conferences
- Presents financial and audit reports to local government boards and committees
- Licensed CPA in Wisconsin, Minnesota and North Dakota

### Kimberly M. Shult, page 2

#### **Industry involvement**

- American Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants
- Government Finance Officers Association – GFOA Special Report Review Committee
- Wisconsin Government Finance Officers Association
- Minnesota Government Finance Officers Association
- Speaks on accounting and auditing topics at industry conferences
- Chippewa Valley Theatre Guild – Board member, Treasurer, and Finance Committee Chair
- Eau Claire Chamber of Commerce – Leadership Eau Claire Class of 2014

# Colleen Wevodau, CPA, MBA

Colleen Wevodau, audit senior manager, has been with Baker Tilly since 2006.



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## Education

Master of Business Administration  
George Mason University (Fairfax, Virginia)

Bachelor of Science in Business Administration,  
accounting  
University of Richmond (Richmond, Virginia)

Colleen specializes in providing assurance services to companies in the real estate industry specifically with auditing U.S. generally accepted accounting principles (GAAP) basis financial statements. Additionally, Colleen provides various consulting services to real estate companies, including internal control evaluations, policy and procedure development and implementation and compliance evaluations. Colleen regularly participates in real estate industry conferences and activities, including the Commercial Real Estate Development Association (NAIOP) on a national and local level.

## Specific experience

- Plans, supervises and manages financial statement audits for commercial and residential real estate, real estate opportunity funds, real estate developers and property managers
- Manages numerous real estate financial statement audits, including lease testing procedures to ensure base rent and expense reimbursements recorded are accurate and in accordance with the lease agreement
- Assists with real estate financial statement audits by performing the evaluation of various accounting standards, including rental income and rent escalations, lease incentives, contingent rentals, lease modifications, expense reimbursements, valuation and impairment, fair value accounting and sales of real estate, among others
- Serves a variety of clients, including large private equity investors, as well as small family-owned businesses
- D.C. liaison for the Baker Tilly transaction team whose focus is on capital structure and capital markets; engaged in developing negotiated credits and incentives to bridge the needs of project finance with government through public-private partnerships
- Evaluates internal controls for real estate and construction companies
- Identifies risk areas and makes recommendations for improvement
- Develops policies and procedures to assist companies to improve internal controls
- Assists companies with the implementation of control recommendations

### Colleen Wevodau, page 2

#### **Industry involvement**

- American Institute of Certified Public Accounts (AICPA)
- Greater Washington Society of Certified Public Accountants (GWSCPA)
- NAIOP, the Commercial Real Estate Development Association
  - Developing Leaders regional and national forums
  - Research Foundation Visionaries program, 2017-present
- NAIOP Developing Leaders award recipient, 2018
- AICPA/GWSCPA Women To Watch award recipient – Community leader, 2016

#### **Community involvement**

- Calvary Women's Services – Board of Directors, President, 2017-present
- Juvenile Diabetes Research Foundation (JDRF)
  - Executive committee member for the JDRF Real Estate Games, 2012-2017



## Organizational capacity

Leading advisory firm

### 5. Organizational capacity

#### Organization and management profile

##### Top 15 nationally recognized advisory firm with Wisconsin roots

Baker Tilly is a nationally recognized firm with a proven track record of serving clients nationwide and internationally. With clients located in all 50 states, our locations across the globe enjoy brand recognition among our peers and the public.

And as a member of Baker Tilly International, one of the world's top 10 largest accountancy and business advisory networks, we are able to extend our reach through trusted relationships with firms around the world. We employ more than 3,000 professionals, serving more than 40,000 clients from more than 50 offices.

Baker Tilly was founded in 1931 with one central objective: use our industry specialization to help our clients improve their organizations. And that objective still holds true today. We have grown to become one of the top 15 advisory and accounting firms in the country, according to *Accounting Today*. Originating in Wisconsin, we have a large presence throughout the state, including an office in downtown Milwaukee, and are knowledgeable in the unique needs and circumstances affecting affordable housing developers throughout the region.

For more than 85 years, Baker Tilly has understood that our business demands absolute integrity, a belief in the value of trusted relationships, and a willingness to collaborate with every client. We will strive to continue to deepen and enhance our relationship with Travaux as we seek to become your valued advisor.



**Our values**

Throughout our relationship with Travaux, we will be guided by our firm’s core values — principles that guide our behaviors and choices and help us strive for excellence in everything we do.

**Collaboration**

We are at our best when we all work together. We build on collective strength to achieve better results than we could as individuals.

**Integrity**

We do the right thing, for the right reason — no matter what. Honesty, trust and the fulfillment of our promises to you are the keys to mutually beneficial success.

**Passion**

We put forth our best effort every single day for the benefit of our clients, our people and our firm. We love what we do, so we take great pride in a job well done.

**Stewardship**

We invest for the future with the intention of leaving everything better. Our clients will be more successful, our people will be more fulfilled, our communities will be enriched and our firm will leave a proud legacy.



In 2016, Baker Tilly implemented a firmwide “Stewardship Day” to practice what we preach by living our value of stewardship as a firm. This annual event allows Baker Tilly employees to give back to the communities in which we live and work. In 2018, **more than 2,000 of the firm’s employees participated in our national Stewardship Day and we supported more than 80 individual organizations** that are meaningful to our people and our communities. In Milwaukee, team members volunteered their time sorting thousands of pounds of food at Feeding America Eastern Wisconsin and reading to children at La Causa Charter School on Milwaukee’s Southside.

**Primary offices**

With headquarters in Chicago, Baker Tilly has more than 50 offices globally, including five in the State of Wisconsin. During our engagement with Travaux, you will be served by professionals from a variety of offices, including:

Chicago – headquarters	Milwaukee – engagement office 1	Madison – engagement office 2
205 North Michigan Avenue Chicago, IL 60601 T 312 729 8000 F 312 729 8199	777 East Wisconsin Milwaukee, WI 53202 T 414 777 5500 F 414 777 5555	10 Terrace Court Madison, WI 53718 T 608 249 6622 F 608 249 8532

Baker Tilly’s Milwaukee office is located less than a mile from Travaux’s headquarters and less than two miles from HACM’s headquarters. Because of our location, Baker Tilly understands the community you serve, because we serve the same community and are members of it ourselves. With more than 200 professionals, including 30 partners, in our Milwaukee office, Baker Tilly is proud to be a go-to accounting and advisory firm within the city and for the City of Milwaukee.

### Firm history

Baker Tilly Virchow Krause, LLP is a full-service accounting and advisory firm. The firm originated in 1931 as “Edward A. Virchow, CPA” and operated under that name until 1953 when a partnership was formed, creating “Virchow, Krause & Company.” Mergers occurred over the years. In 2009, the firm registered as “Baker Tilly Virchow Krause, LLP,” with headquarters in Chicago when we became the exclusive branded member firm in the U.S. of Baker Tilly International.

### Financial strength and stability

The table below shows our firm’s net revenues for the past three fiscal years.

	2018	2017	2016
Net revenue	\$578 million	\$546 million	\$522 million

Baker Tilly has more than 3,000 team members firmwide, including more than 300 partners. Resumes for our partners can be found on our website: [bakertilly.com/contact/directory/](http://bakertilly.com/contact/directory/). Resumes for key team members are included in the previous section.

### Baker Tilly’s past and current litigation

In the normal course of business as a large accounting firm, Baker Tilly may be made a party to litigation alleging various common law and statutory violations. While Baker Tilly expects to resolve all pending matters without any material detrimental impact to the firm, like most accounting firms of any size, the firm does not disclose or discuss its litigation. Litigation is generally disposed of in the normal course of business and under any applicable professional indemnity insurance policy. We enjoy the benefits of a positive reputation.

### Lost clients

As a large accounting firm, Baker Tilly may have contracts terminated for a variety of reasons. In the past, we have lost clients due to the following:

- Mandatory audit firm rotation
- Project completion
- Mergers and acquisitions
- Competitive bidding

The relationship that we maintain with each former client is sensitive and based upon trust and confidentiality. We cannot disclose the information surrounding these relationships without each organization’s explicit, written permission.

## Project profile

### Baker Tilly affordable housing experience

Baker Tilly has been providing accounting, tax and consulting services to affordable housing developers since the inception of the first affordable housing production program. Members of the service team have extensive affordable housing and real estate experience and continually refine their knowledge of the industry. Baker Tilly has gained a national reputation in the affordable housing and community development industry, assisting both public and private sector entities in development, redevelopment and other housing and economic development related activities.

#### Affordable housing core services

*Audit, tax and compliance*

*Market studies*

*Development consulting*

*Transaction structuring and underwriting support*

*Construction risk management*



The following are recent examples of Baker Tilly’s experience successfully serving affordable and mixed-income rental housing clients.

9 percent/4 percent LIHTC hybrid — Soldier’s Home	
<b>Date of completion or anticipated completion</b>	Spring 2019 closing
<b>Location</b>	Milwaukee, WI
<b>Size and type of project</b>	9 percent/4 percent LIHTC hybrid
<b>Rental units (unit mix or incomes served)</b>	80-plus
<b>Total cost of development, soft hard costs</b>	\$41.4M
<b>Commercial development</b>	N/A
<b>Sources of financing</b>	<ul style="list-style-type: none"> <li>– \$19.4M LIHTC equity</li> <li>– \$12.4M Federal and State HTC</li> <li>– \$9.6M grants and donations</li> <li>– \$0 deferred fee</li> </ul>
<b>Unique challenges</b>	<p>Baker Tilly assisted the developer from project conceptualization through the closing process (Spring 2019).</p> <p>In addition to preparing original financial pro-formas, Baker Tilly was instrumental in preparing the initial 9 percent LIHTC application to WHEDA and providing advice that led to a competitive score being awarded. Baker Tilly has assisted the developer in turning this original 9 percent award into a larger and innovative 9 percent/4 percent hybrid, the first of its kind in Wisconsin.</p>

9 percent LIHTC — Greenfield and Roodhouse Homes	
Date of completion or anticipated completion	Spring 2019 close
Location	Greenfield, IL and Roodhouse, IL
Size and type of project	9 percent LIHTC
Rental units (unit mix or incomes served)	46
Total cost of development, soft hard costs	\$13.7M
Commercial development	N/A
Sources of financing	<ul style="list-style-type: none"> <li>– \$10.75M LIHTC equity</li> <li>– \$208,000 Illinois Affordable Housing Tax Credit Equity</li> <li>– \$1.76M permanent financing</li> <li>– \$690,000 AHP loan</li> <li>– \$300,000 deferred developer fee</li> </ul>
Unique challenges	<p>This project is a RAD conversion of 46 public housing units that will be demolished and newly constructed. Baker Tilly assisted with applications to IHDA for the 9 percent LIHTC and Illinois Affordable Housing Tax Credits, and the application to the Federal Home Loan Bank of Chicago for AHP Funds. In addition, Baker Tilly assisted the housing authority with the submission of the RAD Application, Financing Plan and RCC Closing Checklist. HUD adjusted the RAD rents during this process causing a gap in the project that Baker Tilly was instrumental in helping to solve.</p>

4 percent LIHTC with historic credits — Welford Sanders project	
Date of completion or anticipated completion	Summer 2018
Location	Milwaukee, WI
Size and type of project	4 percent LIHTC with historic credits
Rental units (unit mix or incomes served)	59
Total cost of development, soft hard costs	\$20.8M
Commercial development	N/A
Sources of financing	<ul style="list-style-type: none"> <li>– \$6.4M LIHTC equity</li> <li>– \$7.8M historic tax credit equity</li> <li>– \$2.7M permanent tax-exempt bonds</li> <li>– \$1.2M TIF loan</li> <li>– \$500,000 HOME loan</li> <li>– \$2.2M deferred developer fee</li> </ul>
Unique challenges	<p>This project included the creation of 59 affordable units along with significant community service facility space which is being leased to various non-profits providing services to the residents and neighboring community. There was a lot of work to structure the master lease around the commercial</p>

**4 percent LIHTC with historic credits — Welford Sanders project**

	space, along with the other factors with the historic tax credits. Baker Tilly helped to work through the WHEDA process with the tax-exempt bonds and TIF loan, along with the City of Milwaukee on the TIF agreement, and also helped to solicit and review equity proposals for the LIHTC, federal and state historic credits.
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**Public housing portfolio review (Alaskan Housing Finance Corporation)**

<b>Date of completion or anticipated completion</b>	Original recommendations Fall 2018; implementation on-going
<b>Location</b>	State of Alaska
<b>Size and type of project</b>	14 AMPs which have a total of 1,242 units
<b>Rental units (unit mix or incomes served)</b>	1,242
<b>Total cost of development, soft hard costs</b>	TBD
<b>Commercial development</b>	N/A
<b>Unique challenges</b>	Baker Tilly conducted an assessment of AHFC’s portfolio to determine its available funding sources (both operating and capital), the capital improvement needs by each Asset Management Property (AMP), and its operating expense structure in terms of staffing and management. Based on this assessment, an analysis using various financing programs was performed to determine how best to secure the necessary financing resources to recapitalize AHFC’s public housing portfolio. It was determined that the current Section 9 (public housing program) model is not sustainable due to unmet physical property needs and operational limitations. Conversion of AHFC’s inventory to a project-based rental assistance under the Rental Assistance Demonstration (RAD) program and/or Section 18 (Demolition and Disposition Program) were examined to determine which, if both or either, were financially feasible.

