

## Affordable Housing Fund (AHF) Application

This application form should be used for projects seeking City of Madison AHF funds. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on July 15, 2021**.

Email to: [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com)

### APPLICANT INFORMATION

Proposal Title:	Courtyard Lofts		
Amount of Funds Requested:	\$2,000,000	Type of Project:	<input checked="" type="checkbox"/> New Construction <span style="margin-left: 50px;"><input type="checkbox"/> Acquisition/Rehab</span>
Name of Applicant:	Gorman & Company, LLC		
Mailing Address:	200 N. Main Street, Oregon, WI 53575		
Telephone:	608-835-3900	Fax:	608-835-3922
Admin Contact:	Colin Malin	Email Address:	cmalin@gormanusa.com
Project Contact:	Ted Matkom	Email Address:	tmatkom@gormanusa.com
Financial Contact:	Duane Buscher	Email Address:	dbuscher@gormanusa.com
Website:	gormanusa.com		
Legal Status of Maj. Owner::	<input checked="" type="checkbox"/> For-profit <input type="checkbox"/> Non-profit		LIHTC Application: <input checked="" type="checkbox"/> 4% <input type="checkbox"/> 9%
Anticipated WHEDA Set-Aside:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Preservation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Supportive Housing		
Federal EIN:	82-3739186	DUNS #:	081077405

### AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <https://www.cityofmadison.com/civil-rights/contract-compliance/affirmative-action-plan/individual-developers>.

### LOBBYING RESIGTRATION

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF, or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000. You may register at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>.

### CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520.

If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

### SIGNATURE OF APPLICANT

Enter Name: Edward (Ted) Matkom

By submitting this application, I affirm that the statements and representations are true to the best of my knowledge.

By entering your initials in this box **[EBM]** you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Date: 7/14/2021

## PROPOSAL DESCRIPTION

1. Please provide an overview of the proposal. Describe the impact of the proposed development on the community as well as other key characteristics.

This proposal consists of the adaptive reuse of the existing Madison Plaza Hotel into affordable apartment homes targeting individuals and families in need of stable affordable housing. In an era of rising construction costs we believe this strategy to be one that not only reduce the cost per unit, but will offer an accelerated timeline as well.

2. Please describe the following aspects of the proposed development:

Type of Project: ☐ New Construction ☒ Acquisition/Rehab or Preservation  
 Type of Project: ☒ Multi-family ☐ Senior (55+ or 62+ yr. old): \_\_\_\_\_

Total number of units: 105

Total number affordable of units (<60% CMI): 105

Total % affordable of units (<60% CMI): 100

Total amount of AHF requested per affordable unit: \$19,048

Number of units supported by Section 8 project-based vouchers, if known: 0

PBV CMI level: 0

Length of Period of Affordability Commitment (min. 40 years): 40 years

## AFFORDABLE HOUSING INITIATIVE FUND GOALS & OBJECTIVES

3. Please check which of the following goals outlined in the Request for Proposals are met with this proposal:

- ☒ 1. Increase the supply of safe, quality, affordable rental housing throughout the City that ensures long-term affordability and sustainability.
- ☐ 2. Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability.
- ☐ 3. Improve the existing rental housing stock in targeted neighborhoods through acquisition/rehab to create long-term affordability and sustainability.

## AFFORDABLE HOUSING NEEDS

4. Describe your knowledge of and experience in identifying affordable housing needs of the City of Madison.

Gorman & Company has extensive knowledge of Madison neighborhoods and the demand for affordable housing, which has only increased in recent years. Gorman has been developing affordable tax credit housing in Wisconsin since 1984. We developed, own, and manage multiple properties in Madison and the surrounding area, including Carbon at Union Corners (90-unit LIHTC development completed in fall 2017), Union Corners Grandfamily (60 units LIHTC completed in fall 2019), and Valor on Washington (59 units LIHTC, will be complete in summer/fall 2021). In total, Gorman has developed 15 properties in Madison. We are experienced in the entitlement process with the City and value the participation of the neighborhood. After being selected as developer for Union Corners, we conducted numerous meetings as part of the master planning process as well as additional community outreach for Carbon. We have also participated in several neighborhood meetings and steering committee meetings with the Tenney Lapham Neighborhood Association (TLNA) for Gorman's Valor on Washington project.

5. Please describe the anticipated demand for the proposed target populations served in this location.

This development will serve individuals and families making as little as thirty percent of the Area Median Income (AMI). The demand for affordable housing in the Madison area has long been extremely high, with households making forty percent or less of AMI being the most likely to spend more than 50% of their income on housing. A full market study will be completed for the WHEDA application later this fall and will be made available to the City staff for review.

## INTEGRATED SUPPORTIVE HOUSING UNITS

6. Provide the number and percent of Integrated Supportive Housing Units proposed, the income category(ies) targeted for these units, and the target service population(s) proposed (e.g., households currently experiencing homelessness)

listed on the Community-wide Prioritized List, veterans, persons with disabilities, formerly incarcerated individuals, other, etc.).

Twenty percent (21) of the units at this development will be designated as Integrated Supportive Housing Units affordable to very low income individuals. For these units the targeted population will be extremely low-income seniors that are veterans and/or have a disability, and are in need of stable, accessible, affordable housing.

7. Please describe your proposed integrated supportive housing approach that will go beyond meeting WHEDA's supportive housing requirements outlined in the Appendix S Checklist of the WHEDA Qualified Allocation Plan targeting veterans and/or persons with disabilities. Please elaborate on which target populations you plan on serving and what supportive service partnership approach(es) you will use.

As described above, the targeted population for the supportive housing units will be extremely low-income individuals and families, including veterans and their families. Referrals and services will be coordinated with a number of partners as outlined in the response below. Lutheran Supportive Services will provide supportive services, coordination, and referrals for the development. In addition, the development will emphasize outreach to ensure th ehousing is available to a diverse cohort of Madison-area residents.

8. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) for the supportive housing units, including service provider(s) from the Continuum of Care (see Attachment C), if applicable. Provide a detailed description of the type (e.g., assessment and referral, on-site intensive case management, etc.) and level of supportive services (% FTE and ratio of staff:household) that will be provided to residents of the proposed project.

It is anticipated this development will be a partnership between Lutheran Social Services and Gorman and Company, with LSS serving as 51% owner of the MM and service provider. LSS will provide wraparound service provision and coordination, linking residents to supportive community services with a desired outcome of keeping them in stable and safe housing. There will be a service coordinator that is available on site to provide case management and facilitate educational opportunities tailored to meet the unique needs of each resident. These needs and wants will be initially determined in an intake assessment to those who volunteer to engage in the process, and will be monitored through the case management process.

9. In order to ensure the success of the development, the partnership(s), and the tenants, describe the level of financial support that the development will provide annually to the identified supportive service agency/agencies, if applicable. Attach a letter from the service provider(s) detailing the services they intend to provide to residents of the supportive housing units, the cost of those services and how those services will be financially supported (i.e., through the development, fundraising, existing program dollars, etc.).

Lutheran Social Services (LSS) is a co-applicant for this funding and is a permanent stakeholder as part of the long term ownership of this development. LSS will own 51% of the Managing Member entity and will have a right of first refusal to purchase the project. They will receive a portion of developer fee, cash flow, and residual value as part of their participation in the project and as compensation to act as a coordinator of programming services and activities for residents.

10. Identify any sources of non-City provided funding sources contemplated for supportive services.

As mentioned in the above response funding for the supportive services at this development will come from Lutheran Social Services portion of the developer fee, cash flow, and residual value. Due to the number of joint ventures in the Madison area between LSS and Gorman an agreement between the parties has been reached where Gorman provides LSS a yearly amount to track and provide the AHP empowerment services for this portfolio.

11. Describe how the development will help pay for or subsidize supportive services provided by the identified supportive service partner(s). CDD expects that supportive service partners have access to adequate compensation for the dedicated services provided to residents of the development. Explain any arrangement with developer fee sharing, "above the line" payments in the operating budget, and "below the line" payments out of available cash flow. CDD is open to deferral of AHF Cash Flow Note payments in favor of providing meaningful financial support to supportive service partners. What is the minimum required rent to income ratio?

A plan for how the services will be financially supported is included in the above response.

## TENANT SELECTION, AFFIRMATIVE MARKETING & BARRIERS TO ENTRY

12. Describe your plans to incorporate flexible tenant selection criteria for households who are connected to supportive services, in order to provide housing opportunities for persons or families who would otherwise face common

obstacles obtaining housing (e.g., poor credit, negative rental history, criminal conviction records, etc.). Specifically outline how this proposal embraces the City of Madison Tenant Selection Best Practices (Attachment B-1 of the RFP) and provides the maximum feasible flexibility in tenant selection to the general population and supportive service units.

Gorman & Company, as property manager, will draft a tenant selection plan that includes City of Madison Best Practices. This includes clearly outlining income and occupancy criteria, standards for credit reports and housing history, preferences/age restrictions, and the waitlist process. The TSP will also comply with the Violence Against Women Act (VAWA).

Gorman management will utilize tenant screening policies to achieve flexibility and accommodations for resident applicants with barriers to housing. In making any determination with respect to an applicant admission, Gorman & Company shall work with the Applicant so as to not reject such Applicant unless a preponderance of the information available demonstrates that such Applicant, if admitted, would be likely to interfere with other residents in such a manner as to diminish their enjoyment of the premises, adversely affecting their health, safety or welfare, the physical environment, or the financial stability of the Property. Specifically, Gorman will not deny an Applicant solely based on:

- Lack of housing history
- A low credit/screening score provided the Applicant has a qualified cosigner or is enrolled in a credit repair program.
- Information on a credit report that is or has been formally disputed, in repayment, or unrelated to a past housing or housing utility obligation.
- The applicant owes money to a prior landlord for rent or damages or to a utility company, provided the applicant has entered into a payment arrangement with the debtor and is current on the repayment arrangement.
- The applicant has a criminal conviction other than for a violent criminal action or other activity that would threaten the health, safety, or right to peaceful enjoyment of others.

In all instances where unfavorable information would cause an Applicant family to fail to meet the screening criteria set forth above, best efforts will be made to obtain mitigating information from all available sources. Sources of information may include, but are not limited to: landlord, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where warranted by particular circumstances and as allowable by law.

Please note, all Tenant Selection Criteria must be in compliance with Section 42 regulations

13. Describe the planned approach, relationship and coordination between the Property Manager and the lead Supportive Service Coordination Agency for lease up and ongoing services. How will these entities work together to ensure a successful development in the context of the greater neighborhood and community?

Gorman & Company has extensive property management experience, working with a variety of different populations and ensuring all needs are met by residents. Similarly, Gorman & Company routinely has partnered with resident service providers and has developed a successful partnership model that fosters open communication and feedback in order to create the best outcomes for residents. Gorman & Company and LSS will be true partners and stakeholders in the development to ensure the units are collaboratively designed with universal design concepts and managed in a way that will fully optimize an affordable housing complex to address resident needs.

14. Describe the proposed development's minimum occupancy standards (1 pp per BR) that will prevent or reduce over-housing residents in such limited affordable housing opportunities. See Tenant Selection Plan Best Practices.

The proposed minimum occupancy standard is one person per bedroom.

15. Describe your affirmative marketing strategy and any other strategies to engage your intended population. Specifically outline how you will embrace the City of Madison's Affirmative Marketing Plan Best Practices (Attachment B-2 of the RFP), especially for Asian and Latinx populations which tend to be under-represented in AHF Completion Reports.

The targeted population for the supportive housing units will be extremely low-income individuals and families, including veterans and persons with a disability. Referrals and services will be coordinated with a number of partners, with particular care taken to ensure wide-reaching outreach into Asian and Latinx communities in Madison.

16. How will you affirmatively market to populations that will be identified as least likely to apply? Please reference successful past practices, relationships with agencies and/or marketing materials used.

Maintaining our management company within the Gorman & Company umbrella allows us to customize our tenant selection criteria to our specific target population while conforming to investor and Section 42 compliance regulations. The philosophy of the management division is to create an environment where regional managers are accountable for the operations of their portfolio, and property managers are expected to operate their property as a small business within authorized budgets and guidelines.

