

Cover Page

THE HAVEN

Honoring the Drive. Building Community.

PROJECT DESCRIPTION

Our proposal, The Haven, envisions the transformation of an underutilized 60,000 sq. ft. parcel in Milwaukee's Historic King Drive BID district into a four-story senior housing community. The project includes three levels of affordable housing units above an activated ground floor featuring a healthcare provider, a flexible community space, and a neighborhood restaurant. The Haven is designed to enhance walkability, expand access to essential services, and strengthen community connectivity within the growing Bronzeville and King Drive corridors.



SOCIAL IMPACT

The Haven addresses a critical challenge along Milwaukee's King Drive corridor: enabling long-time residents to remain in their community as they age amid rising costs and limited access to service-integrated housing. By combining affordable senior housing with onsite healthcare, walkable neighborhood retail, and community-centered programming, the project creates a coordinated system that supports independent living and reduces displacement risk. This approach strengthens neighborhood cohesion, preserves cultural continuity across Bronzeville, and improves access to essential services, supporting longer resident tenure and sustained community stability.

RISKS

The Haven faces typical development risks related to community acceptance, construction cost escalation, and reliance on layered affordable housing financing, including the complexity and timing risk associated with multiple grant sources, as well as post construction risks tied to lease up and ground floor tenant stability. These risks are mitigated through early engagement with the King Drive BID and legacy residents, conservative underwriting with contingency reserves, diversified funding sources, and long-term leases with mission aligned healthcare providers, while the project's senior focused design and strong neighborhood alignment support long term operational stability.

DEVELOPMENT STRATEGY

Inspired by conversations with Raynetta Hill, Executive Director of the Historic King Drive BID, this project supports the continued revitalization of the King Drive corridor through affordable senior housing and neighborhood-serving retail. By pairing a community-driven vision with a disciplined capital structure that leverages 9 percent LIHTC equity, public gap financing, and limited debt, the development delivers long-term affordability, economic activation, and lasting neighborhood impact.

LIHTC CAPITAL STACK



METRICS

Total GSF
59,550 SF

Rentable Units
57 Units

Retail Rentable Square Feet
11,100 SF

Total Construction Cost	
Land Acquisition	\$400,000
Hard Costs	\$16,582,700
Soft Costs	\$3,128,891
Interest Reserve	\$209,790
Total	\$20,321,381

Returns	
Unlevered IRR	5.87%
Levered IRR	18.41%
Equity Multiple	3.01x

General Assumptions	
Multifamily Vacancy	3.50%
Retail Vacancy	6.21%
Multifamily Income Growth	3.00%
Retail Rent Growth	3.00%
Exit	
Multifamily Exit Cap	6.25%
Retail Exit Cap	6.50%
Selling Fee	2.0%

Team Introductions

THE HAVEN

Charlie Clark

Junior
Commercial Real Estate,
Finance, and FinTech



**Director of Financial
Analysis**

Quinn Warwick

Junior
Commercial Real Estate
and Finance



**Affordable Housing
Specialist**

Jaime Yamat

Junior
Commercial Real Estate
and Finance



**Director of Market
Analysis**

Carena Blackwell

Junior
Commercial Real Estate,
Finance, and AIM



**Director of Community
Impact**

1. **Project Overview**
2. **The Impact: A Deep Dive**
3. **Tenant Information**
4. **Partners**
5. **Market Analysis**
6. **Retail Description**
7. **Risks, Mitigates, SWOT Analysis**
8. **Construction Budget**
9. **Assumptions & Exit Strategy**
10. **Pro Forma**
11. **Appendices**
12. **Sources**

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Our proposal, The Haven, redevelops an underutilized 60,000 sq. ft. parcel in Milwaukee’s Historic King Drive BID district into a four-story affordable senior housing community. Guided by the vision of preserving neighborhood legacy while providing modern, service-rich housing, the project delivers three levels of affordable senior units above an activated ground floor with two healthcare providers (hearing and vision), a flexible community space, and a neighborhood restaurant. While recent affordable housing developments along King Drive have at times faced community pushback, The Haven focuses specifically on long-time senior residents, meeting a clear, community-supported need and helping older adults age in place within the neighborhood they have shaped since the corridor’s 3rd Street era.

Designed to strengthen intergenerational connection and support the continued revitalization of Bronzeville and King Drive, The Haven integrates community-serving uses that bring together legacy residents and younger members of the district. By enhancing walkability, expanding access to essential services, and creating shared spaces for interaction, the project advances both social and economic vitality while honoring the historic identity and cultural continuity of the neighborhood.

IMPACT INVESTING IN COMMERCIAL REAL ESTATE COMPETITION

The Impact: A Deep Dive

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Who?	<ul style="list-style-type: none"> • Legacy community members • New community members • Church members
What?	<ul style="list-style-type: none"> • Affordable senior housing • Healthcare providers • Community flex space • Neighborhood restaurant
How?	<ul style="list-style-type: none"> • Affordability → ensures long-term residency and stability • Healthcare → supports independence and preventative care • Walkability → enables daily access to essential services • Community space → reduces isolation and strengthens connection



PROJECT DESCRIPTION

The Haven is designed to serve as a community anchor, bringing together local residents, nearby community members, and the neighboring church’s members for shared gatherings and engagement. A dedicated flexible space supports a range of programming, including wellness activities, community meetings, and intergenerational events, fostering meaningful interaction between residents and the broader neighborhood. By activating this space with intentional programming and open access, the project strengthens social connection, reduces isolation among seniors, and reinforces the cultural continuity of the King Drive and Bronzeville community.

