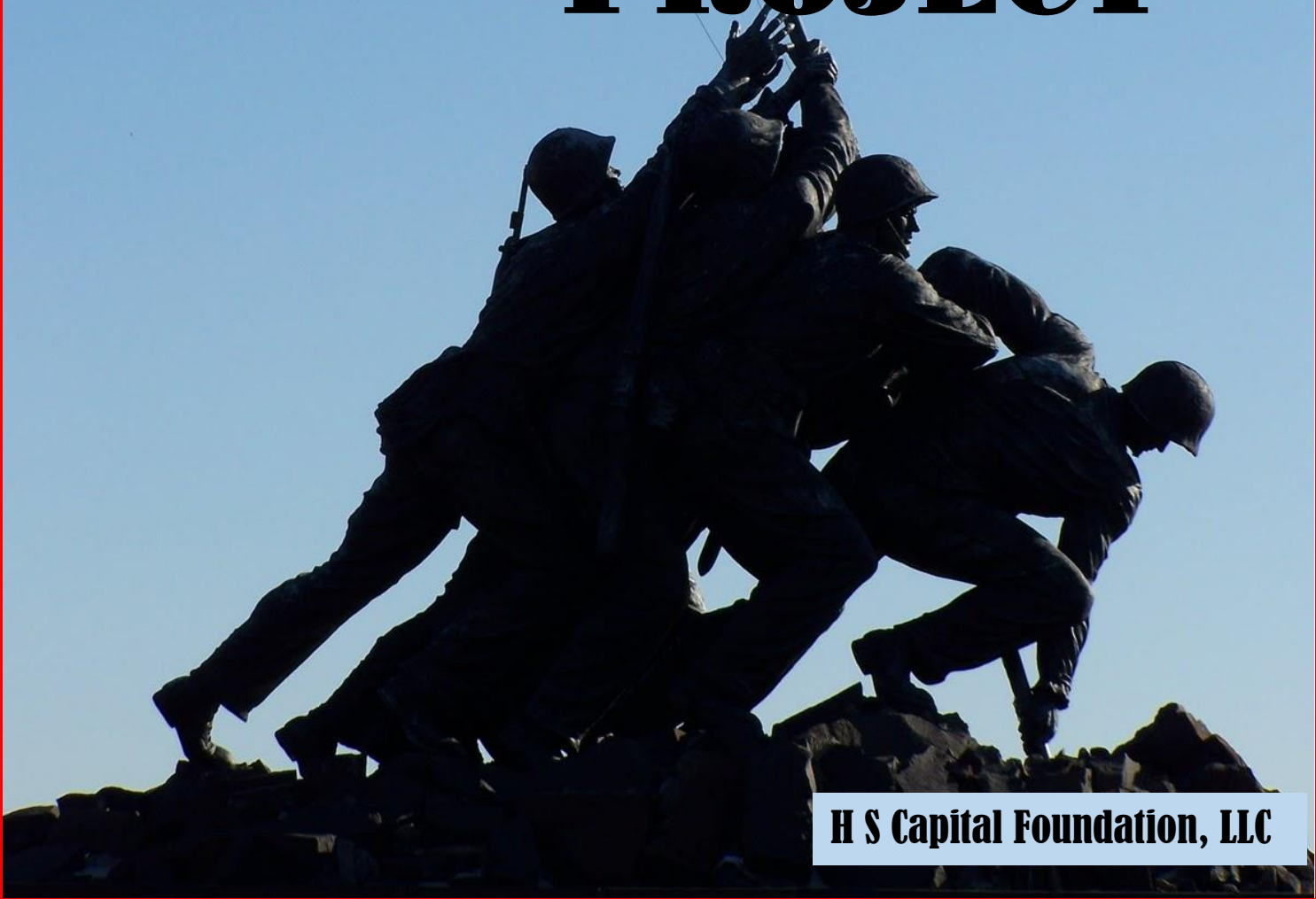


*Veterans' Lives Matter*

An American flag is flying from a tall, dark pole against a clear blue sky. The flag is positioned in the upper left quadrant of the image.