We serve a variety of incomes ranging from extremely low income to unrestricted market rate, forms of rental assistance, and tenant populations. Gorman Property Management, LLC has extensive experience operating properties with Veterans preference, and has a deep understanding of compliance monitoring for different forms of assistance such as Project Based Vouchers and VASH Vouchers.

Gorman provides thorough training for both tenured team members and new team members. The training is completed through different methods including webinars, seminars, individual training, and online programs through a third party. Our in-house Training Manager, as well as third party resources, administer the training. Several of the third party resource provided trainings are subsequently certified. All team members attend a two-tiered in-house training for LIHTC as well as classes offered by state agencies; seminars at state agency conference, and third party programs and classes.

All compliance, upper management, and several key site team members have certifications such as COS, HCCP, RAD PBV and Multifamily Housing Specialist. Third parties such as Theopro and Nan McKay provide training for these certifications. Continuing education is provided for staff to keep abreast of changes throughout the year.

Gorman as property manager has experience and interaction with multiple nonprofits and agencies in the Madison area that serve both families and seniors. This includes the Community Action Coalition, Joining Forces for Families, VA Homeless Program, YWCA, Porchlight Veterans program, and Housing Initiatives. Asian and American Indian populations are often identified as least likely to apply, therefore outreach will also include organizations such as Freedom, Inc.; ConNEXTions; Asian Outreach Program; and the Native American Center for Health Professions

17. Describe the proposed development's security deposit policy (e.g.,  $\frac{1}{2}$  or 1x's rent, other set amount(s), criteria for variations if credit is conditional, etc.). Is the higher deposit policy waived for households with a guaranteed rent subsidy or voucher?

Gorman & Company will adopt the Security Deposit policy as set forth in the AHF-TC: 2021 Rental Housing Development Attachment B-1.

18. What percentage of maximum LIHTC rents are used for 50 & 60% units? Describe the proposed development's policy on limiting rent increases for lease renewals? How will prospective long-term tenants be protected from significantly and rapidly rising contract rents allowed by WHEDA?

The 50% units are at 98% of Sec. 42 limits and the 60% units are at 95% of the limit in our current model. The current proforma shows rent increases limited to two percent per year.

## PUBLIC BENEFIT AND RISK

19. Please describe the public benefit of the proposed housing development and the risks associated with the project.

The goal of this development is to provide safe, stable, affordable housing to low-income individuals and families. By partnering with an experienced social service provider the residents will have access to support and resources that are tailored to their unique goals. This property is combined nearly \$1M tax delinquent to Dane County and the City of Madison. This will be paid as a part of the transfer of the property.

A unique risk of this development is the public perception of transforming an existing hotel into apartment homes. Our intention is to reuse this building in a way that will result in units that are of similar quality to those at Gorman's new construction affordable housing developments, not place people in hotel-style rooms for long term housing.

**SITE INFORMATION**

20. Address of Proposed Site: 3841 East Washington Avenue, Madison WI 53704

21. In which of the following areas on the Affordable Housing Targeted Area Map (see Attachment A) is the site proposed located? Please check one.

- ☒ Super-Preferred Area (New Construction Only)  
☐ Preferred Area (New Construction Only)  
☐ Eligible Area (New Construction & Acquisition/Rehabilitation)  
☐ Targeted Rehab & Preservation Area (Ineligible for New Construction, but preferred for Acquisition/Rehabilitation and Demolition/Reconstruction)

22. Identify the neighborhood in which the site is located: Mayfair Park, bordering Westchester Gardens

23. Date Site Control Secured: 7/14/2021

24. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities where most needed. Describe the neighborhood and surrounding community. Provide the streets of the closest major intersection as well as known structures/activities surrounding the site that identifies where the site is located. (Attach a map indicating project location. Include one close-up map of the site and a second map using the AHF Targeted Area Map to show the site in the context of the City.)

This site was selected as it presents a unique opportunity in a time of rising construction costs to expeditiously deliver quality affordable housing by reducing the construction scope. The shell and common areas of the building will be able to remain with minor adjustments, while the existing hotel rooms will be combined and renovated to become full apartment units. Gorman's intent with this project is to provide the City of Madison a demonstration of an alternative housing form as outlined in the low-income rental recommendations of the 2016 Biennial Housing Report.

The site's proximity to neighborhood amenities such as grocers, parks, schools, and a community center would allow residents easy access to these services. With frontage on East Washington, public transit opportunities are plentiful and will only improve in Madison elects to implement a BRT system. The closest major intersection to the site is East Washington Avenue and Lien Road, due NNE of the site.

25. Identify any existing buildings on the proposed site, noting any that are currently occupied. Describe the planned demolition of any buildings on the site, if applicable.

The site has a hotel building that will be terminating operation. The proposal is to, through an extensive process, reuse the building as affordable apartment homes. We are not planning to demolish any buildings on the site.

26. Identify the distance the following amenities are from the proposed site.

<b>Type of Amenities &amp; Services</b>	<b>Name of Facility</b>	<b>Distance from Site (in miles)</b>
Full Service Grocery Store	Aldi	.07
Public Elementary School	Hawthorne Elementary	.7
Public Middle School	Anne G Whitehorse Middle School	1.88
Public High School	East High School	2.35
Job-Training Facility, Community College, or Continuing Education Programs	Madison Area Technical College	.55
Childcare	Sunny Ridge Kids Childcare	.99
Public Library	Madison Public Library, Hawthorne	1.9
Neighborhood or Community Center	East Madison Community Center	.53
Full Service Medical Clinic or Hospital	Access Community Health Center	.69
Pharmacy	Hy-Vee Pharmacy	.1
Public Park or Hiking/Biking Trail	Reindahl Park	.34
Banking	Home Savings Bank	.19
Retail	Preplayed Madison East	.09

Other (list the amenities):	Community Living Alliance	.35
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27. What is the actual walking distance between the proposed site and the nearest seven-day per week transit stops (i.e. weekday and weekends)? List the frequency of service at that bus stop during both the weekday and on the weekends (e.g., hourly, ½ hour, commuter hours). List the bus route(s) numbers, seven-day transit stop street intersections and describe any other transit stops (include street intersections and schedule) located near the proposed site. Please do not include full bus schedules.

The closest transit stop with seven-day per week service is located just south of the intersection of Lien Road and East Washington Ave, a walking distance of approximately 630 ft from the entrance to the building. The stop is serviced by Metro Route 20, with half-hour service starting at 6:00 AM and ending at 10:00 PM on weekdays and 6:30 AM - 10:00 PM on weekends. There are stops serviced by routes 06 and 23 within a quarter of a mile from the site as well.

28. Describe the walking and transit routes for children to get to their elementary and middle schools.

Due to its location on East Washington Avenue it is unlikely young children will be walking to and from school but if they were to choose to do so the walking distance to Hawthorne Elementary School is approximately nine tenths of a mile. Students would need to cross Stoughton Road at East Washington to make the journey. Alternatively students would be able to walk to the bus stop at East Washington and Mendota, board the 06, and disembark at the stop at East Washington and Schmedeman. This route eliminates all road crossings for elementary students. For students to reach Anne G Whitehorse Middle School they would board the 20 at East Washington and Lien and take it to the North Transfer Point. From there they would board the 17 to get to the East Transfer Point. From there it is either a half-mile walk crossing Milwaukee Street at Corporate Drive, or the students could board the 31 to take them to Walter & Richard, approximately a quarter of a mile from the front door of the school.

29. Describe the transit options for people to access employment and amenities such as childcare, after school activities, grocery stores, the nearest library, neighborhood centers, and other amenities described above.

Situated along a major retail corridor, this site offers plenty of employment opportunities for residents within walking distance as well as ample public transit options to reach job opportunities further afield. The building is sandwiched between two full service grocery stores, Hy-Vee (including a pharmacy) and ALDI. The 06 bus offers quick transportation between the corner of East Washington & Mendota and Wright & Madison College to reach Madison Area Technical College.

30. Describe the impact this housing development will have on the schools in this area. What percent are the current enrollment and 5-year projected capacities for the area schools? Ideal enrollment is considered 90%. Are the schools projected to be at, above, or below capacity? Approximately how many elementary and middle school children are projected to live at the proposed housing development based on your proposed unit mix and previous housing experience. 2019 school capacity information can also be found at:

[https://accountability.madison.k12.wi.us/files/accountability/uploads/2019-11\\_fall\\_enrollment\\_reports.pdf](https://accountability.madison.k12.wi.us/files/accountability/uploads/2019-11_fall_enrollment_reports.pdf)

The development has 15 3BR townhome units aimed at low-income families in need of safe, stable, and affordable housing.

Hawthorne Elementary is currently at 81.8% capacity, with a five year utilization of 73.7% predicted. Based on previous experience, we do not anticipate a number of students at this development that would push either of those to over 90%.

Whitehorse Middle School is at even lower levels, 70% and 51.3% respectively. Again, we do not anticipate having a number of children in our development that would cause these numbers to go over 90%.

31. Describe the historical uses of the site. Identify if a Phase I Environmental Site Assessment has been completed and briefly summarize any issues identified. Identify any environmental remediation activities planned, completed, or underway, and/or any existing conditions of environmental significance located on the proposed site.

The site is currently being used as a hotel. A Phase I ESA will be ordered as a part of lender and investor due diligence. No environmental conditions are currently known to exist on the site.

32. Current zoning of the site: CC-T An interactive version of the Zoning Map can be found linked [here](#).

33. Describe any necessary planning and zoning-related approvals (rezoning, conditional use permit, demolition, etc.) that must be obtained for the proposal to move forward.

The property is currently zoned as a Commercial Corridor - Transitional District. Multi-family dwellings with >8 units are a conditional use in these districts. Based on our pre-application meeting with zoning staff it was unclear what the land-use approval process will be for a hotel transformation. We are looking forward to receiving further guidance during our Development Assistance Team meeting.

34. Describe the proposed project's consistency with adopted [plans](#), including the City of Madison Comprehensive Plan (adopted 2018), Neighborhood Plan(s), Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant [plans](#).

The Greater East Towne Area plan is still being drafted but based on the published PowerPoint from May 24<sup>th</sup> and 26<sup>th</sup> 2021, this project is consistent with the goals outlined. This site is located on the planned BRT corridor that runs on East Washington and is a creative reuse of a viable building. The draft land use concept outlined in the PowerPoint this area is slated for Community Mixed Use, allowing up to 130 units per acre.

## CITY AND COMMUNITY ENGAGEMENT PROCESSES

35. Briefly summarize the staff comments during your Pre-application meeting with City of Madison Planning and Zoning staff. Please include the date.

In the pre-application meeting (7/7) for this project the targeted population for this project came up. At the beginning of the meeting it was undecided whether to pursue this project as a Permanent Supportive Housing deal or a more traditional WHEDA financed LIHTC development. Based on comments from City staff we've decided to move forward with this deal as a traditional LIHTC development with an emphasis on low-income eligibility (30%, 50%, and 60% AMI, no market rate)

36. Have you presented to the City's Development Assistance Team (DAT)? If so, please summarize the staff comments to your proposal and reference the date of the presentation. If not, what is the anticipated date of the DAT presentation?

We have not yet met with the Development Assistance Team. We are scheduled to meet with them on 7/22 and look forward to hearing comments on our proposal.

37. Describe the response of the alderperson in which the proposal is located, as well as the adjacent alderperson(s), if applicable. What issues or concerns with the project did s/he identify, if any? How will those be addressed?

We've been making attempts to reach Alderman Halverson for his input on our proposal but have not heard anything back.

38. Describe the neighborhood and community input process, including notification to and input from the nearby Neighborhood Association(s), already underway and planned. What issues or concerns with the project has been identified, if any? How will those be addressed?

We've elected to wait until after we speak with Alderman Halverson to begin communications with the neighborhood groups. While the neighborhood groups input is valued and it is not our intention to perscribe, we want to make sure we come to them with a clear vision that has the Alder's blessing.

39. Amid the environment created by the COVID-19 pandemic, how will you engage and communicate with residents and stakeholders differently than in years past?

