

Daveri Development Group, LLC

September 1, 2011

Gregg Mandsager
City Administrator, Muscatine
215 Sycamore
Muscatine, IA 52761-3840

Re: Affordable Housing Development Proposal – The Glen at Cobblestone Ridge

Dear Gregg,

Please add our proposal to the agenda of your City Council in-depth session on September 8th, 2011 at 7pm. Included is a packet of information about our development company and our proposal for building 46 units of new housing in the Cobblestone Ridge subdivision using Low Income Housing Tax Credits.

I plan to attend the meeting to make a detailed presentation of our proposal in order to answer any questions the council might have and ask for their support of new affordable housing for families in Muscatine.

Thank you for your time and consideration.

Please don't hesitate to contact me if you have any questions.

Sincerely,

Larry Pusateri
Owner

Daveri Development Group, LLC
larry@housingdeveloper.com
312-870-4747



Daveri Development Group, LLC

The Daveri Development Group, LLC ("Daveri") is the joint venture of two established affordable housing organizations based in Chicago and working across the State of Illinois. UPA, LLC (Cullen J. Davis, Principal) and Pusateri Development, LLC (Larry Pusateri, Principal) are partnering to pool resources and strengthen their vision to enhance and revitalize the affordable housing stock across the state and region.

Our mission is to revitalize and create affordable housing across the Midwest. Our principals have over 30 years of combined experience, which allows Daveri to address the need for affordable housing in diverse communities while creating high-quality, attractive, and eco-friendly living spaces for residents.

Intelligent development begins with real community need. Working with community leaders, Daveri develops projects that blend seamlessly into the existing fabric of a neighborhood. Whether a community is in need of single-family units for employee groups, a rehabbed historical building at risk, or ground up construction to meet the needs of a specific population group, Daveri is flexible and experienced to meet the local need.

Principals Cullen Davis, Larry Pusateri and Vice President Jessica Berzac all bring extensive and varied experience to the team. As a lifelong Chicagoan, Cullen understands the urban city – its needs and complexities, successes and failures. As Chicago grows so does Cullen's approach to affordable housing. Larry Pusateri has worked in communities from the Chicagoland suburbs to towns smaller than 5000, where the needs and complexities are different. His experience across the state of Illinois for the past 12 years has prepared him to develop affordable housing throughout the Midwest and beyond. Vice President Jessica Berzac serves as Daveri's go-to team member. She understands the ins and outs of the development process. She also has an extensive background with not-for-profits and community organizations, strengthening her ability to make real the needs of each community she works with.

Daveri's expertise allows the company to address the need for affordable housing as well as creating quality living environments. We believe in leaving a legacy of environmental sustainability in each project we work on. Going Green can be mere buzz words nowadays, but Daveri has a proven record of utilizing eco-friendly, LEED-certified building practices. Additionally, Daveri proudly implements UPA's Blended Housing Management Program to improve both the physical asset and the human assets of the portfolio.

Daveri feels strongly that utilizing blended housing management furthers the mission of caring for both the physical and human asset in affordable housing. We know that it is vital to pay special attention to a community's need for supportive services and/or comprehensive property management. We are proud of the structures we build; just as we seek to be proud of our buildings far into the future, we also take pride in our residents' futures.

The Team

Cullen J. Davis, Principal

Cullen is a lifelong Chicagoan. Born and raised in the Hyde Park neighborhood, he has long fought to preserve and rebuild his hometown. Having played an integral role in the redevelopment of the North Kenwood-Oakland neighborhood's State Street Redevelopment, Cullen is passionate about the City of Chicago. As a graduate of Northwestern Law School, Cullen is a licensed attorney and real estate broker. In addition to his role at Daveri, he is also at the helm of several other companies, including Hallmark and Johnson Real Estate Management, LLC, and Urban Property Advisors. His business experience and responsibilities run the gamut. From public housing vouchers to market rate condominiums, Cullen is a specialist in the public, affordable and mixed-income housing arena.

With an eye on the city's greatest needs, Cullen is committed to Chicagoland; he lives in the North Kenwood-Oakland community with his wife and daughter.