Tenant Information

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Multifamily Operating Assumptions

Rental Income				
Unit Type	Units	Rent/Month	Avg. SF	\$/SF/Month
1 Bd/1 Bth	42	\$933	650 SF	\$1.44
60% AMI	32	\$1,200	650 SF	\$1.85
50% AMI	8	\$1,000	650 SF	\$1.54
30% AMI	2	\$600	650 SF	\$0.92
2 Bd/2 Bth	15	\$1,450	800 SF	\$1.81
60% AMI	15	\$1,450	800 SF	\$1.81
Total/Average	57	\$1,217	689 SF	\$1.76

Retail Operating Assumptions

Tenant Inputs			
Tenant	Community Flex Space	Vision & Hearing Care	Restaurant
# of Tenants	1	1	1
SF	2,678 SF	3,060 SF	5,355 SF
Rent Commencement	10/1/2026	10/1/2026	10/1/2026
Base Rent	\$10/sf/year	\$20/sf/year	\$20/sf/year
Rent Growth	3% per year	3% per year	3% per year
TIs	\$0/sf	\$20/sf	\$20/sf
Concessions	\$0/sf	\$0/sf	\$0/sf
Vacancy	10.00%	5%	5%
Reimbursements	100%	100%	100%
Pro Rata Share	24.14%	27.59%	48.28%

MULTIFAMILY UNIT MIX

The Haven consists of a 57-unit residential building with a mix of affordable one bedroom and two-bedroom apartments designed to serve multiple income levels. The project includes 42 one bedroom one bath units averaging 650 square feet, with rents set at \$1,200 for 60 percent AMI, \$1,000 for 50 percent AMI, and \$600 for 30 percent AMI, resulting in a blended one bedroom rent profile that supports a range of affordability tiers. In addition, the development features 15 two bedroom two bath units averaging 800 square feet, all set at 60 percent AMI with rents of \$1,450 per month. Across the 55 revenue generating units, the property achieves a weighted average rent of approximately \$1,213 per month and an average unit size of roughly 689 square feet, balancing affordability with functional unit layouts. The remaining two units are non revenue units consisting of a one and two bedroom apartments.



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RETAIL TENANTS

The retail strategy is designed to meet everyday needs while strengthening neighborhood connection. The community flex space provides an affordable venue for meetings, events, and local programming that supports resident engagement. Vision and hearing care delivers essential healthcare services for seniors and nearby residents. The restaurant anchors the street level, creating a social gathering place and supporting walkability. The community flex space is underwritten at a lower rent as it is rented on a non-monthly, as-needed basis, and comparable flex uses typically command lower rents than traditional retail while the other tenants pay closer to market rents.

Partners

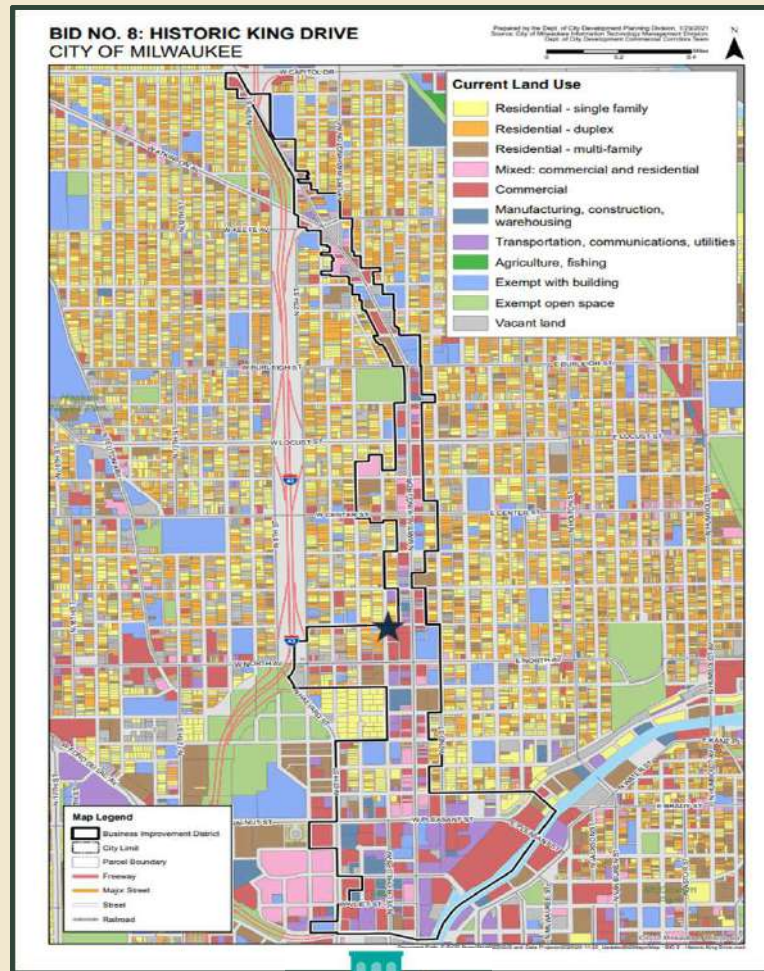
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Wisconsin Housing & Economic Development Authority (WHEDA)

The Wisconsin Housing and Economic Development Authority (WHEDA) serves as a critical financing partner by administering and allocating Low-Income Housing Tax Credits for the project. WHEDA's approval enables the generation of equity essential to project feasibility while ensuring the development meets state affordability, underwriting, and long-term compliance requirements.