**Central Park Towers — Housing Authority of Elgin, Illinois**

<b>Date of completion or anticipated completion</b>	2016
<b>Location</b>	Elgin, Illinois
<b>Size and type of project</b>	9 percent LIHTC project with RAD
<b>Rental units (unit mix or incomes served)</b>	164
<b>Total cost of development, soft hard costs</b>	\$33.4M
<b>Commercial development</b>	N/A
<b>Sources of financing</b>	<ul style="list-style-type: none"> <li>– \$6.8M mortgage</li> <li>– \$7.9M seller note</li> </ul>

Central Park Towers — Housing Authority of Elgin, Illinois	
	<ul style="list-style-type: none"> <li>– \$17.1M LIHTC equity and state donation tax credits</li> <li>– \$500,000 other</li> <li>– \$1.1M deferred developer fee</li> </ul>
Unique challenges	<p>Central Park Towers is one of the largest 9 percent and most complex RAD transactions closed to date, and ensures quality affordable housing for Elgin residents for years to come. The authority purchased and demolished property adjacent to the building, allowing the plan to include substantial rehabilitation and new construction with an expanded site footprint. The authority was able to increase living space for the elderly residents and reduce the density of the tower by converting existing efficiency units into one-bedroom units. The units lost through the tower reconfiguration will be constructed in a new mid-rise tower immediately adjacent to the rehabilitated building. The project also includes a new courtyard between the two buildings and will incorporate sustainable features consistent with Enterprise Green Communities criteria.</p>

Willingham Village — Northwest Georgia Housing Authority	
Date of completion or anticipated completion	2015
Location	Rome, Georgia
Size and type of project	4 percent LIHTC project with RAD
Rental units (unit mix or incomes served)	96
Total cost of development, soft hard costs	\$11.9M
Commercial development	N/A
Sources of financing	<ul style="list-style-type: none"> <li>– \$5.9M LIHTC equity</li> <li>– \$4.2M Home Funds</li> <li>– \$1M seller note</li> <li>– \$800,000 deferred fee and other grants</li> </ul>
Unique challenges	<p>Financial advisory services on the redevelopment of a 97-unit project consisting primarily of duplexes. The project currently includes 172 units of which 97 units are packaged into a 4 percent tax credit project; the remaining units will be a future 9 percent tax credit project. The development includes a RAD conversion as well as 4 percent LIHTC. With Baker Tilly's assistance, the project secured a \$4.2 million HOME funds award, received a 4 percent LIHTC award through Georgia DCA</p>

Opportunity Zone multi-family	
Date of completion or anticipated completion	Spring 2019
Location	Madison, WI
Size and type of project	\$54M
Rental units (unit mix or incomes served)	125
Total cost of development, soft hard costs	\$54M
Commercial development	N/A
Sources of financing	<ul style="list-style-type: none"> <li>– \$20M opportunity zone equity</li> <li>– \$34M debt</li> </ul>
Unique challenges	This project is working toward closing in April 2019. Baker Tilly is assisting with structuring this project which will have 3 classes of investors. The structuring is around the allocation of cash flow along with the allocation of tax losses. Baker Tilly's affiliate, Baker Tilly Capital, a broker/dealer, is also engaged to raise the opportunity zone equity for the project.

## References

### Valuable perspectives

We are always glad to provide references because we think it is important for you to talk with organizations we serve. We encourage you to connect with the clients listed below to learn more about the value of their relationship with Baker Tilly. Each may have a different perspective that you may find valuable as you think about your needs.

Baker Tilly references		
<p>Ted Matkom Wisconsin Market President <b>Gorman &amp; Company, Inc.</b> 200 N. Main Street Oregon, WI 53575 414 617 9997 <a href="mailto:tmatkom@gormanusa.com">tmatkom@gormanusa.com</a></p>	<p>Menachem Rapoport <b>Crown Court Properties, Ltd.</b> 2323 Mequon Road Mequon, WI 262.242.7705 <a href="mailto:mrapoport@crowncourtproperties.com">mrapoport@crowncourtproperties.com</a></p>	<p>David Lyon Senior Vice President, Real Estate Development and Acquisitions <b>Mercy Housing</b> 120 S. LaSalle, Suite 1850 Chicago, IL 60603 312 447 4560 <a href="mailto:dlyon@mercyhousing.org">dlyon@mercyhousing.org</a></p>
<p>Jonathan Beck Development Project Manager <b>Alexander Company</b> 345 W. Washington Ave, Suite 301 Madison, WI 53703 608 268 8119 <a href="mailto:jdb@alexandercompany.com">jdb@alexandercompany.com</a></p>	<p>Mary Pavek Executive Director <b>Antigo Housing Authority</b> 535 Third Avenue Antigo, WI 54409 715 623 5768 ext 28 <a href="mailto:mpavek@antigohousingauthority.org">mpavek@antigohousingauthority.org</a></p>	<p>Michael Niehaus* President <b>Windsor Development Group, Homebuilders, Realty</b> 3026 Happy Landing Dr. Springfield, IL 62711 217 793 4007 <a href="mailto:mike@windsorhomes.com">mike@windsorhomes.com</a></p>

**Baker Tilly references**

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**Vecino Group**  
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Damon Duncan  
 Executive Director  
**Housing Authority of Elgin (Illinois)**  
 847 742 3853  
[dduncan@haelgin.org](mailto:dduncan@haelgin.org)

*\* Baker Tilly has worked with Windsor Development Group in new construction and acquire/rehab projects for the following Illinois public housing authorities in the last five years Cass County, Greene County, Morgan County, Menard County, Montgomery County*

*\*\* Baker Tilly has worked with Paul Robinson in new construction and acquire/rehab projects in Georgia and Louisiana for the following public housing authorities in the last five years Northwest Georgia, Conyers, GA, LaGrange, GA, Hawkinsville, GA, Lafayette, LA*

**Financial development experience**

Travaux will be served by affordable housing specialists whose primary objective is to assist clients in financing and developing quality affordable housing.

Baker Tilly professionals have experience assisting clients through each stage of the Section 42, RAD and HUD mixed finance processes. They prepare the preliminary development and operating budgets, apply for and obtain tax credits and negotiate finance issues with the HUD Washington office and investors. Baker Tilly’s specialists are experienced with obtaining many layers of financing and understand the complex layers of compliance that come with using mixed and tax credit financing.

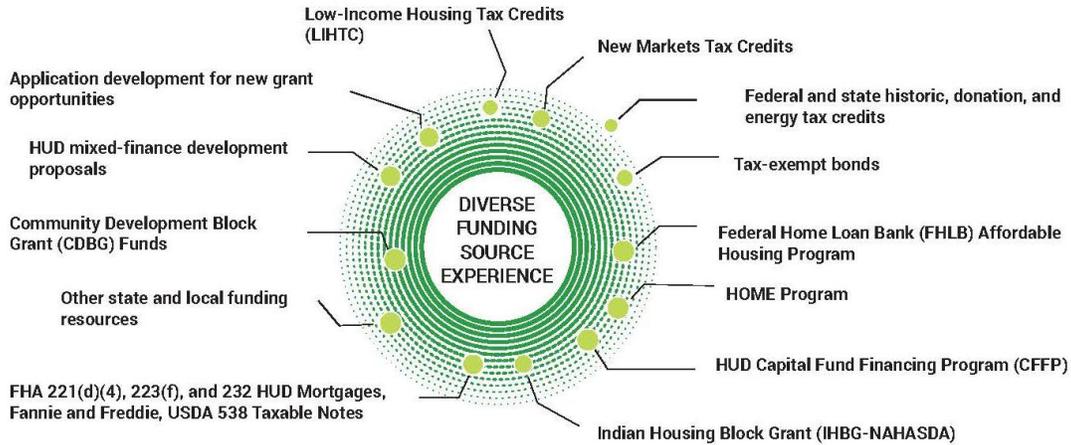
**Baker Tilly’s affordable housing by the numbers**

(last 24 months)



***We implement a transaction-oriented service approach.*** Our team will help Travaux structure — and close — market-proven transactions. In addition, we will bring innovative and creative ideas to address challenges such as financial risk, credit quality and regulatory barriers.

The firm’s ability to secure funds for their projects through various competitive funding programs at the federal, state and local levels is evidenced by the firm’s success with the following programs, detailed in the graphic on the following page.



We provide various services to public sector clients pursuing development projects including analyzing project components, reviewing financing alternatives, developing and implementing financing plans and reviewing the performance of completed projects. Alternatively, public sector clients may pursue a public/private partnership approach to affordable housing development. In these cases, Baker Tilly will evaluate developer proposals and financing plans and assist in determining the appropriate level of participation.

Our housing specialists possess an in-depth understanding of real estate fundamentals, affordable housing programs and sound structuring alternatives. The diversity and volume of affordable housing and community development projects we have worked on has provided us with the knowledge and relationships necessary to provide great value to Travaux. Consulting services we provide that may interest Travaux include:

**LIHTC experience**

Baker Tilly regularly works with affordable housing clients in closing transactions that have received more than \$1 billion in LIHTC equity, more than \$350 million from agency and government funding sources such as those listed above and another \$50 million of HTC equity.

Baker Tilly has also assisted affordable housing developers in closing deals with more than 20 different equity investors, with whom Baker Tilly professionals maintain contact to stay current on the types of deals they are pursuing and their specific underwriting requirements. The team also works with developer clients and their attorneys to review, structure and negotiate loan documents to ensure fair and equitable terms for Baker Tilly’s clients.

Baker Tilly and its team for Travaux serves as a tax credit consultant to housing authorities, not-for-profit and for-profit developers throughout the country. In the past 12 months, the firm has helped secure 9 percent and/or 4 percent allocations throughout the U.S., including in California, Georgia, Illinois, Iowa, Louisiana, Maryland, Missouri, Ohio, Texas Virginia and Wisconsin, among others.

*“The Housing Authority of Elgin is very satisfied with Baker Tilly’s services, and we are confident that other public housing authorities would benefit from their involvement as well.”*

*Damon Duncan, Chief Executive Director Housing Authority of Elgin*

### **Mixed-finance expertise**

Baker Tilly team members have experience with HUD mixed-finance requirements and frequently consult with clients on the regulatory conditions of their major funding sources and housing programs. Mixed-finance transactions are multilayered capital structures that utilize public and private sources to fund development costs. These structures can present a unique and complex constellation of issues such as priority payments, risk allocation, capital cost, return requirements, regulatory restrictions and project ownership. Creativity, technical expertise and proven deal experience are crucial factors in navigating through these issues and securing successful development outcomes. Baker Tilly's professionals are skilled in creating and sustaining working relationships with financial institutions, equity syndicators and federal, state and local finance agencies.

### **NMTC**

We work with new and experienced NMTC borrowers to determine project eligibility, solicit interest from CDEs, structure and assist in closing the transaction, perform post-closing servicing and monitor compliance, and provide ongoing advisory services for future planning.

To date, Baker Tilly has identified opportunities for more than 290 clients and our projected value of closed transactions is in excess of \$8 billion.

### **Due diligence, predevelopment and re/development support**

Baker Tilly regularly provides development consulting for PHAs. With a wealth of experience in assessing various professionals and contractors selected by Baker Tilly's PHA and not-for-profit clients, the firm's professionals will be able to assist you in choosing professionals as well as monitoring and evaluating ongoing performance.

### **Quantitative analysis, financial modeling and financial feasibility**

Baker Tilly's affordable housing team is nationally known for its quantitative analysis and financial modeling expertise. As housing specialists possess an in-depth understanding of real estate fundamentals, affordable housing programs and sound structuring alternatives. Our technically proficient team can assist Travaux to ensure that proposed financing structures work within the constraints of Travaux's, requirements as well as the parameters of lenders and investors.

In its role as financial consultants, Baker Tilly routinely prepares financial models for affordable housing projects. On an annual basis, its staff prepare more than 75 models for financial closings that include various affordable housing financing, including LIHTC, permanent debt included HUD mortgages or conventional bank mortgages, tax-exempt bonds, HOME funds, Affordable Housing Program (AHP) funds, Capital Funds and Replacement Housing Factor Funds, among other financing tools.

To further illustrate the firm's capability, Baker Tilly provides financial pro forma work for one of the top five investors in LIHTC for more than 40 projects per year, assisting to close more than \$250 million of tax credit equity with this one investor alone.

Baker Tilly specializes in building best-practice financial models that incorporate negotiated deal terms, risk identification, mapping and allocation, and complex regulations, program rules and key tax issues. These models can empower Travaux to map multiple financial and operating scenarios and explore all dimensions of your development strategy to facilitate optimal decision-making.

### **Negotiation with investors, lenders and developers**

Firm professionals maintain trusted relationships within the affordable housing lending and investing community and have worked with large financial institutions, mortgage lenders and community banks throughout the country. Baker Tilly can assist Travaux with structuring your capital transactions to maximize the amount of equity and financing raised from investors, lenders and “soft” sources. We will also review legal and financing documents related to the contemplated transaction for compliance with financial projections and relevant laws and regulations. In addition, the team will identify opportunities for you to minimize economic risk through proper documentation.

Baker Tilly’s specialists are skilled in creating and sustaining working relationships with financial banking institutions, equity syndicators, and federal, state and local finance agencies. Some of the syndicators Baker Tilly works with include:

- Aegon
- Alliant
- Bank of America
- BMO Harris Bank
- Boston Capital
- Boston Financial
- Chevron
- Cinnaire
- City Real Estate Advisors
- Eddison
- Enterprise
- Hunt/Alden Torch
- Key Bank
- Merritt Capital Corporation
- Ohio Capital Corporation
- National Equity Fund
- PNC
- R4 Capital
- RBC
- Red Stone Equity
- Richman
- Stratford
- US Bank

The diversity of development projects Baker Tilly has assisted with have provided the firm with the technical knowledge and project experience that have the potential to provide great value to Travaux.

### **Structuring of loan documents and development agreements**

Baker Tilly’s team works with clients and their attorneys to review, structure and negotiate loan documents for compliance with the financial projections and relevant laws and regulations. In addition, our specialists will look for opportunities for you to minimize economic risk and tax impacts through proper documentation. Baker Tilly works on taxable debt and soft loan agreements, focusing on business terms and risk.

Baker Tilly has assisted PHAs and private developers across the country in executing mixed-finance transactions that included a wide range of government subsidies including capital fund financing program (CFFP) financing, Project Based Section 8, public housing ACC, RAD and more. Team members have experience with HUD mixed-finance requirements and frequently consult with clients on the regulatory requirements of their major funding sources and housing programs.

