



City of Omaha
Jim Suttle, Mayor

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CITY CLERK
OMAHA, NEBRASKA

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

R. E. Cunningham, RA, F.SAME
Director

January 10, 2012

Honorable President

and Members of the City Council,

The attached Resolution transmits the Garage Lofts, LLC Tax Increment Financing (TIF) Redevelopment Project Plan project located at 202 and 216 North 19th Street. The plan represents the adaptive reuse and conversion of the historic parking garage at 202 North 19th Street into residential units and improvements to the parking area at 216 North 19th Street. The project proposes to adaptively reuse the building to construct 32 loft-style apartment units for low-income housing – 9 three-bedrooms, 8 two-bedroom units, and 15 one-bedroom units. Historic ramps will be incorporated into the design of the units to create unique split-level apartments. An elevator will be added to the north end of the building adjacent to an existing external parking area. A community room, management office, finished rooms for storage for tenants and a storm shelter will be included in the building.

The developer is Arch Icon Development. While this project will be one of the first redevelopment projects within the City of Omaha for this developer, Arch Icon Development does have experience with redeveloping projects in Iowa. Arch Icon Development is working with a well-seasoned development team: Holy Name Housing Corporation, which serves as the co-developer and co-managing member of the LLC; NuStyle Development Corporation, which serves as the consultant; Thompson Dreessen and Dorner, which serves as the civil engineer; and, Alley Poyner Macchietto Architecture, which serves as the architectural design consultant.

The Redevelopment Project Plan recommends the City's participation in the redevelopment of this project site through the allocation of TIF in an amount up to \$256,000.00 will offset the costs of acquisition, site work, demolition, rehabilitation costs, architectural and engineering, which includes \$15,000.00 of TIF for public improvements. The estimated total project cost is \$6,487,795.00.

Honorable President
and Members of the City Council
Page 2

Your favorable consideration of this Resolution will be appreciated.

Respectfully submitted,

Referred to City Council for Consideration:

Back for
James R. Thele 12/22/11
R. E. Cunningham, RA, F. SAME Date
Planning Director

Colby G. Bond 12.22.2011
Mayor's Office Date

Approved:

Pam Spaccarotella 12-23-11
Pam Spaccarotella Date
Finance Director

Bob Stubbe 12/22/11
Robert G. Stubbe, P.E. Date
Public Works Director

Notice of Publication: January 12 and January 19, 2012

Public Hearing: January 31, 2012

Plnlsf1633-cover letter

CITY OF OMAHA

LEGISLATIVE CHAMBER

Omaha, Nebraska

RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

WHEREAS, the primary objectives of the City of Omaha’s Master Plan and Community Development Program are to encourage additional private investment and infill development within inner-city neighborhoods; and to eliminate conditions which are detrimental to public health, safety and welfare, by developing vacant, underutilized property within these neighborhoods; and,

WHEREAS, the redevelopment project site located at 202 and 216 North 19th Street is within a designated community redevelopment area as the area meets the definition of blight and substandard per the Community Development law, and is in need of redevelopment; and,

WHEREAS, the Garage Lofts, LLC Tax Increment Financing (TIF) Redevelopment Project Plan was approved by the TIF Committee and approved by the City of Omaha Planning Board at their December 7, 2011 meeting; and,

WHEREAS, the project site for the Garage Lofts, LLC Tax Increment Financing (TIF) Redevelopment Project Plan is located at 202 and 216 North 19th Street and is legally described in Exhibit “A” which is attached hereto and herein incorporated by reference; and,

WHEREAS, the Garage Lofts, LLC Tax Increment Financing (TIF) Redevelopment Project Plan proposes to adaptively convert and reuse the garage structure to construct 32 loft-style apartment units for low-income housing which includes use of the historic ramps and providing a community room, management office, finished rooms for storage for tenants, a storm shelter, and an elevator will be included in the building as described in Exhibit “B” attached hereto and herein incorporated by reference; and,

WHEREAS, this Resolution seeks the approval of the Garage Lofts, LLC Tax Increment Financing (TIF) Redevelopment Project Plan which recommends the City’s participation through the allocation of TIF in an amount up to \$256,000.00 to offset the costs of acquisition, site work, demolition, rehabilitation costs, architectural and engineering, which includes \$15,000.00 of TIF for public improvements; the estimated total project cost is \$6,487,795.00; and,

By.....
Councilmember

Adopted.....
.....
City Clerk

Approved.....
Mayor

CITY OF OMAHA

LEGISLATIVE CHAMBER

Omaha, Nebraska

Page 2

WHEREAS, the Plan presents a project based on estimated figures and projections that are subject to change as project costs are finalized, and is required to comply with all Planning Department requirements and Planning Board recommendations; and,

WHEREAS, Section 18-2108 of the Nebraska Revised Statutes requires the City of Omaha to adopt a redevelopment plan before taking an active part in a redevelopment project; including the division of ad valorem taxes for a period not to exceed fifteen years under Sections 18-2147 through 18-2150, Revised Statutes of Nebraska; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

THAT, the attached Garage Lofts, LLC Tax Increment Financing Redevelopment Project Plan for the redevelopment project site located at 202 and 216 North 19th Street proposes to adaptively convert and reuse the garage structure to construct 32 loft-style apartment units for low-income housing, recommending the City's participation through the allocation of Tax Increment Financing (TIF) in an amount up to \$256,000.00 to offset the costs of acquisition, site work, demolition, rehabilitation costs, architectural and engineering, which includes \$15,000.00 of TIF for public improvements, containing a provision for the division of ad valorem taxes under Section 18-2147 through 18-2150, Revised Statutes of Nebraska, as recommended by the City Planning Department, be and hereby is approved.

APPROVED AS TO FORM:


Asst CITY ATTORNEY 12/22/11,
DATE

Plnsf1633-res

By.....
Councilmember

Adopted.....
.....
City Clerk

Approved.....
Mayor

EXHIBIT "B"

GARAGE LOFTS, LLC

TIF REDEVELOPMENT PROJECT PLAN

202 AND 216 NORTH 19TH STREET

JANUARY 2012



Jim Suttle, Mayor City of Omaha



R. E. Cunningham, RA, F. SAME
Director, Planning Department
Omaha/Douglas Civic Center
1819 Farnam Street, Ste. 1111
Omaha, Nebraska 68183

INTER-OFFICE COMMUNICATION
City of Omaha, Nebraska
Planning Department

TO: Chairman and Members of the Planning Board

FROM: R. E. Cunningham, RA, F.SAME
Planning Director

DATE: November 30, 2011

SUBJECT: GARAGE LOFTS, LLC TIF REDEVELOPMENT PROJECT PLAN
202 and 216 North 19th Street
Case #C3-11-216

This project represents the adaptive reuse and historic rehabilitation of parking garage at 202 North 19th Street and improvement of the parking area at 216 North 19th Street. This project site is located directly west of the Civic Auditorium. The building was originally built by Alex Beck in 1923, as the Rent A Ford Company, and is one of oldest and largest functioning garages in Omaha. The Nebraska State Historical Preservation Office approved the nomination of this building for the National Register of Historic Places in September 2011.

The project proposes to adaptively reuse the building to construct 32, loft-style apartment units for low-income housing - 9 three bedrooms, 8 two bedroom units, and 15 one bedroom units. Historic ramps will be incorporated into the design of the units to create unique split-level apartments. An elevator will be added to the north end of the building adjacent to an existing external parking area. A community room, management office, finished rooms for storage for tenants and a storm shelter will be included in the building.

The project site is currently zoned CBD-ACI-1 with no zoning changes required. The project site has existing utilities and infrastructure. The project will be required to comply with all Planning Department and Planning Board recommendations. The project is scheduled to be completed in January of 2013.

The TIF request is for \$256,000.00, which will offset costs of acquisition, site work, demolition, rehabilitation costs, architectural and engineering, and public improvements. We will request \$15,000 of the TIF amount as a TIF contribution for public improvements. Total estimated project costs are \$6,487,795.00. This plan represents a project based on estimated figures and projections that are subject to change as project costs are finalized.

No Building Permit will be issued based on a site plan that does not comply with the provisions of the Zoning Ordinance.

The project site and area meet the requirements of Nebraska Community Development Law and qualify for the submission of an application for the utilization of Tax Increment Financing to cover costs associated with project development as submitted for approval through the Tax Increment Financing process. The project is in compliance with the Master Plan, appropriate ordinances and development regulations of the City.

DEPARTMENT RECOMMENDATION: Approval.

ATTACHMENTS:
Redevelopment Plan

TAX INCREMENT FINANCING APPLICATION

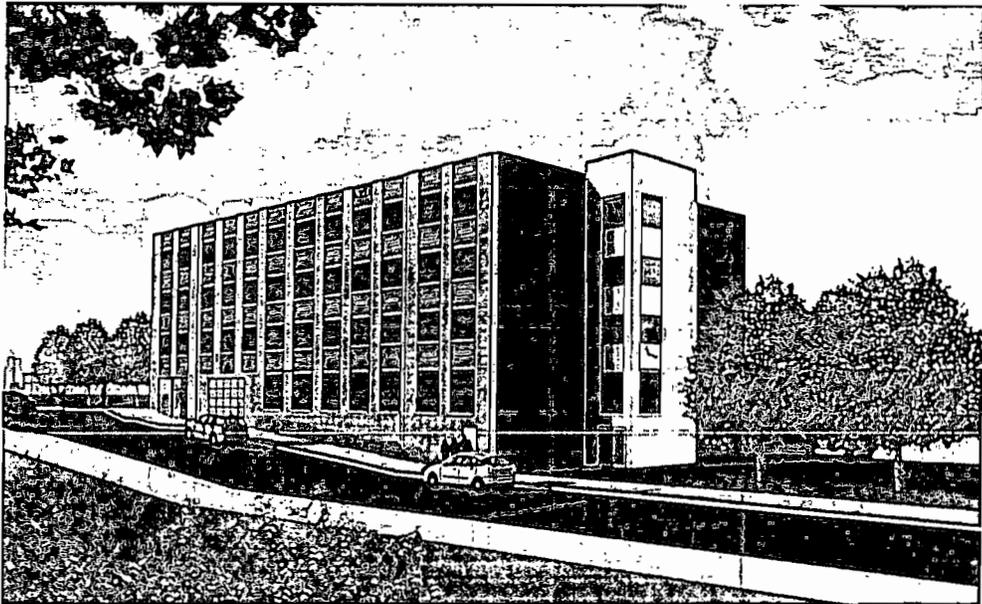


Please submit 9 copies of the completed application to the following:

**City of Omaha – Planning Department
1819 Farnam Street
Suite 1111
Omaha, Nebraska 68183
Attention: Economic Development Staff**



505 Walker St., Woodbine, IA 51579
Phone: (712) 592-1722



19TH & CAPITOL GARAGE - EAST & NORTH ELEVATIONS
SCALE: N.T.S

PRELIMINARY
SCHEMATIC LAYOUT
DECEMBER 28, 2010



GARAGE LOFTS

TIF REDEVELOPMENT PROJECT PLAN

202 & 206 N. 19th STREET

OCTOBER, 2011

D) Project Summary

Project Owner: Garage Lofts, LLC.

Project Address: 202 and 216 North 19th Street

Project Legal Description:

202 N. 19th Street:

Lot 8, Block 80, Original City of Omaha as surveyed and lithographed in Douglas County, Nebraska, and a strip of ground adjoining on the East described as:
Beginning at the Southeast corner of Said Lot 8, Block 80, Original City of Omaha, running thence North on the East line of said Lot, 120 feet; thence East 14 feet; thence South 120 feet; thence West 14 feet to the place of beginning.

216 N 19th Street:

Lot 1, Block 80, Original City of Omaha, a surveyed and lithographed in Douglas County, Nebraska, together with a strip of ground adjacent to said Lot on the East described as follows:
Beginning at the Southeast corner of said Lot 1, thence running North 120 feet; thence East 14 feet; thence South 120 feet; thence West 14 feet to the place of beginning and being a part of 19th Street vacated (Parking Lot, SW Corner of 19th and Chicago)

Estimated Total Project Cost: \$6,487,795

TIF Request: \$256,000

Current Use: Parking – partially vacant **Current Zoning:** CBD – Central Business District

Proposed Use: Multifamily Housing

Current Annual Real Estate Taxes (2010 tax year): \$7,752.56

Combined 202 and 216 N. 19th Street

Current Assessed Tax Valuation (2011 tax year):

Combined 202 and 216 N. 19th Street

Land: \$192,000

Improvements: \$195,100

Total: \$387,100

City of Omaha
Planning Department
Garage Lofts TIF Redevelopment Plan
Development Financing Plan

Arch Icon Development is proposing the redevelopment of the parking garage and lot at 202 and 216 N. 19th Street into 32 multifamily apartments to be called the Garage Lofts. The cost of renovation is estimated to be \$6,487,795. Proposed financing includes:

Low Income Housing Tax Credits	\$4,291,093	at \$0.80
First Mortgage	\$480,000	7%, 20 years
Tax Increment Financing	\$256,000	7%, 15 years - \$8,000 per unit
Federal Historic Tax Credits	\$890,702	at \$0.86
State HOME funds	\$256,000	\$8,000 per unit on 32 units
<u>Owner Equity</u>	<u>\$314,000</u>	4.8% of total project cost
Total	\$6,487,795	

An application will be submitted to NIFA in January, 2012 for LIHTC and State HOME funds with a commitment from the Midwest Housing Group as the tax credit syndicator for LIHTC and Federal Historic Tax Credits. Although not approved for City HOME funds, the City of Omaha has expressed an interest in assisting with obtaining State HOME funds in conjunction with LIHTC. Approval for listing on the National Register of Historic Places is scheduled for December, 2011. We are requesting \$256,000 in Tax Increment Financing from the City of Omaha for improvements to the building and land that will result in an increase in its assessed value.

Garage Lofts
Project Description

This development consists of the adaptive reuse historic rehabilitation of the parking garage located at 202 N. 19th Street and adjacent parking at 216 N. 19th Street in Omaha into 32 multifamily affordable loft-style apartments. Built in 1923 by Alex Beck as the Rent A Ford Company, the Garage is one of the oldest, largest and still functioning garages in Omaha and eligible for nomination to the National Register of Historic Places. Nomination for the National Register will go before the Omaha Landmarks Commission November, 2011 and then on to the Nebraska State Historical Society December, 2011. An application for Low Income Housing Tax Credits and State HOME funds will be submitted to NIFA January, 2012.

The garage is a 38,400 square feet, 4 story brick building in the Central Business District and very near all essential services with neighbors including Creighton University, Central High School and the Civic Auditorium. The Garage Lofts is part of the Downtown Northeast Redevelopment Association.

The newly renovated Garage Lofts will include 9 three bedroom, two bathroom apartments averaging 1143 sq. ft., 8 two bedroom, two bath apartments averaging 950 sq. ft. and 15 one bedroom, one bath apartments averaging 780 sq. ft. Planned rents are \$614, \$590 and \$567 per month respectively. Historic ramps will be incorporated into design creating unique split level apartments for tenants. An elevator will be incorporated into the north end of the building adjacent to an existing external parking area. A management office and community room will be provided along with other finished rooms for tenant storage and storm shelter. Site work will include improvement of parking and development of green space around the property.

Total project costs are estimated to be \$6,487,795 with planned financing including permanent financing, Low Income Housing Tax Credits, Federal Historic Tax Credits, Tax Increment Financing in the amount of \$256,000, State HOME funds and Owner Equity.

The development team includes Arch Icon Development and Construction, NuStyle Development, Holy Name Housing Corporation, Alley Poyner Macchietto Architecture, Midwest Housing Equity Group, Woods & Aitken LLP., Seldin Company, and Thompson, Dreessen & Dorner.

The newly renovated Garage Lofts will provide affordable housing needed as part of the City's Downtown Master Plan and contribute greatly to improving the Capitol Avenue Corridor. Construction is planned to commence May, 2012 with completion scheduled for December, 2012.

City of Omaha
Planning Department
Lofts on 24th Project Team

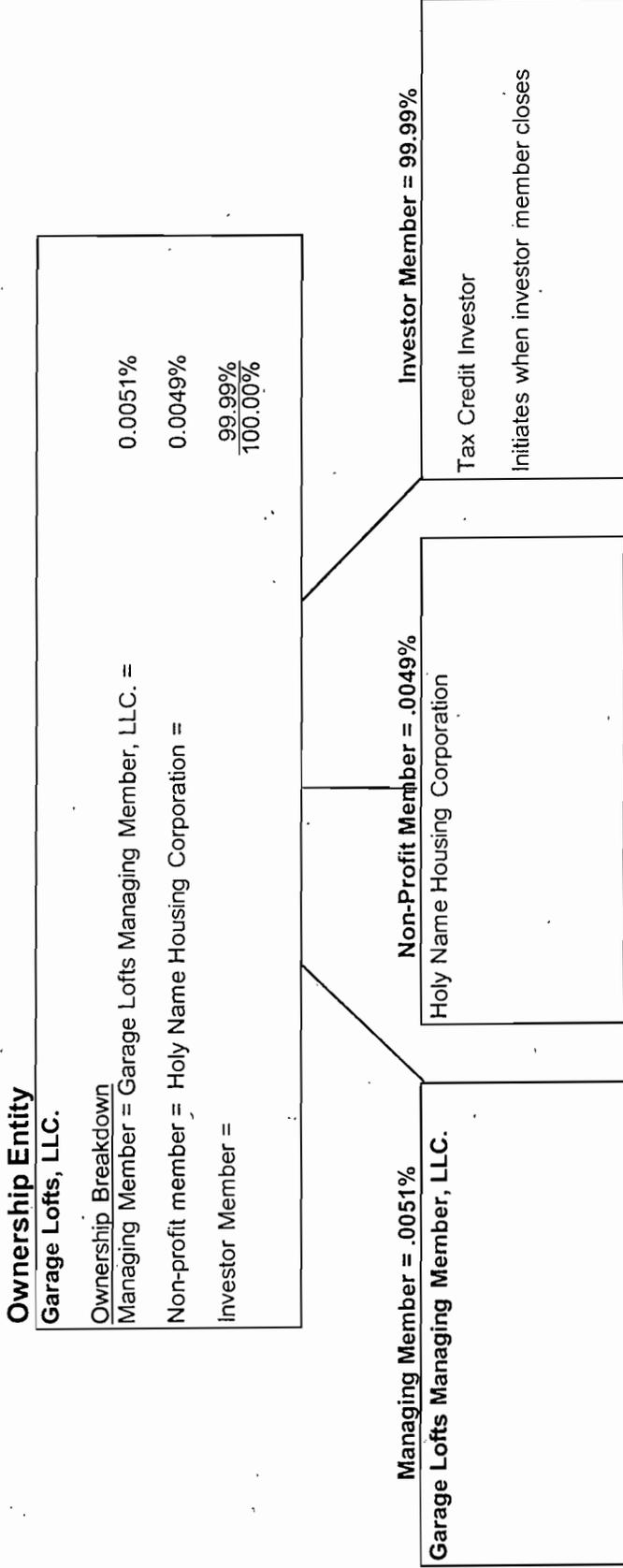
The Development Team Includes:

1. Garage Lofts, LLC. is the ownership entity.
2. Garage Lofts Managing Member, LLC. was formed to act as the managing member of Garage Lofts, LLS.
3. Arch Icon Development and Arch Icon Construction Corporations are the Developer and General Contractor. Arch Icon Development was formed in 2010 by Darin Smith and Mindy and Dustin Crook after working together on several historic renovations and housing developments in Woodbine, Iowa. Recent developments include the historic renovation of Woodbine's entire Main Street district adding 6 market rate and 11 affordable (Section 42) multifamily apartments as well as commercial space downtown, public art and all following sustainable design practices. Darin has 13 years of experience in project and federal grants management. Mindy and Dustin, as general contractors and owners, have successfully completed 16 single family remodels, 19 condo conversions, 6 high end custom condos, many historic renovations, and currently manage 12 multifamily houses and apartments. Arch Icon Development is now focused on building relationships in Omaha necessary to bring our talents to the area and provide sustainable and affordable housing to those in need much as NuStyle Development has in the past.
4. Holy Name Housing Corporation will serve as a non-profit Co-Developer / Co-Managing Member. Holy Name Housing Corporation, a Nebraska 501 (c) 3 Non-Profit Corporation, was established in 1982 and has been revitalizing North Omaha neighborhoods by renovating and building homes that are sold to low and moderate income families. Their vision is that every Omaha resident has a right to decent and affordable housing in a safe and healthy community. They offer many services including construction and rehabilitation of homes, for purchase and rent, counseling that assists low-income families, training and education for the Crown Program, and a variety of others.
5. NuStyle Development Corporation will serve as a paid consultant and has successfully rehabilitated over 800 affordable housing apartment units since 1988. NuStyle is responsible for many successful Section 42 and market rate housing developments in Omaha and is dedicated to improving real property and providing quality housing for the community.
6. Alley Poyner Macchietto Architecture, established in 1987, has built a prestigious reputation for innovative and environmentally sensitive design solutions on a wide variety of public and private projects. APMA has worked many certified historic tax credit projects, nine of which utilized affordable housing tax credits. In total, Alley Poyner Macchietto has work on over 50 certified historic tax credit projects and over 20 affordable housing tax credit projects.