Grant Partners

The project incorporates both CDBG and Vacancy-to-Vitality funding as subordinate, low-cost sources of gap financing to improve feasibility and reduce reliance on traditional debt. CDBG provides flexible, locally administered support for low- and moderate-income housing, while WHEDA's Vacancy-to-Vitality funding is targeted toward converting underutilized properties into residential use and is capped at a smaller amount. Together, these sources strengthen the capital stack while maintaining conservative leverage and alignment with community development goals.



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Historic King Drive Business Improvement District 8 (BID 8)

A cornerstone public-private partner guiding the revitalization, cultural preservation, and economic advancement of Milwaukee's most historic commercial corridor. BID 8 strengthens local businesses, enhances streetscapes, and ensures development aligns with community priorities across the broader Bronzeville and King Drive districts.

The BID 8 Perspective

The development concept was informed by a stakeholder meeting with Raynetta Hill, Executive Director of the Historic King Drive BID 8. During this discussion, she shared key insights into resident priorities and corridor needs, emphasizing strong community support for affordable senior housing that allows long-term residents to age in place. The conversation also highlighted demand for neighborhood-serving retail that encourages intergenerational interaction and strengthens the commercial vitality of King Drive. This feedback directly shaped the project's programmatic focus, ensuring alignment with community expectations while responding to past concerns surrounding affordability and neighborhood character.

Market Analysis

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MARKET OVERVIEW

The King Drive corridor represents one of Milwaukee's most historically significant and strategically positioned urban markets, functioning as a near-downtown mixed-use spine that connects the city's central business district to established residential neighborhoods on the Near North Side. Running north-south through Harambee and Bronzeville, Dr. Martin Luther King Jr. Drive has long served as a commercial and cultural anchor, and today is the focus of sustained public, private, and institutional reinvestment efforts. Its proximity to downtown Milwaukee, major employment centers, and regional healthcare institutions positions the corridor as a transitional market with both neighborhood-serving and citywide significance.



DEMOGRAPHICS

The subject site near 2378 N 14th Street lies within Milwaukee's Near North Side, adjacent to the King Drive corridor, an area defined by long-term residency, a predominantly renter population, and demographic characteristics that strongly support senior-oriented housing. The surrounding trade area is home to approximately **18,000 residents** and is largely Black or African American, with a meaningful senior cohort, as residents aged 65 and older comprise roughly **11-12 %** of the population. Housing conditions reflect an aging building stock and limited access to modern, accessible units, while nearly one-third of households lack access to a personal vehicle, increasing reliance on walkable services, transit, and nearby healthcare. Affordability pressures are pronounced, with a substantial share of renter households paying more than **35 %** of income toward rent, underscoring demand for cost-predictable, age-restricted housing. These demographic conditions, combined with proximity to neighborhood-serving retail and healthcare uses along King Drive, create a market environment well suited for senior multifamily development integrated with daily-needs retail and community-oriented services.

MULTIFAMILY

Structural Stability & Occupancy

96.3%

Occupancy remains significantly above national averages, indicating strong structural demand.

Rent Levels & Growth Trend

\$1,441 /mo **Avg.** **+1.8%**

Steady year-over-year growth (+1.8%) demonstrates resilience to demonstrater growth trend.

Net Absorption vs. Supply

~3,000 Units **YTD Absorption**

Positive net absorption through Q3 2025 confirms continued demand to oortrmeter absorption.

Key Demographic Driver

55+ **Cohort Growth**

Strongest demographic gains are in the 55+ segment, and there are almost demographics all or growth.

RETAIL

Market Tightness & Vacancy

3.9% (Q3)

Metro retail vacancy is notably low relative to broader national markets.

Rent Fundamentals & Value

\$14.61 /SF **Asking Avg.** **Sales Price Growth**

Asking rents remain stable, supported by upward movement in asking rents.

Optimal Leasing Footprint

1K - 3K SF **Sweet Spot**

Strongest leasing velocity occurs in smaller footprints in smaller leasing footprints.

Macro Demand Drivers

Population Growth (3-Year Trend)

Rare consecutive years of metro population growth to amtaleer consecutive growth.

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Submarket & Supply

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NEAREST AFFORDABLE SENIOR COMPS

Property	Submarket	Units	Year Built	Vacancy	Distance
Holton Terrace	Harambee	120	-	3.3%	~0.4 mi
PANL Hollin Sunset Apartments	Harambee	62	1978	1.6%	~0.5 mi
Calvary Gardens	North Division	71	-	1.4%	~0.7 mi
5 th Street School Apartments	Harambee	48	2018	-	~0.8 mi
Mount Zion Calvin Courtyard	Brewer's Hill	128	-	3.1%	~1.0 mi
Plymouth Apartments	Hillside	112	-	3.6%	~1.2 mi
37 th St School Apartments	Washington Park	49	2021	4.1%	~2.1 mi

* COMPS PULLED FROM COSTAR AS OF 12/15/2025

PIPELINE

No new affordable senior projects are currently under construction in the King Drive / Harambee corridor. The only known pipeline — a 44-unit proposed development at 825 W Walnut St and an abandoned building at 2960 N 7th St (50 units) — remains unentitled and non-operational. The two most recent LIHTC senior deliveries near the submarket, 5th Street School Apartments (2018, 48 units) and 37th Street School Apartments (2021, 49 units), both stabilized within 12 months, demonstrating strong and consistent absorption for new affordable senior product. The Haven is the only shovel-ready, affordable senior development for this corridor.