With the availability of the vaccine we believe that in person meetings will continue to be able to be held. If this were to change, Gorman has developed experience with using virtual platforms to receive input from community members and stakeholders over the past year.

40. Describe your plans for supplemental neighborhood meetings and other ways of engaging residents. How will residents be engaged or given the opportunity to participate in the design process (e.g., steering committee, charrette, survey, presentations, website, etc.)?



Gorman has developed a reputation in Wisconsin and other core markets for being a strong partner with non-profit organizations, housing authorities, and local government agencies. Gorman prides itself on being innovative problem solvers, quickly adapting to changes in the affordable housing financing environment to capture resources necessary to implement any given project or community priority. To maximize stakeholder involvement, meetings will be held during the early stages of the process to provide an overview and collect relevant input. Additional meetings will be run/held regularly throughout the planning and implementation of the development. Partnerships will be sought to identify resources to meet the outstanding needs of the residents in the areas of education, health, safety, employment, mobility, etc. At our Union Corners projects, a series of organized neighborhood meetings were held to work with various community stakeholders on the design various uses of the various phases of the projects.

41. Describe how this development will promote social equity in the community and the greater Madison area. How will the proposal embrace the City's [Racial Equity and Social Justice Initiative](#)?

We pride ourselves in training our non-profit and public sector partners on the development process and in dealing with highly complex elements of federal government programs and financing mechanisms such as the Rental Assistance Demonstration ("RAD") program. We are also a national leader in job training of low- and moderate-income residents who reside in the vicinity of our construction projects.

42. Have you or will your development team be willing to provide a meaningful intern or employment opportunity to a student or graduate of the Associates in Commercial Real Estate (ACRE) program on this or another project? If so, describe how your development team will address this priority?

We will commit to providing a meaningful intern or employment opportunity for a student or graduate of the ACRE program.

## SITE AMENITIES

43. Describe the exterior amenities that will be available to tenants and guests (e.g., tot lot or play structure, outdoor exercise equipment, patio, permanent tables and chairs, greenspace, grill area, gardens, etc.).

The existing hotel building has an interior courtyard that we would be retained as community space as a part of the reuse. Potential uses for this space could include a play structure, tables and chairs, a dog area, and green space. Further decisions as to what this valuable outdoor space will be used for will be made after more community and stakeholder input. It is not our intention to prescribe what we feel is best, but to listen to what potential residents and other community members want.

44. Describe the interior common area amenities that will be available to tenants and/or guests (e.g., community rooms, exercise room, business center, etc.). What parking will be provided and at what cost? Will the cost vary by CMI level? For family developments, will there be a year-round indoor play space for children?

The hotel's interior common area amenities include a community room, a fitness center, and an indoor pool. Due to the high operating costs it is unlikely our final design will retain the pool. This will allow for another community room that could be designated as a year-round indoor play space for children.

45. For proposals contemplating first floor commercial space, describe if/how the space is planned for a neighborhood- or community-enhancing tenant (e.g. childcare, senior center, community facility, etc.). Describe if a prospective tenant or use has already been identified or how a prospective tenant will be found and will help inform the space's design.

N/A

46. Describe the interior apartment amenities, including plans for internet service (and cost to tenants, if any) and a non-smoking indoor environment throughout the building.

A unique challenge of this development will be transforming the units so they don't feel like hotel rooms. Each unit will have a full bath and kitchen, with Energy Star appliances as cost allows. Rooms will have similar features to all other Gorman properties completed in recent years in the Madison area, such as Union Corners, Valor, and 1141 Main Street in Sun Prairie. We are committing to in-unit internet at no cost to the tenants per the WHEDA scoring below. All units and interior common areas will be smoke-free.



**PROPOSAL TIMELINE**

47. Please list the estimated/target completion dates associated with the following activities/benchmarks to illustrate the timeline of how your proposal will be implemented.

<b>Activity/Benchmark</b>	<b>Estimated Month/Year of Completion</b>
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT) [ <i>Target/Actual Month/Date</i> ]	Target 7/16/2021
1 <sup>st</sup> Development Assistance Team/ Meeting (Due by 8/6/21) [ <i>Target/Actual Month/Date</i> ]	Target 7/22/2021
1 <sup>st</sup> Neighborhood Meeting (Due by 8/19/21) [ <i>Target Month/Date</i> ]	Target 8/10/2021
Submission of Land Use Application (Zoning Map Amendments Due by 9/15/21)	Target 8/1/2021
Submission of Land Use Application (Permissively Zoned Due by 10/6/21)	N/A
Plan Commission Consideration (If Rezoning, Due by 11/22/21 for 12/7/21 Common Council)	10/1/2021
Urban Design Commission Consideration, if applicable [ <i>Target Month/Date</i> ]	N/A
Application to WHEDA	Fall/Winter 2021
Complete Equity & Debt Financing	Dec. 2022
Acquisition/Real Estate Closing	Dec. 2022
Rehab or New Construction Bid Publishing	Oct. 2022
New Construction/Rehab Start	Jan. 2023
Begin Lease-Up/Marketing	Mar. 2024
New Construction/Rehab Completion	Apr. 2024
Certificates(s) of Occupancy Obtained	Apr. 2024
Complete Lease-Up	Jul. 2024
Request Final AHF Draw	Apr. 2024

**HOUSING INFORMATION & UNIT MIX**

48. Provide the following information for your proposed project. List the property address along with the number of units you are proposing by size, income category, etc. If this is a scattered site proposal, list each address separately with the number of units you are proposing by income category, size, and rent for that particular address and/or phase. Attach additional pages if needed. Please state utility allowance assumptions & source in the notes.

<b>ADDRESS #1:</b>		<b>3841 East Washington Avenue</b>									
		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	21	0	17	4	0	0		580	945		
40%	0	0	0	0	0	0					
50%	42	0	20	7	15	0		945	1137	1314	
60%	42	0	13	23	6	0		1100	1322	1527	
<b>Affordable Sub-total</b>	<b>105</b>	<b>0</b>	<b>50</b>	<b>34</b>	<b>21</b>	<b>0</b>					
80%	0	0	0	0	0	0					
<b>Market*</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
<b>Total Units</b>	<b>105</b>	<b>0</b>	<b>50</b>	<b>34</b>	<b>21</b>	<b>0</b>	Notes/Utility Allowance Assumptions:				

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

<b>ADDRESS #2:</b>											
		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
<b>Affordable Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
80%	0	0	0	0	0	0					
<b>Market*</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Notes/Utility Allowance Assumptions:				

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

**NOTE: For proposals contemplating project-based vouchers (PBVs),** please list vouchered units under the same CMI designation that you will be representing to WHEDA (e.g. if the LIHTC application to WHEDA presents 8 PBV units as 50% CMI or 60% CMI units, please include those on the “50%” or “60%” row in the above table(s)). The City of Madison will enforce this income designation in the AHF Loan Agreement, if this proposal is awarded funds. Include a comment in the Notes, e.g., Eight (8) 50% CMI units will have PBVs.

49. Utilities/amenities included in rent: ☒ Water/Sewer ☐ Electric ☐ Gas ☒ Free Internet In-Unit

☐ Washer/Dryer ☒ Other: Trash and hot water

## ENERGY EFFICIENCY, RENEWABLE ENERGY & SUSTAINABLE DESIGN

50. What is your organization's track record of developing projects that incorporate extraordinary sustainable, energy efficient, and/or green building design techniques? Please list any awards, industry standards or third-party certifications achieved on projects developed in the past ten years, LEED®, WELL, Passive House, etc.

Gorman has a long history of designing buildings to various levels of green certification. In the past ten years we have designed buildings to comply with Wisconsin Green Built Homes, Enterprise Green Communities, LEED, as well as other certifications. While it is our intention to design this project in a way that is as sustainable as possible the financial constraints of LIHTC development puts considerable bounds on what is realistic.

51. Please describe how this proposed development will contribute to the City's goal of 100% renewable energy and zero-net carbon emissions (originally adopted March 21, 2017). What size/range of solar array is anticipated? If not yet known, what percentage energy offset is the development aiming to provide via the solar array?. For more information, see [100% Renewable Madison Report](#).

We are committing to solar, although we have not yet fully examined the potential sizing and efficiency of a solar array on the site.

52. Please describe the proposed project's energy efficiency goals. Please attach a copy of the confirmation page demonstrating that your organization has submitted an [Initial Application](#) for Focus on Energy's Energy Design Assistance program. Identify any third party certification, such as LEED®, WELL, Passive House or similar, that will be sought. If known at this time, describe the level of savings of projected energy usage over baseline the development will commit to incorporating in the building's design.

As per the WHEDA scoring below, this project will be designed in a way that enables it to score 200 points or more under the Wisconsin Green Built Homes program. An Initial Application for Focus on Energy is attached to this response.

53. How will this project contribute to creating a walkable, human-scaled community inside and outside the property lines?

As a part existing building's design there is a sizeable interior courtyard, a large community room, an existing fitness center, and an indoor pool.

54. Describe how the local south-Central Wisconsin climate will inform the design of the proposed development and the challenges it will present.

Gorman & Company has over 35 years of experience developing affordable housing in the climate of South-Central Wisconsin and through this has gained the insight required to design and build multi-family projects that are equipped to handle the climate.

55. Describe this development's proposed strategies to reduce reliance on municipal water sources (i.e. water efficiency). Will the development incorporate systems to recapture and/or reuse water generated on-site?

As with many of Gorman & Company's developments, we are designing this project to include low-flow fixtures to reduce the demand of municipal water to the building. Further water efficiency related design items will be considered if cost allows.

56. What building design and HVAC considerations will your team include to enhance community resiliency for building inhabitants in the face of a potential future pandemic?

In our current design each of the units will have their own separate PTAC HVAC system with isolated filters per unit. Through the COVID-19 pandemic Gorman property managed gained skills and experience in keep common areas adequately sanitized. In the event of future pandemics this experience will allow us to react quickly and ensure residents are safe in their homes.

57. Describe this development's approach to accessibility, including the number and percent of accessible units proposed for each of level of accessibility. Will this development meet or exceed the minimum requirements? For rehab, describe the accessibility modifications that will be incorporated into the existing development.

Gorman prioritizes accessible design to ensure that all of our residents feel welcome and comfortable in their homes. The development team is committed to going above and beyond the minimum code and WHEDA standards to ensure that none of our residents feel unvalued.

58. Describe this development's level of commitment to the principles of Universal Design. Elaborate on how the development team will incorporate Universal Design components in residential units, commercial space, and common areas, and how the development will exceed building code standards for Type A units. What percentage or number of units in the proposed development will incorporate Universal Design principles?

Gorman aims to include Universal Design components in as many units as financially feasible, with the minimum being 20% of the units. Proposed features include: accessible turning radiuses, open cabinets/cupboards for roll-in access, accessible electrical receptables/switches, accessible work surface, and roll-in showers. In addition, a minimum of 5% of units will be designed per UFAS Section 504 standards.

59. For proposals that include rehabilitation, have you completed a capital needs assessment for this property? If so, summarize the scope and cost; Attach a copy of the capital needs assessment.

We have not completed a capital needs assessment for the property at this point.

#### REAL ESTATE PROJECT DATA SUMMARY

60. Enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post- Project	# Units Occupied at Time of Purchase	# Biz or Residential Tenants to be Displaced	# of Units Accessible Current?	Number of Units Post- Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	3841 East Washington Avenue, Madison, WI 53704								
	0	105	0	1 - Hotel	0				\$3,500,000
Address:	Enter Address 2								
Address:	Enter Address 3								

61. Identify any existing buildings on the proposed site, noting any that are currently occupied. Describe the planned demolition of any buildings on the site.

There is currently a 198 room hotel building on the property. This proposition consists of the reuse of this structure into 105 units of affordable rental housing.

62. Will any business or residential tenants will be displaced temporarily or permanently? If so, please describe the relocation requirements, relocation plan and relocation assistance that you will implement or have started to implement.

There is currently a hotel on site that will transition into an affordable housing complex. The current hotel on site has delinquent city and county taxes. The revitalization of this parcel and building will help to rebuild an economically distressed area for both taxes being paid timely as well as creating affordable housing for its citizens.