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*“Their experience working with public housing authorities, mixed-financing public housing and multi-tiered financing have proved extremely valuable during this development process. We have been very satisfied with the service and quality of work product throughout this engagement with Baker Tilly.”*

*Jackie Newman, Executive Director  
Springfield Housing Authority*



## Fee structure

High value for fees paid

### 6. Fee structure

With Baker Tilly, you will never need to question the value you get for the fees you pay. Compared to international accounting firms, Baker Tilly offers equivalent services at a more competitive price. Compared to smaller firms, we offer greater thought leadership and increased efficiency. We have a strong team of subject-matter specialists to help Travaux develop solutions for your most important issues.

#### General development consulting

We strive to provide exceptional service with a fair, competitive fee arrangement to deliver you continuous value throughout our relationship. For our housing industry clients, we can perform each of the specific tasks for a blended hourly rate. During the first portion of our engagement with Travaux (Scope #1. General Development Consulting), we will use a blended hourly rate for the project lead of \$348. As stated in Travaux's Addendum #1, you anticipate the maximum number of service hours for the consultant to be 700 in the first year of the engagement and 500 for years two, three, four and five. Based on this level of commitment, we propose a not-to-exceed amount for five years to equal \$939,600 (for the project lead, analyst and partner involvement). Below is a break down by monthly hours/fees per engagement year.

Engagement year	Hours per month	Monthly fee estimate
Year 1	54	\$20,300
Year 2	39	\$14,500
Year 3	39	\$14,500
Year 4	39	\$14,500
Year 5	39	\$14,500

#### Proposed additional time commitment above Scope #1

Because of the significant volume of developments and complexities of the proposed transactions, we believe Travaux's proposed maximum number of hours will require more to sufficiently review, analyze and advise effectively. The additional hours Baker Tilly is proposing will create better strategic projects, reduce risk, provide a greater developer fee, additional cash flow and residual value for Travaux.

Should Travaux consider the proposed additional time commitment engagement, we would provide a sizeable percentage discount to our blended hourly rate in an effort to offset the additional hour cost burden.

## Project specific consulting and program management

During Scope #2, Baker Tilly will provide services (as previously detailed in our response, found under: How would we assist Travaux in bringing a project to completion listed in sections above) to take projects from feasibility through tax credit planning, through identifying resources, structuring, completing tax credit applications, assisting in identifying various service providers into project financing close— ***we enter into one flat fee for all these services that would equal approximately 1 percent of total development project costs (1.5 percent if the project includes RAD services)***. If the project has no LIHTC (market rate) the application, modeling fee would be half of LIHTC. This fixed fee is earned at various phases:

- Phase 1 -Project Analysis & Structuring (5 percent),
- Phase 2 –Application (10 percent)
- Phase 3- Tax Credit Reservation/42 M Letter (25 percent)
- Phase 4- Project Close for start of construction (60 percent)

The fee would be paid at project closing, not from Travaux.

We have found that our clients many times prefer this fee structure because it is a known amount and encompasses many steps of the process. ***Due to economies of scale, Baker Tilly will credit 20 percent of any project Scope #2 fee back to Travaux, for Scope #1 services, when Scope #2 fees are paid at project closing.***

### Proposed additional time commitment above Scope #2

It is unknown how many development project's Travaux will complete, entirely in house or with a partner. If Travaux is able to complete projects in-house, more development fees (up to \$1 million) will be recognized (than if split with a co-developer). Additional work will be required by the project leader to run the entire development process. We can price the costs out of the project so Travaux will not have to come out of pocket. The goal should be to have more projects completed entirely by Travaux to generate more development fees, cash flow and residual value.



## Other information

Our experience working with Travaux and HACM

### 7. Other information

#### Building on an already strong working relationship

Baker Tilly is excited for the opportunity to collaborate with Travaux as your real estate development consultant and program management services provider, **because we already have a great working relationship with you.** Just last year, we were engaged by Travaux to review 1325 N. Jefferson St, Milwaukee, Wisconsin, and evaluate the highest and best use. We were able to determine that the project lends well to a mixed use, mixed income planned development.

We also have worked collaboratively with HACM, providing financial consulting services for Olga Village and Scattered Sites I, II and III. Furthermore, we are currently HACM's financial assurance provider, and have been working with HACM for more than 14 years.

Our prior experience and current relationship with Travaux and HACM means we already have a deep understanding about your people, organization and culture. That means we know what is important to you and look to exceed your expectations beyond the services you have requested.

We are thought leaders and stay on top of changes in your industry through research and outreach to the housing community. Our firm produces industry-specific insights and electronic newsletters that focus on current topics, emerging issues and regulatory news and guidance. In addition, our housing professionals contribute articles to national and state industry publications on a variety of topics. As a valued client, Travaux will receive access to our webinars and industry publications and articles. Recent insights can be found online: [bakertilly.com/insights/industry/real-estate](http://bakertilly.com/insights/industry/real-estate).

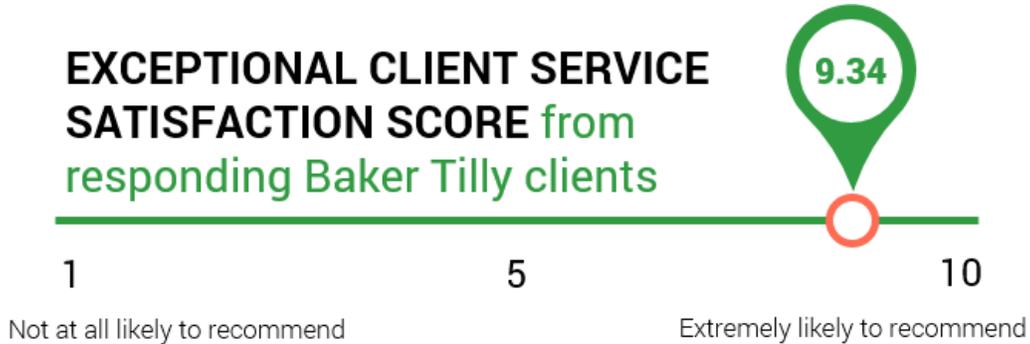
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*"We have enjoyed working with their team of professionals who are **always available and prepared to provide insight into the complex work of development** and, more importantly, I always believed they were protecting NWGHA's investment."*

*Sandra Hudson, Executive Director  
Norwest Georgia Housing Authority*

## High satisfaction rates among existing Baker Tilly clients

Baker Tilly's growth trajectory is a direct result of our commitment to deliver Exceptional Client Service. To make sure we deliver on every promise made in the proposal process, we ask our clients one question: *How likely are you to recommend Baker Tilly?*



In fiscal year 2018, responding clients gave Baker Tilly an average score of 9.3 out of 10, where 10 indicates “highly likely to recommend Baker Tilly to a friend or colleague” — an average score that places us nearly two points higher than the accounting industry.<sup>1</sup>

Similarly, the percentage of responding clients who gave our firm greater than or equal to a 9 out of 10 on their survey places Baker Tilly as a client satisfaction leader among both accounting firms and the top customer-centric companies in the world.<sup>1</sup>

## OVERALL NET PROMOTER SCORE



The percentage of clients willing to recommend Baker Tilly is more than 2x the industry average.

<sup>1</sup>[Inavero 2018 Accounting Industry NPS® Benchmarks](#)



## Prime contractor form

Meeting your requirements

### 8. Required certification forms and affidavits

The required forms can be found on the following pages:

- Form HUD 5369-C
- Non-Collusive Affidavit
- Form HUD 92010
- Form HUD 50070
- Acknowledgement of Addenda

# Certifications and Representations of Offerors

## Non-Construction Contract

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offerors to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

### 1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1)  has,  has not employed or retained any person or company to solicit or obtain this contract; and
- (2)  has,  has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

### 2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

- (a)  is,  is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b)  is,  is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c)  is,  is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- |   |   |
|---|---|
| <input type="checkbox"/> Black Americans    | <input type="checkbox"/> Asian Pacific Americans  |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans   |
| <input type="checkbox"/> Native Americans   | <input type="checkbox"/> Hasidic Jewish Americans |

### 3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);
- (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

- (iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.
- (c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

#### 4. Organizational Conflicts of Interest Certification

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:
- (i) Award of the contract may result in an unfair competitive advantage;
  - (ii) The Contractor's objectivity in performing the contract work may be impaired; or
  - (iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.
- (b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.
- (d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

#### 5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

#### 6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

#### 7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

 \_\_\_\_\_ 1/18/19

Signature & Date:

Donald N. Bernards

01/18/2019

Typed or Printed Name:

Partner

Title:

Baker Tilly Virchow Krause, LLP

NON-COLLUSIVE AFFIDAVIT

AFFIDAVIT

(Prime)

State of Wisconsin ) SS  
County of Milwaukee )

Donald N. Bernard, being first duly sworn, deposes and says:

That he/she is Partner of the party (a partner or officer of the firm, etc.) making the foregoing proposal, that such proposal is genuine, and not collusive or sham; that said firm has not colluded, conspired, connived or agreed, directly or indirectly, with any firm or person, to put in a sham proposal or, and has not, in any manner directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, or to secure any advantage against Travaux, 809 North Broadway, Milwaukee, Wisconsin, or any person interested in the proposed contract, and that all statements in said proposal or bid are true.

That I have examined and carefully prepared this proposal, and have checked the same in detail before submitting this proposal; that the undersigned is duly authorized to make this affidavit.

That pursuant to the requirements of Section 66.0901 of the Wisconsin Statutes attached and following this affidavit is a full and complete list of all subcontractors and the class of work to be performed by each that the bidder proposes to use.

Donald M. Bernard, Partner

Signature of

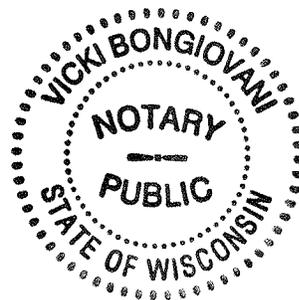
Bidder if the bidder is an individual;  
Partner if the bidder is a partnership;  
Officer if the bidder is a corporation.

Subscribed and sworn to before me this

18th day of January, 2019.

Notary Public, Dane County,

My commission expires 12/9, 2021.



# Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Baker Tilly Virchow Krause, LLP

Program/Activity Receiving Federal Grant Funding

Travaux, LLC/Housing Authority of the City of Milwaukee

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

650 W Reservoir, Milwaukee, WI 53212  
401 E Ogden Ave, Milwaukee, WI 53202

Check here  if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  
**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Donald N. Bernards	Title Partner
Signature <i>Donald N. Bernards</i>	Date January 18, 2019

# Certification for a Drug-Free Workplace

U.S. Department of Housing  
and Urban Development

Applicant Name

Baker Tilly Virchow Krause, LLP

Program/Activity Receiving Federal Grant Funding

Travaux, LLC

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I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

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b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

- (1) Abide by the terms of the statement; and
- (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
- (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

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401 E Ogden Ave, Milwaukee, WI 53202

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Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Donald N. Bernards	Title Partner
Signature X	Date January 18, 2019

**Equal Employment  
Opportunity Certification**  
Excerpt From 41 CFR §60-1.4(b)

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

Department of Veterans Affairs  
OMB Control No. 2502-0029  
(exp. 9/30/2016)

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin, such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: **Provided, however,** That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work:

**Provided,** That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally-assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed

Firm Name and Address

Baker Tilly Virchow Krause, LLP  
777 E Wisconsin Ave  
Milwaukee, WI 53212

By

Donald N. Bernards

Title

Partner

upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

#### **Excerpt from HUD Regulations**

##### 200.410 Definition of term "applicant".

- (a) In multifamily housing transactions where controls over the mortgagor are exercised by the Commissioner either through the ownership of corporate stock or under the provisions of a regulatory agreement, the term "applicant" as used in this subpart shall mean the mortgagor.
- (b) In transactions other than those specified in paragraph(a) of this section, the term "applicant" as used in this subpart shall mean the builder, dealer or contractor performing the construction, repair or rehabilitation work for the mortgagor or other borrower.

##### 200.420 Equal Opportunity Clause to be included in contracts and subcontracts.

- (a) The following equal opportunity clause shall be included in each contract and subcontract which is not exempt:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of the nondiscrimination clause.

- (2) The contractor will in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard race, creed, color, or national origin.

- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

- (4) The contractor will comply with all provisions of Executive Order 10925 of March 6 1961, as amended, and of the regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

- (5) The contractor will furnish all information and reports required by Executive Order 10925 of March 6, 1961, as amended, and by the regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by HUD and the Committee for purposes of investigation to ascertain compliance with such regulations, and orders.

- (6) In the event of the contractor's non-compliance with the nondiscrimination clause of this contract or with any of the said regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts in accordance with procedures authorized in Executive Order 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked provided in the said Executive Order or by regulations, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

- (7) The contractor will include the provisions of Paragraphs(1) through (7) in every subcontract or purchase order unless exempted by regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to Section 303 of Executive Order 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase orders as HUD may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by HUD, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

- (b) Except in subcontracts for the performance of construction work at the site of construction, the clause is not required to be inserted in subcontracts below the second tier. Subcontracts may incorporate by reference to the equal opportunity clause.

##### 200.425 Modification in and exemptions from the regulations in this subpart.

- (a) The following transactions and contracts are exempt from the regulations in this subpart:

- (1) Loans, mortgages, contracts and subcontracts not exceeding \$10,000.

- (2) Contract and subcontracts not exceeding \$100,000 for standard commercial supplies or raw material;

- (3) Contracts and subcontracts under which work is to be or has been performed outside the United States and where no recruitment of workers within the United States is involved. To the extent that work pursuant to such contracts is done within the United States, the equal opportunity clause shall be applicable;

- (4) Contracts for the sale of Government property where no appreciable amount of work is involved; and

- (5) Contracts and subcontracts for an indefinite quantity which are not to extend for more than one year if the purchaser determines that the amounts to be ordered under any such contract or subcontract are not reasonably expected to exceed \$100,000 in the case of contracts or subcontracts for standard commercial supplies and raw materials, or \$10,000 in the case of all other contracts and subcontracts.