SUBMARKET OVERVIEW

The Harambee neighborhood and King Drive corridor represent Milwaukee's most compelling affordable housing investment opportunity, anchored by a convergence of surging senior demand, structural supply failure, and over \$700 million in institutional reinvestment since 1992. The corridor's 74.4% renter-occupancy rate and documented 59.4% renter cost-burden rate create conditions where the need for affordable, age-restricted housing is not aspirational — it is urgent. Milwaukee County's 55+ population is projected to reach 267,130 by 2035, while new multifamily completions are on track for their lowest annual delivery since 2015. The gap between accelerating senior demand and contracting affordable supply positions The Haven not as a speculative bet, but as a market-responsive necessity — one directly validated by the community stakeholders, BID 8 leadership, and demographic data that define this corridor.

1-MILE RADIUS

The immediate 1-mile ring is defined by scarcity. Just 182 affordable senior units exist across two Harambee submarket properties — Holton Terrace (120 units, 3.3% vacancy) and PANL Hollin Sunset (62 units, 1.6% vacancy). Both properties are aging stock with no documented renovation activity and no elevator access reported in CoStar. The 5th Street School Apartments (48 units, 2018) — the sole new product delivered in this ring in the past decade — carries no vacancy data, indicating full stabilization. No projects are under construction within 1 mile of the site. The Haven's 59 units would represent the most significant new affordable senior supply delivered in this ring since at least 2018.

3-MILE RADIUS

Expanding to 3 miles adds Plymouth Apartments (112 units, Hillside, 3.6% vacancy), Mount Zion Calvin Courtyard (128 units, Brewer's Hill, 3.1% vacancy), and Calvary Gardens (71 units, North Division, 1.4% vacancy). Every property in this ring reporting vacancy data operates below 4% — a threshold widely regarded as indicative of structural undersupply. With the exception of 5th Street School Apartments, every property in this ring was built before 1980. None has documented accessibility upgrades. The absence of modern, elevator-accessible, affordable senior units across this entire ring is the structural case for The Haven — and it is indisputable.

5-MILE RADIUS

At the metro level, the story remains consistent. Milwaukee's professionally managed multifamily market posted 95.9% occupancy in Q4 2024 — ranking 6th nationally — with 2025 projected completions of just 1,566 units, a 48% drop from 2024 and the lowest delivery since 2015. Nationally, LIHTC properties have operated below 2% vacancy for three consecutive years, with median physical occupancy of 97%. The Haven's 5.0% modeled vacancy is more conservative than every comparable property in the immediate submarket, providing meaningful downside protection and validating the discipline of our underwriting.

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Market Demand

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DEMAND OVERVIEW

The demand for The Haven does not require projection — it requires observation. The Harambee neighborhood and King Drive corridor are home to thousands of long-time senior residents paying more than half their income on rent, living in buildings constructed before 1940, and waiting on a public housing list that has stretched over four years. The Milwaukee-Waukesha metro has a documented shortage of 42,065 affordable units as of 2024 — with only 31 affordable homes available for every 100 extremely low-income renter households. The Haven's 57 revenue-generating units are not a speculative response to a projected need. They are a direct, measured response to a crisis that is documented, verified, and visible on every block of this corridor.

CORRIDOR CONTEXT

The Haven is not proposed in a vacuum. Over \$700 million in new investment has flowed into the King Drive corridor since 1992, anchored by the \$105 million ThriveOn King project completed in early 2025 — directly in The Haven's trade area. The City of Milwaukee proposed a new Tax Increment District for the Bronzeville corridor in 2025. Institutional capital and city government have already confirmed this corridor is viable. What they have not built is affordable senior housing. That is the gap The Haven fills.

Shepherd Express, September 2024 · Urban Milwaukee, April 2024 · City of Milwaukee DCD, 2025

WHO THE HAVEN SERVES

The Haven's future residents are the seniors Raynetta Hill described in our stakeholder conversation with BID 8 — long-time King Drive residents who have shaped this corridor for decades and have nowhere to go. In Harambee today, 12.2% of residents are aged 65 or older. Of all renter households, 59.4% are cost-burdened — paying 30% or more of their income on rent — and 50.8% pay 35% or more, a figure that worsened between the 2021 and 2023 ACS surveys. Nearly one in three households has no access to a vehicle. The building the survey documented is aging — 47.3% of Harambee's housing stock was built in 1939 or earlier — without elevators, accessible bathrooms, or features that allow older adults to age safely in place.

The Haven addresses all of this directly. Affordable rents are structured at 30%, 50%, and 60% AMI. An on-site vision and hearing care provider was selected because it addresses documented healthcare access gaps in the corridor. A neighborhood restaurant and community flex space designed to encourage the daily social connection that research consistently links to senior health outcomes. This is not a generic LIHTC development placed on an available parcel. It is a building designed around the specific, documented needs of the people who will live in it.

DEMAND IN NUMBERS

42,065 — the affordable unit deficit for the Milwaukee-Waukesha metro as of 2024, per NLIHC's Gap Report using 2024 ACS PUMS data. Only 31 affordable homes exist for every 100 extremely low-income renter households. 91% of those households are cost-burdened.

51 months — the average time current HACM public housing residents waited before admission, per HUD's 2023 Picture of Subsidized Households. The senior/disabled waitlist is closed as of April 2026, having opened for just 28 days in early 2025 before shutting again.