#### DEVELOPMENT TEAM

63. Describe the project's organizational structure. Please attach an organizational chart detailing the roles of the applicant, all partners, and the ownership interest percentages of each party.

The project will be owned and operated by a single entity LLC (to be created at a later date). The LLC will be owned by 51% LSS, non-profit partner; and 49% Gorman & Company, LLC (manager).

64. For projects that will be co-developed with a non-profit partner, please explain the non-profit's role in the development. State if the non-profit will have a controlling interest (as memorialized in organizational documents), Right of First Refusal, or General Partner Purchase Option. If not, please elaborate on how the non-profit organization will be involved in the long-term ownership of the development.

Gorman has a long history of partnering with Lutheran Supportive Services on affordable housing developments. The partnership for this deal is structured similarly to those at Valor, Generations at Union Corners, and Union Corners Carbon. LSS will have a 51% ownership stake in the MM of the project to ensure their long-term involvement.

- a. For projects that will be co-developed with a BIPOC or minority developer, please explain the non-profit's role in the development. State what percentage stake the BIPOC or minority developer will have in the development, cash flow, etc. (as memorialized in organizational documents). If the development team will partner with a BIPOC or minority developer but will not provide a stake in the organization structure, please elaborate on how the BIPOC or minority developer will be involved in the long-term ownership of the development.

We are anticipating to enter into a co-developer agreement with a minority developer such as One5Olive on this project. Details of this agreement are still being worked out, but the minority developer will be meaningfully involved in the project long-term.

65. Identify all key roles in your project development team, including architect, general contractor, legal counsel, property management agent, supportive services provider(s), and any other key consultants, if known.

Contact Person	Company	Role in Development	E-mail	Phone
Ted Matkom	Gorman & Company	Developer	tmatkom@gormanusa.com	414-6179997
Ron Swiggum	Gorman General Contractors	General Contractor	rswiggum@gormanusa.com	608-835-5534
Patrick Patrello	Gorman Architectural	Architect	ppatrello@gormanusa.com	608-8358-6339
Laura Narduzzi	Gorman Property Management USA	Property Manager	lardnuzzi@gormanusa.com	608-835-6334
Duane Buscher	Gorman & Company	Financial Analyst	dbuscher@gormanusa.com	608-835-3633
Colin Malin	Gorman & Company	Development Coordinator	cmalin@gormanusa.com	608-835-6440
Dennis Hanson	Lutheran Social Services	Service Provider	dennis.hanson@lsswis.org	414-246-2300
Stephen Elliott	Reinhart Boerner Van Deuren s.c.	Legal Counsel	sellott@reinhartlaw.com	414-298-8257

66. For the following development team roles, please identify the number and/or percentage of women and persons of color employed by that company.

Company	Role in Development	# AND % Employees who are Women	# AND % Employees who are Persons of Color
Gorman & Company	Developer	70 total employees; 57% women	7% POC
TBD	Co-Developer		
	Co-Developer		
Gorman General Contractors	General Contractor	40 total employees; 22% women	7% POC

Gorman Property Management USA	Property Manager	298 total employees; 53% women	45% POC
Gorman Architectural	Architect	21 total employees; 28% women	19% POC
Lutheran Social Services	Service Provider	757 total employees; 79% women	16% POC

67. Please describe the development team's experience in obtaining and successfully implementing LIHTC developments in accordance with the Additional Application Materials Section 2.4, Item 2 of the RFP.

Please see our resume for additional information and development experience. Gorman has been developing affordable and mixed-income housing across the United States since 1984. We are a highly collaborative and cooperative partner to housing authorities across the nation. We are flexible, nimble, and extremely experienced in HUD's Rental Assistance Demonstration (RAD) program, PBV, VASH, etc. Gorman has developed over 9,000 units totaling over \$1.5 billion in assets. With a portfolio this large spanning the nation, Gorman is no stranger to working with multiple partners on each and every development. Being vertically integrated allows all departments to maintain constant and thorough communication from development through operations. Of the 150+ projects that Gorman has completed, we have never had a foreclosure, never defaulted, and never had a general partner replaced by the investor in our 37-year history.

Gorman has extensive experience in managing HUD-financed transactions through the rehab, redevelopment and new construction of Project-Based Section 8, Public Housing, RAD and Mixed-Finance programs, tax credit, FHA-insured, and HOME/CDBG-assisted rental housing. As a vertically integrated firm, Gorman General Contractors, LLC, Gorman Property Management, LLC, and Gorman Architectural, LLC are all components of the Gorman development team. We have the ability to tap into any and all of these capacities, depending on the needs of our co-development partner and the project at hand. Our construction team is experienced in Section 3, Davis-Bacon and related regulatory provisions that impact the procurement of construction services and labor. Our architectural team is highly experienced with green building technologies, ADA and Section 504 compliance and Universal Design with a particular emphasis on engaging residents of public and low-income housing in the design process. Our property and asset management teams are experienced in fair housing, tax-credit compliance, marketing and lease-up, investor relations, relocation services and quality customer service, with a particular emphasis on service-enriched housing for special needs and high-risk populations. Of the 150+ projects that Gorman has completed, it has never had a foreclosure, never defaulted, and never had a general partner replaced by the investor in our 37-year history. Gorman is consistently asked to return to communities to develop additional projects. Gorman stands by its commitments. When Gorman receives an RFP award, it enthusiastically delivers on promises and maintains a long-term commitment to community partners.

68. Will the development team commit to making annual payments on the AHF Cash Flow Note concurrently with repayment of the deferred developer fee? If yes, explain how this will be memorialized in organizational documents, including the final Amended and Restated Operating Agreement.

This is something that we would consider if the cash flow was robust enough so that the deferred fee could be repaid within the 15-year tax credit compliance window along with concomitant payments to Cash Flow Note.

69. [Acquisition/Rehab & Preservation Proposals ONLY]: Please provide the desired loan terms as described in Section 1.4 of the RFP.

N/A

## REFERENCES

70. Please list at least three references who can speak to your work on similar developments completed by your team.

Name	Relationship	Email Address	Phone
Tim Freitag	City Administrator, City of Jefferson	tfreitag@jeffersonwis.com	608-674-7700



Maria Prioletta	City of Milwaukee Housing and Neighborhood Development Manage	maria.priolettamilwaukee.gov	414-286-5903
Mayor Paul Esser	Mayor, Sun Prairie	pesser@cityofsunprairie.com	608-825-1164

**PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION** (such as assessment and referral, on-site intensive case management, etc.) **AND CHECK THE BOX WHEN ATTACHED:**

- ☒ 1. A completed Application Budget Workbook, showing the City's proposed financial contribution and all other proposed financing.
- ☒ 2. Description of the Development Team's Experience and Capacity per Section 2.4, Item 2 of the RFP.
- ☒ 3.a. Letter(s) from Supportive Service Provider(s) detailing what services are necessary to be adequate for the number of supportive housing units and target population as well as what level of services they intend to provide.
- ☒ 3.b. A detailed map of the site and a second map using the AHF Affordable Housing Targeted Area Map showing the site in the context of the City.
- ☐ 3.c. A preliminary site plan and drawings, if available.
- ☐ 3.d. A Capital Needs Assessment report of the subject property, if the proposal is for a rehabilitation project and if the report is available at the time of application.
- ☒ 4. A confirmation page demonstrating that an Initial Application for Energy Design Assistance was submitted to Focus on Energy
- ☒ 5. Written confirmation from the Zoning Administrator of permissive zoning or a letter confirming the proposed site's zoning status and process.

NOTE: If a preliminary site plan is not available at the time of application, submittal will be required for DAT on August 6, 2021 with submittal with week prior. If the Capital Needs Assessment is not available at the time of application for a rehab project, submittal will be required by August 19, 2021.

APPLICANT & PROJECT NAME:

**Gorman & Company, LLC Courtyard Lofts**

1. CAPITAL BUDGET

Enter ALL proposed project funding sources.

**FUNDING SOURCES**

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
<b>WHEDA</b>	\$ 8,660,000	Y	4.00%	15	40	\$434,322
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan (List FHLB):						
<b>FHLB Chicago</b>	\$ 900,000	N		16		
Total City Request (AHF, TIF, federal funds, etc.)						
<b>Madison CDD AHF Cash Flow Loan</b>	\$ 1,000,000	N	2.25%	16	30	\$45,870
Other-Specify Lender/Grantor:						
<b>Madison CDD AHF Deferred Loan</b>	\$ 1,000,000	N		16	35	
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Tax Credit Equity	\$ 8,922,799					
Historic Tax Credit Equity	\$ -					
Deferred Developer Fees	\$ 1,059,436					
Owner Investment	\$ 100					
Other-Specify:						
<b>State 4% LIHTC</b>	\$ 1,876,055					
<b>Total Sources</b>	<b>\$ 23,418,390</b>					

Do you plan on submitting an application for TIF?

<b>Construction Financing</b>			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
<b>TBD</b>	\$ 17,600,000	4.00%	24
Bridge Loan-Lender Name:			
<b>City-AHF Loans, County, AHP, Deferred Fee</b>	\$ 4,033,830	0.00%	24
Tax Credit Equity:			
	\$ 1,784,560		
<b>Total</b>	<b>\$ 23,418,390</b>		

Estimated pricing on sale of Federal Tax Credits:

\$ 0.91

Estimated pricing on sale of State Tax Credits:  
(if applicable)

\$ 0.70

Remarks Concerning Project Funding Sources:

APPLICANT:

Gorman & Company

## 2. PROJECT EXPENSES

Enter the proposed project expenses

### Acquisition Costs

#### Amount

Land	\$525,000
Existing Buildings/Improvements	\$2,975,000
Other (List)	
	\$0

### Construction:

Construction/Rehab Costs	\$12,493,400
Construction Profit	\$546,705
Construction Overhead	\$267,993
General Requirements	\$758,470
Construction Supervision	\$0
FF&E/Personal Property	\$0
Demolition	\$0
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$147,773
Construction Contingency	\$710,717
Other (List)	
	\$0

<--- If applicable, please list the costs attributable to "above and beyond" green building/Net Zero construction components included in the Construction Costs line item:

Total Cost:

\$0

### Architectural & Engineering

Architect - Design	\$408,430
Architect - Supervision	\$18,000
Engineering	\$160,000
Other (List)	
	\$0

### Interim/Construction Costs

Builder's Risk/Property Insurance	\$40,000
Construction Loan Interest	\$825,000
Construction Loan Origination Fee	\$176,000
Real Estate Taxes	\$80,000
Park Impact Fees	\$0
Other Impact Fees	\$0
Other (List)	
Pre-dev Loan Fee	\$1,500

### Financing Fees

Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$86,600
Credit Enhancement	\$0
Other Permanent Loan Fees	\$15,000

### Soft Costs

Appraisal	\$6,000
Market Study	\$7,500

Environmental Reports	\$20,000
Survey	\$15,000
Permits	\$100,000
Lease-Up Period Marketing	\$15,000
Tax Credit Fees - Application	\$0
Tax Credit Fees - Compliance	\$0
Tax Credit Fees - Allocation	\$0
Accounting/Cost Certification	\$28,500
Title Insurance and Recording	\$0
Relocation	\$0
FF&E	\$65,000
Capital Needs Assessment (if rehab)	\$0
Legal	\$125,000
Other (List)	
Plan review, printing, 3rd party inspections, s	\$108,500
<b>Fees:</b>	
Bridge Loan Fees	\$0
Organizational Fees	\$0
Syndication Fees	\$50,000
Total Development Fee	\$2,000,000
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
Tax Credit Fees	\$32,016
<b>Reserves Funded from Capital:</b>	
Lease-Up Reserve	\$65,000
Operating Reserve	\$545,286
Replacement Reserve	\$0
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
<b>Other: (List)</b>	
	\$0
<b>TOTAL COSTS:</b>	<b>\$23,418,390</b>