7. Brad Gross, C.P.A. has been established since 2000. Brad is committed to providing individualized, personal attention in all aspects of accounting including audit, tax, consulting, and bookkeeping. Brad has worked on several tax credit projects since 2005 and has 5 years Section 42 experience.
8. Dauby, O'Connor and Zaleski, LLC (DOZ) was established in 1987 to provide accounting, consulting, and tax services to owners, managers, and syndicators of multifamily housing communities. DOZ started as a two man firm and has grown to a nationally recognized leader in the real estate arena with clients in over 40 states. Our intense focus in the real estate arena results in a staff that truly knows the nuances of multifamily finance. DOZ clients include multifamily housing, senior living facilities, independent living facilities, retail and commercial properties, and residential land developments. DOZ is extremely well versed in projects financed with HUD, RD, Tax Exempt Bonds, and Low Income Housing Tax Credits
9. Woods & Aitken, L.L.P., established in 1921, provides a variety of real estate services representing commercial and residential developers throughout all phases of real estate development including acquisition, construction and permanent financing, construction and development, leasing, and sales. Woods & Aitken has 28 years related experience with 10 years of experience specific to affordable housing.
10. Seldin Company will be responsible for managing the Garage Lofts property. Seldin was formed by Ben Seldin in 1923, with experience totaling 88 years. Seldin Company is a diversified full-service commercial real estate, multi-family management, and development organization. Seldin Company also specializes in property management, commercial sales and leasing, and development with approximately 6,000 apartments in Omaha and over 1.5 million square feet of commercial retail and office space.
11. The Midwest Housing Equity Group, Inc. (MHEG) is a non-profit corporation that raises capital to invest in affordable housing throughout the states of Iowa, Kansas, Nebraska, and Oklahoma. As of 12/1/2010, MHEG has raised over \$650 million in equity and invested in over 275 developments, creating over 7,600 units of affordable housing in the four-state area. These developments range from six to over two hundred units and include single family homes, multi-unit and multi-building complexes, duplexes, historical renovations, and specialty needs developments such as elderly, assisted living, transitional homeless facilities or developmentally disabled residents.
12. Founded in 1967, Thompson, Dreessen & Dorner has established itself as a highly respected and mature structural, civil, geotechnical, environmental and land surveying firm focusing on quality of the work and the quickness in which it is done. TD2 is committed to its quality of service while maintaining client vision. TD2 has 30 years relevant experience with 16 years affordable housing experience.

Arch Icon Development will also work closely with the City of Omaha to ensure the Garage Lofts development complements the Downtown Master Plan. The Nebraska State Historic Society and National Parks Service Office will also participate by guiding Arch Icon Development in the proper preservation of the historic parking garage and as an enhancement to the history of Downtown Omaha.

Garage Lofts Proposed Ownership Structure



Garage Lofts, LLC. was formed by Arch Icon Development for the adaptive reuse renovation of the historic parking garage building located at 206 N. 19th Street.

The renovation will provide 32 multifamily apartments improving Downtown Omaha and the Capitol Avenue Corridor.

Holy Name Housing Corporation will be a non-profit Co-Developer and Co-Managing Member.

Building Overview- Garage Lofts – 202 and 216 N. 19th Street

Existing Building Features

Current Use	Parking
Construction	Reinforced Concrete Structure
Frame and Exterior	Masonry Brick
Years Built	1924
Ceiling Height	9'- 10''
Access	Access from 19 th Street on the East
Interior Lighting	Fluorescent Tubes
HVAC	None
Elevators	None
Life Safety	None
Security System	None
Parking	109 stalls (78 in garage / 31 in lot to North)
Inventory	None
Service Providers	MUD, OPPD, Cox, and Quest

Land

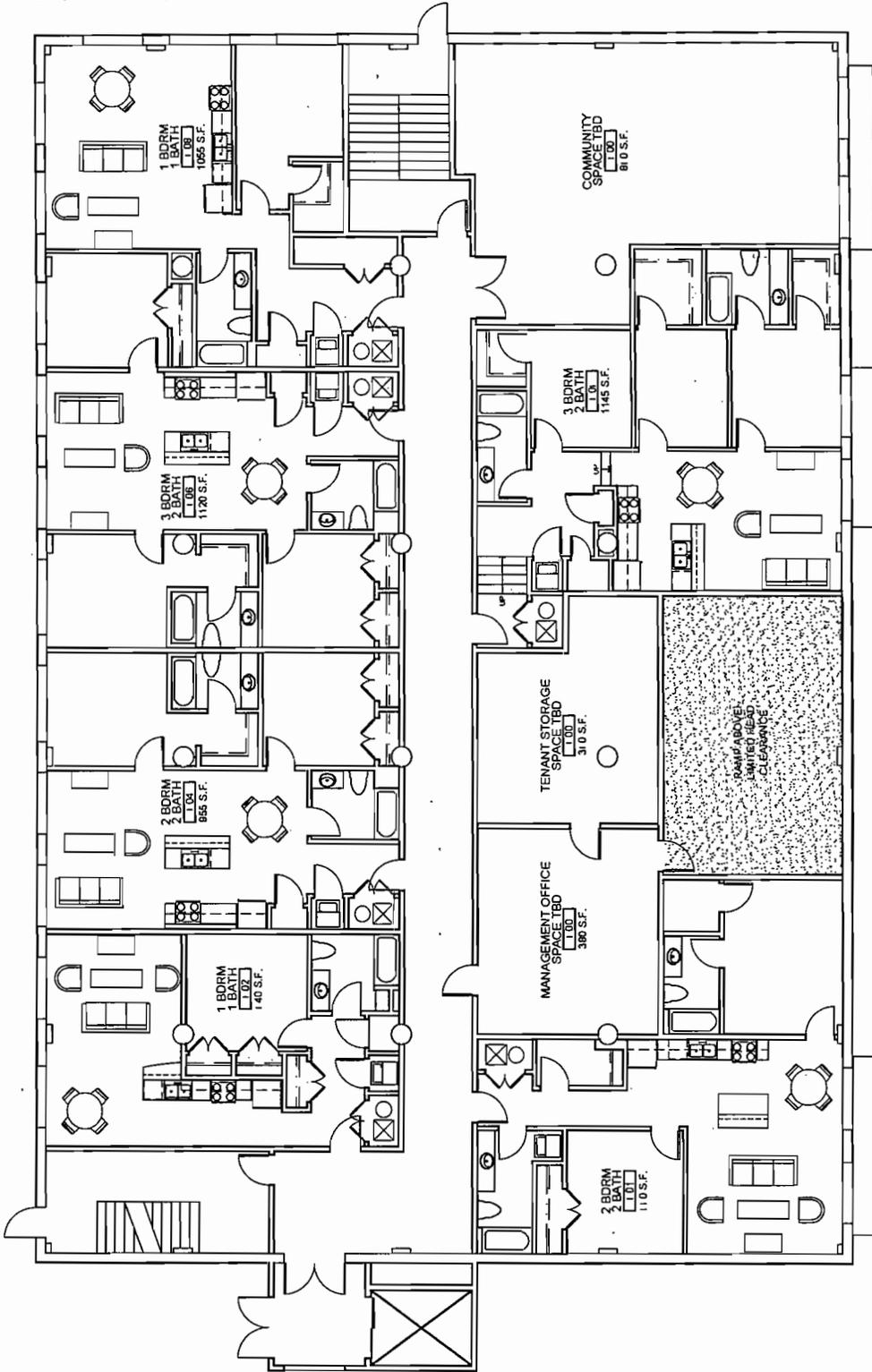
Area	.22 Acres – Building / .22 Acres - Parking
Zoning	CBD - Central business District
Flood Zone	No Flood Hazard

Assessed Value:

	202 N 19 th	216 N. 19 th
Land:	\$96,000	\$96,000
Improvements:	\$171,100	\$24,000
Total:	\$267,100	\$120,000
Levy:	2.17816	2.17816
Current Taxes:	\$5,607.12	\$2,145.44

Public Improvements

Offsite public improvements required by the City of Omaha are not anticipated but will be made as required. Improvements incorporated into the building and land will follow the City of Omaha Area of Civic Importance (ACI) Code Requirements.



UNIT COUNT
1ST

3 BDRM / 2 BATH: 2
2 BDRM / 2 BATH: 2
1 BDRM / 1 BATH: 2

TOTAL UNITS
1ST: 6

PROJECT UNIT COUNT

3 BDRM / 2 BATH: 9
2 BDRM / 2 BATH: 8
1 BDRM / 1 BATH: 15

TOTAL UNITS 32

ALLEY • POYNER
MACCHIETTO



PRELIMINARY
SCHEMATIC LAYOUT
MAY 24, 2011

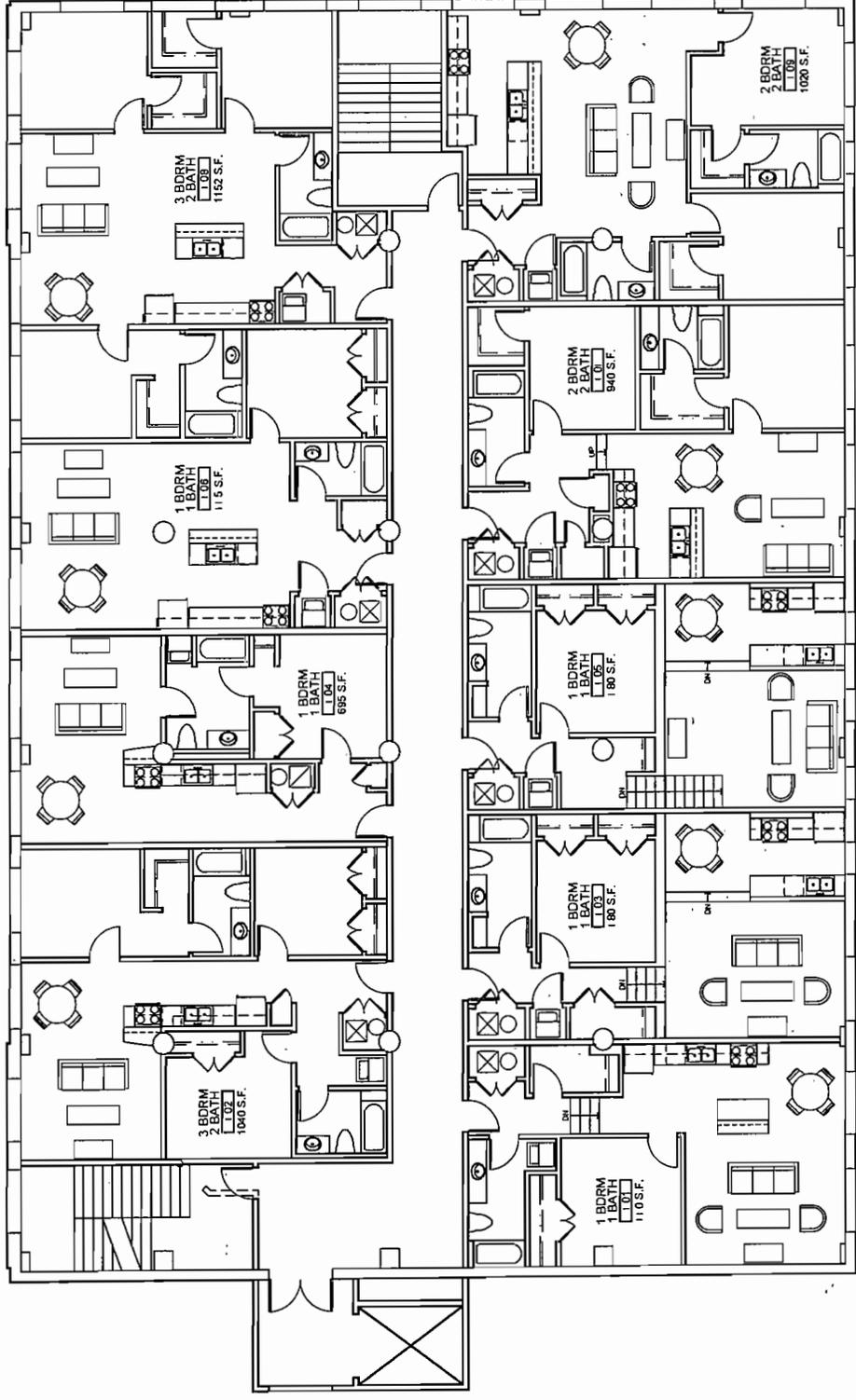
19TH & CAPITOL GARAGE - FIRST FLOOR PLAN

SCALE: 1/16" = 1'-0"

UNIT COUNT
 2ND & 3RD

3 BDRM / 2 BATH: 4
 2 BDRM / 2 BATH: 4
 1 BDRM / 1 BATH: 10

TOTAL UNITS
 2ND & 3RD: 18



ALLEY-POYNER
 MACCHIETTO



PRELIMINARY
 SCHEMATIC LAYOUT
 MAY 24, 2011

19TH & CAPITOL GARAGE - 2ND & 3RD FLOOR PLAN (SIM)

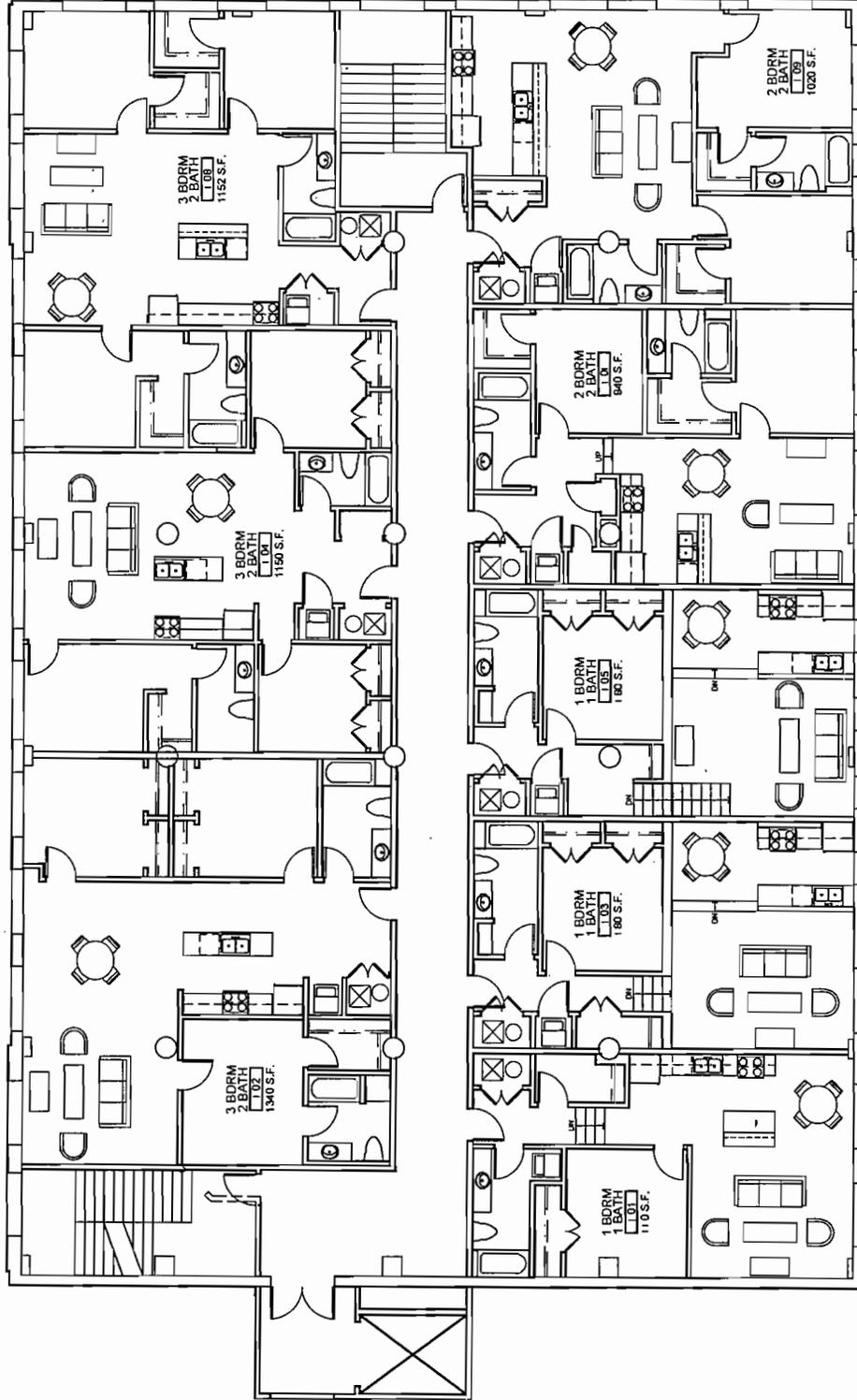
SCALE: 1/16" = 1'-0"