**QUESTION:** Will you provide mutual indemnification for the successful bidder?

**ANSWER:** We will consider.

ALL PROPONENTS SHALL ACKNOWLEDGE RECEIPT AND ACCEPTANCE OF ADDENDUM NUMBER 1 (dated January 4, 2019) FOR REQUEST FOR PROPOSALS BY SIGNING IN THE SPACE PROVIDED AND SUBMITTING THE SIGNED ADDENDUM WITH PROPOSAL. PROPOSALS SUBMITTED WITHOUT THIS ADDENDUM MAY BE CONSIDERED NON-RESPONSIVE.

18th DAY OF January, 2019

*Donald N. Bernards*

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SIGNATURE

Donald N. Bernards, Partner

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## Prime contractor form

Meeting your requirements

### 9. Prime Contractor Formal Contract Provisions for Subcontracting with Emerging Business Enterprises

#### Minority and Women Business Participation

Due to our partnership structure and size, the firm is not a certified Minority, Woman, Small or Disabled Business Enterprise (MBE/WBE/SBE/DBE). However, we strive daily to advance diversity and inclusion at Baker Tilly and we recognize that diversity can lead to greater creativity and innovation. Alan Whitman, our CEO, is a signatory to the CEO Action for Diversity & Inclusion, which is a public commitment made by CEOs of the world's leading companies to build productive, diverse and inclusive workplaces. We understand the importance of diversity to our clients and we will work with Travaux to develop a strategy to encourage participation from minority, women and disadvantaged business. We are unaware of MBE/WBE certified firms that have all the expertise in public housing, complex layered structure finance LIHTC and RAD housing with project and program management expertise located in the state of Wisconsin. We are willing to work with Travaux to meet these requirements.

A copy of the completed form is attached.

PRIME CONTRACTOR AFFIDAVIT OF COMPLIANCE FOR PARTICIPATION IN THE HACM EMERGING BUSINESS ENTERPRISE PROGRAM

Official Notice # 57916 Date: December 11, 2018

Project Description: Provide development consulting and program management services

The bidder/offeror's commitment for MBE participation on this project is 0 %

The bidder/offeror's commitment for WBE participation on this project is 0 %

The bidder/offeror's commitment for DBE participation on this project is 0 %

The bidder/offeror's commitment for Other participation on this project is 0 %

For Other, indicate type (e.g. EBE, SBE, VOB):

HACM may reject and disqualify any bid or proposal that does not include the Emerging Business Enterprise Program. HACM may reject and disqualify any bid if the contractor fails to consider the "Prime Contractor Formal Contract Provisions for Subcontracting with Emerging Business Enterprises."

The undersigned hereby states that he/she has not discriminated in any manner on the basis of race, sex, or national origin in any manner in the preparation of the attached bid or proposal or in the selection of subcontractors or material suppliers for such bid/proposal.

The undersigned acknowledges, understands, and agrees that submission of a bid or proposal shall commit the bidder or offeror to comply with HACM's Emerging Business Enterprise Program, including the submittal of Forms A and B.

The undersigned also states that all the above information is true and correct to the best of his/her knowledge.

Baker Tilly Virchow Krause, LLP
Company Name

Donald N. Bernards Partner
Authorized Signature and Title

Donald N. Bernards
Printed Name

STATE OF Wisconsin, COUNTY OF Milwaukee

Personally came before me this 21st day of January, 2019 who acknowledges that he/she executed the foregoing document for the purpose therein contained for and on behalf of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public [Signature] State of Wisconsin County of Milwaukee

My Commission Expires 11/17, 2022



## Section 3 requirements

### Meeting your requirements

## 10. Section 3 requirements

### Section 3 Plan

Baker Tilly does not have a Section 3 Plan due the nature of the services we provide. However, as a service provider to numerous public housing authorities throughout the United States, Baker Tilly understands the importance of supporting the local community. During Travaux's engagement, we will provide RAD and LIHTC training and technical support to Travaux and HACM's staff. Additionally, **Baker Tilly will donate 3 percent of the contract value to HACM's sponsored Section 3 Fund.**



**Section 3 Form #1: SECTION 3 CLAUSE ACKNOWLEDGEMENT**

**Economic Opportunities for Low- and Very Low-Income Persons (Section 3, HUD Act of 1968; 24 CFR 135)**

(a) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of Section 3 apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

(f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

I have read and understand these requirements of this Section 3 funded project:

Business Name: Baker Tilly Virchow Krause, LLP

Business Address: 777 E Wisconsin Ave, Milwaukee, WI 53212

Print Name: Donald N. Bernards

Donald N. Bernards January 18, 2019

Signature Date



**Section 3 Form #2: SECTION 3 BUSINESS CONCERN SELF-CERTIFICATION FORM**

<p>Please return this form to the following address:</p> <p>Housing Authority of the City of Milwaukee  Purchasing Dept.  809 N. Broadway  Milwaukee, WI 53202  Phone: (414) 286-5892 Fax: (414) 286-5502</p> <p>Any questions regarding Section 3 or this form, please contact Gabriel DeVougas, Section 3 Coordinator at (414) 286-2940 or <a href="mailto:gmdevou@hacm.org">gmdevou@hacm.org</a>.</p>	<p>The City of Milwaukee's Section 3 Self Certification application is also available online. To complete the online registration, visit the website <a href="http://milwaukee.diversitycompliance.com">milwaukee.diversitycompliance.com</a></p> <p>For assistance completing the online application, please contact the Office of Small Business Development at Phone: 414-286-5553  Email: <a href="mailto:OSBDTraining@Milwaukee.gov">OSBDTraining@Milwaukee.gov</a></p>
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**Section 3 Business Criteria:** Your business is eligible for Section 3 Business Certification if it meets any one of the following criteria. Please note that the definition of Section 3 qualified person is on Section 3 Form #3, "Section 3 Resident Self-Certification Form."

- 1. Fifty-one percent or more of your business is owned by a Section 3 resident or residents.
- 2. Thirty percent or more of your permanent, full-time employees are Section 3 residents.
- 3. You can provide evidence of a commitment to subcontract in excess of 25 percent of the amount of all subcontracts to Section 3 businesses: (a) that are fifty-one percent or more owned by public housing residents or (b) that has thirty percent or more of their permanent, full-time employees as public housing residents.

**Section 3 Business Certification Statement:** I hereby certify to the U.S. Department of Housing and Urban Development (HUD) and to the Housing Authority of the City of Milwaukee that all of the information on this form is true and correct. I understand that it is my responsibility to conduct any due diligence necessary to make this certification and to maintain documentation establishing my Section 3 Business concern status. I also understand that failure to complete this form completely and accurately may result in debarment or other administrative remedies available to HUD, and criminal or civil penalties under federal, state and local laws.

- My business is a Section 3 business in accordance with the standard checked above under Section 3 Business Criteria.
- My business is not a Section 3 business.

Signature: <i>Donald M. Bernards</i>		Date Signed: January 18, 2019
Name: Donald N. Bernards	Title: Partner	
Company Name Baker Tilly Virchow Krause, LLP		
Address 777 E Wisconsin Ave., Milwaukee, WI 53212		
Telephone Number 414 777 5500		
Type of Business: (Check One): <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other		



**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 1 of 6)**

**PART I-- Purpose:** To ensure that regulations promulgated under 24 CFR Part 135 "Economic Opportunities for Low- and Very Low-Income Persons" is met, HACM has developed and approved a Section 3 Plan for HACM. Information on specific compliance with Section 3 is found in HACM's Section 3 Plan, or in the regulations at 24 CFR Part 135.

This form, along with all related required documents included, shall serve as the 'assurance of compliance' certification and action plan as required in the bid documents, supplemental general conditions, and required forms for the contract for any Section 3 covered procurements.

Name of Business: Baker Tilly Virchow Krause, LLP

Business Address: 777 E Wisconsin Ave., Milwaukee, WI 53212

Contract Name/Solicitation #: Provide Development Consulting and Program Management Services/ RFP No. 57916

Total amount of Bid: To be determined

**PART II: PRIOR COMPLIANCE CERTIFICATION**

I am certifying that my business has complied with the HUD Section 3 regulations in its past HUD contracts/purchase orders.

Donald N. Bernards  
Signature/Title

Donald N. Bernards  
Print Name

January 18, 2019  
Date

**PART III: IS SECTION 3 TRIGGERED BY THIS CONTRACT?**

**IF CONTRACTOR DOES NOT ANTICIPATE TRIGGERING THE SECTION 3 REGULATIONS, YOU MUST INITIAL BOTH BOXES BELOW:**

- I do not anticipate hiring any new permanent, temporary, or seasonal employees on this contract.
- I do not anticipate subcontracting any portion of the work on this contract.

If you checked both of the above boxes, or your business does not anticipate subcontracting any portion of the work, skip page 26, proceed to page 27, and list all current payroll employees by trade name (example: Carpenter, Laborer, etc....) that will be compensated under the funding of the proposed HACM contract. Please also complete the remaining required columns (2 through 6) listed on page 27.

**IMPORTANT: IF THIS CHANGES AT ANY POINT DURING YOUR CONTRACT, you must immediately contact your HACM contract contact as well as the HACM Section 3 Coordinator.**



**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 3 of 6)**

**PART V: WORKFORCE NEEDS AND HIRING PLAN**

**Preliminary Statement for Workforce Needs:** HACM intends to meet Section 3 compliance at the highest level and it is our intent to identify any short-term and long-term employment or contracting opportunities for qualified Section 3 persons and business concerns during the course of your contract funded by HACM via its contractors. Please list the status of all planned employment position and opportunities for this contract. **Preference for all opportunities must be given to low- and very low-income residents if they qualify. If awarded a contract, you are required to provide a list of your aggregate workforce on this project. Any changes to that workforce during the project will constitute new hires. You are hereby notified that you must notify HACM or contractor (respectively) overseeing your contract of any new hire opportunities that arise during the life of your contract. Anticipated workforce list may be provided on a separate sheet or in a different format and should contain anticipated hires for each contractor or subcontractor on the project.**

1. List Job Title/Trade	2. Total # of Employees Needed to complete Scope of Work by Job Title	3. Total # from Current Staff	4. Of the total # in column (3), how many are Section 3 Hires within the past 3 years?	5. Total # of New Hires Needed (Column 2 – Column 3)	6. Total # of New Hires expected to be Section 3 Residents
N/A					
<b>TOTALS</b>					

*Use an additional sheet if required*

**% of Section 3 new hires to all new hires (Column 6 total divided by Column 5 total): \_\_\_\_\_ %**

**PART VI. OTHER REQUIREMENTS**

**Outreach Plan:**

Check all methods you will employ to hire Section 3 residents. Posting the position in community sources that are generally available to low-income residents and the general public is a standard requirement. Check the methods you will employ in your outreach effort:

- Mailings, emails or phone contacts with residents on the HACM Section 3 Resident List
- The local community newspaper(s)
- The most widely distributed newspaper
- HACM website
- Local Workforce Investment Board and local comprehensive job centers
- HACM offices, including housing developments, in a conspicuous location
- Homeless service agencies and other nonprofits serving low-income persons
- Posting in other local HUD-supported housing communities
- Other locations as approved by HACM
- Post notices on social media controlled by HACM

**Documentation of “To the Greatest Extent Feasible”:**

The contractor will work with HACM Section 3 Coordinator and other designated staff to notify residents of any opportunities afforded under the contract. The contractor will partner with HACM by giving preference in any employment opportunities to the Section 3 persons or business concerns.

The contractor and subcontractor(s) shall recruit or attempt to recruit from HACM’s Section 3 area, based on the priority order in HACM’s Section 3 Plan, the necessary number of low-income and very low-income residents through documentation of their efforts and of any impediments to comply. HACM’s contractors and subcontractors shall:

1. Maintain a list of all low-income area residents who have applied, either on their own or from referral from any source, and employ such person if otherwise qualified and if a vacancy exists.
2. Review and consider the Section 3 Resident List provided by HACM prior to making new hires. If those hired are not Section 3 residents, or are in a lower preference category, the Contractor must explain in writing the qualifications that those on Section 3 Resident List or other higher preference category Section 3 applicants lacked, or other reason for non-hire (e.g. job offer declined) and provide this explanation to HACM.
3. Provide evidence that the contractor has not filled vacant employment positions in its workforce immediately prior to undertaking work in an attempt to circumvent Section 3 regulations.
4. For subcontracting, review and consider the Section 3 Business Concern registry provided by HACM and/or do additional outreach to potential Section 3 businesses in the area of expertise needed for the project. Document all efforts at outreach to Section 3 businesses.

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 5 of 6)**

**Recordkeeping:**

The contractor shall maintain on file all records related to employment and job training of low-income and very low-income residents or other such records, advertisements, legal notices, brochures, flyers, publications, assurances of compliance from subcontractors, etc., in connection with this contract. For contracting, the contractor shall maintain on file all records related to subcontracting, including outreach efforts, bids or price quotes, documentation regarding why a Section 3 business concern was not used as subcontractor (e.g., reasons not qualified).

If there is a report that is needed as part of the submission, you agree to provide it timely. The contractor shall, upon request, provide such records or copies of records to HACM, its staff, or agents or to HUD.

**Reports:**

The contractor shall provide reports as required in connection with the contractor specifications. All certified and regular payrolls shall clearly detail which employees qualify under Section 3.

**Certification:**

The contractor will certify that any vacant employment positions, including training positions, that filled (1) after the contractor is selected but before the contract is executed; and (2) with persons other than Section 3 residents, were not filled to circumvent the subcontractor's obligations under 24 CFR Part 135.

**Other Economic Opportunities:**

If a contractor has demonstrated that it has attempted, to the greatest extent feasible, to meet Section 3 hiring and contracting goals but cannot, then the contractor may provide other economic opportunities to Section 3 residents and business concerns as described in the HACM Section 3 Plan. These opportunities must be described in a **written plan** on how the contractor will offer other economic opportunities. A contractor that has a need to hire or subcontract may not use other economic opportunities as a substitute to attempt to meet hiring or contracting goals; the contractor must still demonstrate how it attempted to the greatest extent feasible, to meet the goals.