Larry Pusateri, Principal

Larry has worked in the field of affordable housing development since 1987. He has served as the housing development director of three of Illinois' most prominent affordable housing organizations: The Statewide Housing Action Coalition, The Lakefront SRO Corporation, and Travelers & Immigrants Aid (now Heartland Alliance). His experience with non-profits and community groups across the state of Illinois has prepared him to serve as Principal at Daveri. From helping the state's first annual revenue source for affordable housing development to rehabbing single room occupancy apartment buildings for formerly homeless individuals, Larry is committed to enhancing the affordable housing stock throughout the state and across the Midwest. He is a regular lecturer at affordable housing seminars sponsored by HUD, the Illinois Housing Development Authority, Chicago Department of Housing, the first National HIV/AIDS Housing Conference, the Chicago Rehab Network, Neighborhood Reinvestment Corp., the Chicago Community Loan Fund, and the 1998 National Rural Housing Conference, among others. Mr. Pusateri has served as a housing development instructor for the University of Illinois' Urban Developer's Program since the fall of 1998.

In mid-1995 Mr. Pusateri established Pusateri Development Associates, Inc. (Since re-formed as Pusateri Development LLC) as an affordable housing development and consulting firm. Pusateri Development has assisted non-profit and for-profit developers in the creation of over 1000 housing units at a value of roughly \$70 million. His work has been recognized by the Federal Home Loan Bank at the national level, as the Chicago Non-Profit Development of the Year by the Local Initiatives Support Corporation (LISC), and has received several Good Neighbor Awards by the Chicago Board of Realtors.

A graduate of Northwestern University, Mr. Pusateri lives in LaGrange with his family and travels extensively throughout the Midwest to work with communities large and small.

Jessica H. Berzac, Vice President of Acquisitions and Development

Jessica is responsible for the daily management and coordination of Daveri's development projects. She specializes in creating community partnerships with service providers and non-profit organizations. Prior to joining the Daveri Team, she worked for the Illinois Housing Development Authority from 2002 through 2006 as a Multifamily Loan Officer. There, she managed projects with many financing layers, including tax-exempt bonds, taxable bonds, HUD's HOME Program, State Housing Trust Fund, and both the federal Sec. 42 Low Income Housing Tax Credits and State Donation Tax Credits program.

Jessica is the daily contact for groups just getting started with new affordable housing initiatives, and provides community linkages and partnerships for those interested in getting started with Daveri. She facilitates the coordination with market rate finance institutions, city government (TIF Financing, zoning ordinances, public housing), grant programs, rental subsidies and LIHTC syndicators. Ms. Berzac is well versed in all types of projects, including family, rent-to-own, Supportive Living Facilities (Dept. of Public Aid), homeless housing, special needs, independent elderly housing.

After receiving a B.A. in Theatre Arts from Kalamazoo College, Ms. Berzac went on to found a Chicago based community arts 501(c)(3) organization for which she served as Executive Director for five years. She has produced and established many community outreach projects in Chicago's Uptown, Edgewater and Andersonville neighborhoods. She lives in Chicago's Albany Park with her family and is active on several non-profit Boards and community organizations.

Chrissy Swanson, Project Manager

Chrissy comes to Daveri with four years of experience with the Illinois Housing Development Authority, where she underwrote projects with multiple financing layers, including HOME funds, Illinois Affordable Housing Trust Fund, Low Income Housing Tax Credits, State Donation Tax Credits, and Tax Exempt Bonds. She was also a key player in launching the State's Long Term Operating Support rental subsidy program and the 2010 Qualified Allocation Plan. She will be coordinating projects from initial development stages thru closing, construction and lease up.

Chrissy received her B.A. in Religious Studies from DePaul University and went on to work with homeless individuals in St. Louis, Missouri. She then spent four years on Guam working with the homeless population of the island thru The Salvation Army. Her passion for affordable housing comes from years of experience seeking appropriate housing for individuals transitioning out of homelessness.

She is an avid cyclist and commutes all over the city on her bicycle. Chrissy and her family live in the Albany Park neighborhood in Chicago.



Daveri Development Group, LLC

Prairie Pointe

2050 75th Street, Monmouth, IL



40 units of Affordable Family Housing

New construction

Cost: \$9 million

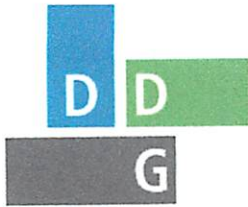
Financing: 1602, TCAP, IHDA HOME, IHDA Trust Fund

Prairie Pointe is an employer-assisted permanent housing development located on an approximately 10-acre parcel of land within the Monmouth City limits. In conjunction with the City of Monmouth and the largest employer in the area, Daveri built 40 large dwelling spaces, with a mixture of 2, 3 and 4-bedroom units. The development leased up this summer against great demand for the units.