UNIT COUNT
4TH

3 BDRM / 2 BATH: 3
2 BDRM / 2 BATH: 2
1 BDRM / 1 BATH: 3

TOTAL UNITS
4TH: 8



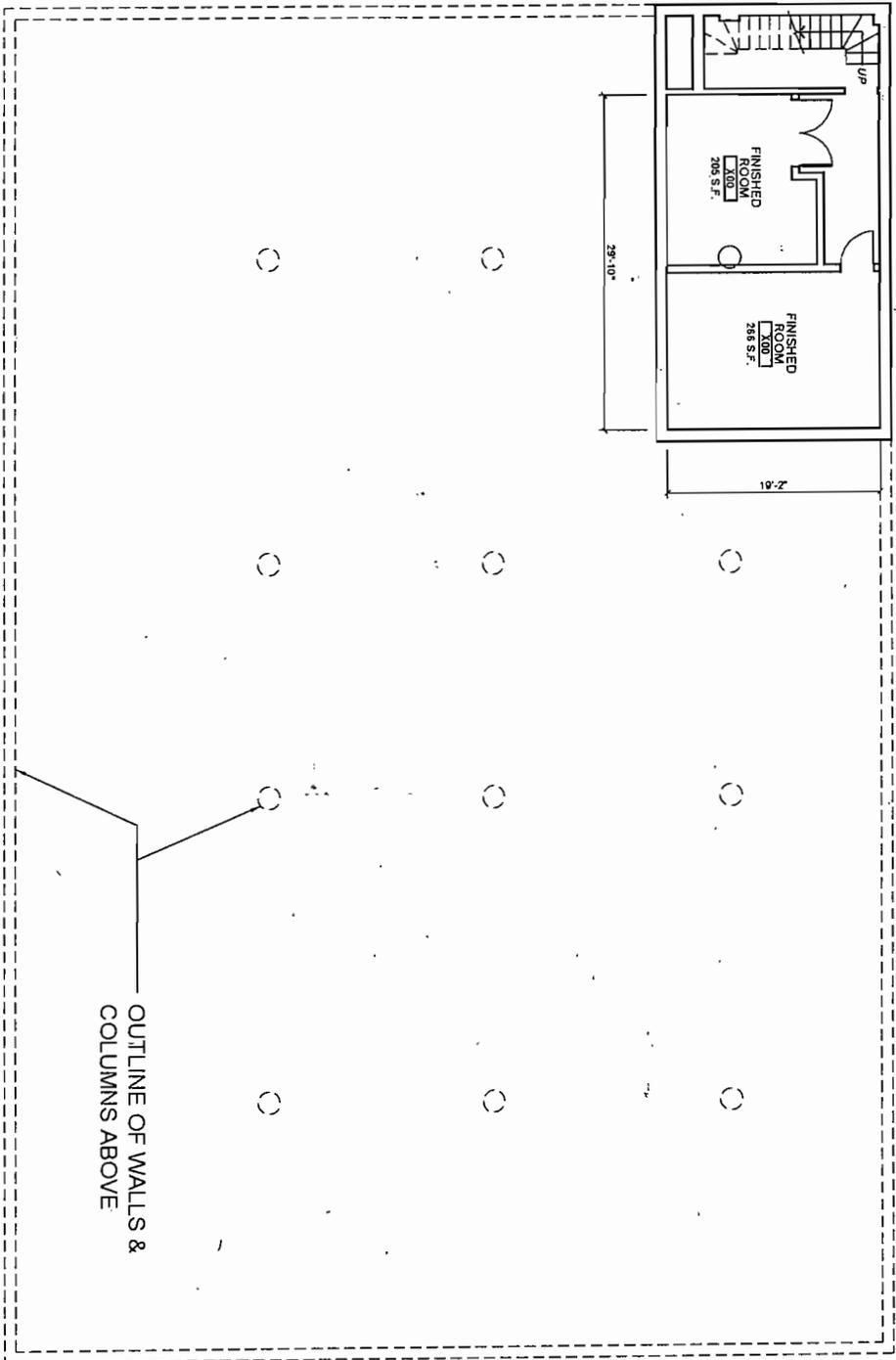
PRELIMINARY
SCHEMATIC LAYOUT
MAY 24, 2011

19TH & CAPITOL GARAGE - FOURTH FLOOR PLAN

SCALE: 1/16" = 1'-0"

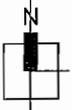
ALLEY•POYNER
MACCHETTO





19TH & CAPITOL GARAGE - BASEMENT PLAN

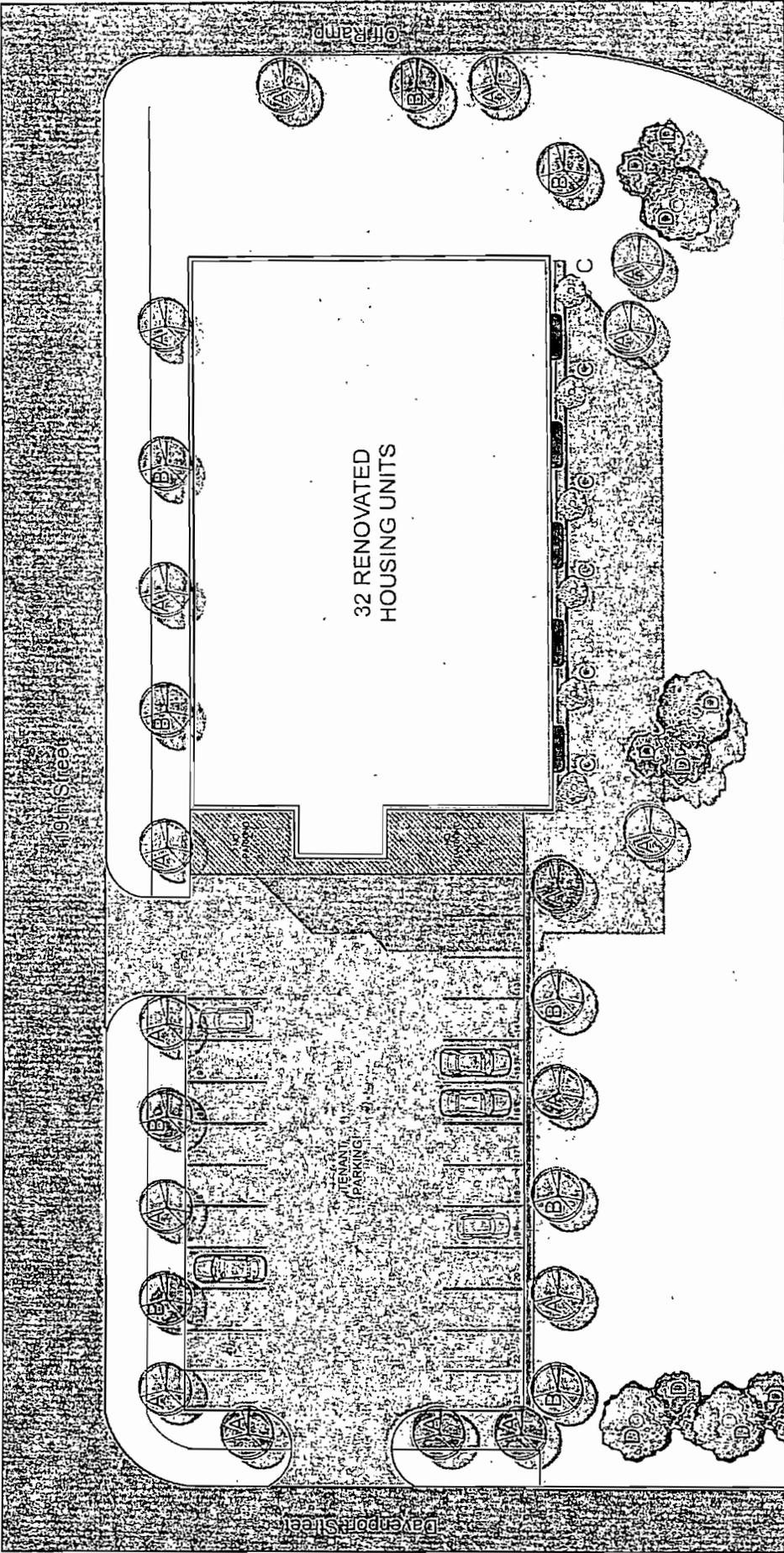
SCALE: 1/16" = 1'-0"



OUTLINE OF WALLS & COLUMNS ABOVE

PRELIMINARY
SCHEMATIC LAYOUT
DECEMBER 28, 2010



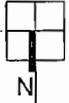


Landscape Key

- A - Green Ash 2-1/2" Cal
- B - Autumn Blaze Maple 2-1/2" Cal
- C - Bridal Wreath Spirea Shrub 3 Gal
- D - Existing Landscape to remain

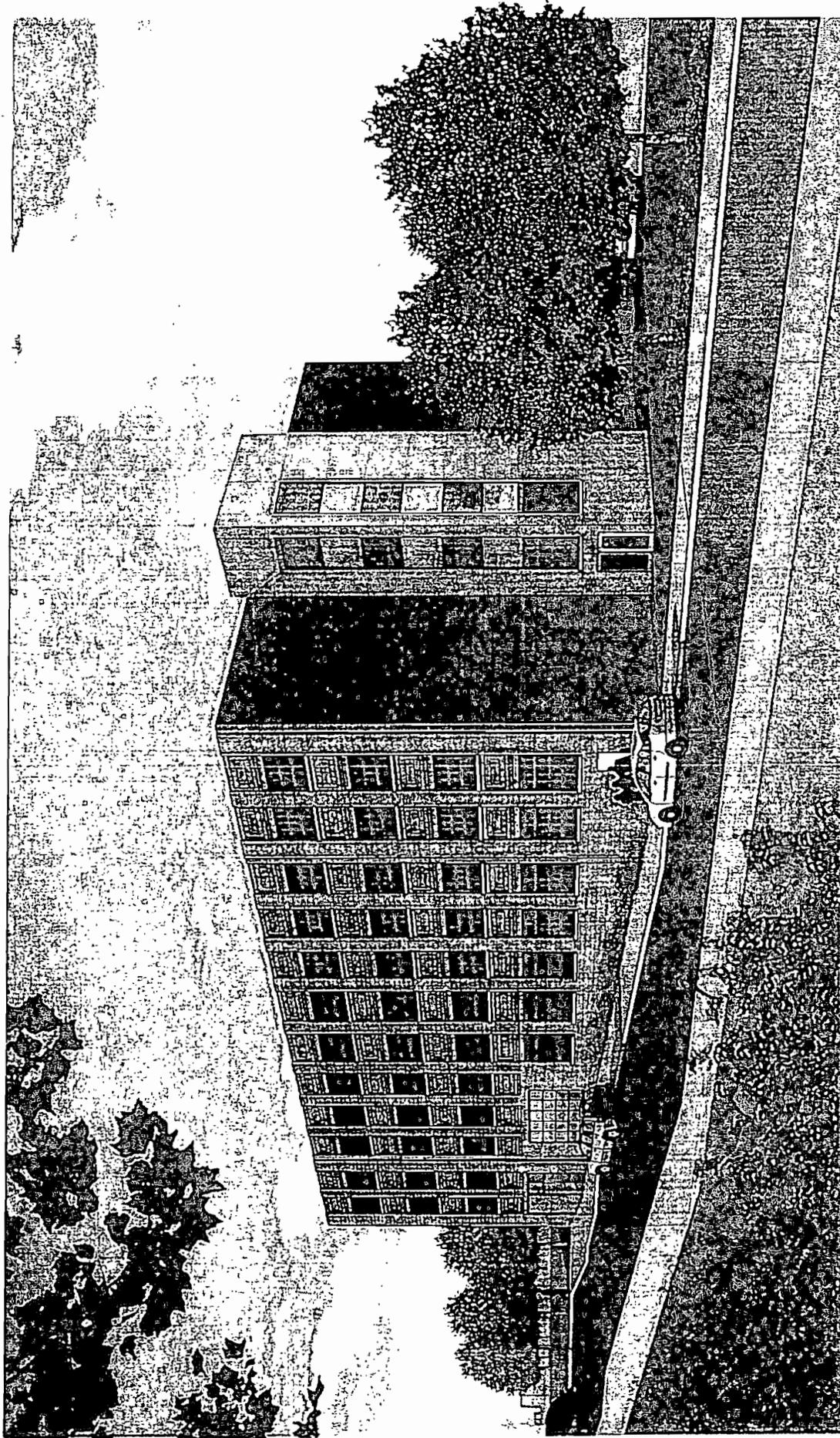
19TH & CAPITOL GARAGE -- SITE PLAN

SCALE: N.T.S



SCHEMATIC LAYOUT
 DECEMBER 28, 2010
 w/ amended landscape key & notes
 March 4, 2011

ALLEY-POYNER
 MACCHIETTO
 ARCHITECTURE



ALLEY-POYNER
MACCHIETTO
ARCHITECTURE

PRELIMINARY
SCHEMATIC LAYOUT
DECEMBER 28, 2010

19TH & CAPITOL GARAGE - EAST & NORTH ELEVATIONS

SCALE: N.T.S

Garage Lofts

10/27/2011

SOURCES AND USES OF FUNDS

	With TIF		Without TIF	
USE OF FUNDS	TOTAL	32 UNITS PER UNIT	TOTAL	32 UNITS PER UNIT
PURCHASE OF BUILDING and LAND	740,000	23,125	740,000	23,125
SITE WORK	150,000	4,688	150,000	4,688
CONSTRUCTION RESIDENTIAL	3,791,000	118,469	3,791,000	118,469
CONSTRUCTION CONTINGENCY	320,000	10,000	320,000	10,000
FINANCING AND SOFT COSTS	626,795	19,587	626,795	19,587
LEASE UP AND OPERATING RESERVE	210,000	6,563	210,000	6,563
DEVELOPER PROFIT/OVERHEAD	650,000	20,313	650,000	20,313
TOTAL USE OF FUNDS	6,487,795	202,744	6,487,795	202,744
SOURCE OF FUNDS	TOTAL	PER UNIT	TOTAL	PER UNIT
FINANCIAL INSTITUTION	480,000	15,000	736,000	23,000
HOME FUNDS	256,000	8,000	256,000	8,000
TAX INCREMENT FINANCING	256,000	8,000	0	0
SALE OF HISTORICAL CREDITS (\$0.86)	890,702	27,834	890,702	27,834
LOW INCOME HOUSING TAX CREDITS (\$0.80)	4,291,093	134,097	4,291,093	134,097
G.P. EQUITY & DEFERRED DEVELOPER FEE	314,000	9,813	314,000	9,813
TOTAL SOURCE OF FUNDS	6,487,795	202,744	6,487,795	202,744

OPERATING PRO FORMA

15 1 - BEDROOM UNIT AVG 780 SQ FT	567 PER MONTH	567 PER MONTH
8 2 - BEDROOM UNIT AVG 950 SQ FT	590 PER MONTH	590 PER MONTH
9 3 - BEDROOM UNIT AVG 1143 SQ FT	614 PER MONTH	614 PER MONTH
ANNUAL RESID INCOME	225,012	225,012
LESS VACANCY (7%)	(15,751)	(15,751)
LESS EXPENSES (\$3,146/unit inc. reserves)	(100,700)	(100,700)
LESS NIFA FEE	(10,717)	(10,717)
LESS BASE TAXES	(8,432)	(8,432)
LESS INCREMENTAL TAXES	(27,612)	(27,612)
TIF INCOME	27,612	0
INTEREST ON RESERVES	2,850	2,850
TOTAL OPERATING INCOME	92,262	64,650
1ST MORT		
DEBT SERVICE RATIO	2.07	1
LOAN AMOUNT	480,000	736,000
INTEREST RATE	7.00	7.00
TERMS	20	20
2ND TIF MORT		
DEBT SERVICE RATIO	1.28	1
LOAN AMOUNT	256,000	0
INTEREST RATE	7.00	7.00
TERMS	15	15
NET INCOME	\$ 19,993	\$ (3,824)
Debt Service	1.28	1
ROI = Net Income / GP Equity & Deferred Developer Fee	6.37%	-1.22%



Thompson, Grossman & Garner, Inc.
10348 Old Mill Rd
Omaha, NE 68114
402.338.6600 | 402.330.0446
tde.com

Project Title
ALTA/CASM LAND
TITLE SURVEY

LEGAL DESCRIPTION

LOT 1, BLOCK 80, ORIGINAL CITY OF OMAHA, AS SURVEYED AND LITHOGRAPHED IN DOUGLAS COUNTY, NEBRASKA, SAID TOGETHER WITH A STRIP OF GROUND ADJACENT SAID LOT ON THE EAST DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 1, THENCE RUNNING NORTH 120 FEET; THENCE EAST 14 FEET; THENCE SOUTH 120 FEET; THENCE WEST 14 FEET TO THE PLACE OF BEGINNING AND BEING A PART OF 19TH STREET VACATED (PARKING LOT, SW CORNER OF 19TH AND CHICAGO) (215 NORTH 19th STREET)

AND

LOT 8, BLOCK 80, ORIGINAL CITY OF OMAHA, AS SURVEYED AND LITHOGRAPHED IN DOUGLAS COUNTY, NEBRASKA, AND A STRIP OF GROUND ADJOINING ON THE EAST DESCRIBED AS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 8, NORTH ON THE EAST LINE OF SAID LOT, 120 FEET; THENCE EAST 14 FEET; THENCE SOUTH 120 FEET; THENCE WEST 14 FEET TO THE PLACE OF BEGINNING (202 NORTH 19th STREET)

CERTIFICATION

TO ARCH ICON DEVELOPMENT CORPORATION,
A NEBRASKA CORPORATION,
REDICK TOWER ASSOCIATES, A NEBRASKA PARTNERSHIP,
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY &
MISSOURI RIVER TITLE COMPANY,
THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/CASM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(G), 7(A), 7(G), 8, 9 AND 11(A) OF TABLE A, THEREOF. THE FIELD WORK WAS COMPLETED ON OCTOBER 12, 2011.