APPLICANT: **Gorman & Company**

3. PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	1,242,768	1,267,623	1,292,976	1,318,835	1,345,212	1,372,116	1,399,559	1,427,550	1,456,101	1,485,223	1,514,927	1,545,226	1,576,130	1,607,653	1,639,806	1,672,602
Less Vacancy/Bad Debt	86,994	88,734	90,508	92,318	94,165	96,048	97,969	99,928	101,927	103,966	106,045	108,166	110,329	112,536	114,786	117,082
<b>Income from Non-Residential Use*</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>1,155,774</b>	<b>1,178,890</b>	<b>1,202,468</b>	<b>1,226,517</b>	<b>1,251,047</b>	<b>1,276,068</b>	<b>1,301,590</b>	<b>1,327,621</b>	<b>1,354,174</b>	<b>1,381,257</b>	<b>1,408,882</b>	<b>1,437,060</b>	<b>1,465,801</b>	<b>1,495,117</b>	<b>1,525,020</b>	<b>1,555,520</b>
<b>Expenses:</b>																
Office Expenses and Phone	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898	80,235
Real Estate Taxes	157,500	162,225	167,092	172,105	177,268	182,586	188,063	193,705	199,516	205,502	211,667	218,017	224,557	231,294	238,233	245,380
Advertising, Accounting, Legal Fees	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764	21,386	22,028	22,689	23,370
Payroll, Payroll Taxes and Benefits	130,000	133,900	137,917	142,055	146,316	150,706	155,227	159,884	164,680	169,621	174,709	179,950	185,349	190,909	196,637	202,536
Property Insurance	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Mtc, Repairs and Mtc Contracts	47,500	48,925	50,393	51,905	53,462	55,066	56,717	58,419	60,172	61,977	63,836	65,751	67,724	69,755	71,848	74,003
Utilities (gas/electric/fuel/water/sewer)	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382	107,513	110,739	114,061	117,483	121,007	124,637
Property Mgmt	69,346	71,426	73,569	75,776	78,050	80,391	82,803	85,287	87,845	90,481	93,195	95,991	98,871	101,837	104,892	108,039
Operating Reserve Pmt		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	31,500	32,445	33,418	34,421	35,454	36,517	37,613	38,741	39,903	41,100	42,333	43,603	44,911	46,259	47,647	49,076
Support Services	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567	4,704	4,845	4,990	5,140	5,294	5,453
Other (List)																
WHEDA Compliance Fees	4,725	4,867	5,013	5,163	5,318	5,478	5,642	5,811	5,985	6,165	6,350	6,541	6,737	6,939	7,147	7,361
Contracted Services	15,500	15,965	16,444	16,937	17,445	17,969	18,508	19,063	19,635	20,224	20,831	21,456	22,099	22,762	23,445	24,148
<b>Total Operating Expenses</b>	<b>656,071</b>	<b>675,753</b>	<b>696,026</b>	<b>716,906</b>	<b>738,414</b>	<b>760,566</b>	<b>783,383</b>	<b>806,885</b>	<b>831,091</b>	<b>856,024</b>	<b>881,705</b>	<b>908,156</b>	<b>935,400</b>	<b>963,462</b>	<b>992,366</b>	<b>1,022,137</b>
<b>Net Operating Income</b>	<b>499,703</b>	<b>503,137</b>	<b>506,442</b>	<b>509,610</b>	<b>512,634</b>	<b>515,502</b>	<b>518,206</b>	<b>520,737</b>	<b>523,083</b>	<b>525,233</b>	<b>527,178</b>	<b>528,904</b>	<b>530,401</b>	<b>531,655</b>	<b>532,653</b>	<b>533,383</b>
<b>Debt Service:</b>																
First Mortgage	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322
Second Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
LIHTC Investor Asset Management Fee	5,000	5,150	5,305	5,464	5,628	5,797	5,971	6,150	6,335	6,525	6,721	6,923	7,131	7,345	7,565	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>439,322</b>	<b>439,472</b>	<b>439,627</b>	<b>439,786</b>	<b>439,950</b>	<b>440,119</b>	<b>440,293</b>	<b>440,472</b>	<b>440,657</b>	<b>440,847</b>	<b>441,043</b>	<b>441,245</b>	<b>441,453</b>	<b>441,667</b>	<b>441,887</b>	<b>434,322</b>
<b>Total Annual Cash Expenses</b>	<b>1,095,393</b>	<b>1,115,225</b>	<b>1,135,653</b>	<b>1,156,692</b>	<b>1,178,364</b>	<b>1,200,685</b>	<b>1,223,676</b>	<b>1,247,357</b>	<b>1,271,748</b>	<b>1,296,871</b>	<b>1,322,748</b>	<b>1,349,401</b>	<b>1,376,853</b>	<b>1,405,129</b>	<b>1,434,253</b>	<b>1,456,459</b>
<b>Total Net Operating Income</b>	<b>60,381</b>	<b>63,665</b>	<b>66,815</b>	<b>69,824</b>	<b>72,684</b>	<b>75,383</b>	<b>77,913</b>	<b>80,265</b>	<b>82,426</b>	<b>84,386</b>	<b>86,135</b>	<b>87,659</b>	<b>88,948</b>	<b>89,988</b>	<b>90,766</b>	<b>99,061</b>
<b>Debt Service Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Developer Fee</b>	<b>60,381</b>	<b>63,665</b>	<b>66,815</b>	<b>69,824</b>	<b>72,684</b>	<b>75,383</b>	<b>77,913</b>	<b>80,265</b>	<b>82,426</b>	<b>84,386</b>	<b>86,135</b>	<b>87,659</b>	<b>88,948</b>	<b>62,952</b>	<b>0</b>	<b>0</b>
<b>Cash Flow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,035</b>	<b>90,766</b>	<b>99,061</b>
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

<b>DCR Hard Debt</b>	1.15	1.16	1.17	1.17	1.18	1.19	1.19	1.20	1.20	1.21	1.21	1.22	1.22	1.22	1.23	1.23
<b>DCR Total Debt</b>	1.14	1.14	1.15	1.16	1.17	1.17	1.18	1.18	1.19	1.19	1.20	1.20	1.20	1.20	1.21	1.23

**Assumptions**

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	

\*Please list all fees (per unit per month) and non-residential income:

APPLICANT:

### 3. PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	1,706,054	1,740,175	1,774,979	1,810,478	1,846,688	1,883,622	1,921,294	1,959,720	1,998,914	2,038,893	2,079,670	2,121,264	2,163,689	2,206,963
Less Vacancy/Bad Debt	119,424	121,812	124,249	126,733	129,268	131,854	134,491	137,180	139,924	142,722	145,577	148,488	151,458	154,487
<b>Income from Non-Residential Use*</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>1,586,630</b>	<b>1,618,363</b>	<b>1,650,730</b>	<b>1,683,745</b>	<b>1,717,420</b>	<b>1,751,768</b>	<b>1,786,803</b>	<b>1,822,540</b>	<b>1,858,990</b>	<b>1,896,170</b>	<b>1,934,094</b>	<b>1,972,775</b>	<b>2,012,231</b>	<b>2,052,476</b>
<b>Expenses:</b>														
Office Expenses and Phone	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828	121,363
Real Estate Taxes	252,741	260,324	268,133	276,177	284,463	292,996	301,786	310,840	320,165	329,770	339,663	349,853	360,349	371,159
Advertising, Accounting, Legal Fees	24,071	24,793	25,536	26,303	27,092	27,904	28,742	29,604	30,492	31,407	32,349	33,319	34,319	35,348
Payroll, Payroll Taxes and Benefits	208,612	214,870	221,316	227,956	234,794	241,838	249,093	256,566	264,263	272,191	280,357	288,768	297,431	306,354
Property Insurance	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828
Mtc, Repairs and Mtc Contracts	76,224	78,510	80,866	83,292	85,790	88,364	91,015	93,745	96,558	99,454	102,438	105,511	108,677	111,937
Utilities (gas/electric/fuel/water/sewer)	128,377	132,228	136,195	140,280	144,489	148,824	153,288	157,887	162,624	167,502	172,527	177,703	183,034	188,525
Property Mgmt	111,280	114,618	118,057	121,599	125,247	129,004	132,874	136,860	140,966	145,195	149,551	154,038	158,659	163,418
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	50,548	52,065	53,627	55,235	56,893	58,599	60,357	62,168	64,033	65,954	67,933	69,971	72,070	74,232
Support Services	5,616	5,785	5,959	6,137	6,321	6,511	6,706	6,908	7,115	7,328	7,548	7,775	8,008	8,248
Other (List)														
WHEDA Compliance Fees	7,582	7,810	8,044	8,285	8,534	8,790	9,054	9,325	9,605	9,893	10,190	10,496	10,810	11,135
Contracted Services	24,873	25,619	26,388	27,179	27,995	28,835	29,700	30,591	31,508	32,454	33,427	34,430	35,463	36,527
<b>Total Expenses</b>	<b>1,052,801</b>	<b>1,084,385</b>	<b>1,116,917</b>	<b>1,150,424</b>	<b>1,184,937</b>	<b>1,220,485</b>	<b>1,257,100</b>	<b>1,294,813</b>	<b>1,333,657</b>	<b>1,373,667</b>	<b>1,414,877</b>	<b>1,457,323</b>	<b>1,501,043</b>	<b>1,546,074</b>
<b>Net Operating Income</b>	<b>533,829</b>	<b>533,978</b>	<b>533,813</b>	<b>533,320</b>	<b>532,483</b>	<b>531,283</b>	<b>529,704</b>	<b>527,727</b>	<b>525,333</b>	<b>522,503</b>	<b>519,217</b>	<b>515,452</b>	<b>511,188</b>	<b>506,401</b>
<b>Debt Service:</b>														
First Mortgage	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322	434,322
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
LIHTC Investor Asset Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>	<b>434,322</b>
<b>Total Annual Cash Expenses</b>	<b>1,487,123</b>	<b>1,518,707</b>	<b>1,551,239</b>	<b>1,584,746</b>	<b>1,619,259</b>	<b>1,654,807</b>	<b>1,691,422</b>	<b>1,729,135</b>	<b>1,767,979</b>	<b>1,807,989</b>	<b>1,849,199</b>	<b>1,891,645</b>	<b>1,935,365</b>	<b>1,980,396</b>
<b>Total Net Operating Income</b>	<b>99,507</b>	<b>99,656</b>	<b>99,491</b>	<b>98,998</b>	<b>98,161</b>	<b>96,961</b>	<b>95,382</b>	<b>93,405</b>	<b>91,011</b>	<b>88,181</b>	<b>84,895</b>	<b>81,130</b>	<b>76,866</b>	<b>72,079</b>
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow</b>	<b>99,507</b>	<b>99,656</b>	<b>99,491</b>	<b>98,998</b>	<b>98,161</b>	<b>96,961</b>	<b>95,382</b>	<b>93,405</b>	<b>91,011</b>	<b>88,181</b>	<b>84,895</b>	<b>81,130</b>	<b>76,866</b>	<b>72,079</b>
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

<b>DCR Hard Debt</b>	1.23	1.23	1.23	1.23	1.23	1.22	1.22	1.22	1.21	1.20	1.20	1.19	1.18	1.17
<b>DCR Total Debt</b>	1.23	1.23	1.23	1.23	1.23	1.22	1.22	1.22	1.21	1.20	1.20	1.19	1.18	1.17

#### Assumptions

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	

**a. Experience developing multifamily housing for low- and moderate-income households, including:**

Total Number of Projects: 125

Number of LIHTC Units: 8,364 Units of LIHTC and 130 Workforce

Total Development Cost of LIHTC & Workforce Units: \$1,689,035,191

Locations: Wisconsin, Arizona, Arkansas, Colorado, Illinois, Florida, New Mexico

Gorman & Company currently has 402 employees, six core markets (Arizona, Colorado, Illinois, Florida, Georgia, and Wisconsin). Below is a table of our projects that are under application, moving to closing, and under construction across all our markets. We also have seven projects that applied for LIHTC funding that are currently pending review at different state agencies in three of our markets and expect to hear announcements of those awards in late spring/early summer.