**Grievance and Compliance:**

The contractor or subcontractor hereby acknowledges that they understand that any low-income and very low-income resident of the project area, for him/herself or as representatives of persons similarly situated, seeking employment or job training opportunities in the project area, or any eligible business concerns seeking contract opportunities, may file a grievance if efforts to the greatest extent feasible were not expended. The grievance must be filed with HUD not later than one hundred eighty (180) calendar days from the date of the action (or omission) upon which the grievance is based.

**Section 3 Form #3: CONTRACTOR SECTION 3 ASSURANCE OF COMPLIANCE AND ACTION PLAN (p. 6 of 6)**

**ATTESTATION:**

I attest that the above information is true and correct and that by signing below, the Contractor hereby agrees to comply with Section 3 requirements and to follow the Section 3 Action Plan above.

Name of Contractor: Baker Tilly Virchow Krause, LLP

Name of Authorized Officer: Donald N. Bernards

Title of Authorized Officer: Partner

Please check one of the following:

My Business is the:  Prime Contractor  Subcontractor

Donald N. Bernards  
Signature

January 18, 2019  
Date

**WITNESS REQUIRED**

I, the undersigned a Witness hereby certify that, Donald N. Bernards, whose named as Partner (Title) of Baker Tilly Virchow Krause, LLP (Company) is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as Partner (Officer Title), and with full authority, executed the same voluntarily for and as the act of said corporation.

Endorsed under my witness of the fore mentioned party's signature, this the 18th day of January, 2019.

VICKI BONGIORANI  
Witness' Printed Name

Vicki Bongiorani  
Witness' Signature



# Insurance requirements

## Meeting your requirements

## 11. Insurance requirements

Prior to starting work, Baker Tilly will provide proof to Travaux Inc. of our Worker's Compensation and Commercial and Public Liability Insurance. Baker Tilly is licensed to do business in the State of Wisconsin and can meet your insurance requirements.



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## Designation of proprietary and confidential information

Meeting your requirements

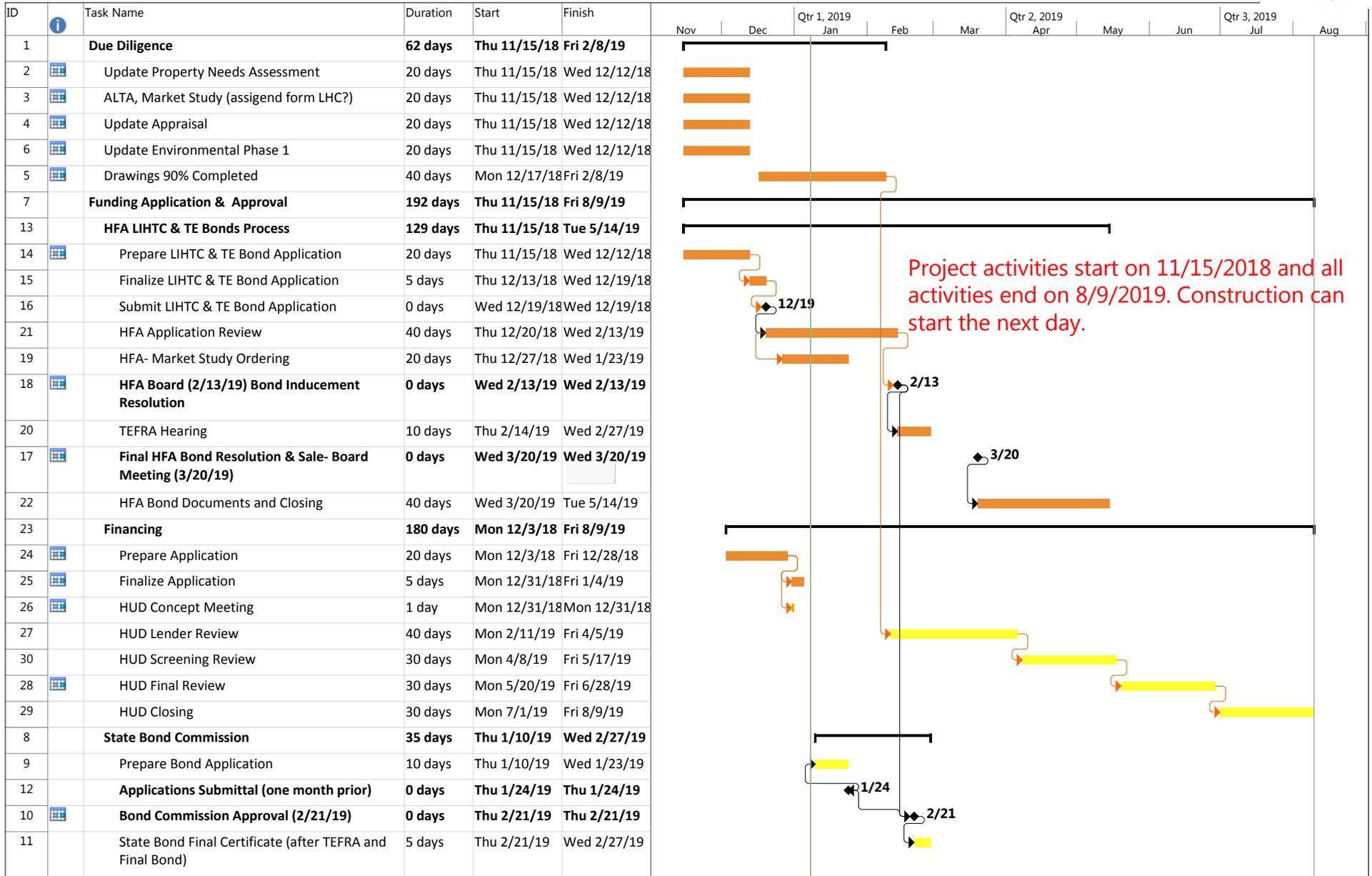
### 12. Designation of proprietary and confidential information

This proposal does not include proprietary information.

## **Appendix: Sample deliverables**

Baker Tilly will provide deliverables to assist Travaux in visualizing the variety of projects and the complexities of financing on a measurable basis for Scope #1 and Scope #2 for development staff, executive team and the board. Sample deliverables can be found on the following pages.

# Attachment A- Sample Project A Timeline-4% LIHTC 221d4 Execution



Project activities start on 11/15/2018 and all activities end on 8/9/2019. Construction can start the next day.

HFA- Sample Project A LIHTC & TE Bond & 221D4 Date: Tue 1/8/19	Task		Inactive Task	Manual Summary Rollup		External Milestone	
	Split		Inactive Milestone	Manual Summary		Deadline	
	Milestone		Inactive Summary	Start-only		Progress	
	Summary		Manual Task	Finish-only		Manual Progress	
	Project Summary		Duration-only	External Tasks			

# Attachment B- Sample 5 Projects Overall Timeline



ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Timeline						
							H2	2019 H1	H2	2020 H1	H2	2021 H1	
1													
2													
3		Project A	192 days	Thu 11/15/18	Fri 8/9/19								
4		Project B	240 days	Fri 12/14/18	Thu 11/14/19								
5		Project C	200 days	Thu 7/18/19	Wed 4/22/20								
6		Project D	240 days	Wed 2/19/20	Tue 1/19/21								
7		Project E	220 days	Fri 6/26/20	Thu 4/29/21								

<p>Sample 5 Project Overall Timeline Date: Tue 1/8/19</p>	Task		Inactive Summary		External Tasks	
	Split		Manual Task		External Milestone	
	Milestone		Duration-only		Deadline	
	Summary		Manual Summary Rollup		Progress	
	Project Summary		Manual Summary		Manual Progress	
	Inactive Task		Start-only			
	Inactive Milestone		Finish-only			



***DRAFT***

**Sample Project A**

**1/8/2019**

Low-Income Housing Tax Credit Financial Analysis  
Underwriting

# Attachment C- Sample Project Financial Model



## PROJECT ASSUMPTIONS

### PROJECT INFORMATION

Partnership	Sample Project A	
County	Milwaukee	
Number of Units	100	
LP Formation	Year	2019
	Month	3
Construction Start	Year	2019
	Month	3
Construction Period	15	
Operations	Year	2020
	Month	6
Placed in Service Date	Year	2020
	Month	6
Starting Month of Depreciation	6	
Starting Month of Lease-Up	6	
Absorption Rate (Mos.)	15	
Credit % - 30% PV (Nov. 18')	3.31%	
Credit % - 70% PV	9.00%	
Qualified Census Tract	130.0%	
LIH Credit Calculated	607,604	
Project Cost	\$	17,919,503
1st Mortgage	\$	6,384,240
Existing Soft Debt	\$	4,686,911
In Place Income	\$	325,000
GP Equity	\$	100
Accrued Interest - Soft Debt	\$	238,954
Deferred Developer Fee	\$	573,391
LIHTC Investor Capital	\$	5,710,906
New Construction		
Acquisition/Rehab	x	
Bond transaction	x	
9% transaction		

### FINANCING ASSUMPTIONS

Construction Loan	\$	8,792,395
Term (months)		24
Interest rate		5.82%
1st Mortgage	\$	6,384,240
Interest Rate		5.57%
Amortization		35
Term		15
Start Year		2020
Start Month		10
Existing Soft Debt	\$	4,686,911
Interest Rate		3.22%
Accrued Interest	\$	238,954
Amortization		Cash Flow
Term		30
Start Year*		2020
Start Month		10
<i>*Available during construction with payments commencing at perm conversion</i>		
In Place Income	\$	325,000
GP Equity	\$	100
Deferred Developer Fee	\$	573,391
Interest Rate		0.00%

### SYNDICATION INFORMATION

Entry Date:	Year	2019	Percent of Ownership
	Month	3	General Partner
	Day	1	Limited Partner
			100.00%
LIHTC Investor Capital	\$	5,710,906	Cash Flow Distribution
Investor Federal Tax Rate		21.00%	General Partner
			Limited Partner
			100.00%
1st Contribution	20.00%	\$ 1,142,181	
Closing	Date:	3/1/2019	
2nd Contribution	17.50%	\$ 999,409	Income, Loss & Credits
50% Construction Completion	Date:	10/1/2019	General Partner
			Limited Partner
			100.00%
3rd Contribution	25.00%	\$ 1,427,727	Sale Proceeds Distribution
Construction Completion	Date:	6/1/2020	General Partner
			Limited Partner
			100.00%
4th Contribution	32.50%	\$ 1,856,044	
Stabilization	Date:	10/1/2020	
5th Contribution	5.00%	\$ 285,545	
8609's	Date:	1/1/2021	
Price Per Credit			
Low Income Housing		\$0.9400	
Developer Fee Paid	\$	574,548	
1st Payment	15.00%	86,182	3/1/2019
2nd Payment	0.00%	-	10/1/2019
3rd Payment	15.00%	86,182	6/1/2020
4th Payment	20.30%	116,638	10/1/2020
5th Payment	49.70%	285,545	1/1/2021

## Attachment C- Sample Project A- Financial Model



### PROJECT ASSUMPTIONS

<u>OPERATING EXPENSES</u>	Total	Per Unit
Administrative	83,050	831
Maintenance	115,800	1,158
Operating	237,720	2,377
Real Estate Taxes	105,600	1,056
	<u>542,170</u>	<u>5,422</u>
Replacement Reserve	36,000	360
Property Management Fee	56,329	563
Total	<u>634,499</u>	<u>6,345</u>

#### Utility Allowance Schedule - 2018 2

1 Bed	2 Bed	3 Bed	4 Bed	
8	10	12	14	Cooking (E.)
41	53	64	75	Other Electric
49	63	76	89	Total UA

Annual Operating Expense Increase	3.0%	
Annual Real Estate Tax Increase	4.0%	
Annual Management Fee Increase	0.0%	5% of EGI
Annual Reserve Increase	3.0%	

#### CASH FLOW DISTRIBUTION

Admin Fee	\$ 10,000
Deferred Developer Fee	100.0%
Incentive Management Fee	90.0%
Subordinate Debt	25.0%

#### RENTAL INCOME

Number of Bedrooms	Type	Units	AMI Set Aside %	Baths	SF per Unit	Proposed Net Rent	Monthly Utility	Proposed Gross Rent	IHDA 2018 Gross Rent	Total Monthly Rent
1 Bedroom	Family	8	60.00%	1	800	700	49	749	952	5,600
2 Bedroom	Family	41	60.00%	1	900	965	63	1,028	1,143	39,565
3 Bedroom	Family	36	60.00%	1	950	1,080	76	1,156	1,320	38,880
4 Bedroom	Family	15	60.00%	2	1,100	1,200	89	1,289	1,473	18,000
<b>Total</b>		<b>100</b>			<b>94,000</b>					<b>102,045</b>

#### RESIDENTIAL INCOME

Base Gross Residential Rent	\$ 1,224,540
Rent Increases	2.0%
Residential Vacancy	8.0%
Other Income	\$ -
Other Income Increases	2.0%
Other Income Vacancy	0.0%