59.4% — the share of Harambee renters who are cost-burdened as of the 2019–2023 ACS. This figure worsened from the prior survey period. 50.8% pay 35% or more of income on rent.

2.7% — weighted average vacancy across the five nearest affordable senior comps as of December 2025, per CoStar. The Haven models 5.0% vacancy — conservative by 230 basis points relative to the immediate submarket.

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Healthcare & Retail Differentiation

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GROUND FLOOR

Most LIHTC developments treat the ground floor as a leasing requirement — a box to check, a use to underwrite, a space to fill. The Haven treats it differently. The three ground-floor uses were not selected to satisfy a program requirement or optimize per-square-foot rent. They were selected because of what the people who will live in this building actually need — and because of what the King Drive corridor has documented it is missing.

That process started with a conversation. In our stakeholder meeting with Raynetta Hill, Executive Director of the Historic King Drive BID 8, she was direct: the corridor needs affordable senior housing that allows long-time residents to age in place, and it needs neighborhood-serving retail that encourages intergenerational connection and strengthens the commercial vitality of King Drive. She did not describe a generic mixed-use program. She described a specific community need shaped by decades of watching residents leave the corridor because it no longer had the services to support them.

Vision and hearing care, a neighborhood restaurant, and a community flex space are not generic retail. Each one responds to a specific, identified gap in this corridor — a documented healthcare access shortage, a missing social gathering point, and the absence of affordable programmable space for community organizations. Together they transform the building from a housing project into a community anchor. That is what The Haven was designed to be.



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VISION & HEARING CARE

The selection of a vision and hearing care provider is the most deliberate and defensible tenant choice in The Haven's program. The Near North Side carries a documented Health Professional Shortage Area designation from HRSA — primary care access in this corridor is structurally constrained. More specifically to this building's residents: 65.3% of adults aged 71 and older have hearing loss, per a nationally representative Johns Hopkins cohort study published in JAMA Network Open (2023). Among Medicare beneficiaries in that age group, only 29.2% of those with hearing loss use hearing aids — meaning the majority of seniors with hearing loss go untreated. Untreated hearing loss is now linked in peer-reviewed research to elevated dementia risk, social isolation, cognitive decline, and falls.

For a senior in Harambee without a car — one in three households has no vehicle — accessing a specialist outside the neighborhood is not a scheduling inconvenience. It is a genuine barrier that goes unresolved. Placing vision and hearing care in the same building where residents live removes that barrier entirely. This is not a wellness amenity. It is a healthcare access intervention embedded into the building's operating model.

NEIGHBORHOOD RESTAURANT

The restaurant was selected as the corridor-facing anchor for two reasons that go beyond food service. First, it activates the street level of the building — a 5,355 SF ground-floor presence on King Drive that signals investment, creates foot traffic, and strengthens the commercial vitality that BID 8 has worked to restore since 1992. Raynetta Hill emphasized in our stakeholder conversation that neighborhood-serving retail, encouraging intergenerational interaction, is a stated priority for the corridor — not a nice-to-have, but a specific ask from the community organization that will be a key operating partner for The Haven.

Second, the restaurant serves a documented social function for the residents upstairs. Research consistently links regular social engagement to better health outcomes for older adults — and a walkable, on-site dining option creates daily opportunities for that engagement without requiring a car, a smartphone, or a trip outside the building. The Haven's restaurant is underwritten at market rent of \$20/sf per year with 100% expense reimbursements and 3% annual rent growth — the same terms as the vision and hearing care tenant — meaning it contributes to operating income while serving the community.

COMMUNITY FLEX SPACE

The community flex space at 2,678 SF is underwritten below market — \$10/sf per year on an as-needed basis — because its function is not to generate rent. Its function is to give the building and the BID 8 corridor a programmable space that neither currently has. This is where resident meetings happen. Where BID 8 can host community events. Where local organizations can run programming for seniors that would otherwise require travel to a facility across the city.

The deliberate decision to underwrite this space at below-market rent is not a gap in the financial model — it is a feature of the impact model. It reflects the same logic as the vision and hearing care tenant: the building was designed to meet the needs of its residents and its corridor, not to maximize every square foot. The community flex space is the clearest expression of that philosophy, and it is the element that most directly responds to what BID 8 told us the corridor needs.

Risks, Mitigates, & SWOT

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Strengths	<ul style="list-style-type: none"> • Low loan-to-cost structure with a strong equity buffer • Focus on affordable senior housing addresses a well-defined and growing demographic need • Integrated health services enhance resident quality of life
Weaknesses	<ul style="list-style-type: none"> • Reliance on affordable housing financing adds regulatory and compliance complexity • Senior-only housing limits flexibility to adjust unit mix in response to market changes • Lower rental rates constrain upside and overall return potential
Opportunities	<ul style="list-style-type: none"> • Increasing public and private investment along King Drive supports long-term neighborhood stability and visibility • Partnerships with local nonprofits, healthcare providers, and BID organizations can expand programming and resident services
Threats	<ul style="list-style-type: none"> • Community pushback toward affordable housing developments may affect approvals and public perception • Construction cost escalation and labor shortages could pressure project budgets • Changes in public funding priorities or subsidy availability could impact financial feasibility

PRE-CONSTRUCTION RISKS

Community Acceptance Risk: Recent affordable housing developments along King Drive have faced community pushback related to density, design, and neighborhood fit.
Mitigation: Early engagement with the King Drive BID and legacy residents will emphasize the project’s senior-specific affordability and community-serving focus.