Gorman & Company has cultivated strong working relationships with local and national funding partners. Our development projects frequently employ financing in the form of Low-Income Housing Tax Credit (LIHTC) equity; CDBG, TIF, and NSP; city, county, and state HOME funds; EB-5, Federal Home Loan Bank AHP funding, local property tax exemptions, and more. We have significant experience with HUD programs and funding sources such as HOPE VI, CNI, RAD, project-based, and tenant-based vouchers, as well as FHA-backed financing such as Section 221(d)(4) and 223(f) and the latest debt products from Fannie Mae and Freddie Mac.

**b. Experience with participating in public/private joint ventures.**

Gorman & Company works closely with local governments and municipal groups to help cities meet their development, planning, economic and social goals. Gorman's ability to assemble the resources necessary to tackle challenging developments has made them an industry leader in partnering with communities to address affordable housing needs. Gorman's team has experience in managing multiple development projects occurring simultaneously, the majority of which involve complex layers of financing, bureaucratic processes and approval, design work, construction, and lease-up to management. Gorman also has deep experience and success in integrating equitable Section 3, MBE/WBE/DBE/SBE solutions to meet or exceed City of Madison economic and community investment goals. Below is a list of Choice Neighborhoods, HOPE IV, and mixed-use/mixed finance projects that Gorman & Company, LLC has completed or is currently developing. It is noted which projects are CNI or mixed-Use/mixed Finance. In addition to the projects listed below, current Gorman & Company staff have been involved with three Choice Neighborhoods planning grants (Denver, CO, Rockford, IL and Pasco County, FL), and four HOPE VI projects (Denver, CO and Phoenix, AZ) as detailed in the staff experience section.



Project Name	City, State	# of Units	Partner	Financing Sources	LIHTC Investor	Total Development Cost
Soluna I (Phase IA CNI EEC Redevelopment)	Phoenix, AZ	111	Phoenix Housing Dept	9% LIHTC, PBV	US Bank	\$26,278,046
Soluna II (Phase IB CNI EEC Redevelopment)	Phoenix, AZ	66	Phoenix Housing Dept	4% LIHTC, PBV, HOME (City and State)	US Bank	\$15,280,719
Harmony at the Park I (Phase II CNI EEC Redevelopment)	Phoenix, AZ	120	Phoenix Housing Dept	TBD	TBD	\$28,537,500
Harmony at the Park (Phase II CNI EEC Redevelopment)	Phoenix, AZ	115	Phoenix Housing Dept	TBD	TBD	\$30,544,468
Escobedo at Verde Vista Mixed-Use	Mesa, AZ	70	ARM of Save the Family	9% LIHTC, Mortgage, ADOH Gap, Other Grants	Boston Capital	\$17,011,279
Gracie's Village Mixed-Use	Tempe, AZ	50	Grace Comm. Church of the Valley	9% LIHTC, Mortgage, City HOME, Other Grants	RBC	\$15,163,184
Grand River Station Mixed-Use	La Crosse, WI	72	n/a	1602 Exchange funds, Mortgage	WHEDA	\$13,119,756
Villard Square Grandfamily Mixed Use	Milwaukee, WI	47	City of Milwaukee	4% LIHTC, 1602 Exchange/TCAP, Mortgage, CDBG	Boston Capital	\$9,485,354
The River at Eastline Village	Tempe, AZ	56	Housing Authority Maricopa County	PBV, 9% LIHTC	Boston Capital	\$17,227,878
Valor on Eighth	Tempe, AZ	50	City of Tempe Public Housing Agency	9% LIHTC, HOME, State Housing Funds,	Enterprise	\$14,327,010
Valor on Washington	Madison, WI	59	Dane County Housing Authority	PBV, 9% LIHTC, AHP, HOME	Boston Capital	\$18,948,882
Terraza del Sol	Denver, CO	42	Denver Housing Authority	9% LIHTC, PBV	Enterprise	\$15,013,630
The Elisabetta	Denver, CO	91	Denver Housing Authority	4% State and Federal LIHTC, PBV, City Funds, HOME	Enterprise	\$27,069,323
Alto at Westminster	Westminster, CO	70	Housing Authority of Adams County	9%, HOME	Enterprise	\$28,361,758

The Colburn	Denver, CO	92	Denver Housing Authority	4% State and Federal LIHTC, Historic, PBV, HOME	Key CDC	\$24,985,016
Generations at West Mesa	Albuquerque, NM	54	Albuquerque Housing Authority	9% LIHTC, PBV, AHP	Boston Capital	\$11,745,252
The Alexander Lofts	Milwaukee, WI	60	n/a	9% LIHTC, Federal Historic, AHP, HOME, NMTC	Twain Financial Partners	\$13,166,819

**c. Years in existence and staff qualifications (briefly).**

Since 1984, Gorman & Company has specialized in downtown revitalization, historic preservation, mixed-use, live-work, workforce housing, neighborhood transformations, and preservation of affordable housing options. We have been recognized as one of the nation's "Top 50 Affordable Housing Developers" by Affordable Housing Finance and regularly received local and national recognition for our developments.

Our team has a proven track record of cultivating successful partnerships with a wide range of groups including municipalities, corporations, housing authorities, nonprofit organizations, private investors, businesses, and community stakeholders. We bring with us our ability to assemble a wide array of resources necessary to tackle challenging development projects all while maintaining the community vision.

**TED MATKOM | WISCONSIN MARKET PRESIDENT**

Ted Matkom has held the role of Wisconsin Market President over the past 10 years with Gorman & Company and has also served as General Counsel for the past thirteen years. Ted has a wealth of experience in developing both residential and commercial real estate. He served five years on the board of directors for Menomonee Valley Partners, the non-profit development entity designated to revitalize Milwaukee's Menomonee Valley industrial park. For the past 8 years, Ted has been President of The Corridor, Inc., a nonprofit organization that has been charged with helping to redevelop the "30th Street Corridor" in the heart of Milwaukee. He has also been appointed for the past six years to the Board of Directors for the Milwaukee Area Workforce Investment Board, Inc.



Ted has a Bachelor of Arts in International Relations and Political Science from the University of Wisconsin-Madison, and a Doctorate of Law from Marquette University.

**d. Financial capacity of the organization to secure financing and complete the proposed project.**

Of the 150+ developments Gorman & Company has completed in the past 37 years, the company has never had a foreclosure, has never defaulted, and has never had the general partner replaced by the investor. Gorman & Company and their affiliates has annual audits completed by a third-party accounting firm, Baker Tilly. Gorman & Company is able to provide copies of audited financials to the City of Madison upon request. Gorman & Company typically serves as the sole guarantor in all of their housing authority and other partnerships. While Gorman & Company is open to different models and approaches, Gorman is perfectly willing and able to offer their full and sole guarantee for any project that they undertake with the City of Madison.

Gorman & Company closely monitors its net worth and liquidity to ensure that they meet all financial performance benchmarks of their lenders and investors. Gorman's financials have been reviewed and approved by nearly all of the largest lenders and investors across the United States including Bank of America, JP Morgan Chase Bank, BMO Harris Bank, US Bank, Berkshire Hathaway, Nationwide Insurance, the National Equity Fund, Enterprise, and the like. We stand by our commitments. When we receive an RFP award, we enthusiastically deliver on our promises.

**e. Developer's experience with, including number of projects, number of units and location of projects developed with integrated support housing units.**

Gorman is proud of the partnerships we have established with the many non-profits and housing authorities who bring needed comprehensive supportive service programs to our residents.

PROJECT	LOCATION	PROJECT SIZE	RESIDENT SERVICES	CO-DEVELOPER PARTNER/SERVICE PROVIDER
<b>Escobedo at Verde Vista I &amp; II</b>	Mesa, AZ	132 units (new construction)	Before and After School Program, Quarterly Credit and Financial Counseling, Computer Training, Job Training	ARM of Save the Family
<b>Coffelt-Lamoreaux Homes (RAD conversion)</b>	Phoenix, AZ	301 units (rehab)	Case Management and Counseling, Computer Training, Parenting Classes, Financial Literacy, Job Placement Services, After-School Recreational Programming, Federally Qualified Health Clinic (FQHC), Etc.	Housing Authority of Maricopa County
<b>Madison Heights Apartments (RAD conversion)</b>	Avondale, AZ	143 units (new construction)	Before and After School Program, Computer Training, Job Training, Search Assistance, and Placement, Credit and Financial Counseling, Support Groups, Resident Services Coordinator, Community Gardens	Housing Authority of Maricopa County
<b>Mesa Heights Apartments</b>	Yuma, AZ	58 units (new construction)	Community center with wi-fi, playground, computer lab, fitness room, bicycle racks, picnic area, BBQ area, resident services	Housing Authority of Yuma County

<b>Heritage at Surprise (RAD conversion)</b>	Surprise, AZ	100 units (new construction)	Community room, BBQ area, picnic area, playground, food pantry, case management services, onsite resident coordinator, job training assistance, computer training, financial literacy	Housing Authority of Maricopa County
<b>Foothills Village Apartments (RAD/Section 18 rehab)</b>	Phoenix, AZ	200 units (rehab)	BBQ area, community room, picnic area, playground, fitness center, onsite resident services coordinator, financial literacy, computer training, after school educational assistance program	City of Phoenix Housing Authority
<b>Valor on Eighth</b>	Tempe, AZ	50 units (new construction)	Head Start, Before and After School Program, Financial Literacy, Crime Prevention Program, Computer Training, Parenting Skills Classes, Job Training Search Assistance and Placement, Family Violence Prevention Classes, Wellness Activities, Veteran-specific services	ARM of Save the Family
<b>Little Rock Towers</b>	Little Rock, AR	597 Units (historic renovation) 3 towers	Partnering with local nonprofits to provide onsite recruitment/outreach services, opportunity to attain GED, job readiness programs, financial literacy	Metropolitan Housing Authority (Little Rock Housing Authority)
<b>Riverview Tower</b>	Wausau, WI	149 Units (One Building, Rehab)	Vocational training; nutritional education; financial planning and money management; mental health counseling; drug prevention and treatment classes; and health services.	Wausau Housing Authority
<b>Jane Addams Park Apartments</b>	Rockford, IL	38 Units (One Building, New Construction)	Physically and/or mentally disabled as well as public housing residents in general. Services include: Employment Services (T.E.A.M. Tuesday that provides information on employment, resume development, interview preparation, access to on-line employment); Life Skills Workshops; on-site G.E.D., pre G.E.D. and E.S.L. Classes; basic computer classes; assistance with LIHEAP applications; resident activities/trips; health clinics; community mental health services. RAMP, Janet Wattles, and the Rockford Health Department all provide on-site services for qualifying residents.	Rockford Housing Authority

<b>River at Eastline Village</b>	Tempe, AZ	56 Units, Disabled and Sensory Impaired (new construction)	Community center, playground, BBQ area, fitness center, picnic area, after school educational assistance program, computer training, financial literacy, onsite resident services coordinator	Housing Authority of Maricopa County
<b>Orton Keyes</b>	Rockford, IL	175 Units, 2 buildings, Rehab	Workforce development readiness services, financial literacy education	Rockford Housing Authority
<b>The Grove at Keith Creek</b>	Rockford, IL	49 units, 22 buildings	Computer room, garden plots, community center, playground	Rockford Housing Authority

- f. Proposed property management entity or partner's experience including number of projects, number of units and location of projects managed. Be sure to address the property management entity's performance record and approach with integrated support services as well as with inclusive and culturally sensitive property management and marketing practices.**

Gorman & Company formed its property management division in 1991. The property management division has earned high marks from local communities and state agencies for its professional criteria in resident selection, as well as its capacity to work with complicated compliance issues. Gorman & Company manages 80+ apartment communities, totaling over 6,000 units in Wisconsin, Illinois, Arkansas, Colorado, and Arizona. Controlling our management company within the Gorman & Company umbrella allows us to customize our tenant selection criteria to our specific target population while conforming to investor and Section 42 compliance regulations. The philosophy of the management division is to create an environment where regional managers are accountable for the operations of their portfolio, and property managers are expected to operate their property as a small business within authorized budgets and guidelines.

Gorman & Company also provides Asset Management services for projects. The scope of services provided by Gorman for asset management includes asset financial monitoring, performance review, tracking loans and reimbursements, stakeholder reporting, and reserve tracking. Asset management also tracks month to date, year to date, and quarterly NOI and DCR tracking. They also review and approve budgets for assets.

