

Request by Bear Development to reduce the number of HOME-assisted units in the Novation Senior Apartments

Novation Senior Apartments was awarded \$300,000 in the most recent RFP cycle to construct 60 units of senior housing in the Town of Madison. The proposal indicated 10 of the units would be considered HOME-assisted. Changes in the tax credit market, and the project not being awarded Federal Home Loan Bank of Chicago – AHP funds, have caused a financing gap. In order to close the financing gap, the amount of the first mortgage will be increasing. In order to maintain the financial viability of the project and handle the increased debt service, Bear Development is requesting to decrease the number of HOME units from 10 to 5.

Based on the total HOME-investment and the total project costs, the minimum number of HOME units for Novation Senior Apartments is 2.

The table below details past HOME-funded rental projects.

Previous Projects

<u>Project Name</u>	<u>Number of HOME units</u>	<u>HOME funds invested</u>	<u>Per unit investment</u>
Elven Sted	10	\$371,257	\$37,126
Middleton Senior Apts.	9	\$440,639	\$48,960
Pheasant Ridge Apts	6	\$250,000	\$41,666
Madison & Main	10	\$300,000	\$30,000
Oak Ridge (approved for 2017 funding)	9	\$427,559	\$47,507

Request

Novation Senior Apartments	5	\$300,000	\$50,000
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