OCTOBER 12, 2011
DATE
JAMES D. WARNER
NEBRASKA RLS #308

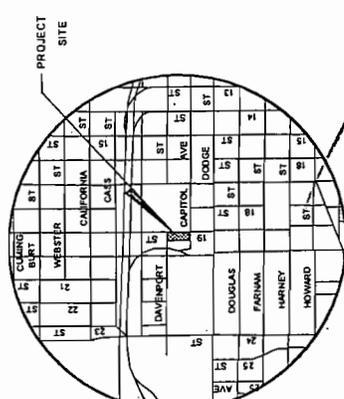
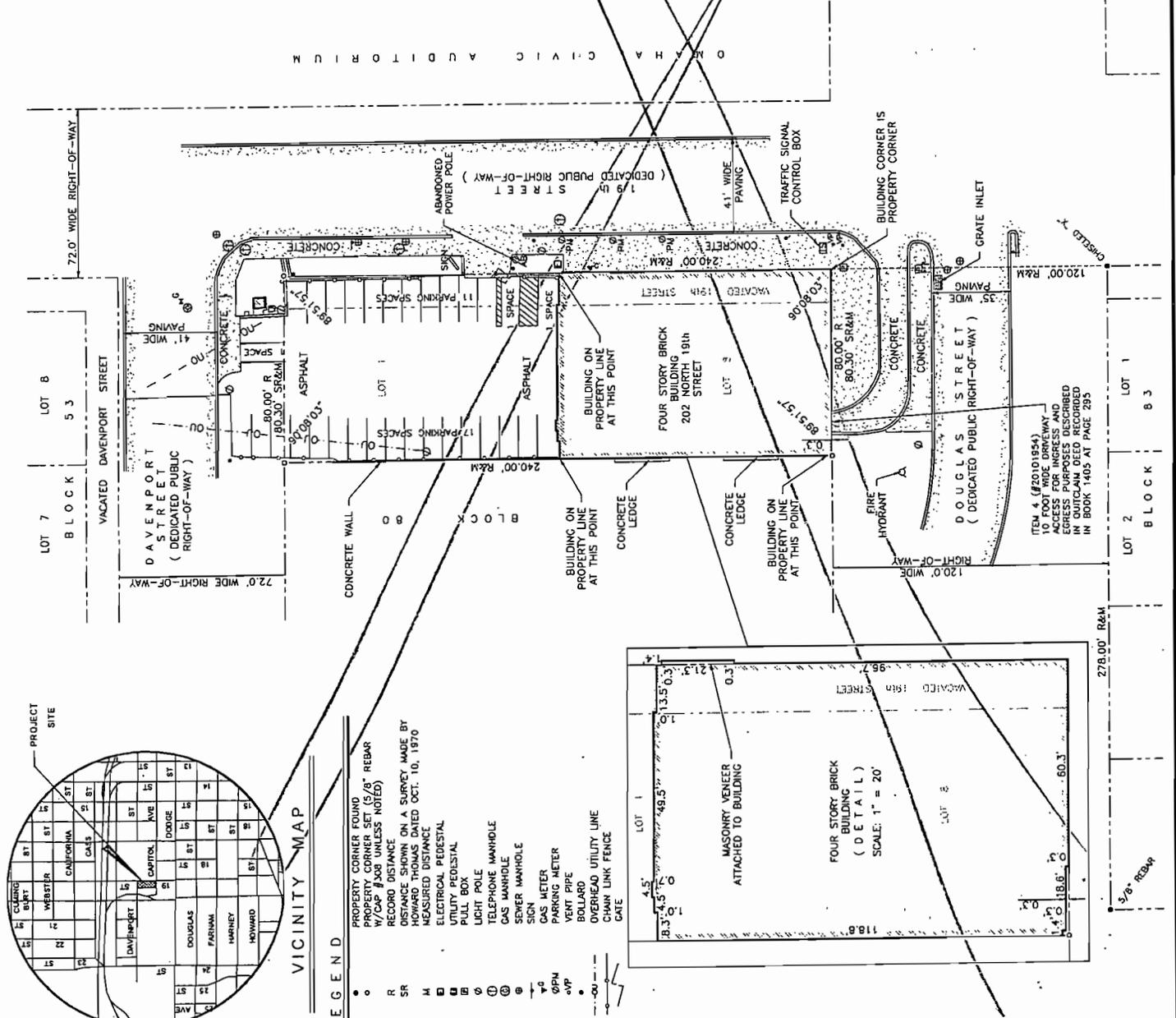
Arch Icon Development, LLC
Development, LLC

LOTS 1 & 8, BLOCK 80,
CITY OF OMAHA, IN
DOUGLAS COUNTY,
NEBRASKA.

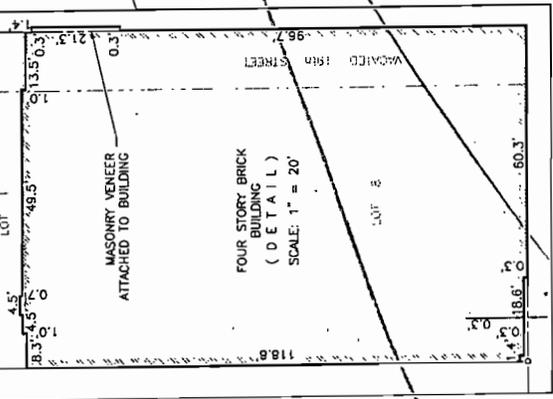
NOTES

1. PHYSICAL ITEMS DESCRIBED IN THE LEGEND ARE NOT DRAWN TO SCALE FOR THE SAKE OF CLARITY AND ARE SUBJECT TO ANY SUBSEQUENT INACCURACIES.
2. THE SURVEYED PROPERTY LIES WITHIN A DESIGNATED ZONE "X" (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODING AREAS OF THE DOUGLAS COUNTY, NEBRASKA AND INCORPORATED AREAS FLOOD INSURANCE RATE MAP NUMBER 31055C0239H DATED DECEMBER 2, 2005.
3. THE SURVEYED PROPERTY CONTAINS 19,200 SQUARE FEET OR 0.44 ACRES MORE OR LESS.
4. THE SURVEYED PROPERTY IS ZONED CBD-ACI-1(P/L) (CENTRAL BUSINESS DISTRICT) PER THE DOUGLAS COUNTY GIS WEBSITE (<http://www.dco.gov/dco/gis/>). THIS ZONING HAS THE FOLLOWING MINIMUM REQUIREMENTS:
STREET SIDE YARD.....NO REQUIREMENT
SIDE YARD.....NO REQUIREMENT
REAR YARD.....NO REQUIREMENT
5. THE BUILDING CONTAINS 9,661 SQUARE FEET. THIS AREA WAS CALCULATED USING EXTERIOR BUILDING DIMENSIONS MEASURED AT GROUND LEVEL.
6. THERE ARE 31 STANDARD PARKING SPACES AND NO HANDICAPPED PARKING SPACES ON THE SURVEYED PROPERTY.
7. THERE ARE NO EASEMENTS LISTED UNDER SCHEDULE B-11 OF OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY COMMITMENT NUMBER 201001953, EFFECTIVE DATE OCTOBER 10, 2011 AT 8:00 A.M. AND COMMITMENT NUMBER 801001954, EFFECTIVE DATE OCTOBER 10, 2011 AT 8:00 A.M.

ITEM 3 (#20101953) & (#20101954)
THE SURVEYED PROPERTY IS SUBJECT TO PROVISIONS AND RESTRICTIONS IN UNRECORDED ORDINANCE 1247 DATED MARCH 4, 1921.



- LEGEND**
- PROPERTY CORNER FOUND (S/8" REBAR W/CAS # AND UNLESS NOTED)
 - RECORD DISTANCE
 - DISTANCE SHOWN ON A SURVEY MADE BY HOWARD THOMAS DATED OCT. 10, 1970
 - MEASURED DISTANCE
 - ELECTRICAL PEDESTAL
 - UTILITY PEDESTAL
 - PULL BOX
 - LIGHT POLE
 - TELEPHONE MANHOLE
 - GAS MANHOLE
 - SEWER MANHOLE
 - SIGN
 - GAS METER
 - PARKING METER
 - VENT PIPE
 - BOLLARD
 - OVERHEAD UTILITY LINE
 - CHAIN LINK FENCE
 - GATE



American Dreams Come True.

October 18, 2011

Mr. Darin Smith
Arch Icon Development
505 Walker Street
Woodbine, Iowa 51579

Re: Garage Lofts – Omaha, Nebraska

Dear Darin,

This letter is intended to convey American National Bank's interest in considering your financing request for the redevelopment of the above referenced property. We have a long history of partnering with developers of affordable housing for the betterment of the communities in which we do business.

American National Bank would consider providing construction and TIF financing, subject to the commitment and funding of all other project financing sources, as well as American National Bank standard underwriting and loan committee approval for the proposed transaction. Today's interest rate for this transaction would be approximately 7.00% with a loan term of up to 16 years.

Please contact me if you have any questions, or if you need any additional information. Thank you for giving American National Bank the opportunity to discuss participation in this project.

Sincerely,



Brian Andersen
Vice President



City of Omaha
Jim Suttle, Mayor

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

R. E. Cunningham, RA, F.SAME
Director

September 23, 2011

Revised

Darin Smith
Arch Icon Devt Corp.
505 Walker St.
Woodbine, IA 51579

RE: Your organization's request for 2012 housing and community development funding for the Garage Lofts Apartments.

Dear Mr. Smith:

I regret to inform you that the proposal your organization submitted for fiscal year 2012 housing and community development funds to the City of Omaha will not be included in the 2012 Action Plan. Limited resources make budgetary decisions more challenging. The City of Omaha appreciates the interest you have shown in your community by applying for funding. Unfortunately, difficult decisions are necessary to develop a cohesive and effective housing and community development program.

We will continue to work with you to secure State HOME funding that may be available.

If you have questions regarding your 2012 application and its review, please contact Pat Evans at (402) 444-3778 or Pat Nocacek at (402) 444-5172.

Sincerely,

James R. Thele, Assistant Director
Planning Department

Garage Lofts Construction Costs

Description	Budget	Cost/Unit
Utilities and Telephone	\$ 26,000	\$ 813
Exterior Site Work	\$ 150,000	\$ 4,688
Dump Fees and Trash Hauling	\$ 10,000	\$ 313
Core Drilling/Sawcuts	\$ 50,000	\$ 1,563
Temporary Toilets	\$ 4,000	\$ 125
Demolition Labor	\$ 50,000	\$ 1,563
Asbestos/Lead Removal	\$ 30,000	\$ 938
Demolition Safety Material	\$ 16,000	\$ 500
Water / Sewer Mains	\$ 20,000	\$ 625
Tuckpointing/Masonry	\$ 100,000	\$ 3,125
Windows	\$ 75,000	\$ 2,344
Storefront Glass	\$ 30,000	\$ 938
Roof	\$ 40,000	\$ 1,250
Community Room / Computer Learning Center	\$ 40,000	\$ 1,250
Elevator	\$ 250,000	\$ 7,813
Stair Tower / Elevator Shaft / Room	\$ 150,000	\$ 4,688
Concrete Decks / Stairs	\$ 25,000	\$ 781
Crane	\$ 10,000	\$ 313
Framing	\$ 120,000	\$ 3,750
Drywall	\$ 200,000	\$ 6,250
Insulation/Sound Proofing	\$ 48,000	\$ 1,500
Plumbing	\$ 395,000	\$ 12,344
HVAC	\$ 260,000	\$ 8,125
Generator	\$ 60,000	\$ 1,875
Electrical	\$ 335,000	\$ 10,469
Lighting Allowance	\$ 60,000	\$ 1,875
Fireproofing	\$ 15,000	\$ 469
Fire Sprinkler	\$ 70,000	\$ 2,188
Fire Alarm System/Generator	\$ 45,000	\$ 1,406
Security System	\$ 35,000	\$ 1,094
Kitchen/Bath Cabinets	\$ 70,000	\$ 2,188
Wooden Doors and Trim	\$ 30,000	\$ 938
Hardware	\$ 24,000	\$ 750
Cabinet/Trim Install	\$ 32,000	\$ 1,000
Metal Doors	\$ 45,000	\$ 1,406
Metal Doors Install	\$ 11,000	\$ 344
Historic Garage Doors	\$ 16,000	\$ 500
Paint / Stain - Interior / Exterior	\$ 90,000	\$ 2,813
Flooring	\$ 105,000	\$ 3,281
Appliances	\$ 80,000	\$ 2,500
Bath accessories	\$ 8,000	\$ 250
Storage Units	\$ 16,000	\$ 500
Closet Shelving	\$ 9,000	\$ 281
Window Coverings	\$ 20,000	\$ 625
Signage/Mailboxes	\$ 7,000	\$ 219
Final Clean	\$ 9,000	\$ 281
Furniture / Equip / Décor	\$ 30,000	\$ 938
Trash Chutes	\$ 5,000	\$ 156
Safety / Fencing	\$ 10,000	\$ 313
Rent-Field Equipment	\$ 15,000	\$ 469
Hardware/Tools/Supplies	\$ 10,000	\$ 313
Project Manager / Accountant	\$ 50,000	\$ 1,563
Superintendent / Foreman	\$ 50,000	\$ 1,563
General Labor	\$ 50,000	\$ 1,563
GC General Conditions	\$ 55,000	\$ 1,719
General Contractor Fee	\$ -	\$ -

Total \$ 3,566,000 \$ 111,438

\$ 3,566,000

Garage Lofts Soft Costs

Description	Budget	Cost/Unit
Architectural	\$ 260,000	\$ 8,125
Engineering	\$ 20,000	\$ 625
Surveys	\$ 5,000	\$ 156
Construction Insurance	\$ 28,000	\$ 875
Construction Loan Interest	\$ 162,000	\$ 5,063
Origination Fees	\$ 50,000	\$ 1,563
Construction Period Taxes	\$ 15,500	\$ 484
Appraisals	\$ 4,500	\$ 141
LHHC Fees	\$ 26,795	\$ 837
Environmental Reports	\$ 5,000	\$ 156
Market Study	\$ 5,000	\$ 156
Legal Fees	\$ 4,000	\$ 125
Cost Certification	\$ 8,000	\$ 250
Organization Costs	\$ 1,000	\$ 31
Consulting Fees	\$ 5,000	\$ 156
Title and Recording	\$ 5,000	\$ 156
Underwriter Fees	\$ 17,500	\$ 547
Tax Opinion	\$ 1,000	\$ 31
TIF Application Fee	\$ 3,500	\$ 109

Total \$ 626,795 \$ 19,587

\$ 626,795

DEVELOPMENT COMPLETION SCHEDULE: The shaded items must be completed by all applicants. If applying for HOME Funds, non-shaded items must also be completed.

Activity	Responsible Entity	Date
LIHTC Conditional Reservation Announcement and Invitation to HOME Contract Negotiations (if applicable)	NIFA/NDED	<u>3/2012</u>
Attend and Complete HOME Contract Negotiations and Items	Applicant	<u>3/2012</u>
NDED Award Letter Issued	NDED	<u>3/2012</u>
NDED Contract Signed and Notice of Release of Funds Issued	NDED	<u>4/2012</u>
Submit HOME Project Activity Setup	Applicant	<u>4/2012</u>
Site Control and Warranty Deed	Applicant	<u>9/2011</u>
Syndication Commitment Finalized	Applicant	<u>4/2012</u>
Plans and Specs Finalized	Applicant	<u>4/2012</u>
Construction Financing Executed	Applicant	<u>4/2012</u>
Construction Contracts Signed	Applicant	<u>4/2012</u>
Conditions for NIFA LIHTC Reservation Agreement Completed (90 days)	Applicant	<u>4/2012</u>
Pre-Construction Conference	Applicant	<u>4/2012</u>
Site Preparations	Applicant	<u>5/2012</u>
Construction Started	Applicant	<u>5/2012</u>
10 % Carryover Documentation submitted	Applicant	<u>8/2012</u>
Marketing of Development Begins	Applicant	<u>9/2012</u>
Construction 50% Complete	Applicant	<u>9/2012</u>
Receive Tenant Applications	Applicant	<u>11/2012</u>
Applicant Eligibility Determinations Made	Applicant	<u>11/2012</u>
Certificate of Occupancy Issued (Construction 100% Complete)	Applicant	<u>1/2013</u>
Start Lease Up	Applicant	<u>1/2013</u>
Lease Up at 75-90%	Applicant	<u>2/2013</u>
Submit HOME Completion Report within 120 days of Certificate of Occupancy	Applicant	<u>3/2013</u>
Cost Certification Submitted	Applicant	<u>1/2013</u>
LURA Recorded and Submitted	Applicant	<u>3/2013</u>
IRS Form(s) 8609 Issued	NIFA	<u>3/2013</u>
Permanent Financing Executed	Applicant	<u>3/2013</u>
<u>32</u> Units Occupied by Low Income Eligible Households	Applicant	<u>4/2013</u>
Submit Revised HOME Completion Report (at full occupancy)	Applicant	<u>5/2013</u>
Open House	Applicant	<u>1/2013</u>

STATEMENT AND DEMONSTRATION THAT THE PROJECT WOULD NOT PROCEED WITHOUT THE USE OF TIF.

Without the successful incorporation of Tax Increment Financing, it would not be economically feasible to rehabilitate the Garage Lofts at 202 and 216 North 19th Street. TIF effectively combined with substantial equity, forms the critical basis for the remaining traditional financing to be economically viable. The developer is making a capital and equity contribution in the amount of \$314,000.

From the attached Sources and Uses with and without TIF:

	With TIF	Without TIF
Net Projected Annual Cash Flow	\$19,993	(\$3,824)
Return on Investment	6.37%	-1.22%

Summary Conclusion:

Without Tax Increment Financing the project has a negative cash flow and would therefore not be able to proceed. It is possible that better financing terms and better tax credit pricing can be obtained resulting in an improved return on investment. The Garage Lofts project is expected to be Arch Icon's second Omaha development, the successful completion of which we believe will build upon our reputation and continued ability to financially support future housing and commercial redevelopment.

WITH TIF

PRO FORMA

(Complete the yellow-shaded areas)

Revenue Escalation		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Rents	2%	\$ 18,751	\$ 225,012	\$ 234,102	\$ 238,785	\$ 243,560	\$ 248,431	\$ 253,400	\$ 258,468	\$ 263,637	\$ 268,910	\$ 274,288	\$ 279,774	\$ 285,370	\$ 291,077	\$ 296,899
Vacancy	7%	\$ (1,313)	\$ (15,751)	\$ (16,066)	\$ (16,387)	\$ (16,715)	\$ (17,049)	\$ (17,388)	\$ (17,738)	\$ (18,093)	\$ (18,455)	\$ (18,824)	\$ (19,198)	\$ (19,576)	\$ (19,957)	\$ (20,343)
Other Income		\$ 2,539	\$ 30,462	\$ 31,071	\$ 31,693	\$ 32,327	\$ 32,973	\$ 33,633	\$ 34,305	\$ 34,991	\$ 35,691	\$ 36,405	\$ 37,133	\$ 37,876	\$ 38,633	\$ 39,406
Total Income		\$ 19,977	\$ 239,723	\$ 249,107	\$ 254,108	\$ 259,484	\$ 264,674	\$ 269,967	\$ 275,367	\$ 280,974	\$ 286,481	\$ 292,221	\$ 298,066	\$ 304,027	\$ 310,107	\$ 316,310
Expense Escalation		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
General and Administrative Expenses	3%	\$ 2,517	\$ 30,200	\$ 31,106	\$ 32,039	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,804	\$ 43,058	\$ 44,350
NIFA Annual Compliance Fee (no escalation)		\$ 893	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717
Operating Expenses		\$ 1,358	\$ 16,300	\$ 16,789	\$ 17,293	\$ 17,811	\$ 18,346	\$ 18,896	\$ 19,463	\$ 20,047	\$ 20,648	\$ 21,268	\$ 21,906	\$ 22,563	\$ 23,240	\$ 23,937
Maintenance Expenses		\$ 2,000	\$ 24,000	\$ 24,720	\$ 25,482	\$ 26,285	\$ 27,132	\$ 27,923	\$ 28,757	\$ 29,634	\$ 30,554	\$ 31,515	\$ 32,524	\$ 33,572	\$ 34,660	\$ 35,785
Other Expenses		\$ 4,587	\$ 55,044	\$ 56,695	\$ 58,396	\$ 60,148	\$ 61,953	\$ 63,811	\$ 65,725	\$ 67,697	\$ 69,728	\$ 71,820	\$ 73,975	\$ 76,194	\$ 78,480	\$ 80,834
Total Operating Expenses		\$ 11,355	\$ 136,261	\$ 143,927	\$ 147,902	\$ 152,018	\$ 156,257	\$ 160,623	\$ 165,120	\$ 169,752	\$ 174,523	\$ 179,438	\$ 184,499	\$ 189,713	\$ 195,083	\$ 200,614
Replacement Reserves		\$ 933	\$ 11,200	\$ 11,536	\$ 11,882	\$ 12,239	\$ 12,606	\$ 13,373	\$ 13,775	\$ 14,188	\$ 14,613	\$ 15,052	\$ 15,503	\$ 15,969	\$ 16,448	\$ 16,941
Annual Amount per unit																
Annual Escalation of Reserves	3%															
Net Operating Income (NOI)		\$ 7,689	\$ 92,262	\$ 92,954	\$ 93,619	\$ 94,255	\$ 94,860	\$ 95,433	\$ 95,971	\$ 96,472	\$ 96,934	\$ 97,354	\$ 97,732	\$ 98,063	\$ 98,346	\$ 98,575
Debt Information		Amount	Rate	Term	Monthly Debt	Service										
Conventional Loan	7.00%	\$ 460,000	20	3,721.43	\$ 444,657.16	\$ 444,657.16										
HOME FUNDING	0.00%	\$ 256,000	20	\$ 0.00	\$ 444,657.16	\$ 444,657.16										
Second Mortgage	7.00%	\$ 256,000	15	2,301.00	\$ 27,612.00	\$ 27,612.00										
Other (please list below):	0.00%	\$ -	10	\$ 0.00	\$ 0.00	\$ 0.00										
Total Debt Service		\$ 6,022.43	\$ 72,269.16	\$ 72,269.16	\$ 72,269.16	\$ 72,269.16										
Net Cash Flow		\$ 1,666	\$ 19,993	\$ 20,685	\$ 21,350	\$ 21,986	\$ 22,591	\$ 23,164	\$ 23,702	\$ 24,203	\$ 24,685	\$ 25,155	\$ 25,613	\$ 26,057	\$ 26,486	\$ 26,896
Debt Service Coverage Ratio			1.29	1.30	1.30	1.31	1.32	1.33	1.33	1.34	1.35	1.35	1.36	1.36	1.36	1.37