# **DISABLED VETERANS PROJECT**



**H S Capital Foundation, LLC**

# **Disabled Veterans Project**

Prepared By:

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CEO/Founder

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H S Capital Foundation, LLC

Federal ID. No. 0450351299

# **Disabled Veterans Project**

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# **Disabled Veterans Project**

## **Background**

H S Capital Foundation (HSCF), LLC is a NJ Non-profit organization exclusively for Charitable purposes founded by John L. Washington who serves as the President/CEO. Mr. Washington has over 40 years of experience in Business and Economic Development.

In 2016, Mr. Washington was inspired to take bread to his church which he obtained from various sources throughout the city. His church was only available to receive the bread once a week. This created a challenge for Mr. Washington because he sourced an abundance of bread from multiple suppliers. To avoid allowing the bread to waste, Mr. Washington found another church that was in need. He then identified senior-citizen buildings that could benefit from receiving bread. He increased his effort by partnering with entities that were willing to donate food in addition to the bread.

Once he began taking food to the senior buildings, the program took off. Soon, he was giving food to 11 senior buildings, five churches and three homeless shelters. Mr. Washington would visit several buildings two to three times per week. He was feeding approximately 500 to 800 people on a weekly basis.

During his visits, Mr. Washington recognized that many men on the street were looking for a place to stay in addition to food. He was able to give them food but unfortunately he was unable provide them housing at that time. He would sit and talk to many of these gentlemen and they would share their stories and conditions. He learned from the staff at the homeless shelters that many of these gentlemen were veterans. He thought it was preposterous that veterans could be homeless. These were individuals who served their country, with some risking their lives in combat and yet they were forgotten by their country.

## **Disabled Veterans Project**

This experience inspired Mr. Washington to recognize that “Veteran’s Lives Matter” and to want to do more. The more became, the **Disabled Veterans Project** with a mission to provide homes for disabled veterans and their families.

Mr. Washington began by leveraging his business partnerships. He then identified eight potential properties that could be renovated to house disabled veterans and their families. A major partner in this effort is H Spirit Capital Management (HSCM), LLC. HSCM will serve as the developer on this project.

HSCM has an innovative approach to revitalizing the face/physical facilities of Urban Cities Colleges, and Universities through infrastructure improvement and debt structuring. This HSCM concept focuses on infrastructure development and improvements that are financed utilizing a Public Private Partnership (P3) and tax-exempt bonds. The HSCM model is a win-win strategy since it allows institutions, cities, and organizations to improve their infrastructure without financial liability.

HSCM brought along their Corporate Partners. Together they have planned, designed, financed, constructed, managed, and maintained over \$15 Billion in construction projects in twenty-two states. These projects have led to new and renovated facilities that have transformed the landscape of urban communities, university campuses and the programs/operations of organizations throughout NJ, NY, DE, DC, NC, and LA.

### **About Veteran’s Lives Matter Project**

Veteran’s Lives Matter Project’s plan is to build a mixture of studios, 1, 2, and 3- bedroom apartments. The eight identified properties would provide the opportunity to build between 1,200 to 1,500 apartments. The goal is to build 20,000 apartments in the New Jersey for disabled veterans and their families.

# Disabled Veterans Project

Each building will a combination of apartment sizes; a community service room; and fitness facility. This would provide veterans a location to host events, to gather, and to interact with their families. The apartment complex will include a communal garden where veterans will learn how to grow and harvest vegetables. This will provide holistic health and wellness as well as providing produce at no cost.

## **Why This Project Matters**

The hardest war is the one fought at home. Our war veterans are homeless.

When people think of disabled veterans they think of visible disabilities such as amputated limb, chronic pain condition, or orthopedic injury. But the “invisible wounds” such as traumatic brain injuries and post-traumatic stress syndrome (PTSD) are the greatest issue for veterans. Whether visible or invisible, these disabilities make it difficult for thousands of veterans to live a normal life and ultimately leading to veterans becoming homelessness. There is a definitive connection between a veteran being disabled and being homeless: **homeless veterans are disabled veterans.**

According to the Disabled Veterans National Foundation ([www.dvnf.org](http://www.dvnf.org)) approximately 53% of homeless veterans have disabilities. Many of these veterans suffer from mental disability or mental illness: substance abuse. It is definitive that disabled veterans are at a greater risk of becoming homeless.