This development targets entry level factory workers and their families who seek Monmouth for excellent employment opportunities with the local food processing plant of Farmland Foods, the area's largest employer, yet commute up to 100 miles daily to seek appropriately priced quality housing.

Prairie Pointe offers a variety of housing products, from single family homes to duplexes and townhomes. In addition to the homes, the development also features a community room with community kitchen, open space, public restrooms, management office and computer learning center as well as greenspace, walking paths, picnic and BBQ areas, community gardening areas and a playground area for children.

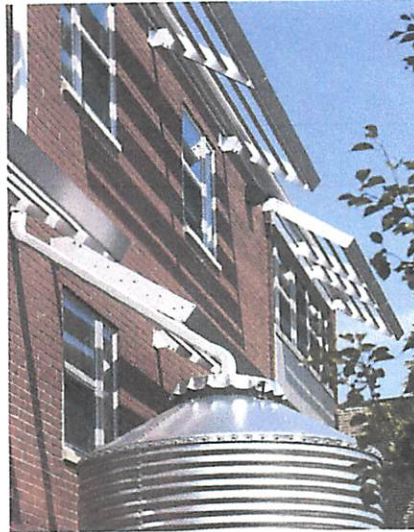
Completed: April 2011



Daveri Development Group, LLC

Spaulding and Trumbull

1424-28 S. Trumbull & 1310-16 South Spaulding Chicago, IL



27 units

Affordable Special Needs Housing, major rehab

Cost: \$5.7 million

Financing: 9% Tax Credit equity and State Donation Tax Credit
HUD project based funding through the SITP program

This project consists of the gut renovation and modernization of two separate former Chicago Housing Authority buildings. The existing buildings were built between 1950-1960 and house 27 affordable family units.

In addition to significant renovation and safety upgrades to the buildings, many sustainable or "green" features are included to enhance the livability of the residents, allow for economic efficiencies, and give back to the community.

This project provides crucial services to this population through our Supportive Service Plan - "Doors to Opportunity". The plan focuses on providing comprehensive services/resources to residents requiring assistance in the following three areas: Housing Stabilization (lease compliance, home ownership) Life Enrichment (mental health, substance abuse, children/youth needs, health) and Economic Stability (employment, career advancement, education, financial literacy). This program provides opportunity and encouragement for chronically poor parents (often lifelong subscribers of governmental programs) to move towards independence and stability.

Completed: May 2008

The Glen at Cobblestone Ridge

Workforce - Family Housing in Muscatine Iowa

- The Glen at Cobblestone Ridge is the proposed housing development located on a parcel that is approximately 10 acres of land in the northeast corner of the Cobblestone Ridge Subdivision in Muscatine, IA.
- Daveri Development Group, LLC propose to develop 46 duplex rental homes for families in and around Muscatine. The homes will consist of a mixture of 2BR, 3BR and 4BR units. The homes will be configured along a circular drive with a centrally located clubhouse building, playground, community gardens and picnic area. The clubhouse will feature a community kitchen, an open area for meetings or parties, public restrooms, a management office, and a library/computer learning center.
- The homes will all be affordable to working families, earning less than 60% of the area median income for Muscatine County. For a family of four this is an annual household income of \$38,100. A family with a single wage earner would have an hourly rate of \$18.27/hour or less to qualify for this housing. According to the Muscatine 2008-2009 Fact Sheet, 38.5% of the households in a 20 miles market area have incomes less than \$34,999 annually.
- 25% (12 homes) of the homes will be further targeted to families earning less than 30% of AMI who may have a disability or may be at risk of, or transitioning out of homelessness. Daveri Development Group is looking for a local partner to provide approximately 25-30 hours/week of onsite case management and independent living classes to this population group.
- The project will be targeted to families, especially larger families needing 3 and 4 bedroom homes.
- All units will feature a variety of amenities including front porches, window treatments, high-speed internet access, Energy Star appliances, ceiling fans, screen doors and large storage spaces. The project also features a walking trail, open space, community gardens, picnic tables and a BBQ area. The development will either seek LEED for Homes certification or Enterprise Green Communities Certification, depending on the financing sources used and final site design.
- The site will feature a centrally located clubhouse building. The clubhouse building will hold property management offices, a community kitchen and open area for meetings or parties, and a computer learning center. The

clubhouse building will be dedicated for use by the residents of the development.