WITH OUT TIF

PRO FORMA

(Complete the yellowshaded areas)

	2%	3%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue Escalation																	
Gross Rents	\$ 18,751	\$ 225,012	\$ 229,512	\$ 238,785	\$ 248,431	\$ 253,400	\$ 258,468	\$ 263,537	\$ 268,606	\$ 273,675	\$ 278,744	\$ 283,813	\$ 288,882	\$ 293,951	\$ 299,020	\$ 304,089	\$ 309,158
Vacancy	\$ (1,313)	\$ (15,751)	\$ (16,066)	\$ (16,387)	\$ (16,715)	\$ (17,049)	\$ (17,390)	\$ (17,738)	\$ (18,095)	\$ (18,455)	\$ (18,824)	\$ (19,196)	\$ (19,574)	\$ (19,958)	\$ (20,347)	\$ (20,742)	\$ (21,143)
Other Income	\$ 238	\$ 2,850	\$ 2,907	\$ 3,024	\$ 3,085	\$ 3,147	\$ 3,210	\$ 3,274	\$ 3,339	\$ 3,406	\$ 3,474	\$ 3,544	\$ 3,614	\$ 3,687	\$ 3,761	\$ 3,837	\$ 3,914
Total Income	\$ 17,676	\$ 212,111	\$ 216,353	\$ 220,680	\$ 225,094	\$ 229,596	\$ 234,186	\$ 238,872	\$ 243,649	\$ 248,522	\$ 253,492	\$ 258,462	\$ 263,434	\$ 268,408	\$ 273,386	\$ 278,368	\$ 283,354
Expense Escalation																	
General and/or Administrative Expenses	\$ 2,517	\$ 30,200	\$ 31,106	\$ 32,039	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,804	\$ 43,058	\$ 44,350	\$ 45,680	\$ 47,049
MPRA Annual Compliance Fee (no escalation)	\$ 893	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717	\$ 10,717
Operating Expenses	\$ 1,358	\$ 16,300	\$ 16,789	\$ 17,293	\$ 17,811	\$ 18,346	\$ 18,896	\$ 19,463	\$ 20,047	\$ 20,648	\$ 21,268	\$ 21,906	\$ 22,563	\$ 23,240	\$ 23,937	\$ 24,655	\$ 25,394
Maintenance Expenses	\$ 2,000	\$ 24,000	\$ 24,720	\$ 25,462	\$ 26,225	\$ 27,012	\$ 27,823	\$ 28,657	\$ 29,517	\$ 30,402	\$ 31,315	\$ 32,254	\$ 33,222	\$ 34,218	\$ 35,245	\$ 36,302	\$ 37,389
Other Expenses	\$ 4,587	\$ 55,044	\$ 56,695	\$ 58,396	\$ 60,148	\$ 61,953	\$ 63,811	\$ 65,725	\$ 67,697	\$ 69,728	\$ 71,820	\$ 73,975	\$ 76,194	\$ 78,480	\$ 80,834	\$ 83,259	\$ 85,754
Total Operating Expenses	\$ 11,355	\$ 136,261	\$ 140,027	\$ 143,907	\$ 147,902	\$ 152,018	\$ 156,257	\$ 160,623	\$ 165,120	\$ 169,752	\$ 174,523	\$ 179,438	\$ 184,499	\$ 189,713	\$ 195,083	\$ 200,514	\$ 206,014
Replacement Reserves	\$ 933	\$ 11,200	\$ 11,536	\$ 11,882	\$ 12,239	\$ 12,606	\$ 12,984	\$ 13,373	\$ 13,775	\$ 14,188	\$ 14,613	\$ 15,052	\$ 15,503	\$ 15,969	\$ 16,448	\$ 16,941	\$ 17,449
Annual Amount per unit																	
Annual Escalation of Reserves		350.00															
Net Operating Income (NOI)	\$ 5,388	\$ 64,950	\$ 64,790	\$ 64,882	\$ 64,953	\$ 64,972	\$ 64,947	\$ 64,875	\$ 64,754	\$ 64,582	\$ 64,356	\$ 64,073	\$ 63,731	\$ 63,327	\$ 62,858	\$ 62,332	\$ 61,754
Debt Information																	
Conventional Loan	\$ 736,000	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00
PIOME Funds	\$ 255,000	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Second Mortgage	\$ -	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other (please list below):	\$ -	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Debt Service	\$ 5,706.17	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00	\$ 668,474.00
Net Cash Flow	\$ (319)	\$ (3,824)	\$ (3,684)	\$ (3,582)	\$ (3,521)	\$ (3,502)	\$ (3,527)	\$ (3,599)	\$ (3,720)	\$ (3,892)	\$ (4,118)	\$ (4,401)	\$ (4,743)	\$ (5,147)	\$ (5,616)	\$ (6,159)	\$ (6,781)
Debt Service Coverage Ratio	0.944156322	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.94	0.94	0.94	0.93	0.92	0.92	0.92	0.91

Evidence the Project Meets Evaluation Criteria

Mandatory Criteria

1. The project is located at 202 and 216 N. 19th Street within a blighted area or area eligible for designation of blight.
2. The project furthers the objectives of the City's Comprehensive Plan.
3. The use of TIF will not result in a loss of pre-existing tax revenues.
4. The project will not be economically feasible without the use of Tax Increment Financing because of a resulting negative cash flow situation. There are no site alternatives.
5. The project will eliminate the existing potential hazard resulting from the building continued to sit largely vacant and underutilized, creating a potentially unsafe environment in the area.

Discretionary Criteria

2. The project is located in the North Omaha – Downtown Omaha area designated as substandard and blighted.
4. The project involves the rehabilitation of a building to be listed on the National Register of Historic Places.
- 5a. The project will directly benefit low and moderate income people providing at least 51% of all housing units will be affordable low and moderate income households.
6. The building and site area to be redeveloped display conditions of blight.
7. The project involves the start-up of an entirely new business, Garage Lofts, LLC, operating within the City of Omaha

RESIDENTIAL UNIT INFORMATION

Please provide employment information for each Project Area. Reproduce the table below for each Project Area.

Multi-Family	Rental	15	1 bedroom	
(includes Condos,		8	2 bedroom	
Townhomes,		9	3 bedroom	
Rowhouses,				
Apartments)				
	Owner-occupied	0	1 bedroom	
		0	2 bedroom	
		0	3 bedroom	
Total Units		32		

COST BENEFIT ANALYSIS

Garage Lofts, LLC

The request meets the necessary requirements for consideration. The site displays conditions of blight as established by Nebraska State Statute. The TIF proceeds are to be used to cover any public improvement cost with the remaining balance of the TIF to be used for Project-specific TIF eligible cost. The proposed TIF will be used to offset site preparation and public improvements costs as required and to defray other site development costs that are eligible activities.

The site is not being utilized to its fullest and best economic potential. The site is currently vacant and/or underutilized with marginal tax value as a property with limited assessed value. The project will bring new affordable residential rental housing units into the market.

The use of TIF will not result in tax shifts. The current level of taxes will continue to flow to the current taxing entities, and only the increased value of revenues resulting from the improvements will be applied to the cost of the improvement.

No community public service need will be generated as result of this Project. The development of this site will provide employment by increasing the demand for personal services in the area and employees to provide these services. This development will impact other businesses, as there will be an increase in the demand for employees to fill the employment opportunities created by this development. There will also be competition for renters to fill the new residential units being made available. The provision of new housing will increase employment opportunities and other economic opportunities by increasing the demand for goods and services.

The development will cause an increase in traffic in the area; however, the current street system is able to accommodate the Project. The creation of new housing opportunities and the increased demand for goods and services justify the cost associated with the Project. The long term benefits resulting from the increase in the tax base resulting from the development are other valid justifications to provide assistance to the Project.

ARTICLES OF ORGANIZATION
OF
GARAGE LOFTS, LLC

Article 1
Name

The name of this limited liability company is GARAGE LOFTS, LLC.

Article 2
Duration

The Company shall have perpetual existence.

Article 3
Purpose and Powers

3.1 Purposes. The purposes for which the Company is organized are to engage in any and all lawful businesses for which a limited liability company may be organized under the laws of the State of Nebraska.

3.2 Powers. The Company shall have and exercise all powers and rights conferred upon a limited liability company by the Nebraska Limited Liability Company Act (the "Act"), and any enlargement of such powers conferred by subsequent legislative acts.

Article 4
Principal Place of Business

The Company's principal place of business in Nebraska is 1524 Cuming Street, Omaha, Nebraska 68102.

Article 5
Registered Office and Registered Agent

5.1 Office. The initial registered office of the Company is 1524 Cuming Street, Omaha, Nebraska 68102.

5.2 Agent. The name of the initial registered agent of the Company at such address is Mindy Crook.

Article 6
Stated Capital

The total amount of cash and a description and agreed value of all property, other than cash, initially contributed by the Members as a basis for capitalization of the Company are described below:

<u>Property Contributed</u>	<u>Agreed Value</u>
Cash	\$1,000.00

Article 7
Additional Capital Contributions

Additional contributions to the capital of the Company shall be made only at such times and in such amounts as provided in the Operating Agreement of the Company.

Article 8
Admission of Additional Members

Additional Members shall not be admitted to the Company except as provided in the Operating Agreement.

Article 9
Transfer or Assignment of Membership

No Member may transfer or assign by contract or operation of law all or any portion of such Member's interest in the Company except as provided in the Operating Agreement.

Article 10
Withdrawal of Capital

A Member may not withdraw from the Company any of the Member's capital without the written consent of all of the Members.

Article 11
Management of the Company

The management of the Company shall be vested in one or more Managers, who shall hold the offices for the term and have the responsibilities accorded to them by the Members as set forth in the Operating Agreement. The name and address of the initial Manager is:

Garage Lofts Managing Member, LLC
505 Walker Street
Woodbine, IA 51579

Any successor or additional Manager shall be appointed in the manner provided in the Operating Agreement.

Article 12
Dissolution

The Company may be dissolved upon the unanimous written consent of all Members of the Company.

Article 13
Amendments

These Articles may be amended only upon the affirmative vote of all of the Members of the Company. Any amendment which affects a Member's right to vote or receive distributions must be approved by such Member.

Article 14
Merger or Consolidation

The Company may not be a party to a merger or consolidation with any other entity unless the Plan of Merger or consolidation is authorized and approved by all of the Members of the Company.

The undersigned, being the Organizing Member of the Company, hereby adopts and signs these Articles of Organization for the purpose of forming the Company under the Act.

Dated this 13th day of December, 2010.

ORGANIZING MEMBER:

A handwritten signature in black ink, appearing to read "Darin Smith", written over a horizontal line.

DARIN SMITH

STATE OF

NEBRASKA

United States of America,
State of Nebraska } ss.



Department of State
Lincoln, Nebraska

I, John A. Gale, Secretary of State of Nebraska do hereby certify;

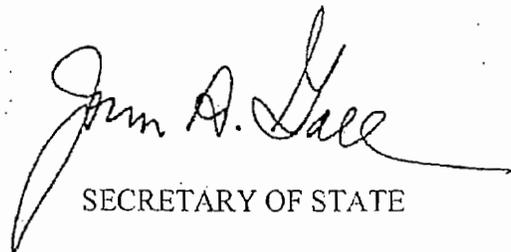
GARAGE LOFTS, LLC

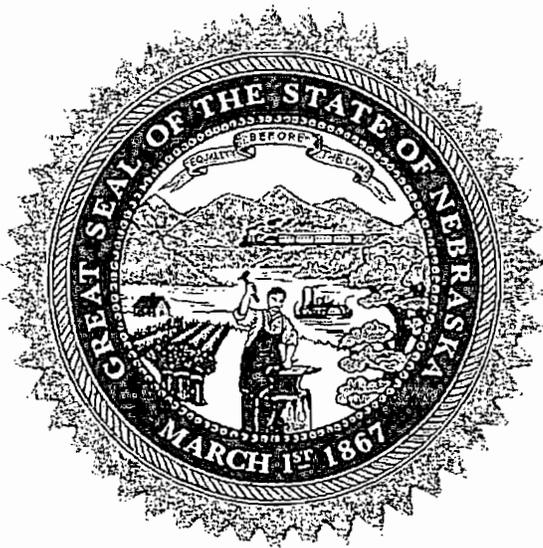
with its registered office located in OMAHA, Nebraska, filed Articles of Organization in this office on December 14, 2010.

I further certify that said limited liability company is in existence as of this date.

In Testimony Whereof,

I have hereunto set my hand and affixed the Great Seal of the State of Nebraska on September 6, 2011.


SECRETARY OF STATE



This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's financial condition or business activities and practices.

EXHIBIT 18

**AUTHORIZING RESOLUTION FOR NON-PROFITS AND HOUSING AUTHORITIES
(Required Format)**

RESOLUTION NO. 1

A resolution of the Board of Directors of Holy Name Housing Corporation authorizing the submission of an application(s) for 2012 Nebraska Affordable Housing Program Funds, certifying that said application(s) meets the community's housing and community development needs and the requirements of the HOME program, and authorizing all actions necessary to implement and complete the activities outlined in said application.

WHEREAS, the Board of Directors of Holy Name Housing Corporation is desirous of undertaking affordable housing development activities; and

WHEREAS, the State of Nebraska is administering the Nebraska Affordable Housing Program; and

WHEREAS, the Nebraska Affordable Housing Program requires that funds benefit low-income households; and

WHEREAS, the activity in the application addresses the proposed project area's low-income population housing needs; and

WHEREAS, a recipient of Nebraska Affordable Housing Program is required to comply with the program guidelines and State regulations.

NOW, THEREFORE BE IT RESOLVED THAT the Board of Directors of Holy Name Housing Corporation authorizes application to be made to the State of Nebraska, Department of Economic Development for 2011 Nebraska Affordable Housing Program, and authorizes Sr. Marilyn Ross, Executive Director, to sign application and contract or grant documents for receipt and use of these funds, and authorize Sr. Marilyn Ross, Executive Director to take all actions necessary to implement and complete the activities submitted in said application(s); and

THAT, the Board of Directors of Holy Name Housing Corporation will comply with all State regulations and Nebraska Affordable Housing Program policies.

Passed and adopted by the Board of Directors of Holy Name Housing Corporation this 7th day of Sept, 2011.



Signed by Chairperson, President or Authorized Person of Organization



Title Executive Director

Date: Oct 11, 2011, 2011

**HOLY NAME HOUSING CORPORATION
AND SUBSIDIARY**

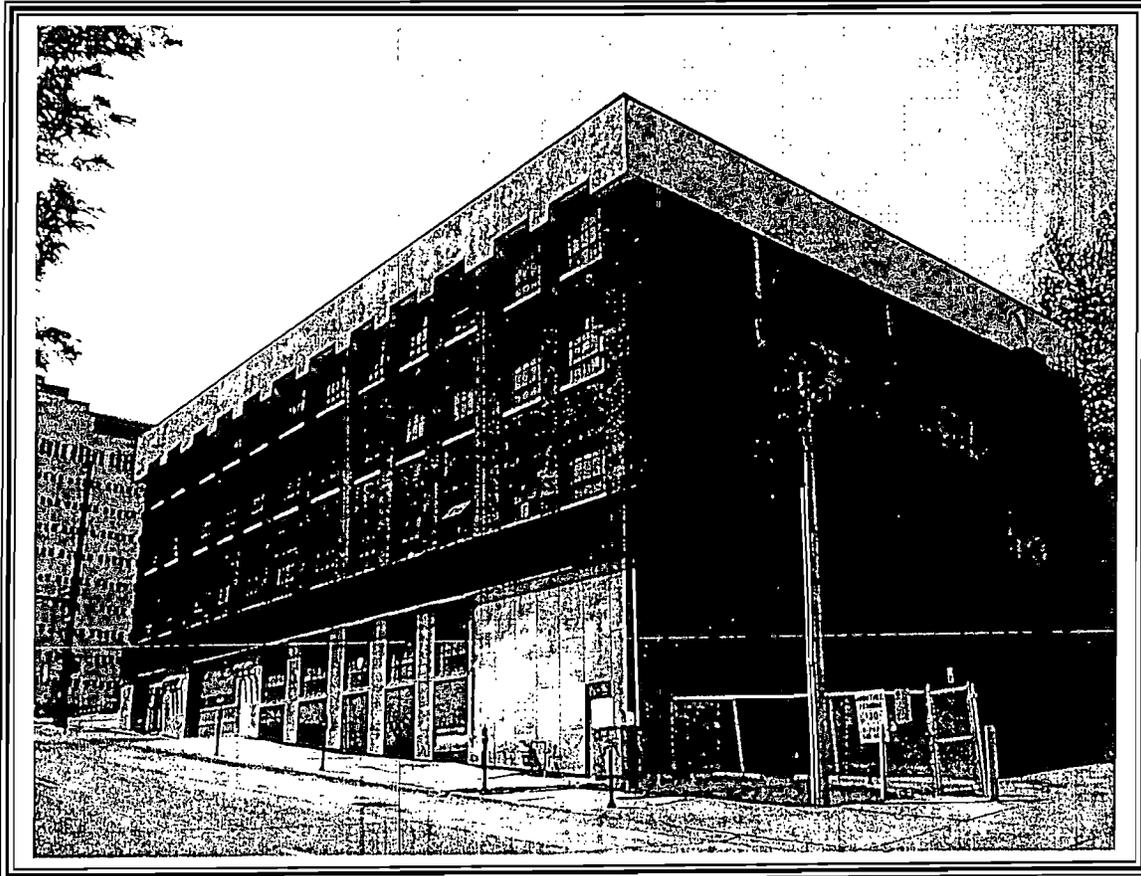
Notes to Consolidated Financial Statements

March 31, 2011 and 2010

(6) Subsequent Events

The Corporation has evaluated subsequent events from the consolidated statement of financial position date through July 20, 2011, the date at which the consolidated financial statements were available to be issued, and determined there are no items to disclose.

