

Carland Group

11032 Quail Creek Road; Suite 108 Oklahoma City, OK 73120
Phone: 405.286.3434 Fax: 405.286.3336

November 13, 2012

City of Norman
Linda R. Price, AICP, Revitalization Manager
Planning & Community Development Department
P.O. Box 370, Norman, OK 73070

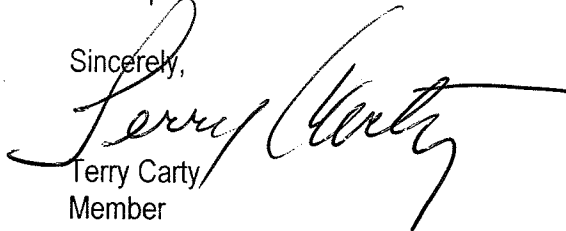
Dear Ms. Price,

Carland Group, LLC is requesting a Resolution of Development Support from the Norman City Council for our proposed IRS Section 42 Low Income Housing Tax Credit development, Bocage.

Enclosed with this request is summary of our proposed development. Should you or Council need additional information, do not hesitate to contact me.

We look forward to addressing your community's affordable housing needs and favorable consideration of our request.

Sincerely,



Terry Carty
Member

Enclosure

Project Description

Our proposed development, Bocage, will be located approximately 700 feet northeast of the intersection of Brandywine Ln. and E. Lindsey Street at 909 Brandywine Ln. (**Exhibit #1**). The property will consist of no more than 60 units (30 one bedroom and 30 two bedroom) one bath dwellings configured in a 3 story building complete with elevator service and some covered parking. A site plan and architect's rendering are provided as **Exhibit #2**.

Income Targeting

Bocage will be age restricted to elderly households 62 years of age. Fifty percent of the units will target households at and below 50%MFI.

Number of Persons in Household	Annual Income
1	\$25,860 (60%MFI)
2	\$29,520 (60%MFI)
1	\$21,550 (50%MFI)
2	\$24,600 (50%MFI)

Rents

Tenant paid rent will be based on the number of bedrooms and income targeting. Five percent (5%) of the dwellings will be dedicated to persons with physical disabilities and will have rents set at one-half the allowable tax credit rent. At this time, Carland anticipates utilities will be paid by the development's ownership entity.

Number of Bedrooms	Income Targeting	Monthly Contract rent
1	60%MFI	\$692
2	60%MFI	\$831
1	50%MFI	\$576
2	50%MFI	\$692
1 (handicap)	50%MFI	\$288
2 (handicap)	50%MFI	\$346

Financing

Bocage will be financed with investor equity from the sale of Internal Revenue Service Section 42 Low Income Housing Tax Credits and private debt.

Carland will compete for tax credits provided by Oklahoma Housing Finance Agency under the organization's January 10, 2013 application cycle.

Economic Benefits

Based on a maximum of 60 units, the anticipated economic benefits will be \$163,080 in one-time state taxes; \$74,100 in one-time local taxes; \$39,000 in annual ad valorem taxes; and, 78 man-years of temporary employment.

(Note: Benefits based on economic model developed by the Oklahoma Department of Commerce State Data Center. Sales tax benefits include consumption taxes on purchased materials and direct payroll.

Property Management

Property management will be provided by Express Development, Inc. and Carland Properties, Inc.

Building Materials, Design Features and Amenities

Bocage will be configured as a 3 story building of approximately 53,000 square feet with post tension construction, slab on grade, wood frame. The exterior will be 60% brick, stucco and engineered stone veneer and 40% cement board exterior complete with landscaping.

Bocage will be constructed and equipped with a variety of energy efficiency elements including but not limited to: sprinkler system fire suppression system; shower heads with a maximum of 2.5 gallons per minute flow rate; greater than R-2 insulation on exposed hot water pipes; Energy Star qualified appliances; Energy Star qualified windows with Low E glass; Energy Star qualified HVAC; Energy Star qualified efficiency water heaters; use of low or no VOC paint throughout the development; on-site recycling for aluminum, newspaper, glass, and plastics; photovoltaic (solar powered) lighting for all exterior lights; programmable thermostats; spray foam R-38 attic insulation and R-19 wall insulation.

The property will be complemented by a variety of amenities including: leasing office; onsite computer workstations (with internet access); fitness center; library, outdoor covered seating; FEMA approved storm shelter; and, community room.

Anticipated/Potential Impacts on Adjacent Property

Area surrounding site is residential in character. Contiguous to the site to the immediate southwest is a small apartment complex; to the northeast and northwest are residential subdivisions of single family detached homes; and, to the southeast is undeveloped land.

Carland does not anticipate adverse impacts on surrounding properties. Given that not all seniors own cars, additional vehicular traffic is expected to be minimal. Additionally, there will be no impact on the Norman school district.

Zoning

The proposed development site is currently zoned RM6 Medium Density Apartment District.

Site Selection and Control

Carland selected the proposed development site based on initial market demand indicators from our third party market analyst firm, Integra Reality Resources-Oklahoma, its location in an OHFA preferred Qualified Census Tract and State designated Enterprise Zone and the recently declared Presidential Disaster resulting from the Cleveland County wildfires.

Carland Group currently has site control in the form of an option, purchase agreement, etc. (**Exhibit #3**).

Approximate Development Time Line

- Submit application for funding to OHFA January 10, 2013
- Funding determination May 2013 OHFA Trustees' meeting
- Partnership, loan and land closing August 2013
- Commence construction September 2013
- Construction completion approximately July 2014
- Stabilized lease-up approximately February 2015