Veterans who served in the Vietnam war are at a higher risk of becoming homeless due to their disabilities Veterans from more recent wars such as the Afghanistan and Iraq wars are also affected by visible and invisible issues related to combat that may lead to homelessness.

## **Disabled Veterans Project**

In addition to dealing with challenges due to their disabilities, veterans' also face difficulties like civilians when it comes to housing. Veterans struggle with the lack of affordable housing and economic hardship.

According to 2019 data compiled by the National Alliance to End Homelessness there were:

- Approximately 37,085 veterans experienced homelessness.
- Most of those veterans were without children but there were some with families.
- Majority of these veterans were single with a few having families
- Over 90% were men and the rest women.

According to the National Coalition for Homeless Veterans:

- 45% of homeless veterans are African American or Hispanic.
- 8.8% of the overall homeless veteran population is comprised of young veterans who served Post-9/11 in Iraq or Afghanistan.
- 1.4 million veterans are at risk of homelessness due to poverty, lack of support networks, and dismal living conditions in overcrowded or substandard housing.
- 68% homeless veterans are in urban areas.
- Over 50% of homeless veterans are disabled.
- 70% of homeless veterans suffer from substance abuse which is a disability.
- 9% of homeless veterans are women

Source: <https://www.vetshq.com/homeless-veterans/>

Progress has been made in housing homeless veterans but much more needs to be done as no veteran should be without housing. Much of the progress is due to the rapid re-housing through the programs provided by U.S. Department of Veterans Affairs, and Housing and

# **Disabled Veterans Project**

Urban Development (HUD). Several states such as Connecticut, Delaware, and Virginia have effectively ended veteran homelessness. Despite this progress, much more is needed to completely eradicate veteran homelessness. To achieve this, every community needs to implement a system with seamless processes to make it simple for veterans to transition from the homelessness to temporary housing to permanent housing.

The Disabled Veterans Project aims to assist New Jersey communities with housing their homeless veterans. *They served us. Now we must serve them.*

## **Property**

48 Lyonsville Road, Booton, NJ

11.2 acres (487,872 SF)

Single Family (40'x100' Lots)

487,872 SF x 0.75 / 4000 = 91 Homes

Assume 80 Homes (2000 SF 3-bedroom, 2-bath)

## **Project Financing**

HSCM, LLC and its partners agree to finance the **Disabled Veterans Project** through the sale of tax-exempt or taxable bonds. The partnership will provide interim funding necessary to cover short-term financial requirements. The interim funding will be repaid when the Bond sale is finalized.

## **Tax Abatement**

Prior to construction/development the partners will negotiate tax abatements with local municipalities based on the Payment in Lieu of Taxes (PILOT) / Long Term Tax Abatement Program. New Jersey created the PILOT program to help NJ municipalities efficiently and responsibly improve their ratable base and redevelop underutilize and dilapidated properties.



# **Disabled Veterans Project**

## **PILOT Program**

- PILOT Program allows municipalities to enter into agreements with redevelopers whereby the developers can make annual service charge payments in lieu of taxes (PILOT) instead of a conventional tax payment.
- These agreements can last for a maximum of 30 years.
- PILOT payments can be calculated as a percentage of revenue or a percentage of construction costs.
- A tax abatement is not a given, the project must evidence the need for the abatement to make the project feasible.

Full details about the PILOT Program can be provided upon request.