# Attachment C- Sample Project A- Financial Model



STATEMENT OF FORECASTED SOURCES AND USES

SOURCES OF FUNDS	Construction	Post Construction	Permanent						
1st Mortgage	-	6,384,240	6,384,240						
Existing Soft Debt	4,686,911	-	4,686,911						
In Place Income	325,000	-	325,000						
GP Equity	100	-	100						
Accrued Interest - Soft Debt	188,648	50,306	238,954						
Deferred Developer Fee	-	573,391	573,391						
LIHTC Investor Capital	2,141,590	3,569,316	5,710,906						
Construction Loan	8,792,395	(8,792,395)	-						
<b>Total Sources Of Funds</b>	<b>16,134,644</b>	<b>1,784,859</b>	<b>17,919,503</b>						
50%									
USES OF FUNDS	Construction	Post Construction	Total Permanent	Real Property 30 Yr/SL	Land Improvements 15 Yr/150%	Personal Property 5 Yr/200%	Amortization	Non Depreciable/ Amortizable	4.00% Eligible Basis
<b>Acquisition &amp; Site Costs</b>									
Land	778,050	-	778,050	-	-	-	-	778,050	-
Building Acquisition	7,002,450	-	7,002,450	7,002,450	-	-	-	-	7,002,450
<b>Construction Costs</b>									
Residential Construction	5,421,281	-	5,421,281	5,063,476	86,740	271,064	-	-	5,421,281
Construction Contingency	542,128	-	542,128	542,128	-	-	-	-	542,128
Permits and Fees	40,000	-	40,000	40,000	-	-	-	-	40,000
Performance Bond	50,000	-	50,000	50,000	-	-	-	-	50,000
<b>Engineering &amp; Architectural</b>									
Architecture & Engineering	185,000	-	185,000	185,000	-	-	-	-	185,000
Survey	20,000	-	20,000	20,000	-	-	-	-	20,000
<b>Construction Interest &amp; Fees</b>									
Bond Allocation/Issuer Fee	175,848	-	175,848	-	-	-	175,848	-	-
Issuer Legal (in-house)	25,000	-	25,000	-	-	-	25,000	-	-
Issuer's Outside Counsel	15,000	-	15,000	-	-	-	15,000	-	-
Misc. Issuer Fees	15,000	-	15,000	-	-	-	15,000	-	-
Bond Counsel	50,000	-	50,000	-	-	-	50,000	-	-
Misc. Bond Counsel Fees	2,500	-	2,500	-	-	-	2,500	-	-
Title & Recording	25,000	-	25,000	25,000	-	-	-	-	25,000
Trustee Fee	8,000	-	8,000	-	-	-	8,000	-	-
Construction Interest	603,177	-	603,177	458,630	-	-	-	144,547	458,630
Accrued Interest - Soft Debt	188,648	50,306	238,954	188,648	-	-	-	50,306	188,648
Lender Origination Fee	87,924	-	87,924	87,924	-	-	77,580	-	10,344
Lender Application & Third Party Reports	25,000	-	25,000	25,000	-	-	-	-	25,000
Lender Counsel Fees	75,000	-	75,000	75,000	-	-	-	-	75,000
Lender Inspection	22,500	-	22,500	22,500	-	-	-	-	22,500
<b>Permanent Financing</b>									
Perm Fees	5,000	-	5,000	-	-	-	5,000	-	588
Lender Conversion Fees	22,500	-	22,500	-	-	-	22,500	-	-
<b>Soft Costs</b>									
PNA	14,000	-	14,000	14,000	-	-	-	-	14,000
Appraisal/Market Study	19,500	-	19,500	19,500	-	-	-	-	19,500
Marketing	10,000	-	10,000	-	-	-	10,000	-	-
Cost Certification	12,500	-	12,500	12,500	-	-	-	-	-
Consultant's Fee	177,421	-	177,421	177,421	-	-	-	-	177,421
Residential Relocation Costs - Temporary	221,000	-	221,000	221,000	-	-	-	-	221,000
Tax Credit Application Fee	2,500	-	2,500	-	-	-	2,500	-	-
IHDA PPA	775	-	775	-	-	-	775	-	-
IHDA Tax Credit Reservation Fee	60,760	-	60,760	-	-	-	60,760	-	-
Real Estate Attorney	90,000	-	90,000	90,000	-	-	-	-	90,000
<b>Syndication Costs</b>									
Organization (Partnership)	55,000	-	55,000	10,000	-	-	-	45,000	-
<b>Developer Fees / Reserves</b>									
Developer Fee	86,182	1,061,757	1,147,939	1,147,939	-	-	-	-	1,147,939
Replacement Reserves	-	45,000	45,000	-	-	-	-	45,000	-
Real Estate Tax Reserve	-	58,080	58,080	-	-	-	-	58,080	-
Insurance Reserve	-	63,000	63,000	-	-	-	-	63,000	-
Debt Service Reserve	-	207,466	207,466	-	-	-	-	207,466	-
Operating Reserve	-	299,249	299,249	-	-	-	-	299,249	-
<b>Total Uses Of Funds</b>	<b>16,134,644</b>	<b>1,784,859</b>	<b>17,919,503</b>	<b>15,400,536</b>	<b>86,740</b>	<b>271,064</b>	<b>460,463</b>	<b>1,700,699</b>	<b>15,736,429</b>

## Attachment C- Sample Project A- Financial Model



### TAX CREDIT CALCULATIONS

#### ACQUISITION CREDIT

Acquisition Price	7,780,500
Less: Land & other non-depreciable costs	(778,050)
Adjusted Eligible Basis	7,002,450
Qualified Census Tract Adjustment	100.00%
Eligible Basis	7,002,450
Applicable Fraction (Low Inc. %)	100.00%
Qualified Basis	7,002,450
Credit Percentage (30% PV)	3.31%

**Potential Annual Credit 231,781**

#### CONSTRUCTION / REHAB CREDIT

Eligible Building Basis	8,733,979
Less: 50% of Energy Credits	-
Less: 45LCredits	-
Adjusted Eligible Basis	8,733,979
Qualified Census Tract Adjustment	130.00%
Eligible Basis	11,354,173
Applicable Fraction (Low Inc. %)	100.00%
Qualified Basis	11,354,173
Credit Percentage (30% PV)	3.31%

**Potential Annual Credit 375,823**

#### CREDIT ANALYSIS

Annual LIH Credit Calculated	607,604
Annual LIH Credit Reserved	607,604
Minimum Credit or Allocation	607,604
Total Tax Credit	6,076,040
Investor Percentage	99.99%
Tax Credits for Syndication	6,075,432
Price per Credit	\$ 0.9400
<b>Tax Credit Equity Raised</b>	<b>5,710,906</b>

# Attachment C- Sample Project A- Financial Model



## FORECAST OF NET CASH FLOW FROM OPERATIONS

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	TOTAL	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
<b>Income</b>																		
Residential Rents	2.00%	819,400	1,124,015	1,274,011	1,299,492	1,325,481	1,351,991	1,379,031	1,406,612	1,434,744	1,463,439	1,492,707	1,522,562	1,553,013	1,584,073	1,615,755	1,648,070	22,294,395
Less Vacancy	8.00%	(65,552)	(89,921)	(101,921)	(103,959)	(106,039)	(108,159)	(110,322)	(112,529)	(114,780)	(117,075)	(119,417)	(121,805)	(124,241)	(126,726)	(129,260)	(131,846)	(1,783,552)
<b>Effective Gross Income</b>		753,848	1,034,094	1,172,091	1,195,532	1,219,443	1,243,832	1,268,708	1,294,083	1,319,964	1,346,364	1,373,291	1,400,757	1,428,772	1,457,347	1,486,494	1,516,224	20,510,843
<b>Expenses</b>																		
Administrative	3.00%	55,367	76,129	88,108	90,751	93,474	96,278	99,166	102,141	105,205	108,361	111,612	114,961	118,409	121,962	125,621	129,389	1,636,933
Maintenance	3.00%	77,200	106,150	122,852	126,538	130,334	134,244	138,271	142,419	146,692	151,093	155,626	160,294	165,103	170,056	175,158	180,413	2,282,443
Operating	3.00%	158,480	217,910	252,197	259,763	267,556	275,583	283,850	292,366	301,137	310,171	319,476	329,060	338,932	349,100	359,573	370,360	4,685,512
Real Estate Taxes	4.00%	70,400	96,800	114,217	118,786	123,537	128,479	133,618	138,962	144,521	150,302	156,314	162,566	169,069	175,832	182,865	190,180	2,256,446
Property Management Fee	5.00%	37,692	51,705	58,605	59,777	60,972	62,192	63,435	64,704	65,998	67,318	68,665	70,038	71,439	72,867	74,325	75,811	1,025,542
Replacement Reserve	3.00%	30,000	36,000	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972	48,381	49,832	51,327	52,867	54,453	56,087	718,568
<b>Total Operating Expenses</b>		429,139	584,694	674,171	694,952	716,391	738,508	761,326	784,868	809,157	834,217	860,073	886,752	914,279	942,684	971,994	1,002,239	12,605,445
<b>Net Operating Income</b>		324,709	449,400	497,920	500,580	503,052	505,324	507,382	509,215	510,808	512,147	513,218	514,005	514,492	514,663	514,500	513,985	7,905,398
<b>Debt Service - 1st Mortgage</b>		-	103,733	414,933	414,933	414,933	414,933	414,933	414,933	414,933	414,933	414,933	414,933	414,933	414,933	414,933	414,933	5,912,794
<b>DSCR</b>		-	4.33	1.20	1.21	1.21	1.22	1.22	1.23	1.23	1.23	1.24	1.24	1.24	1.24	1.24	1.24	
<b>Cash Flow</b>		324,709	345,667	82,987	85,647	88,119	90,391	92,449	94,282	95,875	97,214	98,285	99,072	99,559	99,730	99,567	99,052	1,992,604
<b>CREA Admin Fee</b>	10.00%	5,833	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685	15,126	191,822
<b>Cash Flow</b>		318,876	335,667	72,687	75,038	77,192	79,136	80,856	82,341	83,576	84,546	85,237	85,633	85,717	85,473	84,882	83,926	1,800,782
<b>Income From Operations</b>		318,876	6,124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	325,000
<b>Cash Flow</b>		-	329,542	72,687	75,038	77,192	79,136	80,856	82,341	83,576	84,546	85,237	85,633	85,717	85,473	84,882	83,926	1,475,782
<b>Deferred Developer Fee</b>																		
Payment	100.00%	-	329,542	72,687	75,038	77,192	18,932	-	-	-	-	-	-	-	-	-	-	573,391
Interest Incurred	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Balance	573,391	573,391	243,849	171,162	96,124	18,932	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Flow</b>		-	-	-	-	-	60,203	80,856	82,341	83,576	84,546	85,237	85,633	85,717	85,473	84,882	83,926	902,391
<b>Incentive Management Fee</b>	90.00%	-	-	-	-	-	54,183	72,771	74,107	75,218	76,092	76,714	77,070	77,145	76,925	76,393	75,533	812,152
<b>Cash Flow</b>		-	-	-	-	-	6,020	8,086	8,234	8,358	8,455	8,524	8,563	8,572	8,547	8,488	8,393	90,239
<b>Soft Debt Service</b>																		
Existing Soft Debt	25.00%	-	-	-	-	-	1,505	2,021	2,059	2,089	2,114	2,131	2,141	2,143	2,137	2,122	2,098	22,560
<b>Total Debt Service</b>		-	-	-	-	-	1,505	2,021	2,059	2,089	2,114	2,131	2,141	2,143	2,137	2,122	2,098	22,560
<b>Available Cash Flow for Distribution</b>		-	-	-	-	-	4,515	6,064	6,176	6,268	6,341	6,393	6,422	6,429	6,410	6,366	6,294	67,679
<b>Allocated As Follows:</b>																		
General Partner	0.01%	-	-	-	-	-	0	1	1	1	1	1	1	1	1	1	1	7
Limited Partner	99.99%	-	-	-	-	-	4,515	6,064	6,175	6,268	6,340	6,392	6,422	6,428	6,410	6,365	6,294	67,673
		-	-	-	-	-	4,515	6,064	6,176	6,268	6,341	6,393	6,422	6,429	6,410	6,366	6,294	67,679

## Attachment C- Sample Project A- Financial Model



### OPERATING EXPENSE ANALYSIS

	Annual Expense	Expense per Unit 100	% Gross Potential Rent
<b>Administrative</b>			
Management Fee - 5.0%	56,329	563.29	4.6%
Legal & Accounting	20,400	204.00	1.7%
LIHTC Monitoring Fee	2,500	25.00	0.2%
Trustee Fee	2,500	25.00	0.2%
Management	50,000	500.00	4.1%
Payroll/Benefits/Taxes	7,650	76.50	0.6%
<b>Subtotal Administrative</b>	139,379	1,393.79	11.4%
<b>Maintenance:</b>			
Repairs - Decorating	13,800	138.00	1.1%
Hardware & Supplies	9,400	94.00	0.8%
Grounds & Lawn Care	1,200	12.00	0.1%
Repairs - Maintenance	41,400	414.00	3.4%
Janitor Salary	50,000	500.00	4.1%
<b>Subtotal Maintenance</b>	115,800	1,158.00	9.5%
<b>Operating:</b>			
Gas	61,600	616.00	5.0%
Water/Sewer	87,600	876.00	7.2%
Electricity	9,120	91.20	0.7%
Scavenger	15,800	158.00	1.3%
Insurance	60,000	600.00	4.9%
Exterminating	2,400	24.00	0.2%
Miscellaneous	1,200	12.00	0.1%
<b>Subtotal Operating</b>	237,720	2,377.20	19.4%
<b>Real Estate Taxes</b>	105,600	1,056.00	8.6%
<b>Total Annual Expenses</b>	598,499	5,985	48.9%
<b>Replacement Reserve:</b>	36,000	360.00	2.9%
<b>Total Annual Expenses w/Reserves</b>	634,499	6,345	51.8%

PUPM  
\$529

# Attachment C- Sample Project A- Financial Model



## LEASE-UP ANALYSIS

Starting Year Operations 2019  
 Starting Month Lease-Up 6  
 Other Income Per Unit Per Month \$0.00

Unit	Rent Level	Square Feet	Monthly Rent	Units
1 Bedroom	60%	800	\$ 700	8
2 Bedroom	60%	900	\$ 965	41
3 Bedroom	60%	950	\$ 1,080	36
4 Bedroom	60%	1,100	\$ 1,200	15
		94,000		100

	'19 Jan	'19 Feb	'19 Mar	'19 Apr	'19 May	'19 Jun	'19 Jul	'19 Aug	'19 Sep	'19 Oct	'19 Nov	'19 Dec	'19 Total
	-	-	4	-	-	-	-	-	-	-	-	-	4
	-	-	36	-	-	-	-	-	-	-	-	-	36
	-	-	30	-	-	-	-	-	-	-	-	-	30
	-	-	10	-	-	-	-	-	-	-	-	-	10
	-	-	80	80	80	80	80	80	80	80	80	80	80

\*Note: We are assuming the tack back rule for 2019 credits and taking back 59 units to July