Gorman & Company provides thorough training for both tenured team members and new team members. The training is completed through different methods including webinars, seminars, individual training, and online programs through a third party. Our in-house Training Manager, as well as third party resources, administer the training. Several of the third-party resource provided trainings are subsequently certified. All team members attend a two-tiered in-house training for LIHTC as well as classes offered by state agencies; seminars at state agency conference, and third-party programs and classes.

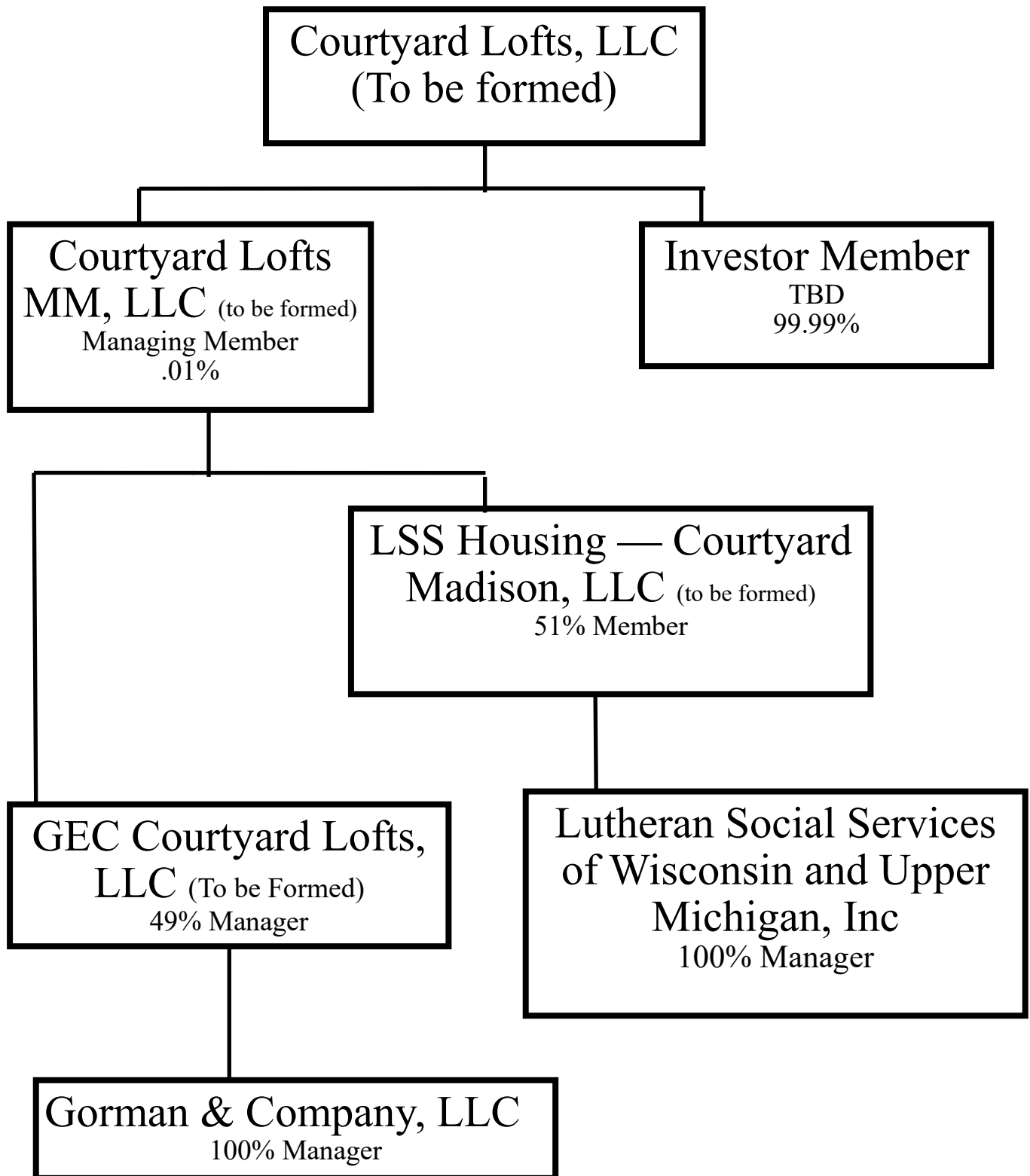
All compliance, upper management, and several key site team members have certifications such as COS, HCCP, RAD PBV and Multifamily Housing Specialist. Third parties such as Theopro and Nan McKay provide training for these certifications. Continuing education is provided for staff to keep abreast of changes throughout the year.

- g. List of any architectural awards, service awards, or green building certifications that your organization has received.

Projects designed by Gorman Architectural have won numerous awards and have attained the highest standards of sustainable/green design and accessible design. We design projects with the intention of creating a sense of community, vitality, and openness. Thoughtful and careful arrangement of the main functions is paramount to a successful project. Gorman's integrated design process includes high efficiency, healthy building, low-impact development techniques, and the incorporation of natural, social, and cultural elements in the design.

Working with stakeholders and future residents allows us to tailor amenities to accommodate not only required activities but to find the overlap or synergistic opportunities planned facilities provide. We also design for energy efficiency and ease of maintenance. We manage a great many residential projects and have learned a lot about upkeep and maintenance.

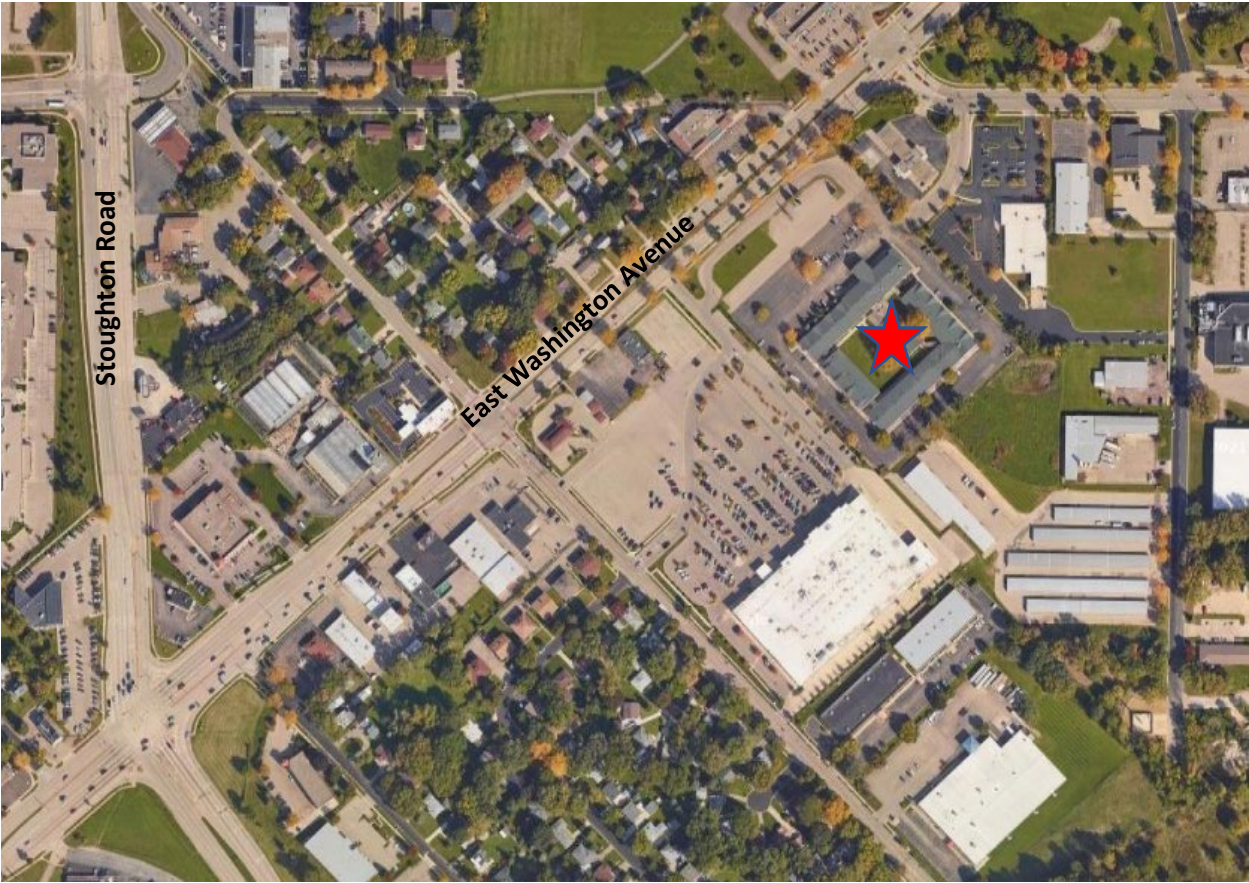
The Project Organizational Chart, including ownership interest percentages is included below.

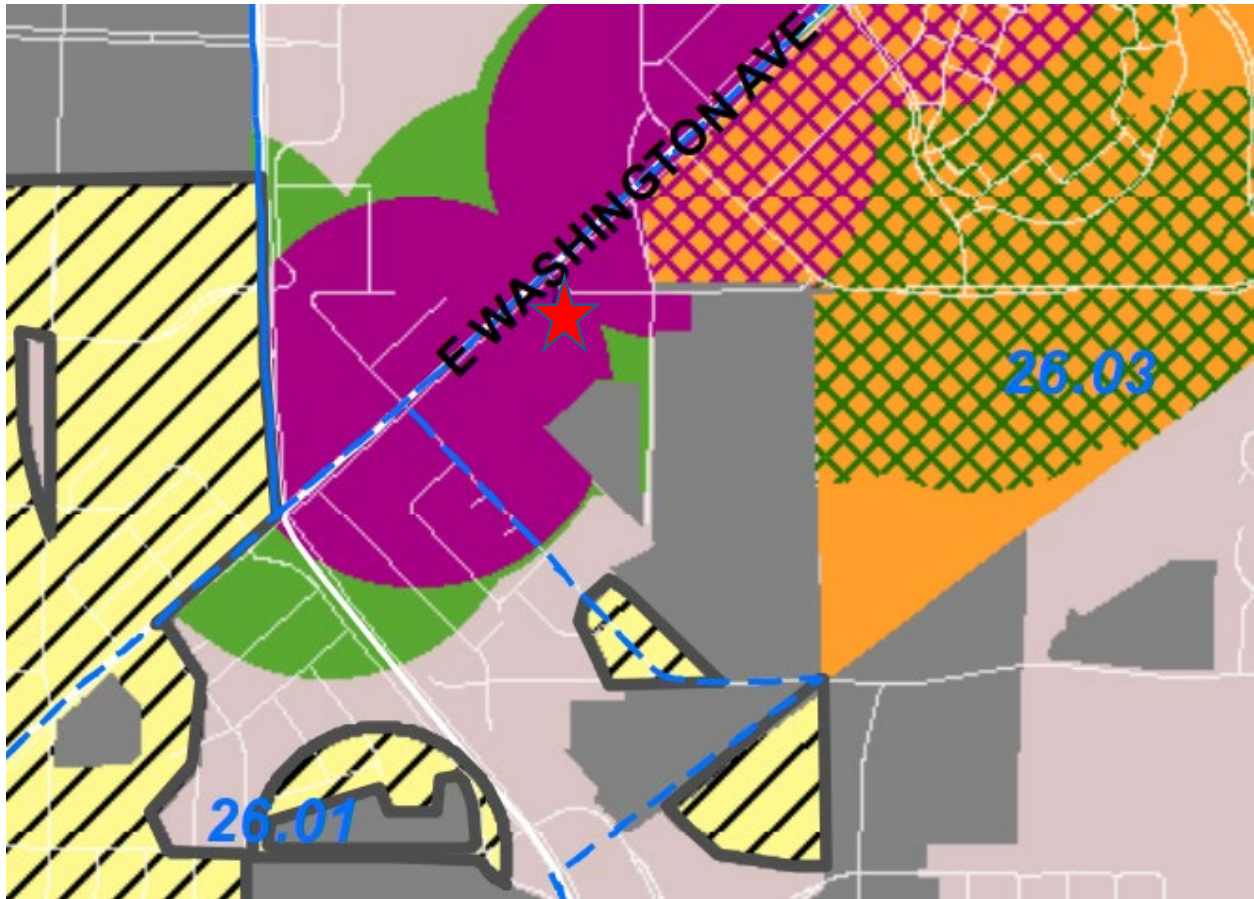












New Construction

Welcome [Colin Malin](#) | [Sign Out](#)



## Thank You

[PRINT](#)

Your application has been saved. You will receive an email notification that includes a link to make subsequent changes to this application.