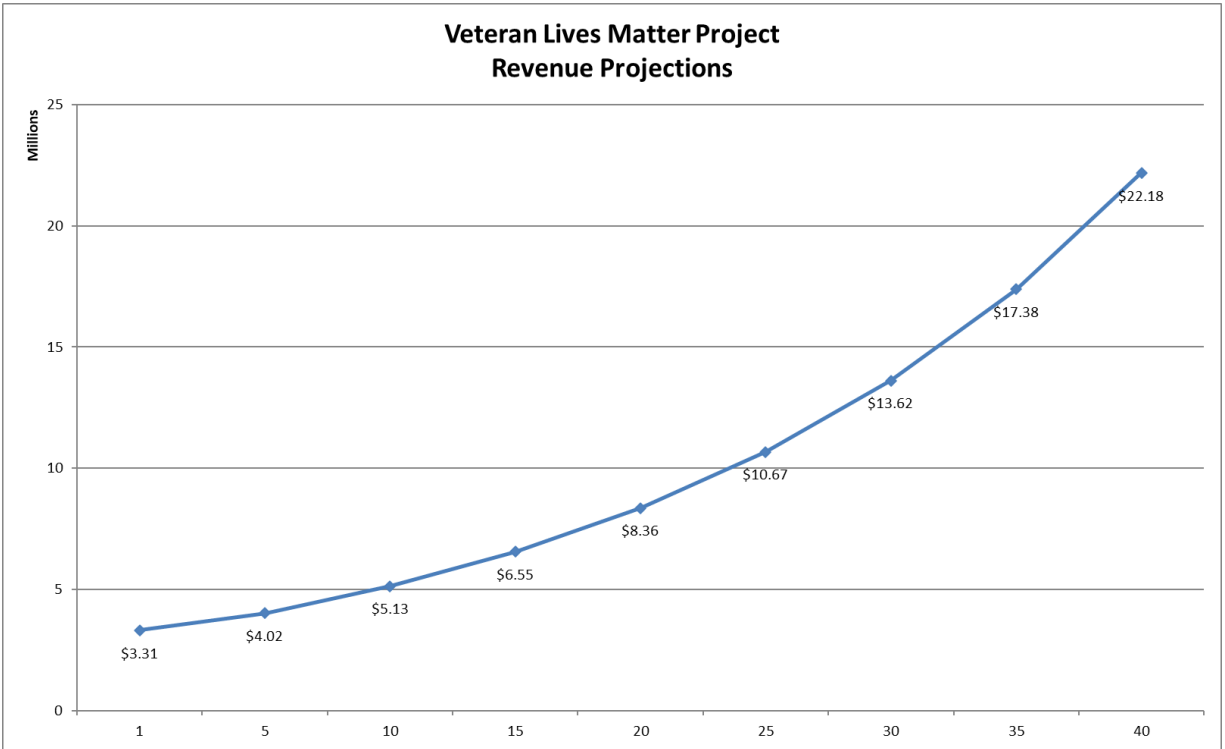
# Disabled Veterans Project

## Financial Projections

DISABLED VETERANS PROJECT						
Year	Gross Revenue	Operational Expense	Gross Profit	Loan/Tax Payments	Net Profit	Cummulative Net Profit
1	\$ 3,308,400	\$ 705,200	\$ 2,603,200	\$ -	\$ 2,603,200	\$ 2,603,200
2	\$ 3,473,820	\$ 716,720	\$ 2,757,100	\$ -	\$ 2,757,100	\$ 5,360,300
3	\$ 3,647,511	\$ 728,240	\$ 2,919,271	\$ -	\$ 2,919,271	\$ 8,279,571
4	\$ 3,829,887	\$ 739,760	\$ 3,090,127	\$ -	\$ 3,090,127	\$ 11,369,698
5	\$ 4,021,381	\$ 751,280	\$ 3,270,101	\$ -	\$ 3,270,101	\$ 14,639,798
6	\$ 4,222,450	\$ 762,800	\$ 3,459,650	\$ -	\$ 3,459,650	\$ 18,099,448
7	\$ 4,433,572	\$ 774,320	\$ 3,659,252	\$ -	\$ 3,659,252	\$ 21,758,701
8	\$ 4,655,251	\$ 785,840	\$ 3,869,411	\$ -	\$ 3,869,411	\$ 25,628,112
9	\$ 4,888,014	\$ 797,360	\$ 4,090,654	\$ -	\$ 4,090,654	\$ 29,718,765
10	\$ 5,132,414	\$ 808,880	\$ 4,323,534	\$ -	\$ 4,323,534	\$ 34,042,300
11	\$ 5,389,035	\$ 820,400	\$ 4,568,635	\$ -	\$ 4,568,635	\$ 38,610,935
12	\$ 5,658,487	\$ 831,920	\$ 4,826,567	\$ -	\$ 4,826,567	\$ 43,437,501
13	\$ 5,941,411	\$ 843,440	\$ 5,097,971	\$ -	\$ 5,097,971	\$ 48,535,472
14	\$ 6,238,482	\$ 854,960	\$ 5,383,522	\$ -	\$ 5,383,522	\$ 53,918,994
15	\$ 6,550,406	\$ 866,480	\$ 5,683,926	\$ -	\$ 5,683,926	\$ 59,602,920
16	\$ 6,877,926	\$ 878,000	\$ 5,999,926	\$ -	\$ 5,999,926	\$ 65,602,846
17	\$ 7,221,822	\$ 889,520	\$ 6,332,302	\$ -	\$ 6,332,302	\$ 71,935,148
18	\$ 7,582,913	\$ 901,040	\$ 6,681,873	\$ -	\$ 6,681,873	\$ 78,617,021
19	\$ 7,962,059	\$ 912,560	\$ 7,049,499	\$ -	\$ 7,049,499	\$ 85,666,521
20	\$ 8,360,162	\$ 924,080	\$ 7,436,082	\$ -	\$ 7,436,082	\$ 93,102,603
21	\$ 8,778,170	\$ 935,600	\$ 7,842,570	\$ -	\$ 7,842,570	\$ 100,945,173
22	\$ 9,217,079	\$ 947,120	\$ 8,269,959	\$ -	\$ 8,269,959	\$ 109,215,131
23	\$ 9,677,933	\$ 958,640	\$ 8,719,293	\$ -	\$ 8,719,293	\$ 117,934,424