SITE AND PROJECT SPECIFIC HOUSING MARKET STUDY



**Proposed Garage Lofts LIHTC Project
202 North 19th Street
Omaha, Nebraska 68102**

Prepared by:

*The Assessment Group Inc.
7364 North 122nd Avenue Circle
Omaha, Nebraska 68142*

SITE AND PROJECT SPECIFIC HOUSING MARKET STUDY OF

The Proposed Garage Lofts LIHTC Project
Located at
202 North 19th Street
Omaha, Nebraska 68102

AS OF

May 31, 2011

PREPARED FOR

Arch Icon Development
Attn: Darin Smith
2754 155th Street
Woodbine, Iowa 51579
&
NIFA (Nebraska Investment Finance Authority)

PREPARED BY

Brian Wilson
Certified General Appraiser

with

The Assessment Group Inc.
7364 North 122nd Avenue Circle
Omaha, Nebraska 68142
(402) 320-2854
Fax: (402) 592-5509
E-mail: tagbrian@cox.net



THE ASSESSMENT GROUP INC.

7364 North 122nd Avenue Circle

Omaha, Nebraska 68142-1670

Phone: (402) 320-2854

Fax: (402) 592-5509

E-mail: tagbrian@cox.net

May 31, 2011

Arch Icon Development
Attn: Darin Smith
2754 155th Street
Woodbine, IA 51579

TAG Project #0511-482-4
Site and Project Specific Market Study
202 North 19th Street LIHTC Renovation Project
Omaha, Nebraska 68102

Dear Mr. Smith:

At your request, this site and project specific market study has been provided to be used for compliance requirements for Nebraska Investment Finance Authority (NIFA) regarding application for LIHTC and other sources of funding for the above referenced project. The following report will summarize the supply and demand in the area, and conclusions specific to the proposed project's feasibility and appropriateness.

I have performed dozens of appraisals and market studies of similar LIHTC housing projects in the past 5 years in Nebraska, where I am a licensed real estate appraiser. Within these appraisals, a supply and demand analysis was performed considering the feasibility and appropriateness of the subject development. I have worked for numerous LIHTC developers and lenders performing these assignments. Further credentials and experience is located in the Addenda.

Sincerely,

Brian Wilson
General Certified Appraiser-NE GC270044

May 31, 2011

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Executive Summary
Scope of Work
Site and Project Description and Analysis
Site Photographs
Market Area Description and Supply and Demand Analysis
Rental Comparable Photographs
Appraisers' Certification
Assumptions, Methods, and Sources

ADDENDA

Qualifications and License
Floor plans and Elevations

EXECUTIVE SUMMARY

LOCATION: The subject site is a Parking Garage located at 202 North 19th Street in the downtown portion of Omaha, Nebraska.

LEGAL DESCRIPTION: Lots 1 and 8, Block 80, Part of the 19th St, Adjacent on the east, in Omaha, Douglas County, Nebraska

PROJECT SUMMARY: The proposed project will completely transform and renovate a historic parking garage into 32 multifamily affordable apartments. When complete, the project will provide 9 three bedroom two bath apartments, 8 two bedroom two bath apartments and 15 one bedroom one bath apartments. An elevator, a leasing office and tenant storage areas will also be integrated into the project. The current concrete ramps will be leveled in some areas with steps added to create very unique, multi level apartment units in some areas of the building. There will also be onsite parking for 23 vehicles on the north portion of the site.

ZONING: CBD – Central Business District within Omaha’s jurisdiction

PROJECTED RENT:

Unit Type	Unit Size (SF)	% AMI	# of Units	Asking Rent (Net)	Utility Allowance	Asking Rent (gross)	NIFA Maximum Rents
1 Bed/1 Bath	781	60%	15	\$567	\$83	\$650	\$792
2 Bed/2 Bath	950	60%	8	\$590	\$110	\$700	\$949
3 Bed/2 Bath	1,143	60%	9	\$614	\$136	\$750	\$1,097
Total			32				

PROJECTED MARKET SHARE CAPTURE:

Unit Type	Unit Size (SF)	% AMI	# of Units	Eligible Renter HH	% Capture
1 Bed/1 Bath	781	60%	15	811	1.85%
2 Bed/2 Bath	950	60%	8	973	0.82%
3 Bed/2 Bath	1,143	60%	9	519	1.73%
Total			32		1.56%

PROJECTED ABSORPTION PERIOD: 32 units in 8 months

OVERVIEW: The proposed 19th & Capitol Garage project is expected to be well received in the market. It is expected to meet demand for new good quality affordable rental units in the area. It also appears to meet the City of Omaha’s overall future housing needs.

SCOPE OF WORK

Scope of work relates to statement describing the extent of the process in which data is collected, confirmed, and reported. Scope of work includes, but is not limited to, the following:

- The degree to which the property is inspected or identified;
- The extent of research into physical or economic factors that could affect the property;
- The extent of data research; and
- The type and extent of analysis applied to arrive at opinions or conclusions.*

Degree of Property Identification and Inspection: The subject site is located at 202 North 19th Street in Omaha, Nebraska as described earlier. According to County records, this location corresponds to the legal description described in this report. I inspected the site and existing improvements, and was provided a site plan and architectural drawings to help describe the proposed improvements.

Type and Extent of Economic Factors Researched: A market analysis was performed using mostly inferred and fundamental methodology relying on published demographic and real estate reports from the applicable local areas. This type of analysis typically relies on instinctive knowledge, historical data and trending, and judgment when forecasting future economic conditions. It was considered appropriate in light of the physical and economic conditions of the subject. An absorption analysis was also performed using current supply and demand information available and conversations with local market participants and property owners.

Type and Extent of Data Researched: Building descriptions and floor plan sizes were based on architectural drawings provided. The site measurements were obtained from County records. Other data was collected from public records, conversations with local property owners and brokers, information published in real estate industry publications and my appraisal files.

Type and Extent of Analysis Applied: A site and project specific marketability analysis was performed considering specific demographics in the area for income eligible households, the subject's targeted tenant market. There was adequate data available to reach credible conclusions.

Conclusion: The conclusions and analyses were reconciled into the final estimate of feasibility, absorption, and appropriateness. A summary of my credentials, supporting the Competency Rule of USPAP, is contained in the Addenda of this report.

* The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute, Chicago, Illinois, 2002

SITE AND PROJECT DESCRIPTION AND ANALYSIS

Site Location: The site is located at 202 North 19th Street in the downtown portion of Omaha, Nebraska, Douglas County. The site is located west of the Omaha Civic Auditorium and parking garage.

Site Size and Shape: The site is a parking garage and adjacent surface parking lot located on a rectangular shaped parcel with 19,200 SF. (See site plan and aerial photo on following pages.)

Access: The site will have direct street access from 19th Street on the east and the adjacent parking lot to the north. The site is also located one blocks north of the well-traveled Dodge Street. Access was considered average.

Visibility: Visibility to and from the site is primarily from North 19th Street and Capitol Avenue. The I-480 exit ramp is also adjacent to the west. Therefore, visibility was considered average.

Topography and Drainage: The topography of the site is sloped from west to east and south to north. It appears the site has adequate drainage.

Utilities and Easements: The site is served by all normal utilities (sanitary sewer, water, natural gas, electricity, telephone, etc.) running in the adjacent streets or in easements running along side the property lines.

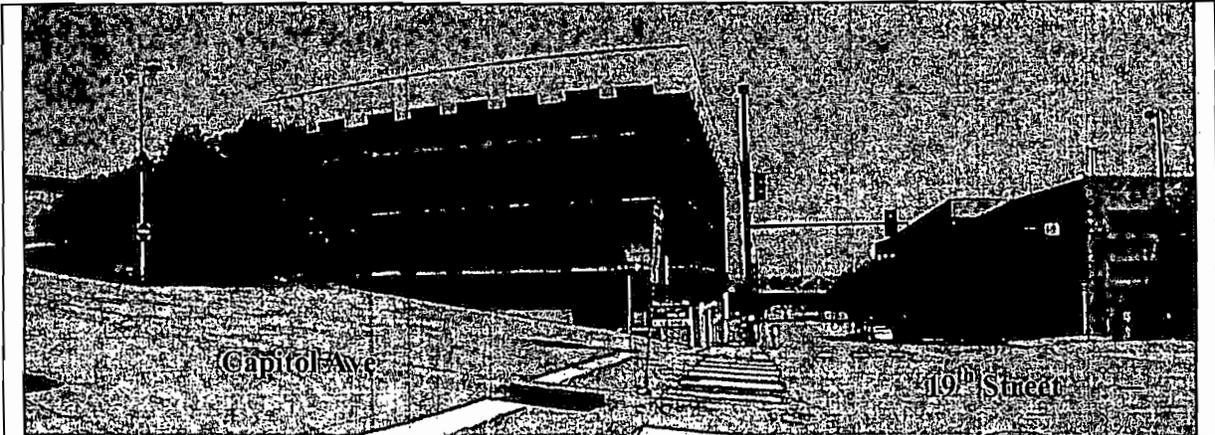
Zoning: The site is currently zoned CBD (Central Business District). This district intends for numerous urban commercial and multifamily uses and the proposed project appears to conform to the current zoning.

Soil Conditions: Soil conditions of the site are presumed to be adequate for the subject improvements, but we have not conducted any soil testing. See Limiting Conditions in this report as they relate to the value if contamination or poor soil conditions are found.

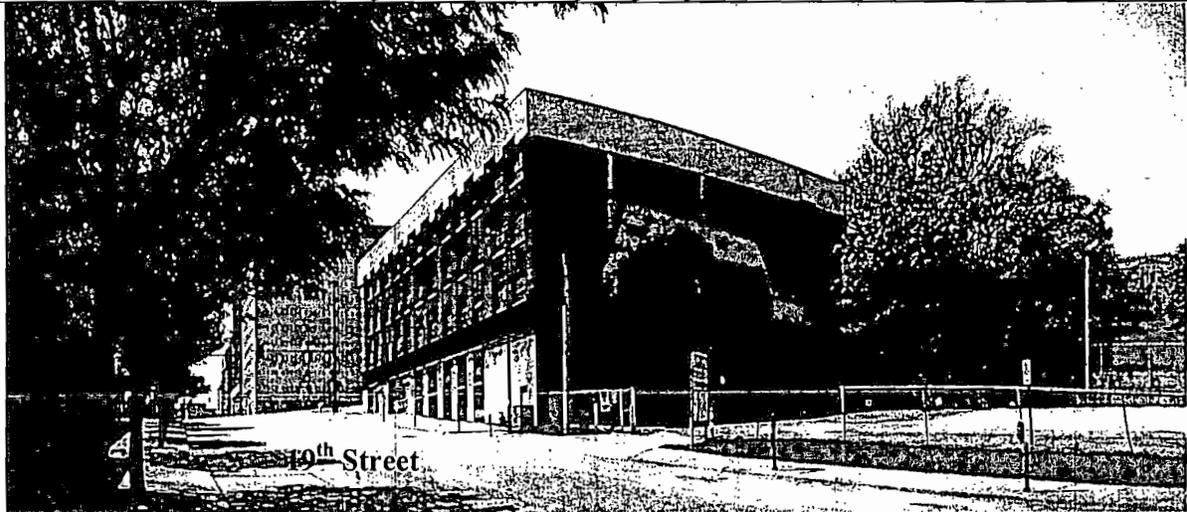
Proximity to Detrimental Influences: None.

Conclusion: In conclusion, commercial or mixed use for the site appears to be the most conducive, given the surrounding land use, zoning, and site conditions.

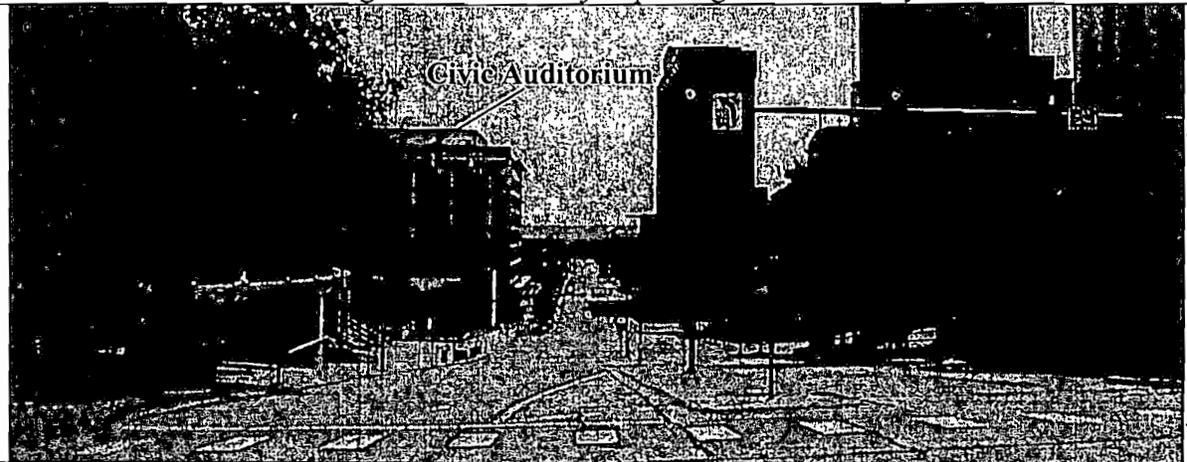
SITE PHOTOGRAPHS



Looking north at the subject garage (L) and vicinity



Looking southwest at subject/parking lot and vicinity



Looking east at vicinity

SITE AND PROJECT DESCRIPTION AND ANALYSIS

The proposed project will completely transform and renovate a historic parking garage into 32 multifamily affordable apartments. When complete, the project will provide 9 three bedroom two bath apartments, 8 two bedroom two bath apartments and 15 one bedroom one bath apartments. An elevator, a leasing office and tenant storage areas will also be integrated into the project. The current concrete ramps will be leveled in some areas with steps added to create very unique, multi-level apartment units in some areas of the building. There will also be onsite parking for 23 vehicles on the north portion of the site. Specific building components are detailed as follows:

EXTERIOR:

Foundation: Foundation is assumed to be reinforced concrete perimeter footings.

Structural: The building has load bearing steel and masonry construction with a flat roof. There will be an additional elevator structure added on the north side of the building with similar exterior finishes.

Exterior: The exterior primarily consists of structural brick elements and concrete fascia. The roof is covered with a ballasted rubber membrane system.

Floors: Floors are reinforced concrete currently configured for a parking garage with numerous ramps connecting each floor. As part of the renovations, these ramps will be leveled off with some small steps added creating multiple level apartment units.

INTERIOR:

The interior finish of the apartments is presumed to include: residential style carpeting in the units, vinyl flooring in the entries, kitchens and bathrooms, as well as the laundry rooms; painted drywall walls with textured drywall ceilings; florescent lighting; tub/shower insets; built-in upper and lower laminate cabinets, and countertops in the kitchen. Each unit will have a stackable washer and dryer, refrigerator/freezer, dishwasher, double well sink, range/oven, and microwave. Proposed floor plans are in the addenda.

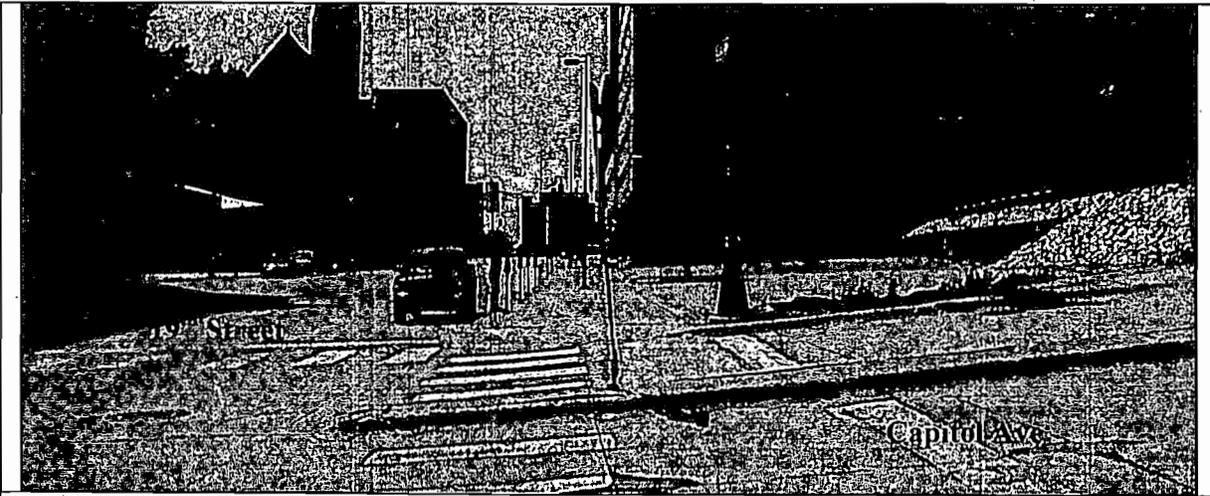
Electrical/Mechanical: Specific electrical and HVAC details were not provided, but are presumed to include typical 3-phase wiring, with individual sub-panels for each unit. HVAC is expected to be via a heat pump for each individual unit.

Plumbing: The bathrooms are expected to have typical apartment fixtures including residential style sink, stool, and combination tub/shower in the units. Additionally, each unit is expected to have an electric water heater.

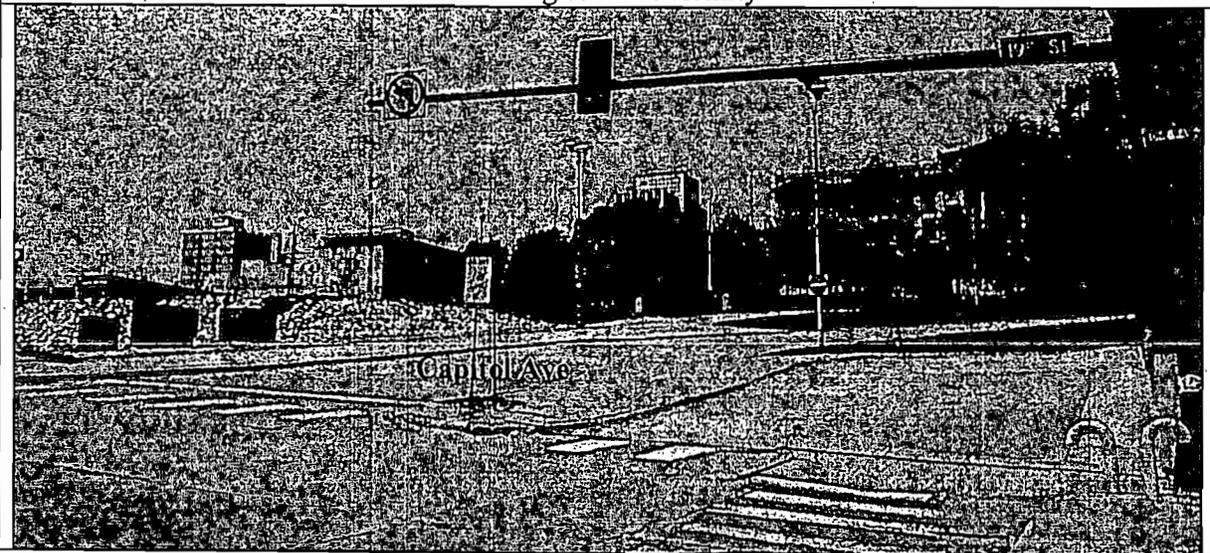
SITE IMPROVEMENTS

There will be onsite parking for 23 vehicles in the asphalt paved parking lot adjacent to the north of the building. Other parts of the site will be landscaped minimally with grass and shrubs. The building and parking lot occupy most of the site area.