Financing and subsidy risk: The project’s reliance on affordable housing financing introduces uncertainty related to funding availability, timing, and regulatory compliance.
Mitigation: The development will pursue diversified funding sources, conservative underwriting, and experienced compliance oversight.

Construction cost and schedule risk: Rising construction costs, labor shortages, and historic-district considerations may increase project costs or delay delivery.
Mitigation: Early contractor involvement, value engineering, and adequate contingency reserves will be implemented.

POST-CONSTRUCTION RISKS

Lease-up risk: Age and income qualification requirements may slow initial occupancy despite strong demand for affordable senior housing.
Mitigation: Targeted outreach through senior centers, churches, healthcare providers, and legacy resident prioritization will support absorption.

Commercial tenant stability risk: Vacancy or turnover among ground-floor healthcare or restaurant tenants could reduce operating income and street activation.
Mitigation: Long-term leases with mission-aligned healthcare providers and flexible retail design will reduce exposure.

Operational and programming risk: Community spaces may become underutilized without consistent management and programming.
Mitigation: Operating partnerships with the King Drive BID and local nonprofits will ensure sustained activation and engagement.

Construction Budget

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Total Cost Multifamily		Total	Per Unit	% of MF Cost	% of Total Cost
Land Acquisition		\$300,000	\$5,263	1.66%	1.5%
Hard Costs		\$14,012,700	\$245,837	77.51%	69.0%
Soft Costs		\$3,648,592	\$64,010	20.18%	18.0%
Interest Reserve		\$117,333	\$2,058		
Total		\$18,078,625	\$317,169	100.00%	89.0%

Total Cost Retail		Total	Per Tenant	% of RE Cost	% of Total Cost
Land Acquisition		\$100,000	\$33,333	3.10%	0.5%
Hard Costs		\$2,570,000	\$856,667	79.77%	12.6%
Soft Costs		\$459,218	\$153,073	14.25%	2.3%
Interest Reserve		\$92,457	\$30,819	2.87%	15.9%
Total		\$3,221,675	\$1,073,892	100.00%	15.9%

Total Construction Cost			% of Total Cost
Land Acquisition		\$400,000	2.0%
Hard Costs		\$16,582,700	81.6%
Soft Costs		\$3,128,891	15.4%
Interest Reserve		\$209,790	1.0%
Total		\$20,321,381	100.0%

Hard Costs

Multi-Family	Budget	Gross SF	Rentable SF	Units	Avg SF	\$ Per Unit	Per GSF	Per RSF
1-Bed	\$9,254,700	30,849	27,300	42	650	\$195,000	\$300	\$339
2-Bed	\$4,068,000	13,560	12,000	15	800	\$240,000	\$300	\$339
Core, Lobby, & Other Efficiency	\$690,000	2,300	0			\$0	\$300	N/A
Total / Average	\$14,012,700	46,700	39,300	57	689	\$245,836.84	\$300	\$357
								84.15%

Retail	Budget	Gross SF	Rentable SF	Tenants	Avg SF	Per GSF	Per RSF
Community Flex Space	\$708,750	3,150	2,678	1	2,678	\$225	\$265
Vision & Hearing Care	\$765,000	3,400	3,060	1	3,060	\$225	\$250
Neighborhood Sit Down Restaurant	\$1,417,500	6,300	5,355	1	5,355	\$225	\$265
Total / Average	\$2,891,250	12,850	11,093	3	2,876	\$225	\$261

TOTAL HARD COSTS	\$16,903,950	59,550	50,393				
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The Haven: Honoring the Drive. Building Community.

Assumptions & Exit Strategy

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CAPITAL STACK ASSUMPTIONS

The project's capital stack totals approximately \$18.2 million and is primarily supported by LIHTC equity at 54.25 percent, forming the foundation of the financing. This is complemented by a conservatively sized construction loan at 21.25 percent, along with CDBG and Vacancy-to-Vitality funding at 8.27 percent and 5.51 percent, respectively, providing low-cost gap financing. The remaining 10.72 percent is sponsor equity, resulting in a balanced and financeable structure with limited reliance on debt.

LIHTC ASSUMPTIONS

The project's LIHTC equity was generated by converting \$16,159,136 of adjusted construction costs into an eligible basis of \$14,058,448 using an assumed 87 percent efficiency factor. Because the site is located within a Qualified Census Tract, the eligible basis was increased by 115% (Feasible through WHEDA), resulting in a qualified basis of \$16,167,215. The project was awarded 9% tax credits with a 90% allocation, producing annual tax credits of \$1,309,544 over a ten-year period, totaling \$13,095,445. These credits were discounted using the ten-year Treasury rate of 4.077% to a present value of \$10,371,430, and then syndicated at \$0.95 to the dollar, generating \$9,852,858 in LIHTC equity.

DEBT ASSUMPTIONS

The project is financed with a 3-year construction loan at a 6.75% interest rate, which remains outstanding through construction and initial stabilization. Following stabilization, the loan is refinanced into permanent debt with a 7-year term and 30-year amortization at a 6.00% interest rate. Both rate assumptions were informed by consultation with a Senior Vice President at a local bank, who confirmed that a prime-based 6.75% construction rate and a 75-basis point reduction to 6.00% for permanent financing are reasonable market assumptions. The permanent loan remains in place through the hold period, and the property is sold at the end of Year 10, with the remaining loan balance repaid from sale proceeds.