24	\$ 10,161,829	\$ 970,160	\$ 9,191,669	\$ -	\$ 9,191,669	\$ 127,126,093
25	\$ 10,669,921	\$ 981,680	\$ 9,688,241	\$ -	\$ 9,688,241	\$ 136,814,334
26	\$ 11,203,417	\$ 993,200	\$ 10,210,217	\$ -	\$ 10,210,217	\$ 147,024,550
27	\$ 11,763,588	\$ 1,004,720	\$ 10,758,868	\$ -	\$ 10,758,868	\$ 157,783,418
28	\$ 12,351,767	\$ 1,016,240	\$ 11,335,527	\$ -	\$ 11,335,527	\$ 169,118,945
29	\$ 12,969,355	\$ 1,027,760	\$ 11,941,595	\$ -	\$ 11,941,595	\$ 181,060,540
30	\$ 13,617,823	\$ 1,039,280	\$ 12,578,543	\$ -	\$ 12,578,543	\$ 193,639,083
31	\$ 14,298,714	\$ 1,050,800	\$ 13,247,914	\$ -	\$ 13,247,914	\$ 206,886,997
32	\$ 15,013,650	\$ 1,062,320	\$ 13,951,330	\$ -	\$ 13,951,330	\$ 220,838,327
33	\$ 15,764,332	\$ 1,073,840	\$ 14,690,492	\$ -	\$ 14,690,492	\$ 235,528,819
34	\$ 16,552,549	\$ 1,085,360	\$ 15,467,189	\$ -	\$ 15,467,189	\$ 250,996,008
35	\$ 17,380,176	\$ 1,096,880	\$ 16,283,296	\$ -	\$ 16,283,296	\$ 267,279,305
36	\$ 18,249,185	\$ 1,108,400	\$ 17,140,785	\$ -	\$ 17,140,785	\$ 284,420,090
37	\$ 19,161,645	\$ 1,119,920	\$ 18,041,725	\$ -	\$ 18,041,725	\$ 302,461,815
38	\$ 20,119,727	\$ 1,131,440	\$ 18,988,287	\$ -	\$ 18,988,287	\$ 321,450,101
39	\$ 21,125,713	\$ 1,142,960	\$ 19,982,753	\$ -	\$ 19,982,753	\$ 341,432,854
40	\$ 22,181,999	\$ 1,154,480	\$ 21,027,519	\$ -	\$ 21,027,519	\$ 362,460,373
Totals over 40 Years	\$ 399,653,973	\$ 37,193,600	\$ 362,460,373	\$ -	\$ 362,460,373	\$ 5,044,946,235

**Table 1**

# Disabled Veterans Project



**Chart 1**

# **Disabled Veterans Project**

## **Our Approach**

HSCM assigns a project team that includes representation from its strategic partners. Our project team meets with the municipality's leadership to understand the municipality's current situation and strategy. If a formal situational analysis and strategy do not exist, HSCF and its partners M will assist the municipality with formulating both.