SITE PHOTOGRAPHS



Looking south at vicinity



Looking west at vicinity

MARKET AREA DESCRIPTION AND ANALYSIS

The Market Area: The market area, for the purpose of this report, is in the northeast portion of the City of Omaha. The market area is bound by Ames Avenue on the north, the Missouri River on the East, Center Street/Martha Street on the south, and Saddle Creek/Fontenelle Boulevard on the west.

Overview: The market area includes the downtown Central Business District of Omaha and is an older established area of the metro area with a mostly older housing stock and little growth.

Social Characteristics: (All demographic data is from stdbonline.com via ERSI demographics)

Population: Table 1 reveals that there has been virtually no change in population within the market area over the last 10 years.

Table 1 - Population	1990 Census	2000 Census	2010 Estimate	2015 Forecast
Market Area Number	64,023	64,675	64,173	64,328
Market Area Annual Percent Δ	n/a	0.10%	-0.08%	0.05%

Households: Table 2 indicates a similar household trend as population.

Table 2 - Households (HH)	1990 Census	2000 Census	2010 Estimate	2015 Forecast
Market Area Number	26,743	25,605	25,611	25,860
Market Area Annual Percent Δ	n/a	-0.43%	0.00%	0.19%

Employment & Education: Tables 3 - 5 indicate the market area contains a diverse workforce, and the market area also has a relatively low educational level. Unemployment has spiked in recent years and is predicted to maintain relatively high unemployment rates over the next 5 years. This high unemployment in the market area is in contrast to a relatively low unemployment for the City of Omaha as a whole at near 4.6%. This generally corresponds with the overall below average income levels in the market area.

Table 3 - Employment Type	White Collar	Service Jobs	Blue Collar	Total
Market Area	53.6%	23.0%	23.4%	100.0%

Table 4 - Educational Level	≤ HS	High School	Some College	College Degree
Market Area	21.5%	28.7%	21.7%	28.1%

Table 5 - Unemployment	1990 Census	2000 Census	2010 Estimate	2015 Forecast
Market Area Number	n/a	5.3%	12.3%	10.9%

MARKET AREA DESCRIPTION AND ANALYSIS

These major employers/industries are considered to provide a stable employment base, most with long standing ties in the community. As detailed above, unemployment in the area is relatively high compared with the state average of 4.4% in December 2010 according to the Department of Labor.

Major Industries/Employment:

2010 Employed Population 16+ by Industry

Total	26,542
Agriculture/Mining	0.6%
Construction	5.0%
Manufacturing	10.9%
Wholesale Trade	2.2%
Retail Trade	10.7%
Transportation/Utilities	4.4%
Information	1.9%
Finance/Insurance/Real Estate	8.2%
Services	53.7%
Public Administration	2.5%

Economic Characteristics:

Income: Tables 6 and 7 indicate market area residents average and median incomes levels. The market area is well below the Omaha MSA averages. However, income growth is predicted at near 3% annually.

Table 6: Average HH Income	1990 Census	2000 Census	2010 Estimate	2015 Forecast
Market Area Number	\$20,705	\$32,709	\$42,129	\$48,657
Market Area Annual Percent Δ	n/a	4.68%	2.56%	2.92%

Table 7: Median HH Income	1990 Census	2000 Census	2010 Estimate	2015 Forecast
Market Area Number	\$16,043	\$25,319	\$33,397	\$39,016
Market Area Annual Percent Δ	n/a	4.67%	2.81%	3.16%

MARKET AREA DESCRIPTION AND ANALYSIS

Existing and Proposed Competing Housing Market: In 2000 the housing stock in the market area were broken down as follows:

2000 Housing Units by Units in Structure

Total	28,627
1, Detached	47.0%
1, Attached	2.8%
2	6.2%
3 or 4	7.4%
5 to 9	9.6%
10 to 19	8.4%
20+	18.3%
Mobile Home	0.2%
Other	0.0%

2000 Housing Units by Year Structure Built

Total	28,670
1999 to March 2000	0.6%
1995 to 1998	1.0%
1990 to 1994	1.0%
1980 to 1989	3.4%
1970 to 1979	6.0%
1969 or Earlier	88.1%
Median Year Structure Built	1939

In 2000, most of the existing housing unit inventory was built before 1970, with a median year built of 1939. Most of the units were single family detached housing. Most of the non-single family residential housing starts have been LIHTC units or HUD based projects. According to the NIFA 2009 and 2010 Reservation List, there are roughly 72 proposed LIHTC units within the market area, which are considered competing units which have not been completed yet.

The City of Omaha is committed to adding new housing units to older areas of the City, such as the subject's area. Based on this housing plan, and the overall housing trends in the area, the subject project appears to complement the City of Omaha's overall future housing needs including the need for new affordable housing units in the downtown portion of the metro area. As detailed below, the number of multi family units built in the City of Omaha has dropped dramatically in 2009 and 2010 from previous years.

Housing Unit Building Permits for OMAHA, NE (Douglas County)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 YTD
Total Units	2,690	3,111	2,915	2,974	3,462	2,902	2,627	2,657	1,868	1,461
Units in Single Family Structures	2,176	2,282	2,581	2,646	2,870	1,879	1,905	1,576	1,542	1,073
Units in All Multi-Family Structures	515	829	334	328	592	1,023	722	1,081	326	388
Units in 2-unit Multi-Family Structures	18	16	26	18	48	48	22	22	6	18
Units in 3- and 4-unit Multi-Family Structures	12	12	0	14	35	89	19	24	6	20
Units in 5+ Unit Multi-Family Structures	495	801	308	296	509	886	681	1,035	314	350

MARKET AREA DESCRIPTION AND ANALYSIS

Household Occupancy: Table 8 shows a predominately renter market in the area. The increase in vacant units is mostly due to an expected increase in older dilapidated properties being vacated, not necessarily unrented units.

<i>Table 8: HH Occupancy & Size</i>	<i>1990 Census</i>	<i>2000 Census</i>	<i>2010 Estimate</i>	<i>2015 Forecast</i>
<i>Owner Occupied Percent</i>	n/a	32.0%	28.5%	27.3%
<i>Renter Occupied Percent</i>	n/a	57.4%	55.2%	54.1%
<i>Vacant Percent</i>	n/a	10.6%	16.2%	18.7%
<i>Household Size</i>	n/a	2.32	2.29	2.27

There are several income or rent restricted housing developments in the market area. The developments have varying ages and states of condition. They also have varying income and rent restrictions, and rent/occupancy levels. These properties are summarized as follows:

MARKET AREA DESCRIPTION AND ANALYSIS

	# of Units	Bedroom	Project Type	Occupancy	Rent	Unit Size	Waiting List
Kellom Ridges II 1108 North 26th	19	2 Bed 3 Bed	LIHTC - Multi family	95.00%	30% Income	2 Bed: 920 SF 3 Bed: 1240 SF	No
Kellom East 2505/7 Caldwell Street	8	2 Bed 3 Bed	LIHTC - Multi family	100.00%	30% Income	2 Bed: 940 SF 3 Bed: 1040 SF	No
New Creations Transitional 4460 Redman Avenue	28	2 Bed 3 Bed	LIHTC - Multi family	100.00%	30% Income	2 Bed: xxx SF 3 Bed: xxx SF	No
Kellom Gardens 1313 N 26th Street	20	1 Bed 2 Bed	LIHTC - Elderly	100%	30% Income	1 Bed: 750 SF 2 Bed: 850 SF	No
Kellom Villa 1102 N 25th Street	15	2 Bed 3 Bed	LIHTC - Multi family	100%	30% Income	2 Bed: 1040 SF 3 Bed: 1310 SF	Yes (2)
Drake Court Apartments 22nd & Leavenworth	138	1 Bed 2 Bed 3 Bed	LIHTC - Multi family	95%	1 Bed: \$525 2 Bed: \$625 3 Bed: \$725	1 Bed: 700 SF 2 Bed: 950 SF 3 Bed: 1100 SF	Yes (on 3 bed units only)
Salem Village @Miami Heights 3502 Lake Street	51	1 Bed: 2 Bed:	LIHTC - Elderly	100.00%	2 Bed: \$639-\$659 3 Bed: \$749	2 Bed: 950 SF 3 Bed: 1,250 SF	No
Bull Durham 1009 Leavenworth	48	1 Bed 2 Bed 3 Bed	LIHTC - Multi family	95.00%	1 Bed: \$550 2 Bed: \$650 3 Bed: \$700	1 Bed: 800 SF 2 Bed: 975SF 3 Bed: 1,100 SF	Yes
Securities Apartments 305 S. 16th Street	35	1 Bed 2 Bed 3 Bed	Home & Public Housing		30% Income	1 Bed: xxx SF 2 Bed: xxx SF 3 Bed: xxx SF	
Milton Apartments 1954 Jones Street	15	2 Bed	LIHTC - Multi family	100.00%	2 Bed: \$500	n/a	Yes (1)
Grace Plaza Scattered Sites	24	2 Bed	LIHTC - Multi family	100.00%	2 Bed - \$550	2 Bed - 887 SF	Yes (12)
Fullwood Square Apartments Scattered Sites	22	1 Bed (2) 2 Bed (8) 3 Bed (9)	LIHTC - Multi family	100.00%	1 Bed: \$315 2 Bed: \$525 3 Bed: \$675	1-450, 2- 800-1k, 3- 1350-1400	
Greenview Apartments 1805-1835 N. 18th & 1806- 1836 N. 17th	36	2 Bed (24) 3 Bed (8) 4 Bed (4)	LIHTC - Multi family	100.00%	2 Bed: \$550 3 Bed: \$675 4 Bed: \$695	2-Bed 960 SF 3 Bed 1,010 SF 4 Bed 1,250 SF	Yes (25)
Farnam Apartments 1613 Farnam Street	30	2 Bed 3 Bed	Home & Public Housing		30% Income	2 Bed: xxx SF 3 Bed: xxx SF	
Kellom Heights 2557 Nicholas Court	27	1 Bed 2 Bed	HUD - Multifamily	100.00%	30% Income	1 Bed: 840 SF 2 Bed: 940 SF	Yes (2-3)
Total/Average	516			98.00%			

All competing properties were operating at occupancies between 95% and 100% and near 98% overall. In general, the property managers interviewed indicated there was a strong demand for housing. In general, the reported waiting lists favored multiple bedroom units. A recent survey of market rent (unrestricted) units in the area found 1 bedroom units in high demand.

The subject units are larger than average and have equal to or superior amenities proposed including washer/dryer in each unit and elevator access to all levels as well as a good downtown location. Most of the comparable LIHTC units have units which are restricted to households making under both 50% of AMI and 60% of AMI, similar to the proposed subject units. The subject could also appeal to Creighton University Graduate Students who may have qualifying income levels and desire a location near campus.

MARKET AREA DESCRIPTION AND ANALYSIS

According to the November 2010 survey by NIFA, The City of Omaha had an overall vacancy rate of 4.67% of near 37,000 total units surveyed. Within the same survey, over 53% of respondents indicated there was no need for additional housing units, although the strong occupancy and high number of waiting lists in the survey suggest otherwise. Most of the units surveyed were outside of the subject's primary market area. Another survey, the IREM Fall 2010 Apartment survey indicated vacancy in the subject's immediate area (68102), was 6%, with the entire Northeast portion of the metro area at 8% average vacancy. The survey also partitioned out tax credit housing specifically, the northeast area had near 4.6% vacancy with average rents for 1 bedroom tax credit units at \$445 and \$531 for two bedroom units.

It appears there is demand for 1 and 2 bedroom units in the area with most competing LIHTC units having 95% to 100% occupancy, several with waiting lists. There does not appear to be any vacancy problems in the area and the proposed development is not expected to significantly impact most existing properties, and appears to be filling a need for newer units.

Renter Specific Market: Under the regulations for the low income housing tax credits, the property must conform to rent limits and resident income limits established by NIFA. The 2010 limits for the subject, which remain in effect until the 2011 figures are set by NIFA, restrict the rents to not exceed the amounts detailed below. The Omaha MSA resident income limits, based on the number of persons in the household, are as follows:

NIFA INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE HOUSEHOLD									
COUNTY	% AMI	1	2	3	4	5	6	7	8
Douglas	50%	24,650	28,150	31,650	35,150	38,000	40,800	43,600	46,400
	60%	29,580	33,780	37,980	42,180	45,600	48,960	52,320	55,680

MARKET AREA DESCRIPTION AND ANALYSIS

The subject has proposed 15 one bedroom units and 8 two bedroom units and 9 three bedroom units renting to tenants with incomes at or below 60% of the AMI. The maximum rent for these units based on NIFA and Section 42 LIHTC Rent Limits for 2010 are as follows:

NIFA MAXIMUM GROSS RENTS FOR GIVEN #						
BEDROOMS						
% AMI	EFF	1	2	3	4	5
50%	\$616	\$660	\$791	\$914	\$1,020	\$1,125
60%	\$739	\$792	\$949	\$1,097	\$1,224	\$1,350

These maximum rents are mostly above the rents surveyed in the market area. The subject has proposed rents as follows:

Unit Type	Unit Size (SF)	% AMI	# of Units	Asking Rent (Net)	Utility Allowance	Asking Rent (gross)	NIFA Maximum Rents
1 Bed/1 Bath	781	60%	15	\$567	\$83	\$650	\$792
2 Bed/2 Bath	950	60%	8	\$590	\$110	\$700	\$949
3 Bed/2 Bath	1,143	60%	9	\$614	\$136	\$750	\$1,097
Total			32				

Based on these proposed rents plus utility allowances, and an average overall rent expense of 30% of total household income, minimum household income needed to afford the proposed rent and the maximum allowable qualifying household income levels are summarized as follows:

Unit Size (SF)	% AMI	# of Units	Asking Rent (Net)	Utility Allowance	Asking Rent (gross) x	Months	% of HHI	Min HHI	NIFA Max HHI
781	60%	15	\$567	\$83	\$650	12	30%	\$26,000	\$33,780
950	60%	8	\$590	\$110	\$700	12	30%	\$28,000	\$37,980
1,143	60%	9	\$614	\$136	\$750	12	30%	\$30,000	\$42,180
		32							

The subject's one bedroom units will most likely be occupied by 1 to 2 person households, the two bedroom units will most likely rent to 2 – 3 person households, and the 3 bedroom units will most likely rent to 2-5 person households. The subject has no age restrictions. Based on the units targeting households with incomes between the minimum and maximum levels described above, an estimate of the current number of eligible households can be determined as well as the capture percentage of the proposed subject units.

MARKET AREA DESCRIPTION AND ANALYSIS

The following tables detail how many qualifying households who can afford the proposed rent are in the market area.

	Census 2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
Households by Income						
HH Income Base	25,744	100.0%	25,612	100.0%	25,859	100.0%
< \$10,000	4,986	19.4%	4,253	16.6%	3,684	14.2%
\$10,000 - \$14,999	2,422	9.4%	1,590	6.2%	1,884	7.3%
\$15,000 - \$19,999	2,812	10.9%	2,143	8.4%	1,697	6.6%
\$20,000 - \$24,999	2,487	9.7%	1,759	6.9%	1,534	5.9%
\$25,000 - \$29,999	2,184	8.5%	1,994	7.8%	1,839	7.1%
\$30,000 - \$34,999	2,108	8.2%	1,507	5.9%	1,232	4.8%
\$35,000 - \$39,999	1,425	5.5%	1,658	6.5%	1,291	5.0%
\$40,000 - \$44,999	1,302	5.1%	1,430	5.6%	1,099	4.2%
\$45,000 - \$49,999	972	3.8%	1,372	5.4%	1,072	4.1%
\$50,000 - \$59,999	1,732	6.7%	1,802	7.0%	2,696	10.4%
\$60,000 - \$74,999	1,581	6.1%	2,372	9.3%	2,709	10.5%
\$75,000 - \$99,999	967	3.8%	2,462	9.6%	3,002	11.6%
\$100,000 - \$124,999	391	1.5%	509	2.0%	903	3.5%
\$125,000 - \$149,999	143	0.6%	341	1.3%	529	2.0%
\$150,000 - \$199,999	88	0.3%	249	1.0%	426	1.6%
\$200,000 - \$249,999	144	0.6%	122	0.5%	177	0.7%
\$250,000 - \$499,999	N/A		46	0.2%	82	0.3%
\$500,000+	N/A		3	0.0%	3	0.0%

Unit Type	Unit Size (SF)	% AMI	# of Units	Total		Eligible	
				Eligible HH	Renter HH%	Eligible Renter HH	% Capture
1 Bed/1 Bath	781	60%	15	1,835	44.2%	811	1.85%
2 Bed/2 Bath	950	60%	8	2,201	44.2%	973	0.82%
3 Bed/2 Bath	1,143	60%	9	1,174	44.2%	519	1.73%
Total			32				1.56%

The subject units appear to appeal to an adequate number of eligible households in the area and only need to capture a small percentage of those households as detailed above. This also does not include the thousands of eligible households in the area which may receive housing vouchers to help obtain affordable housing. The Omaha Housing Authority issues over 3,800 housing vouchers annually. As stated earlier, there are approximately 72 LIHTC units to be added in the area within the next year or so, although not all of those units are directly competing, as some are elderly specific. In consideration of this and the preceding analysis, the subject units appear to have more than adequate demand, especially when compared with other housing options.

MARKET AREA DESCRIPTION AND ANALYSIS

Analysis of Operating Expenses: The monthly utility allowances are expected to be near \$83/month for the 1 bedroom units, \$110/month for the two bedroom units and near \$136/month for the 3 bedroom units. These utility costs will be the tenant's responsibility. Total annual operating expenses for LIHTC properties similar to the subject range from \$3,600/unit to near \$5,000/unit in the area. According to the estimated expenses provided by the developer, the subject is expected to have annual operating expenses near \$4,419/unit when it reaches stabilization.