- **Project Timeline**

March 2012	Tax Credit Application Due
June 2012	IFA announces Tax Credit Awards
November 2012	Loan and Real Estate Closing
January 1, 2013	Construction Begins
January 1, 2014	Construction Completion, Lease-Up

- **Preliminary Project Costs**

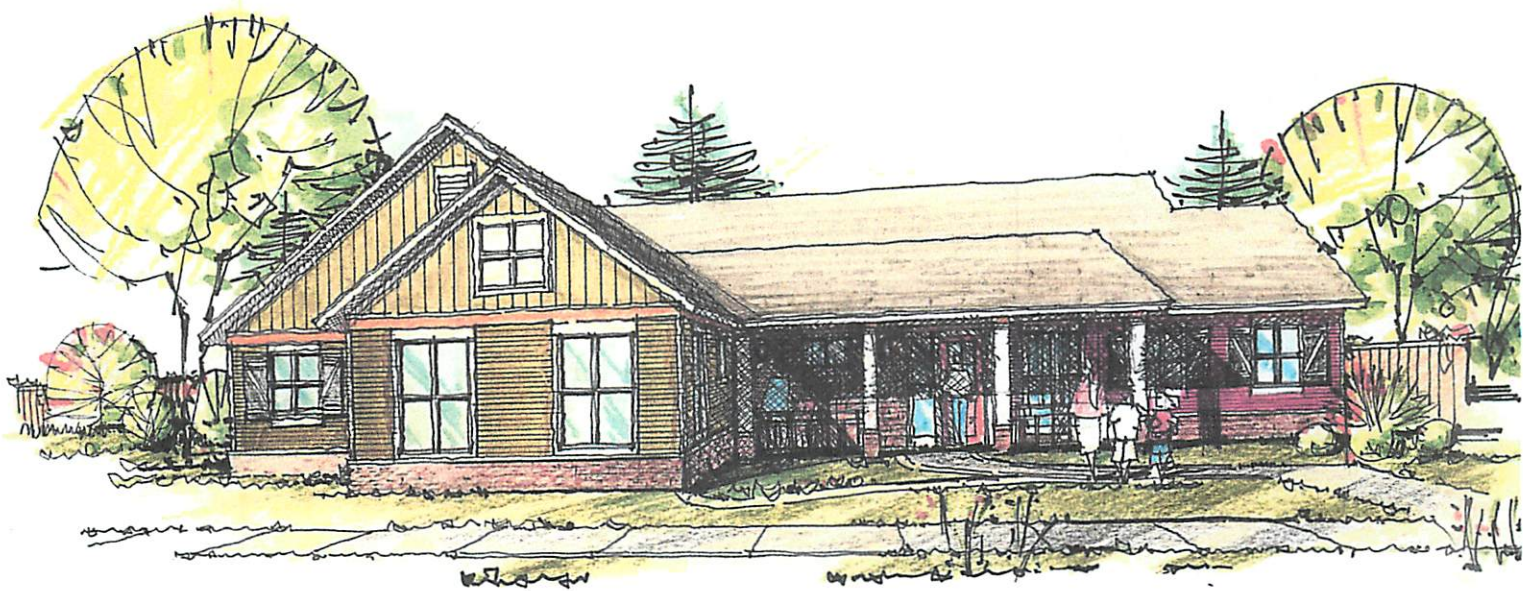
Land	\$ 375,000
Construction	\$7,000,000
Soft Costs/Fees	\$ 1,460,000
Reserves	\$ 170,000
Total Development Cost	\$9,005,000

- **Preliminary Project Sources**

Private First Mortgage	\$ 370,000
Tax Credit Equity	\$8,300,000
Developer Equity	\$ 120,000
Gap*	\$ 215,000
Total Sources	\$9,005,000