Our team may perform a thorough marketing study to assess any threats that may impact the project such as the rental market, occupancy goals and financial viability of the project. The outcome of this study is to assist the municipality and project team with better understanding veteran needs within the geographic area.

Should the study produce positive results, our team assesses all potential options then presents those options to the municipality's leadership team.

# Disabled Veterans Project

## Transaction Structure

The transaction structure for the development and financing of the Project is generally depicted in Exhibit A, and involves the following steps being taken, subject to modification as we work through the details of the Project:

1. The development parties shown in Exhibit A would commence predevelopment activities necessary to consummate the financing for the development of the Project, including due diligence, feasibility analysis, design and engineering, and transaction structuring.
2. In order to finance the development of the Project, **Key Bank** would make application to a duly qualified bond issuing authority to issue tax-exempt and/or taxable bonds (“PRG Bonds”) and loan the proceeds to the **Key Bank**. **Key Bank** would engage a designated experienced and reputable investment banking firm, such as Citigroup Global Markets to underwrite and/or place the Bonds.
3. Using the proceeds from the Bonds, **Key Bank** would engage its development partners to construct the Project.
4. The Project would be managed by H Spirit Capital Management along with certain agreed upon management services that may be provided by the partners or the municipality.
5. HSCF would participate in the net available annual surplus cash flow generated from the operations of the Project in an agreed amount to be negotiated by **Key Bank** and the HSCF.
6. Upon the retirement of the Bonds and all other obligations relating to the Project incurred by the **Key Bank**, HSCF would have the right to acquire the Project at a below-market purchase price. At the termination of the Ground Lease, the improvements at that time revert to the HSCF.

HSCF would not assume any responsibility for the operation, occupancy, or financial feasibility of the Project or payment of the Bonds. **Key Bank** would assume full