CAPITAL STACK



EXIT STRATEGY

The exit strategy assumes a sale of the stabilized mixed-use asset after a 10-year hold to an experienced affordable housing owner operator. The multifamily component is underwritten to a 6.25% exit cap rate, while the ground floor retail is underwritten to a 6.50% exit cap. At exit, approximately seven years of affordability restrictions will remain; however, the multifamily valuation reflects the present value of long-term rent flexibility following expiration of restrictions, discounted back to the exit date. This embedded future upside, combined with seasoned operations and durable senior housing demand, supports a tighter multifamily exit cap relative to comparable stabilized assets.

General Assumptions

Multifamily Vacancy	3.50%
Retail Vacancy	6.21%
Multifamily Income Growth	3.00%
Retail Rent Growth	3.00%
<u>Exit</u>	
Multifamily Exit Cap	6.25%
Retail Exit Cap	6.50%
Selling Fee	2.0%

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Multifamily Operating Cash Flow																	
Occupancy	0.00%	0.00%	24.56%	99.85%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Revenue																	
Rental Income	-	-	210,532	881,590	909,367	936,648	964,748	993,690	1,023,501	1,054,206	1,085,832	1,118,407	1,151,959	1,186,518	1,222,114	1,258,777	1,296,540
Other Income	-	-	9,396	38,583	39,411	40,200	41,004	41,824	42,660	43,513	44,384	45,271	46,177	47,100	48,042	49,003	49,983
Potential Gross Income	-	-	219,928	920,173	948,779	976,848	1,005,751	1,035,514	1,066,161	1,097,719	1,130,216	1,163,678	1,198,136	1,233,618	1,270,156	1,307,780	1,346,524
General Vacancy & Credit Loss	-	-	(7,697)	(32,206)	(33,207)	(34,190)	(35,201)	(36,243)	(37,316)	(38,420)	(39,558)	(40,729)	(41,935)	(43,177)	(44,455)	(45,772)	(47,128)
Effective Gross Income	-	-	212,231	887,967	915,571	942,658	970,550	999,271	1,028,845	1,059,299	1,090,658	1,122,950	1,156,201	1,190,442	1,225,700	1,262,008	1,299,395
Expenses																	
Total Operating Expenses	-	-	(123,088)	(353,051)	(363,944)	(374,863)	(386,109)	(397,692)	(409,623)	(421,911)	(434,569)	(447,606)	(461,034)	(474,865)	(489,111)	(503,784)	(518,898)
as % of PGI	0.0%	0.0%	56.0%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%
Net Operating Income	-	-	89,142	534,916	551,627	567,796	584,441	601,579	619,223	637,388	656,090	675,344	695,167	715,577	736,590	758,224	780,498
Total Capital Expenditures	-	-	4,457	26,746	27,581	28,390	29,222	30,079	30,961	31,869	32,804	33,767	34,758	35,779	36,829	37,911	-
Cash Flow Before Debt Service	-	-	93,599	561,661	579,208	596,185	613,664	631,658	650,184	669,257	688,894	709,111	729,926	751,356	773,419	796,135	-
Debt Service	-	-	(163,403)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	(326,805)	-
Cash Flow After Debt Service	-	-	355,909	234,856	252,403	269,380	286,858	304,853	323,379	342,452	362,089	382,306	403,121	424,550	446,614	469,330	-
Retail Operating Cash Flow																	
Revenue																	
Rental Income	-	-	100,464	206,955	213,164	219,559	226,145	232,930	239,918	247,115	254,529	262,164	270,029	278,130	286,474	295,068	303,920
Reimbursements	-	-	40,813	90,312	93,043	95,834	98,709	101,671	104,721	107,862	111,098	114,431	117,864	121,400	125,042	128,793	132,657
Potential Gross Income	-	-	141,277	297,267	306,207	315,393	324,855	334,600	344,638	354,977	365,627	376,596	387,893	399,530	411,516	423,862	436,578
(less) Retail Vacancy & Credit Loss	-	-	(6,236)	(12,845)	(13,231)	(13,628)	(14,037)	(14,458)	(14,891)	(15,338)	(15,798)	(16,272)	(16,760)	(17,263)	(17,781)	(18,315)	(18,864)
(less) TI Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	-	-	135,041	284,421	292,976	301,765	310,818	320,143	329,747	339,639	349,828	360,323	371,133	382,267	393,735	405,547	417,714
Expenses																	
Total Operating Expenses	-	-	(40,813)	(90,312)	(93,043)	(95,834)	(98,709)	(101,671)	(104,721)	(107,862)	(111,098)	(114,431)	(117,864)	(121,400)	(125,042)	(128,793)	(132,657)
as % of PGI	0.0%	0.0%	28.9%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%
Net Operating Income	-	-	94,228	194,110	199,933	205,931	212,109	218,472	225,026	231,777	238,730	245,892	253,269	260,867	268,693	276,754	285,056
Total Capital Expenditures	-	-	4,711	9,705	9,997	10,297	10,605	10,924	11,251	11,589	11,937	12,295	12,663	13,043	13,435	13,838	-
Cash Flow Before Debt Service	-	-	98,939	203,815	209,930	216,227	222,714	229,396	236,278	243,366	250,667	258,187	265,932	273,910	282,128	290,592	-
Debt Service	-	-	(61,779)	(123,559)	(123,559)	(135,859)	(148,159)	(148,159)	(148,159)	(148,159)	(148,159)	(148,159)	(148,159)	(148,159)	(148,159)	(148,159)	-
Cash Flow After Debt Service	-	-	(126,376)	80,257	86,371	80,369	74,555	81,237	88,118	95,207	102,508	110,028	117,773	125,751	133,969	142,432	-