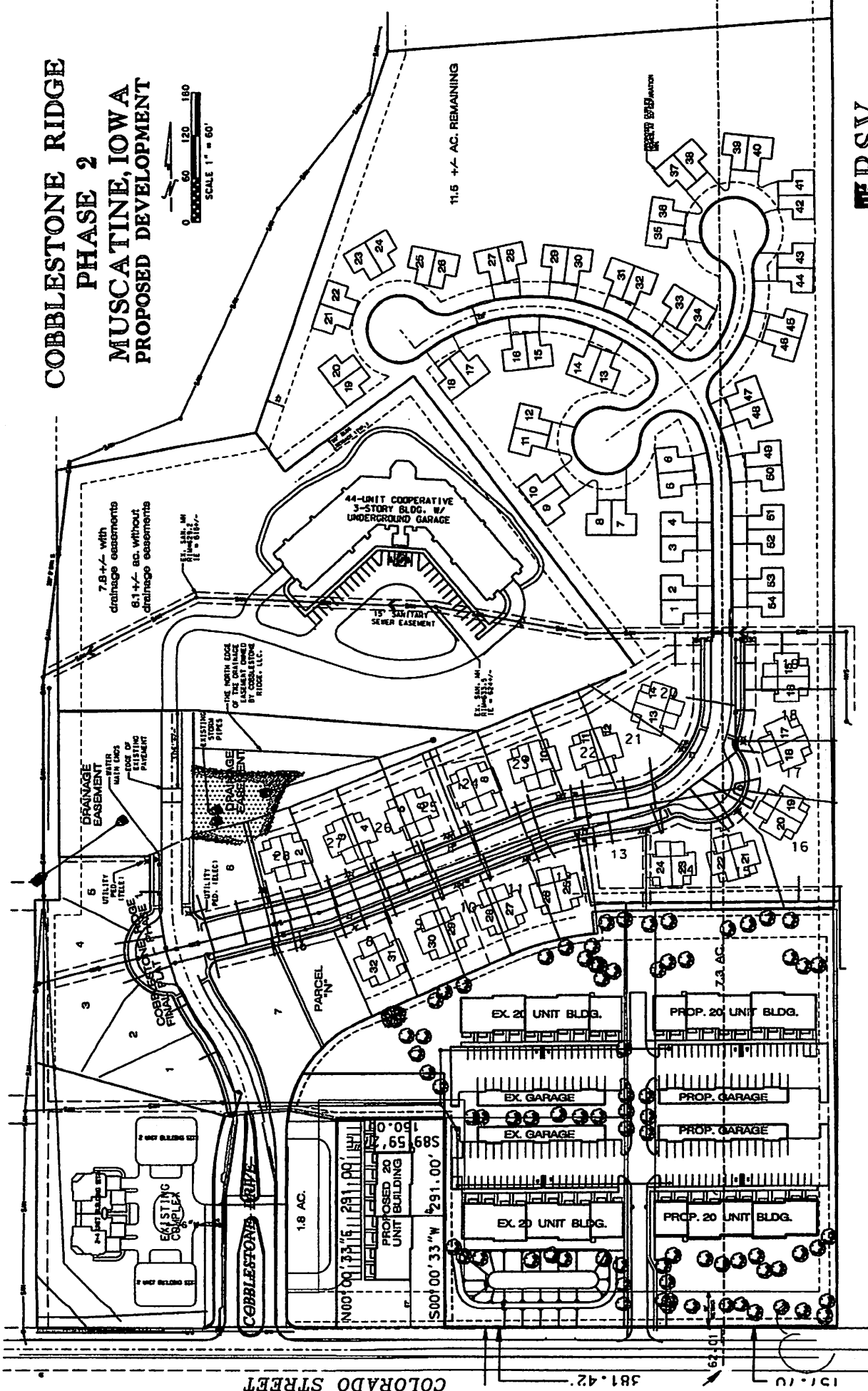
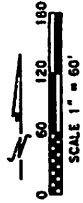
*The financing gap can be filled with local contributions CDBG, State HOME funds, Affordable Housing Program (AHP) from the Federal Home Loan Bank Des Moines, and other energy grants.

Local Contributions (TIF, infrastructure improvements, wavier of fees, etc.) help finance the project and also make the project more attractive to the Iowa Finance Authority. Under their Qualified Allocation Plan, points are issued for each percentage of the total development cost contributed by the local government. For a \$9,000,000 project, \$90,000 in local contributions would garner one point. \$180,000 in local contributions would garner two points and so on





COBBLESTONE RIDGE PHASE 2 MUSCATINE, IOWA PROPOSED DEVELOPMENT



RSV
ENGINEERING, INC.

REG. DATE 07/29/11
STATE OF IOWA
NO. 1011
Engineers & Land Surveyors & Environmental Scientists
012 51952 610 BND CH. 812 REG. ENGINEER 01/01 17421644-1712