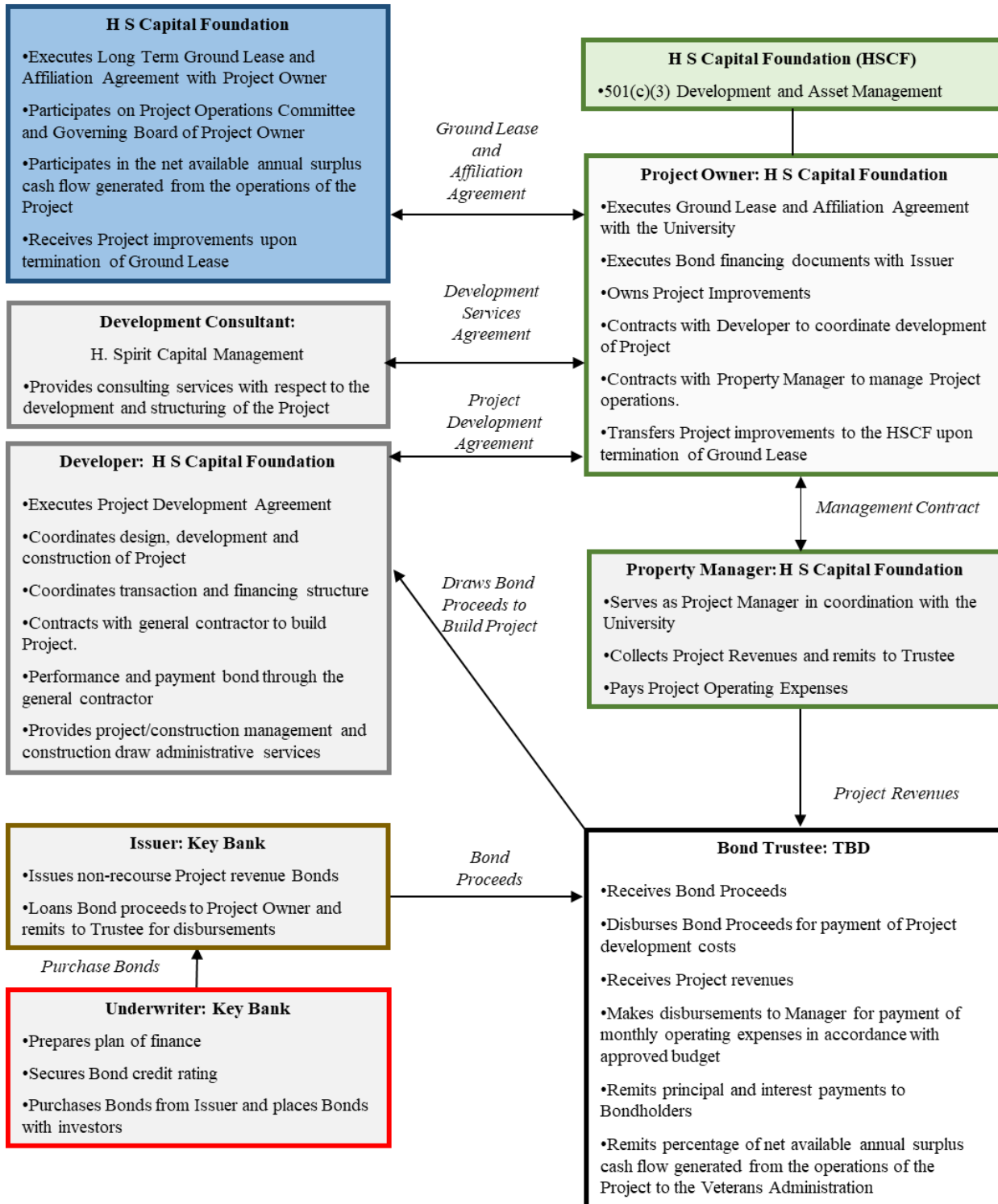
## **Disabled Veterans Project**

responsibility therefor. **Key Bank** would also be required to purchase all appropriate property, casualty and liability insurance and name HSCF as an additional insured on liability policies.

# Disabled Veterans Project

## Transaction Structure

**Exhibit A**  
Transaction Structure



# **Disabled Veterans Project**

## **Partners & Key Stakeholders**

### **H Spirit Capital Foundation – Bond Issuer**

H Spirit Capital Foundation is a national nonprofit corporation exempt from Federal income tax under Section 501(a) of the Internal Revenue Code, as an organization described in Section 501(c)(3) of the Code. H Spirit Capital Foundation charitable purposes include programs, activities and services that serve to advance education, including the development, construction, financing, acquisition, ownership, management, and operation of student housing and other capital facilities that serve the faculty, student body and/or staff of colleges and universities across the country.

### **Gibbons P.C. – Legal Counsel**

With more than 200 attorneys, Gibbons is a leading law firm in New Jersey, New York, Pennsylvania, and Delaware, ranked among the nation’s top 200 by The American Lawyer. Gibbons has been recognized nationally for its work – as, for example, one of only 20 law firms on the National Law Journal’s inaugural “Midsize Hot List” – as well as regionally. The New Jersey Law Journal has awarded Gibbons a “Litigation Practice of the Year” designation four times in recent years, in the class action, products liability, and commercial litigation categories and with the overall “General Litigation Practice of the Year” honor. Law360 has also highlighted the firm’s multidisciplinary litigation strength, and its contributions to several high-profile corporate transactions in the public and private sectors, in its “Regional Powerhouse” series. The firm has been certified as a great workplace by the independent analysts.



## **Disabled Veterans Project**

Gibbons provides a portfolio of legal services. Below are the legal areas that are relevant to HSCM's student housing projects.

**Real Property:** Gibbons provides real estate counseling and litigation services for all types of properties. Gibbons provides extensive real property practice handling sales, purchases, and development of properties, including office buildings, industrial and flex buildings, retail centers, apartment buildings, and hotels.

**Corporate:** Advising leading area and global corporations and other businesses and financial institutions on the full range of corporate law matters, including mergers, acquisitions, divestitures, restructurings, joint ventures, licensing, corporate finance, commercial lending, capital raising, regulatory compliance, corporate governance, tax, and complex business transactions requiring novel solutions, as well as serving as outside general counsel.