Year	Credits				Income		
	Low Income Units	All Units	Low Income Units	All Units	Low Income SF	Monthly Rent	Other Income
2019	-	-	-	-	-	-	-
January	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	-	-	80	80	75,100	81,940	-
April	-	-	80	80	75,100	81,940	-
May	-	-	80	80	75,100	81,940	-
June	-	-	80	80	75,100	81,940	-
July	59	59	80	80	75,100	81,940	-
August	59	59	80	80	75,100	81,940	-
September	59	59	80	80	75,100	81,940	-
October	59	59	80	80	75,100	81,940	-
November	59	59	80	80	75,100	81,940	-
December	59	59	80	80	75,100	81,940	-
	<b>29.50%</b>	<b>29.50%</b>	<b>66.67%</b>	<b>66.67%</b>	<b>66.58%</b>	<b>819,400</b>	-

	'20 Jan	'20 Feb	'20 Mar	'20 Apr	'20 May	'20 Jun	'20 Jul	'20 Aug	'20 Sep	'20 Oct	'20 Nov	'20 Dec	'20 Total
	-	-	-	-	-	4	-	-	-	-	-	-	4
	-	-	-	-	-	5	-	-	-	-	-	-	5
	-	-	-	-	-	6	-	-	-	-	-	-	6
	-	-	-	-	-	5	-	-	-	-	-	-	5
	80	80	80	80	80	100	100	100	100	100	100	100	100

Year	Credits				Income		
	Low Income Units	All Units	Low Income Units	All Units	Low Income SF	Monthly Rent	Other Income
2020	-	-	-	-	-	-	-
January	100	100	80	80	75,100	81,940	-
February	100	100	80	80	75,100	81,940	-
March	100	100	80	80	75,100	81,940	-
April	100	100	80	80	75,100	81,940	-
May	100	100	80	80	75,100	81,940	-
June	100	100	100	100	94,000	102,045	-
July	100	100	100	100	94,000	102,045	-
August	100	100	100	100	94,000	102,045	-
September	100	100	100	100	94,000	102,045	-
October	100	100	100	100	94,000	102,045	-
November	100	100	100	100	94,000	102,045	-
December	100	100	100	100	94,000	102,045	-
	<b>100.00%</b>	<b>100.00%</b>	<b>91.67%</b>	<b>91.67%</b>	<b>91.62%</b>	<b>1,124,015</b>	-

**Attachment D- 5 Year Project Tracking- Consolidated Total Development Cost Proforma**

1 / 8 / 2 0 1 9



<u>Project Name</u>	<u>TDC</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1 <b>Project A</b>	\$ 17,919,503	\$ 17,919,503				
2 Project B	\$ 21,303,505	\$ 21,303,505				
3 Project C	\$ 30,555,425		\$ 30,555,425			
4 Project D	\$ 19,520,000			\$ 19,520,000		
5 Project E	\$ 27,512,035			\$ 27,512,035		
6						
7						
8						
9						
10						
	<b>\$ 116,810,468</b>	<b>\$ 39,223,008</b>	<b>\$ 30,555,425</b>	<b>\$ 47,032,035</b>	<b>\$ -</b>	<b>\$ -</b>

## Attachment E- Sample WHEDA LIHTC 9% checklist

WHEDA 4% LIHTC CHECKLIST			
Project Name	Developer	Census	Address
Project A	Sample Developer	33.00	123 Clark Street Green Bay, WI
<b>2019 WHEDA APPLICATION</b>	<b>Responsible</b>	<b>Status</b>	<b>Comment</b>
Application Fee	CC	NEED	\$2000 and Remittance Form--Need Ownership Entity Name
Application Submission Checklist	BT	NEED	Can print and sign once application is submitted online
Application for LIHTC	BT	NEED	Need to submit and get signature
Self-Scoring Checklist	BT	NEED	Use as double check before online submittal
Self-Scoring Exhibit	BT	NEED	Use as double check before online submittal
<b>Threshold Documentation</b>			
<b>1. Non-Profit Set-Aside Projects</b>	N/A	N/A	
<b>2. Supportive Housing Set-Aside Projects</b>	N/A	N/A	not applying under this set aside
<b>3. Offer to Purchase/Deed</b>	CC	Complete	City will sign amendment on Dec 6th
Site Control Memo	CC	Complete	
<b>4. Architect Certificate outlined in Appendix M</b>	CC	Complete	
Architect Letter	CC	Complete	10/3-BT drafted certification letter, sent to CC 11/5
Appendix M	CC	Complete	11/5-Received, need CCM to sign
<b>5. Market Study</b>	CC	NEED	Need corrected - unit mix table wrong throughout (5/8)
<b>6. Appraisal</b>	N/A	N/A	only need if requesting acquisition credit - not requesting acquisition
<b>7. Capital Needs Assessment (Rehab) - Appendix G</b>	N/A	N/A	not applicable - new construction
<b>8. Preservation/HUD/RD Developments</b>	N/A	N/A	not applicable - not preservation
<b>9. 10 year Rule Documentation</b>	N/A	N/A	
<b>10. Maximum Cost Limits (Appendix F)</b>	BT	Complete	62,158 - confirmed with 12/10 with 5 3-Bed Units
<b>11. Management Certification</b>	BT	Complete	CCM to forward letter from WHEDA + include list
<b>Scoring Documentation</b>			
<b>1. Lower-Income Area</b>			
Qualified Census Tract Map	BT	Complete	
Community Revitalization or Redevelopment Plan	BT	Complete	
Narrative for QCT/Revitalization Plan	BT	Complete	
<b>2. Energy Efficiency and Sustainability</b>			
Sustainable Design: Architect Certificate for WI Green Built	CC	Complete	11/5-Received, need CCM to sign
Strong Linkages: Walkscore	BT	Complete	Has to be within 30 days of submitted application
Public Transportation Documentation	BT	Complete	
Non-Smoking	CC	Complete	10/12-sent to CC, Rcv'd 10/25
<b>3. Mixed Income Incentive</b>	BT	Complete	BT will create a cover page
<b>4. Serves Large Families</b>	CC	Complete	Sent Draft 11/30
<b>5. Lowest-Income Residents Scoring</b>	BT	Complete	BT will create a cover page
<b>6. Supportive Housing</b>	BT	NEED	
Provide a signed Appendix S Certification: Owner will cooperate with WI DHS	CC	NEED	Sent to DHS 11/15, Received Questions back, KS1 working on response
Secure signed ADRC letter (or other service provider letter)	CC	Complete	Rcv'd 11/13
Submit signed MOU with County or Tribal Veterans Service Office or Veterans Service Provider	CC	Complete	KS2 sent to Vets 11/15
<b>7. Rehab/Neighborhood Stabilization</b>	N/A	N/A	
<b>8. Universal Design</b>	CC	Complete	Send List to CC team
Architect Letter	CC	Complete	10/12-sent to CC
<b>9. Financial Leveraging</b>	BT	Complete	BT will create a cover page
Financing Commitment for CDBG	CC	Complete	11/19: KS provided comments for City to incorporate
Financing Commitments for Environmental	CC	Complete	11/16: sent a draft
<b>10. Eventual Resident Ownership</b>	N/A	N/A	
<b>11. Development Team See Appendix P for Criteria</b>	CC	Complete	
Developer Experience Forms	CC	Complete	Need Docs for Co-Developer
WHEDA Form	CC	Complete	Need Docs for Co-Developer
Developer Experience Certification	CC	Complete	Need Docs for Co-Developer
WHEDA Form	CC	Complete	Need Docs for Co-Developer
Developer Information Release Form	CC	Complete	Need Docs for Co-Developer
WHEDA Form	CC	Complete	Need Docs for Co-Developer
Documentation for Successful Completion of LIHTC Properties	CC	Complete	Need Docs for Co-Developer
Provide a list	CC	Complete	Need Docs for Co-Developer
Years of LIHTC and Multifamily Experience	CC	Complete	Need Docs for Co-Developer
Provide a short narrative with firm & key person history	CC	Complete	Need Docs for Co-Developer
Performance of LIHTC Properties	CC	Complete	96.2% including 2018 YTD
Report showing portfolio occupancy by project & average	CC	Complete	
WHEDA Evaluation of Capacity - Narrative	CC	Complete	
Short Narrative / Letters / Brochures to highlight firm's experience and depth	CC	Complete	
Nonprofit Organizations	N/A	N/A	
Appendix B	N/A	N/A	
MOU	N/A	N/A	
Developer Participation (less than 4 LIHTC properties)	N/A	N/A	
<b>12. Readiness to Proceed</b>	CC	Complete	Due 12/4, Sent draft letter 10/25
<b>13. Areas of Economic Opportunity</b>	BT	Complete	BT created scoring summary
<b>Opportunity Areas</b>	BT	Complete	
Median Income Tract	N/A	N/A	
Unemployment Rate	N/A	N/A	
School District	N/A	N/A	
Successful Respondent to a City Competitive RFP / RFQ	N/A	N/A	
Rent Burden	BT	Complete	
Access to Amenities	BT	Complete	Create Amenities Map
Full Service Grocery Store (2 points)	BT	Complete	Family Super Market
Public Elementary, Middle or High School	BT	Complete	Park High School
Senior Center (2 points)	N/A	N/A	
Full Service Medical Clinic or Hospital	BT	Complete	XXXX
Library	BT	Complete	Library at Gateway
Public Park or Hiking/Biking Trail	BT	Complete	Park
Job-Training Facility, Community College or Comm Education Programs	BT	Complete	Tech College/County Workforce Solutions
In-unit internet at no cost to residents (2 points)	BT	Complete	10/12-sent to CC, Rcv'd 10/25
Community room dedicated for residents	BT	Complete	10/12-sent to CC, Rcv'd 10/25
<b>14. Rural Areas without Recent HTC Awards</b>	N/A	N/A	

## Attachment E- Sample WHEDA LIHTC 9% checklist

2019 WHEDA APPLICATION	Responsible	Status	Comment
<b>Other Documentation</b>			
MOU Between CCM and Co-Developer	N/A	N/A	
Other: Loan Documents (if terms better than WHEDA)	N/A	N/A	
Other: Equity letter—if terms better than WHEDA guidance)	N/A	N/A	
<b>BT THRESHOLD CHECKS</b>			
Confirm rents match the market study	BT	NEED	Need market rents updated in market study
Confirm WHEDA Rent Max from April 2018 is being used	BT	NEED	
Confirm rents as a % of the WHEDA maximum	BT	NEED	
60% AMI - 95% of Max or 90% of net market rate rent	BT	NEED	
30 - 50% AMI - Close to 100% of Max	BT	NEED	
Confirm op ex are within WHEDA's range	BT	NEED	440-540 for family
Confirm 85% of funds committed	BT	NEED	Watch this as application progresses

## Attachment F- Change Order Assessment Log



### Sample Project

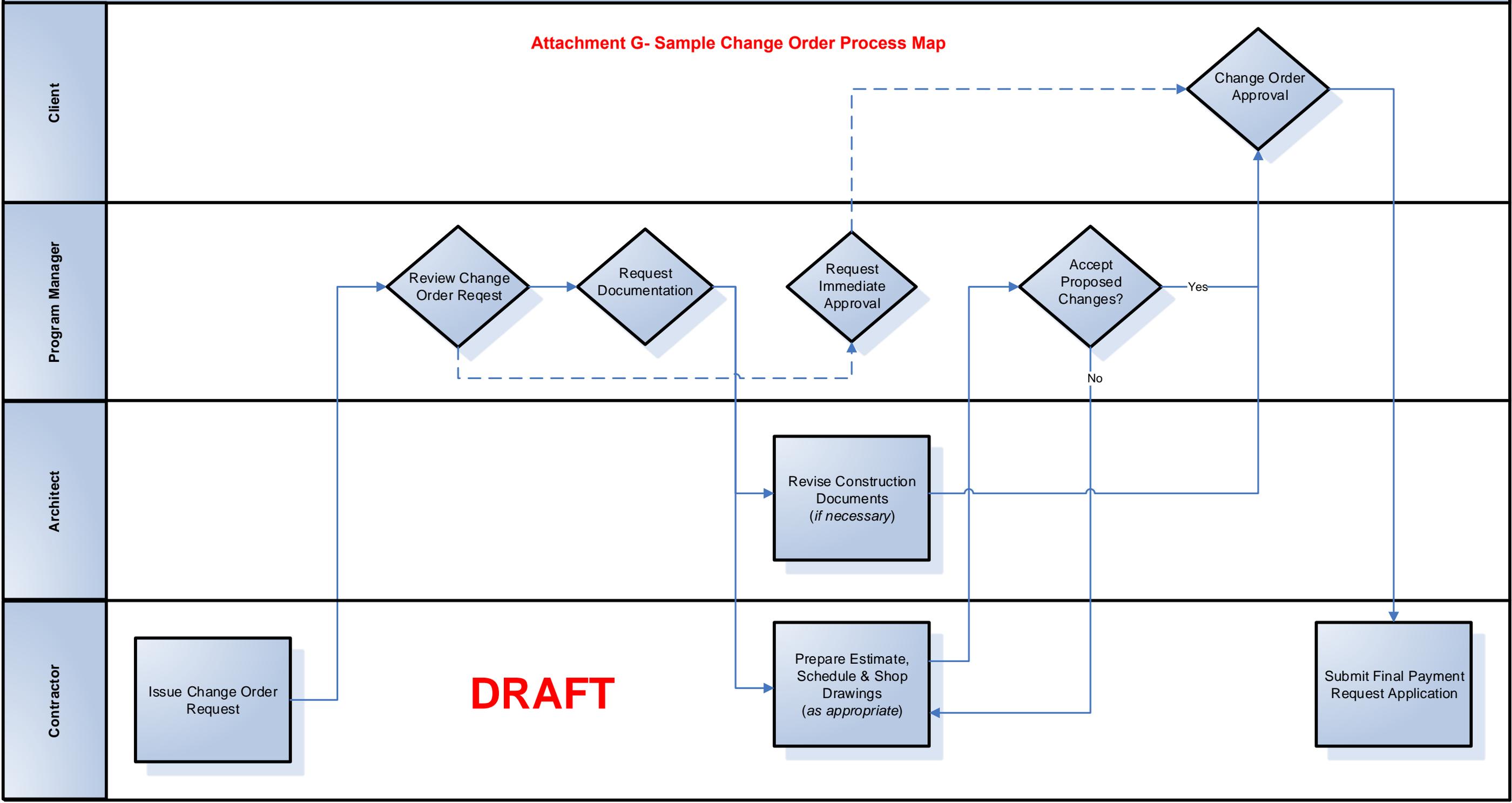
#### Change Assessment Log-Draw #13 - October 2019