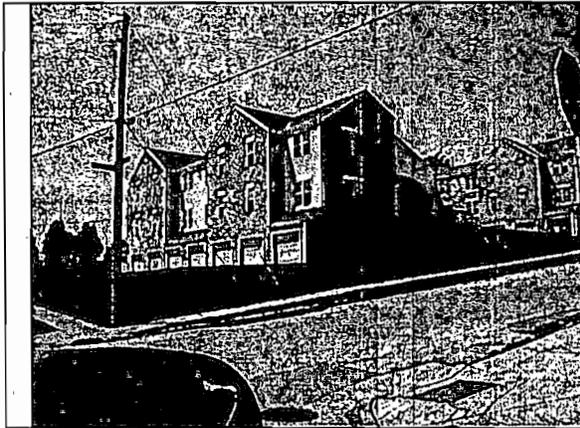
ANNUAL OPERATING EXPENSE INFORMATION

(Complete the yellow-shaded areas)

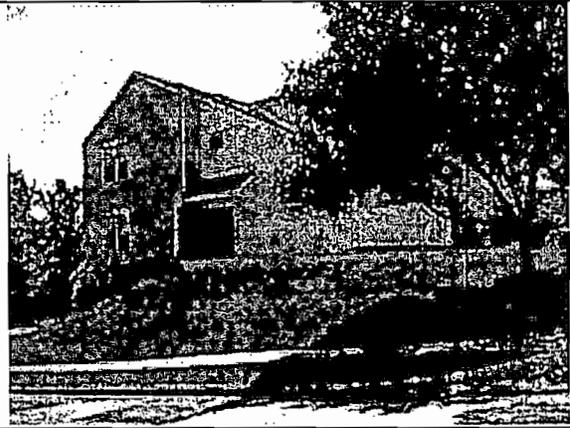
General and/or Administrative Expenses:	
Advertising	\$ 500
Legal	\$ 500
Accounting \ Auditing	\$ 3,000
Security	\$ -
Management Fee	\$ 23,000
Other (please list below):	\$ 3,200
MHEG Fee	
Sub-total	\$ 30,200
NIFA Annual Compliance Fee	\$ 10,717
Operating Expenses:	
Trash Removal	\$ 1,900
Electricity	\$ 3,200
Water \ Sewer	\$ 7,000
Gas	\$ -
Snow Removal	\$ 3,200
Internet Service	\$ -
Office Supplies	\$ 1,000
Salaries	\$ -
Other (please list below):	\$ -
Sub-total	\$ 16,300
Maintenance Expenses:	
Painting & Repairs	\$ 18,500
Exterminating	\$ 750
Grounds \ Landscape	\$ 1,000
Elevator	\$ 750
Internet Maintenance Costs	\$ -
Other (please list below):	\$ 3,000
Sub-total	\$ 24,000
Other Expenses:	
Insurance	\$ 19,000
Real Estate Taxes (estimated value x mill levy rate)	\$ 30,000
Annual Commercial Space Expenses	\$ -
Other (please list below):	\$ -
Sub-total	\$ 49,000
TOTAL ANNUAL EXPENSES:	\$ 130,217
Annual Replacement Reserves	\$ 11,200
<small>(\$250 per unit per year for all units if LIHTC only & \$350 per unit per year for all units if HOME & LIHTC)</small>	
TOTAL ANNUAL EXPENSES + RESERVES	\$ 141,417

MARKET AREA DESCRIPTION AND ANALYSIS

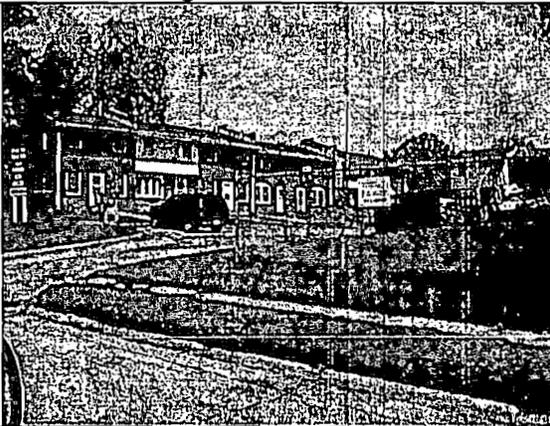
Comparable Photos



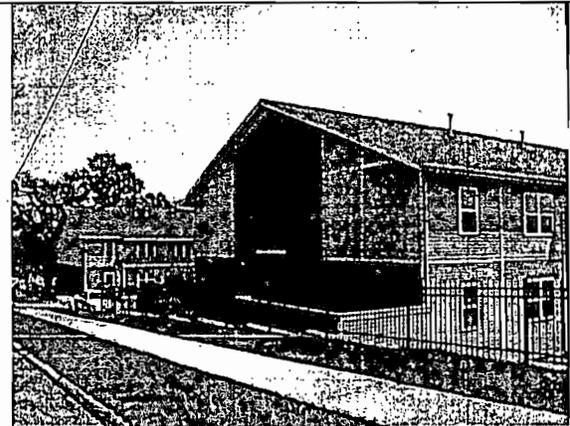
Kellom Ridges – 1100 North 26th Circle



Kellom East – 25th & Caldwell



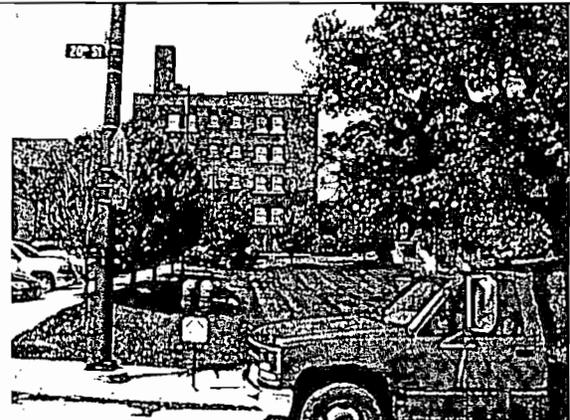
New Creations Transitional – 4400 Redman Ave



Kellom Gardens – 1330 North 26th Street



Kellom Villa – 1100 N 25th Street

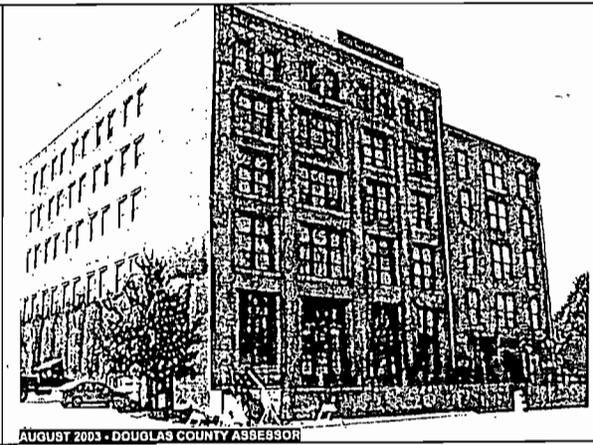


Drake Court Apartments – 22nd & Leavenworth

MARKET AREA DESCRIPTION AND ANALYSIS

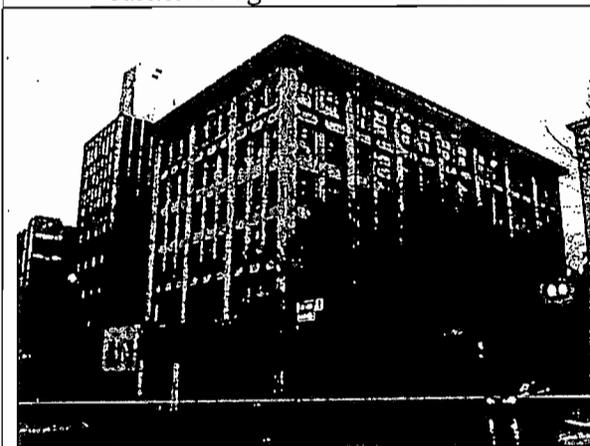


Salem Village – 3502 Lake Street

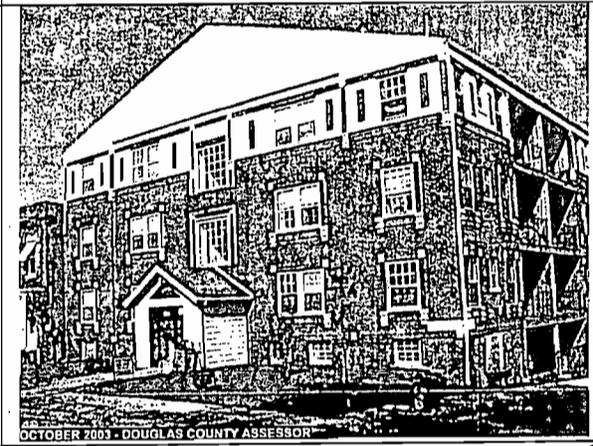


AUGUST 2003 - DOUGLAS COUNTY ASSESSOR

Bull Durham – 1009 Leavenworth

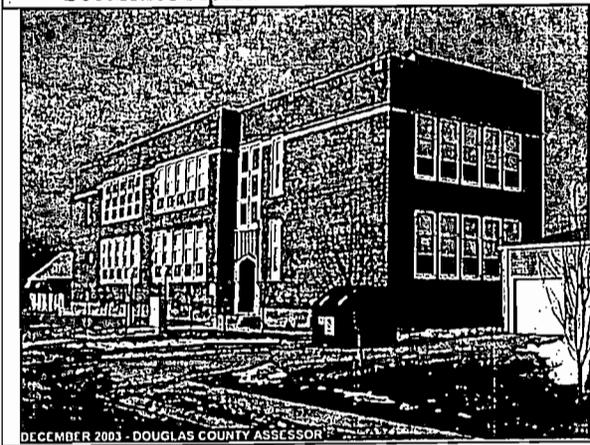


Securities Apartments – 305 S 16th Street



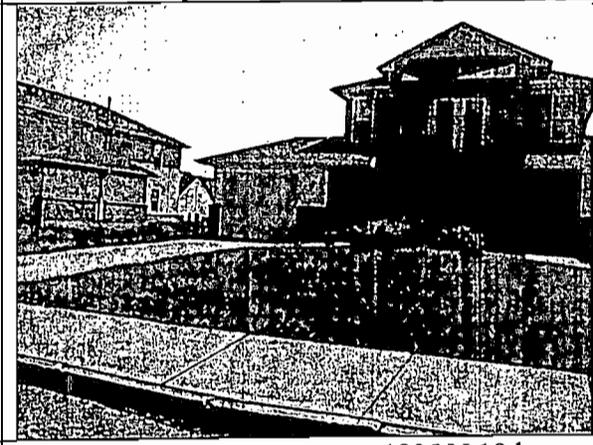
OCTOBER 2003 - DOUGLAS COUNTY ASSESSOR

Milton Apartments – 1954 Jones Street



DECEMBER 2003 - DOUGLAS COUNTY ASSESSOR

Fullwood Square Apts – Scattered

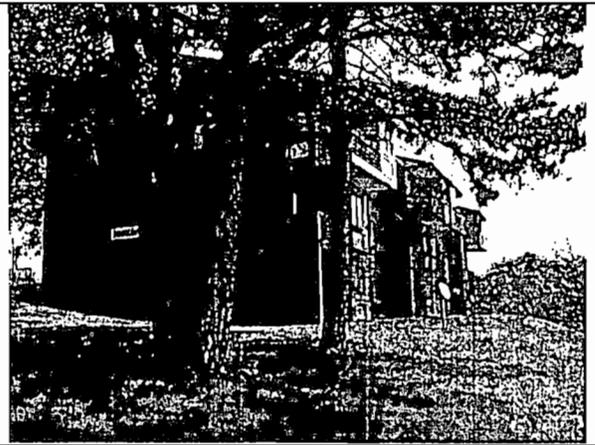


Greenview Apartments – 1805 N 18th

MARKET AREA DESCRIPTION AND ANALYSIS



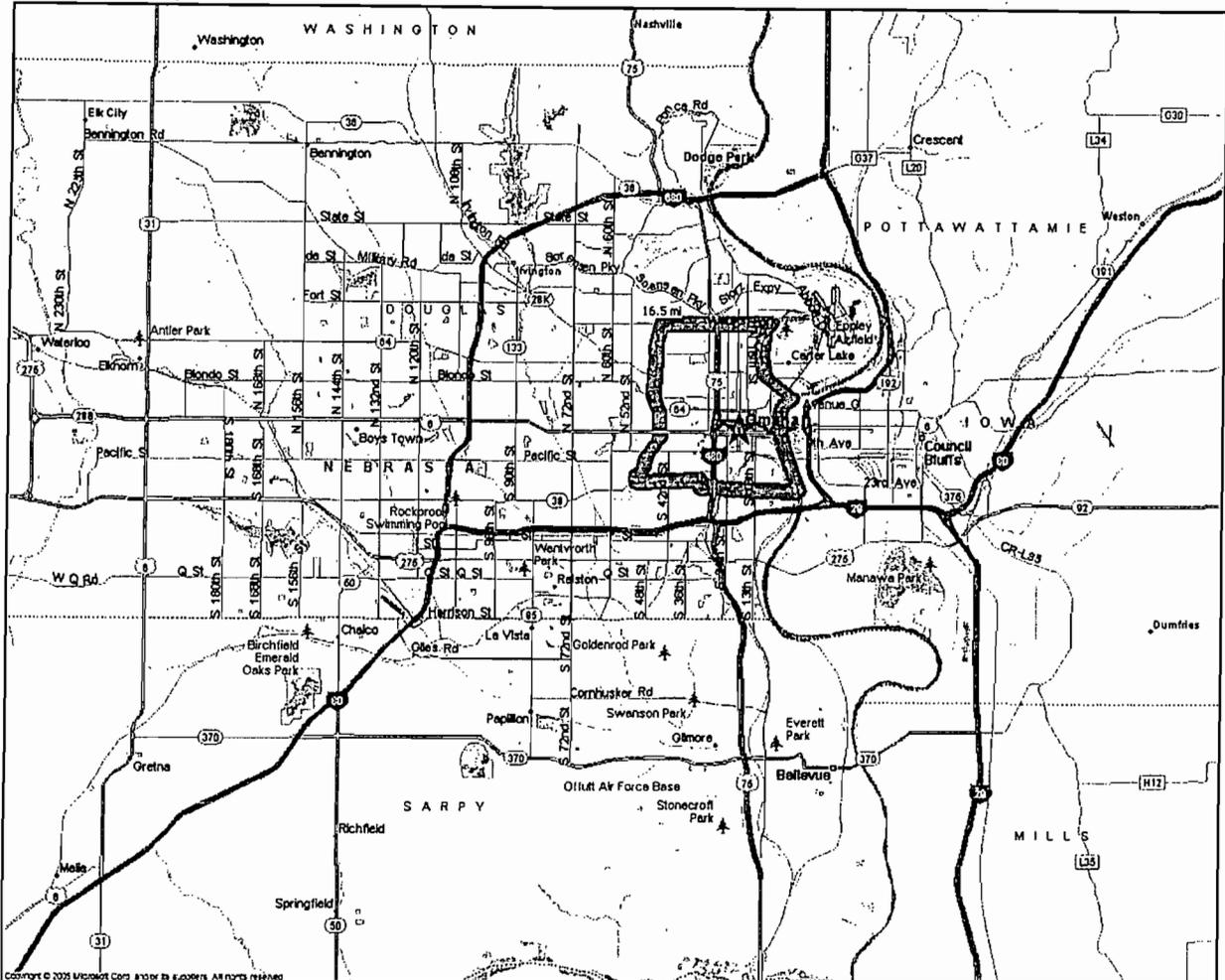
Farnam Apartments – 1613 Farnam



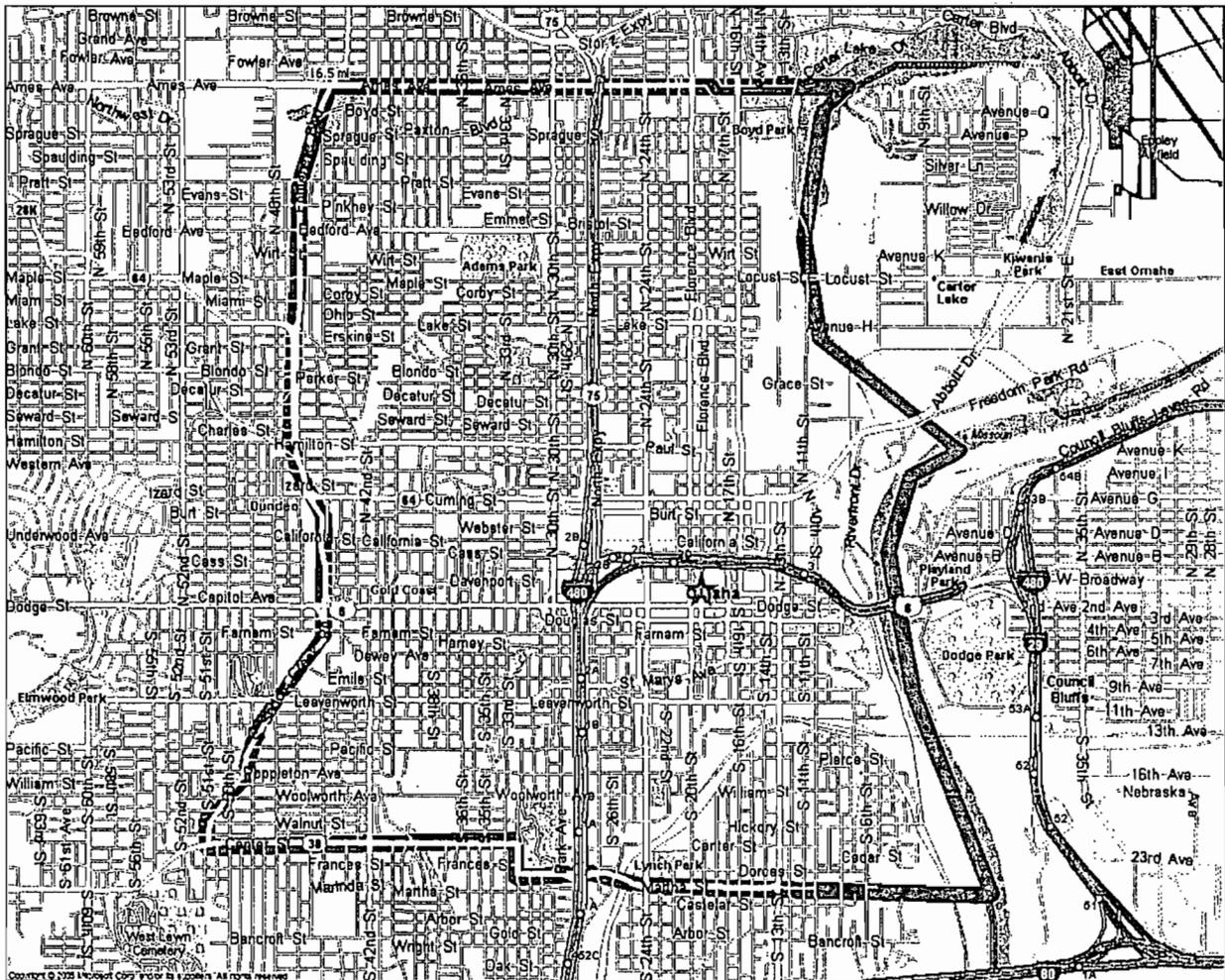
Kellom Heights – 2557 Nicholas Court

MARKET AREA DESCRIPTION AND ANALYSIS

Regional Area Map



MARKET AREA DESCRIPTION AND ANALYSIS



APPRAISER CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined conclusions or direction in conclusions that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
7. The Appraiser certifies that, to the best of his knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Appraisal Practice.
8. I have made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification will specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
9. Scott McQueen provided significant assistance to the person signing this certification in the form of surveying comparables and organizing other pertinent data, however, all conclusions and analysis was completed by Brian Wilson. If there are exceptions, the name of each individual providing significant real property appraisal assistance is stated in the scope of the report.²

APPRAISER:



Brian Wilson
General Certified Appraiser - NE GC270044

May 31, 2011

² Source for Items #1-#9, Standards Rule 2-3, *Uniform Standards of Professional Appraisal Practices*, 2010-2011 Edition

ASSUMPTIONS, METHODS, AND DATA SOURCES

The proposed 19th & Capitol Parking Garage project, a mixed use development with a total of thirty-two, 1, 2, and 3 bedroom units for low income residents is appropriate for the community. It is expected to be well received by potential tenants.

All demographic information used in the report was derived from the site to do business online or stdbonline.com. This site is powered by ERSI demographic data. All 1990 and 2000 information is from the Census with 2010 and beyond from ERSI estimates. <http://socds.huduser.org/permits/> provided the specific housing starts from 2001-2009, and NIFA.org informed of any known new LIHTC rental developments in the area. A phone survey of all existing comparable income restricted units was performed by Brian Wilson and Scott McQueen obtaining rent and occupancy information. A brief exterior drive by all of these properties was performed as well.