**Environmental:** Handling all areas of environmental law, including providing assistance with a variety of clients' litigation, regulatory, permitting, redevelopment, and transactional needs.

**Financial Restructuring & Creditors' Rights:** Representing creditors, debtors, and various fiduciaries in all aspects of complex business insolvency issues and proceedings, including federal bankruptcy proceedings; state court litigation involving receiverships, attachments, replevins, and foreclosures; out-of-court workouts and related debtor and

## **Disabled Veterans Project**

creditor relations counseling to resolve insolvency issues; and disputes outside of formal proceedings.

For more information visit: [www.gibbonslaw.com](http://www.gibbonslaw.com)

### **Greenwich Design Architects, Inc. – Architect**

President - Vitaly N. Sonkin, AIA, NCARB, RIBA

Vitaly N. Sonkin has had a strong hands-on role in architectural practice for more than thirty years in profession. Sonkin has designed a wide range of building projects in the United States and abroad, both design and construction.

Sonkin is a member of American Institute of Architects and Royal Institute of British Architects. His work has been published in trade publications and won public competitions. He is certified by the National Council of Architectural Registration Board and is registered to practice in many States throughout the United States. He has a Master's Degree in Architecture from NTU, Minsk, USSR.

This experience and diversity of projects for which the principal have been responsible - integrated in the foundation for establishment of Greenwich Design, Architects.

For more information visit: [www.greenwichdesignarchitects.com](http://www.greenwichdesignarchitects.com)

### **Jersey Job Bank, LLC – Compliance**

Jersey Job Bank, LLC will be the company to provide and monitor that veterans and their families can participate in the construction of this project.

## **Disabled Veterans Project**

Under Affirmative Action, 30 percent (30%) of all contracts in the State must go to a minority, female or veterans and coincide with the Federal Davis Bacon Act. Jersey Job Bank will monitor to insure that is carried out.

HSCF will collaborate and work with Jersey Job Bank to help minorities and females earn salaries to support themselves and families and contribute to the local economy.

### **John L. Washington, HSCF CEO & Founder**

Mr. Washington has over 40 years of creating and managing successful mid-sized retail, commercial and construction enterprises in several industries. Driven by an entrepreneurial spirit, he created his first business at the age of 20. Upon graduation from Delaware State University with a Bachelor of Science in Business Education, he launched his first retail business at the age of 22.

Mr. Washington was introduced to the field of construction and development at the age of 12 working with his father, Robert Washington. The senior Washington was a graduate of Voorhees Technical School, now Voorhees College in South Carolina and achieved the certification and designation of Master Mason. Mr. Washington built upon his father's legacy and went on to launch Tiffany Construction Inc., a heavy construction company. His company performed infrastructure (roads, bridges, sewers, water lines, etc.) projects for New Jersey municipalities and New York City. Tiffany was later renamed to J.L. Washington Builder and Developer, Inc.

Mr. Washington opened his first pharmacy in 1991 and grew that business to an additional location in Elizabeth, NJ. Continuing to serve the medical needs of the community, he opened additional pharmacies and medical clinics in Newark and Elizabeth. He expanded

## **Disabled Veterans Project**

his enterprise by opening a beverage company, and a construction company both based in NJ followed by a retail business in Sag Harbor, Long Island.

In 2009, Mr. Washington launched Jersey Job Bank and focused his attention on the under-representation of minority and females in NJ's construction jobs supported with government funding. Jersey Job Bank was the only Non-Governmental Organization that monitors compliance with State and Federal Affirmative Action Rules and Regulations in NJ.

In 2014, Mr. Washington founded, H. Spirit Capital Management, LLC (H. Spirit), which provides colleges and universities with funding and management support to build new on-campus dormitories, classroom, and auxiliary space. Collaborating with the Congressional Black Caucus and other members of Congress, H. Spirit is pursuing tax abatements for investors in these on-campus initiatives. A further objective is to ensure that 50 percent of the construction workers on these projects are minorities and females.

# **Disabled Veterans Project**

For additional information contact:

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**CEO, Founder**

**H S Capital Foundation, LLC**

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