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Sources and Uses

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Total Sources & Uses		
Sources	100%	21,300,300
Multifamily Sources	84.87%	18,078,625
Retail Sources	15.13%	3,221,675
Uses	100%	21,300,300
Acquisition / Land Purchase	1.88%	400,000
Hard Costs	77.85%	16,582,700
Soft Costs	12.60%	2,682,810
Developer Fee	6.69%	1,425,000
Interest Reserve	0.98%	209,790

Multifamily Sources & Uses		
Sources	100%	18,078,625
Equity	10.31%	1,864,627
LIHTC Equity	54.50%	9,852,858
CDBG Soft Loan Grant	8.31%	1,502,156
Vacancy-to-Vitality Grant	5.53%	1,000,000
Construction Loan	21.35%	3,858,983
Uses	100%	18,078,625
Acquisition / Land Purchase	1.66%	300,000
Hard Costs	77.51%	14,012,700
Soft Costs	12.30%	2,223,592
Developer Fee	7.88%	1,425,000
Interest Reserve	0.65%	117,333

Retail Sources & Uses		
Sources	100%	3,221,675
Equity	35.00%	1,127,586
Construction Loan	65.00%	2,094,089
Uses	100%	3,221,675
Acquisition / Land Purchase	3.10%	100,000
Hard Costs	79.77%	2,570,000
Soft Costs	14.25%	459,218
Interest Reserve	2.87%	92,457

Appendix 1: LIHTC Calculator

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LIHTC Calculation	
Total Construction Costs	17,661,292
Less: CDBG Grant	(1,502,156)
Adjusted Construcion	16,159,136
Eligible Basis (87%)	14,058,448
QCT Boost (115%)	16,167,215
Qualified Basis	16,167,215
% Credit	9%
Allocation %	90%
UST (Discount Rate)	4.077%
Annual Tax Credit	1,309,544

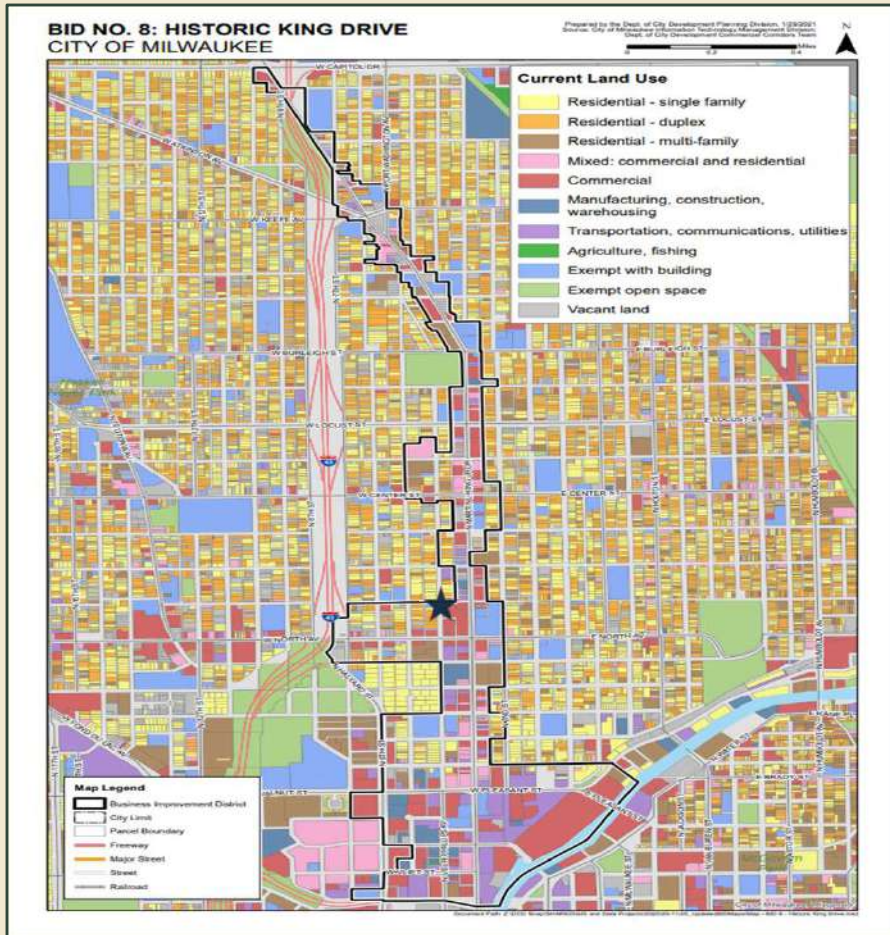
Total LIHTC Equity	
Total Tax Credits (Nominal)	13,095,445
Sum of PV	10,371,430
\$0.95 per \$1 of Credit	9,852,858
% of Qualified Basis	60.9%

Uses of Funds	
Hard Costs	16,856,673
Soft Costs	4,026,000
Total Uses	20,882,673

10-Year Tax Credit Schedule										
Year	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5
Tax Credit	1,309,544	1,309,544	1,309,544	1,309,544	1,309,544	1,309,544	1,309,544	1,309,544	1,309,544	1,309,544
PV of Tax Credit	1,233,348	1,185,029	1,138,603	1,093,997	1,051,137	1,009,957	970,390	932,373	895,846	860,750

Appendix 2: Location

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Appendix 3: Renderings

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Appendix 4: Site Plan

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Sources

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