Description	Funds From	Increase GMP	CO#	Design Conflict	Field Condition	Program	Agency	Allowance	Claims	Other	Status	Comments
<b>Approved- GMP</b>											Subtotal	\$ 136,672
<b>Change Order #3</b>												
HVAC Design Revisions	Owner Hard Cost	Y	23						\$ 40,620		Approved	Splitting the air handling unit from tower and garage. Providing a separate system for the parking garage, added vibration curb and miscellaneous duct work.
Cost breakdown for bid vs. permit set	Owner Hard Cost	Y	27						\$ 37,070		Approved	Costs associated between 1/23/09 permit set versus the 6/23/08 bid set. Dialogue to continue to reduce cost. Projected to be under \$40k.
Track Lighting	Owner Hard Cost	Y	67					\$ 17,670			Approved	Alternative for installation of track lighting
Added Concrete Walls	Owner Hard Cost	Y	73						\$ 8,168		Approved	Poured concrete walls (in lieu of stair hanger) to support stair landings in stairwell #3 only.
First Floor Ramp	Owner Hard Cost	Y	86					\$ 1,860			Approved	PR010- 1st Floor ramp curb revision. Price expected to be revised to \$1860.
Soffit Work	Owner Hard Cost	Y	115					\$ (2,915)			Approved	Ceiling Change Credit. Add soffit due to sprinkler conflict. RFI 250- 24th, 33rd, & 34th floor Ceiling increased soffit into accommodate piping.
Transition Ramp	Owner Hard Cost	Y	82					\$ 6,446			Approved	CCD-003- Bottom Bars near line B.5 in small area between the transition ramp
Caulking of Construction Joints in Gara	Owner Hard Cost	Y	83					\$ 8,177			Approved	Caulking of Construction joints in Garage
Letter of Credit	Owner Hard Cost	Y	85							\$ 46,476	Approved	Cost for Bank of America Letter of Credit for Window Manufacturer (actual)
Removable Railing	Owner Hard Cost	Y	90					\$ 1,583			Approved	Removable Railing in front of Louver at Equipment Removal Opening in Loading Dock.
Garage Elevator Lobby Design	Owner Hard Cost	Y	91					\$ 10,341			Approved	Garage Elevator Lobby Design revision
Increased Meter Costs	Owner Hard Cost	Y	99					\$ 31,342			Approved	Increased City of Chicago costs for meter parking from \$7/day to \$63/day.
Granite Countertop	Owner Hard Cost	Y	138						\$ (37,901)		Approved	Alternative countertop with similar look to spec is a under allowance
Change Order #3 Credit	Owner Hard Cost	Y	146							\$ (32,265)	Approved	Negotiated Credit for Change Order #3
<b>Approved- Owner Soft Costs</b>											Subtotal	\$ -
<b>Pending-GMP</b>												
											Subtotal	\$ -
<b>Pending-Owner Soft Costs</b>												
											Subtotal	\$ 7,500
USGBC Construction Review	Owner Soft Cost	N								\$ 7,500	Pending	USGBC LEED fee for the construction review. To be paid at the end of the project.
<b>Potential-GMP</b>											Subtotal	\$ 166,961
Shaft Wall	Owner Hard Cost	Y	114					\$ 432			Potential	RFI 238, Change to Masonry Shaft Wall North of Core on Floors 5-9
Lobby Ceiling	Owner Hard Cost	Y	69					\$ -			Potential	Lobby - Move sprinklers, change drywall to metal panels, added color. Reviewing PR-004, 005, 006, and ASI 018 together for duplication of scope.
Relocate OEMC Camera	Owner Hard Cost	Y	21						\$ 27,600		Potential	There is a Video Surveillance on a light pole at Lake and Wells. It needs to be removed by the PBC. Quote was forwarded by the Director of Municipal Construction. This cost could reduce if it doesn't have to be moved.
Additional rebar	Owner Hard Cost	Y	112					\$ 2,799			Potential	Additional rebar added at cross over location in garage.
Added a Wood Sliding Door	Owner Hard Cost	Y	58					\$ 25,929			Potential	Adding a sliding door to the den in one unit type. Design improvement.
Light Fixture Clarification	Owner Hard Cost	Y	105					\$ 610			Potential	Clarification of light fixture in locker room 1311,1312, and restroom 1328A and 1328B on Amenity.
Street Lights	Owner Hard Cost	Y	26						\$ 2,200		Potential	Replacement of street light.
Revised Retail Area	Owner Hard Cost	Y	63					\$ 14,685			Potential	Revised first floor retail area to be 3-zones in lieu of 1-zone. On hold.
Door Knockers	Owner Hard Cost	Y	76					\$ 413			Potential	Alternative Door Knockers
Light Fixture change	Owner Hard Cost	Y	156					\$ 5,000			Potential	ESD/SCB Fixture change X1 & C2
Fire Alarm Drawing Comments	Owner Hard Cost	Y	158						\$ 1,200		Potential	Code comments from city
Lobby Revision	Owner Hard Cost	Y	164					\$ 36,031			Potential	Lobby revisions (PPR 004, 005, 006, ASI 018)
Garage Elevator Lobby	Owner Hard Cost	Y	133					\$ 2,575			Potential	Garage elevator lobby hardware & keying changes
Kitchen Cabinets	Owner Hard Cost	Y	160					\$ 38,950			Potential	SACO cabinet upgrade from Marcus line (Nutmeg & Chocolate colors on alternating floors for kitchen)
Elevator Pi System	Owner Hard Cost	Y	161					\$ 16,837			Potential	Furnish and Install residential elevator system
Eliminate Trash Chute Doors	Owner Hard Cost	Y	143					\$ (8,300)			Potential	Elimination of electronic interlocking doors from trash chute.
<b>Potential-Owner Soft Costs</b>											Subtotal	\$ -
Real Estate Taxes	Owner Soft Cost	N								\$ -	Potential	Due to the assessor estimating real estate taxes using a the former parking garage the 2008 payable in 2009 first installment taxes was higher than budgeted. An appeal was presented and a reduction was awarded. Waiting for tax attorney to provide new real estate tax projection.
Permit Fees	Owner Soft Cost	N								\$ -	Potential	The city fee could be higher than originally budgeted for.
Architect CA extended services.	Owner Soft Cost	N								\$ -	Potential	Architect contractual CA phase duration to be adjusted to match construction schedule.
				\$ 610	\$ 3,231	\$ 132,120	\$ 31,000	\$ -	\$ -	\$ 7,500		
											<b>Total Approved GMP Hard Costs</b>	<b>\$ 136,672</b>
											<b>Total Pending GMP Hard Costs</b>	<b>\$ -</b>
											<b>Total Anticipated Potential Change to GMP</b>	<b>\$ 166,961</b>
											<b>Total Anticipated Pending Owner Soft Cost</b>	<b>\$ 7,500</b>
											<b>Total Anticipated Potential Owner Soft Cost</b>	<b>\$ -</b>
											<b>Total Project</b>	<b>\$ 311,133</b>

**DRAFT**

# Change Order Process

Attachment G- Sample Change Order Process Map



## Attachment G- RAD process

Baker Tilly has experience in all steps of the RAD process as described below:

- **Strategic Planning & Evaluation:** Baker Tilly has worked with several Public Housing Authorities (PHA) to identify which of their projects would best be suited for RAD. During this review understanding the level of capital needs, environmental issues etc. on those projects (i.e. \$5,000, \$25,000 over \$100,000 per unit rehab). Utilizing various HUD strategies for additional proceeds like demo/disposition, rent bundling etc. It is important during this stage of the process to think about the PHA's entire portfolio as a whole. The team will assist with assessing the financial, economic and rehab needs of the portfolio.
- **Submission of RAD Application for CHAP:** Baker Tilly has experience preparing and submitting the RAD Application. The team has provided guidance on setting up tenant meetings, writing GIN and RIN notices, and contemplating PBV vs. PBRA.
- **Receipt of Commitment for a Housing Assistance Program (CHAP):** Once the CHAP is received, Baker Tilly will work with the PHA on the PIC Removal in the RAD Resource Desk and setting up the kick-off call with HUD.
- **Financing Plan:** Baker Tilly has led PHA's through the financing plan process which involves the submission of several crucial documents for submittal to HUD. The team has experience with transfer of assistance, completing FHEO Forms, the initial year funding tool and approval of the significant amendment to the annual plan. Review of 3<sup>rd</sup> party reports such as environmental and capital needs assessment. During this process, Baker Tilly will develop the financial structure of the deal and stay in communication with HUD.
- **Close to a RAD Conversion Commitment (RCC):** Once the financing plan has been approved and HUD issues the RCC, Baker Tilly will work with the PHA and legal counsel to provide HUD with all of the closing documents to a transition to a Section 8 contract.

The RAD process can be overwhelming to navigate, but Baker Tilly's team has the technical skills and industry experience to facilitate a successful RAD conversion.

**Westlawn Gardens**

**Cash Flow Usage**

**Attachment H- Cash Flow Usage**



PROJECT DEVELOPER: Travaux

OWNER/BORROWER: XYZ, LLC

	Original Budget	Adjustments	Actual Contract	Previous Payments	This Payment(1)	Balance To Complete	2018		
							1 Oct.	2 Nov.	3 Dec
1 Land - Lease Start Up Fees	975,000	0	975,000	975,000		0			
2 Landowner 10% Ownership Interest Buyout	750,000	0	750,000	400,000	350,000	0			
3 Landowner Ground Rent Pmts Yrs 2008, 2009, 2010	1,700,000	0	1,700,000	236,940	41,667	1,421,393	41,667	41,667	41,667
4 LLR R/E Taxes	365,000	0	365,000	48,132		316,868			
5 General Contractor	96,000,000	-806,927	95,193,073			95,193,073	515,954	1,253,704	1,068,287
6 General Contractor		901,927	901,927		370,906	531,021	531,021		
7 Construction Tests (See GC)	400,000	0	400,000			400,000	17,391	17,391	17,391
8 Construction Contingency	4,800,000	0	4,800,000			4,800,000			
9 Survey	20,000	4,000	24,000	20,000	3,190	810			
10 Wind Study Testing	56,500	0	56,500	56,500		0			
11 Geotechnical / Soil Testing	72,600	1,000	73,600	47,975	25,493	132			
12 Environmental Assesment	3,000	3,000	6,000	2,300		3,700			
13 Sign Design	0	25,000	25,000			25,000			
14 Architect / Engineer (, etc)	3,300,000	0	3,300,000	1,726,152	455,591	1,118,258	41,304	41,304	41,304
15 Arch (Scope * VE Chngs)	0	359,350	359,350		155,558	203,792			
16 Parking Design ( )	135,000	0	135,000	132,635		2,365			
17 Legal - Zoning and Permitting	100,000	30,000	130,000	109,440	2,764	17,796			
18 Legal - Developer/Acquisition	150,000	125,000	275,000	198,610	8,085	68,304			
19 Developer Fee	2,662,550	0	2,662,550	53,200	140,000	2,469,350	55,458	55,458	55,458
20 City Impact Fee	1,800,000	400,000	2,200,000			2,200,000			2,200,000
21 City Permit Fees	250,000	-200,000	50,000	26,190		23,810			
22 City Utility Fees	10,000	0	10,000	2,000		8,000			
23 City Developer Service Fee	150,000	0	150,000	35,243		114,757		114,756	
24 Insurance - GL Umbrella, Etc.	35,500	364,500	400,000	13,405	386,595	0			
25 Insurance - Builder's Risk	100,000	85,000	185,000		185,000	0			
26 FF&E	0	200,000	200,000			200,000			
27 Lease Fee - Commercial Space	100,000	0	100,000			100,000			
28 Apartment Marketing / Lease Up Costs	500,000	-90,000	410,000			410,000			
29 Tax, Audit, Acctg & Admin	0	130,000	130,000	1,000	7,500	121,500			
30 Miscellaneous Soft Contingency	223,850	76,150	300,000			300,000			
31 Closing Costs and Title Fees	70,000	0	70,000		70,000	0			
32 Construction Escrow Fees	60,000	-33,000	27,000		27,000	0			
33 Appraisal	25,000	10,000	35,000	12,500		22,500			
34 Loan Commitment Fee	968,000	0	968,000	100,000	868,000	0			
35 Loan Application	0	25,000	25,000	25,000		0			
36 Debt / Equity Placement Fee	500,000	0	500,000		500,000	0			
37 Insurance Review	0	15,000	15,000		15,000	0			
38 Lender's Legal	0	150,000	150,000		150,000	0			
39 Inspecting Architect	0	225,000	225,000			225,000			
40 Construction Period Interest	4,718,000	0	4,718,000			4,718,000			
<b>43 TOTALS</b>	<b>121,000,000</b>	<b>2,000,000</b>	<b>123,000,000</b>	<b>4,222,221</b>	<b>3,762,349</b>	<b>115,015,430</b>	<b>1,202,795</b>	<b>1,524,280</b>	<b>3,424,107</b>
44							9,187,365	10,711,645	14,135,752
45									
46 LOAN AMOUNT -	96,800,000	0	96,800,000			96,800,000			
47 PARTIC. EQTY -	19,360,000	1,600,000	20,960,000			20,960,000			
48 PARTIC. EQTY - TLC	4,840,000	400,000	5,240,000	4,222,221	3,762,349	-2,744,570			
49 DEFERRED EQUITY (**)	0	0	0			0			
<b>ITEM TOTALS</b>	<b>121,000,000</b>	<b>2,000,000</b>	<b>123,000,000</b>	<b>4,222,221</b>	<b>3,762,349</b>	<b>115,015,430</b>			