Application Number: **FOE-A73AB-20687**

Program: **New Construction**

Sponsor: **Focus on Energy**

Created By: **Colin Malin on 7/14/2021 6:40:15 PM**

Project Name: **Madison Plaza**

Project Location: **3841 East Washington Avenue  
Madison, WI 53714**

Business Customer: **Gorman & Company, LLC**

Your unique application number is listed below:

**FOE-A73AB-20687**

You can make additional updates to your application at any time by clicking the above application number. You will also receive a confirmation email that contains this link to allow you to make further modifications.

July 14, 2021

Ted Matkom  
Gorman & Company, LLC  
200 N Main St  
Oregon, WI 53575

RE: Courtyard Lofts: Supportive Services

Dear Mr. Matkom,

Lutheran Social Services (LSS) has a strong history of providing wraparound service coordination and case management services to residents of housing complexes in numerous locations throughout Wisconsin and Upper Michigan. LSS also is recognized as a provider of choice in the state for partnering with development companies to develop affordable housing through the Low Income Housing Tax Credit program (LIHTC).

Lutheran Social Services will utilize a wraparound service coordination model where families residing at Courtyard Lofts will be given a single point of entry to accessing community services. An on-site service coordinator will meet with individuals and families to complete an intake assessment and develop a strength-based plan of care. The LSS service coordinator will work with the caregivers to identify existing natural supports, such as other relatives and faith based organizations, and other areas of potential needs to fill gaps in supports and build a supportive team.

**Scope of Services:**

LSS will provide wraparound service provision and coordination, linking them to supportive community services with a desired outcome of keeping the caregivers and children in a stable housing, and strengthening their bonds as a familial group. Specific services offered by LSS include:

- Completion of an intake assessment to identify strengths and areas of need for individuals and families. The Service Coordinator will make reasonable effort to engage residents in this process. It is understood and agreed that the resident has to voluntarily agree to participate in the process.
- Development of a case management plan for families and individuals completing the intake assessment. This plan may include identifying other family members for support, referral to other community agencies (including Veteran specific agencies), and identification of additional resources. Families will also be linked with programs that support parenting, self-sufficiency, employment opportunities and financial assistance and management.
- The LSS Wraparound Service Coordinator will facilitate programming and supportive services for families. This will be done through:

- An on-site presence by the Service Coordinator. LSS staff will have an office at the Apartment complex where families can schedule appointments or drop in for support and services.
- Facilitation of educational training and events. These will be based on the needs of the residents and can focus on resident identified issues such as, positive parenting, budgeting, employment, and benefit eligibility.
- Access to pre-existing LSS services in the Madison including mental health counseling and psychiatric care through telehealth.

In addition to providing families access to LSS services the on-site wraparound service coordinator will refer residents to other community resources based on their individual plan of care. Currently LSS is in process of developing community partnerships with the following:

- Wisconsin Senior Employment Program, in coordination with the Job Centers of Wisconsin, will provide subsidized, part-time work experience to obtain the skills necessary for obtaining permanent employment.
- UW Extension Dane County will provide onsite trainings and educational events of no cost to families. Training topics include;
  - Financial coaching and one to one consultations,
  - Nutritional education programs on topics such as choosing healthy diets on a limited budget and shopping strategies for spending wisely at the grocery store,
  - The Strengthening Families Program which focuses on providing care givers with the skills necessary to improve family relationships, reduce problem behaviors, and provide effective parenting techniques.

○

The goal of the Service Coordinator is to enhance the success of individuals, couples and families, and to promote their ability to remain in their unit. The services identified above will enhance independent living success and promote dignity of residents by addressing needs with a one-on-one approach.

LSS will also assist the property management group in outreach efforts with community partners to raise awareness of this housing opportunity for area families. LSS will work with the management company to market the low-income units to families in need.

We strongly believe that through provision of the wrap around service model, families at Courtyard Lofts will have the tools necessary to strengthen family relations, identify necessary and beneficial resources, and positively impact their length of tenancy in this community. We look forward to partnering with Gorman on this exciting development.

Sincerely,



Dennis Hanson  
Vice President, Residential/Housing Services



## Gorman and Company Courtyard Lofts

**Response Submission Due Date: August 18, 2021 NOON**

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### **Instructions to Applicants:**

Please respond ***briefly and succinctly*** to the questions below in-line, unless otherwise specified (e.g. additional documentation requested). Maximum 1/3 a page per question. Please use this Word document to record your answers and return this completed document to [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com). Please cc: [jspears@cityofmadison.com](mailto:jspears@cityofmadison.com). We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

### **Questions:**

#### **Land Use and Community Engagement**

- 1. Please describe the feedback that you received from the Development Assistance Team (DAT) presentation.**

In general, the feedback we received during our DAT meeting on August 5<sup>th</sup> was positive. It was confirmed that the proposed development would be considered a Residential Building Complex and is a conditional use in the current zoning designation of the parcel. We would need to go through the approval process with the plan commission.

Based on comments from the Building Inspection Department we are incorporating both short term and indoor long-term bike storage options. Based on our initial review of the existing drawings for the building the existing courtyard will be more than enough open space to satisfy that requirement.

Comments from Engineering raised concerns as to whether the existing sewage capacity is adequate. We are still exploring this as well as the storm water requirements for redevelopment. Our design of the adaptive reuse of the existing hotel will incorporate a five-foot-wide ADA compliant pedestrian path from the main entrance of the building to East Washington Avenue.

- 2. Provide an overview of the feedback and comments that you received from your neighborhood meeting.**

Alderman Gary Halverson is in the process of scheduling the neighborhood meeting and sending out a postcard to constituents. The date we targeted was September 9<sup>th</sup> at 6:00 PM.

- 3. Please provide an update on the response to the proposed project from Alder Halverson. What issues or concerns with the project did he identify? How will those be addressed?**

Alderman Halverson is supportive of the project and attended the last DAT meeting. He believed the proposed plan for the Madison Plaza of converting the hotel into affordable apartments is a great improvement from the current state of the property.

### **Energy Efficiency**

- 1. The City expects awardees to continue working with Focus on Energy's New Construction Energy Design Assistance throughout the building design process. The City will incorporate commitments into the term sheet. Please provide an update on the status of this project's Whole Building Analysis Summary Results Report, if available. If the Results Report is not yet available, please send ASAP by September 2, 2021. What is the highest feasible Bundle Level that to which this project can commit? Do you anticipate that this project can commit to meeting the 20% savings of projected energy usage calculated over the Focus on Energy program baseline?**

We have scheduled an intake meeting with Focus on Energy for Friday, August 20<sup>th</sup>. We anticipate being able to meet or exceed the benchmarks above but will send an additional update after our conversation on Friday.

### **Renewable Energy**

- 1. Please summarize any feedback provided by Focus on Energy's Renewable Energy team on the project's proposed minimum 30 kW solar photovoltaics (PV) array system and sizing.**

As stated above we were not able to schedule a meeting with Focus on Energy prior to this Friday. After that meeting, we will have a clearer idea of the potential for solar PV at our site. We will summarize any comments Focus on Energy has and send them as an additional response.

- 2. Will the proposed project incorporate any Renewable Energy systems in addition to the solar PV? e.g., solar thermal, biogas, biomass and wind). Please describe.**

Gorman & Company understands the need and appeal of including as many renewable energy systems into a development as possible, but the limited financial resources that are available for LIHTC development put significant constraints on what is feasible. After our intake meeting with Focus on Energy we will have a better idea of what is physically feasible on the site and will explore the financial feasibility of those items. Gorman has an excellent track record of exploring all available financial resources and will do the same here.

## **Sustainable Building Design Elements**

- 1. Please describe the Sustainable Building Design Elements and strategies that will be incorporated into the proposed project as referenced in the [AIA Framework for Design Excellence](#). Relevant elements and strategies include, but are not limited to**

- a. Design for equitable communities**

We have chosen a previously developed site that is close to public transit. We plan to incorporate strategies to incorporate walkability by creating nice pedestrian connections to the public sidewalk. We will minimize the visual impact of surface parking by building new construction townhomes between East Washington Ave and the existing building and surface parking. Both covered and secured bike parking will be provided as well. Community spaces will be created within the building to encourage community engagement between people of diverse backgrounds. Additionally, design meetings will occur with the local community prior to construction documents.

- b. Optimize energy use**

We will hope to replace all existing windows to be more energy efficient. We will also replace the HVAC system throughout to be more energy efficient. We will commit to reducing the typical amount of plug loads.

- c. Protect and conserve water**

We will have Low Flow Plumbing Fixtures and retain stormwater on site. We will provide native landscaping that does not require extensive irrigation. Condensate lines will be piped to the outdoors.

- d. Optimize building space and material use**

The building is designed for an efficient use of space. Redeveloping an existing building inherently minimizes material use.

- e. Enhance indoor environmental quality (IEQ)**

All electric appliances will be used. Fresh air will be delivered to the spaces with the new HVAC system. Low VOC products will be specified. Walk off mats will be provided at every entry. We will measure the air quality post-occupancy to verify good indoor air quality.

- f. Optimize operational and maintenance practices.**

Our in-house property management team ins consulted during design to optimize maintenance practices. Equipment Manuals are provided to all residents and they are shown how to use the equipment.

## Financial

1. It appears that the development team is planning to take advantage of the maximum allowable 20% development fee. Please explain why the team will forego that additional fee.

Due to our desire to have deeper income targeting to serve the lowest income groups our projected cash flow is insufficient to repay fifty percent of a larger fee. If the feasibility metrics change and we can justify it, then we will evaluate the possibility prior to the Tier One with WHEDA.

2. Is Gorman contemplating submitting an application to Dane County for AHDF funds? If not, please explain.

We have been informed by Dane county staff that they are not looking to fund City of Madison projects. Therefore, we did not apply for funding. This was the same message we received last year when we applied for Dane County funding for our Agebetter project.

3. What utility allowance assumptions is Gorman using for the one, two, and three bedroom units?

The most recent available online are the Madison CDA 2018 Utility Allowances

4. The rent for two bedroom units at 30% AMI is presented at 136% of maximum LIHTC rents. Please explain this figure.

Please see below for an updated unit mix chart.

		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities			
% CMI	Total # of Units	Studios	1	2	3	4	1	2	3	4+
30%	21	0	17	4	0	0	\$580	\$696	\$0	\$0
40%	0	0	0	0	0	0	\$0	\$0	\$0	\$0
50%	42	0	20	7	15	0	\$945	\$1,137	\$1,314	\$0
60%	42	0	13	23	6	0	\$1,100	\$1,322	\$1,527	\$0
<b>Subtotal</b>	<b>105</b>	<b>0</b>	<b>50</b>	<b>34</b>	<b>21</b>	<b>0</b>				

5. How much financial incentive do you anticipate receiving from Focus on Energy for the proposed solar PV array and incorporation of strategies recommended by the New Construction Energy Design Assistance team?

We do not know and we are scheduled to have our initial consultation on August 20<sup>th</sup>.



### **Supportive Housing Units/Supportive Housing Partnerships**

- 1. What is the anticipated presence of LSS on site. In other words, what percent FTE does LSS expect to commit to this development?**

LSS anticipates a .5FTE assigned on site to Courtyard Lofts

- 2. Does Gorman anticipate taking applications from households currently on the Community-wide Priority List?**

Yes, Gorman anticipates taking applications from households currently on the Community-wide Priority List. Gorman will partner with LSS to accomplish this goal. LSS has extensive experience in the HMIS system and working with individuals in need of permanency in housing. LSS currently operates Housing Case Management programming in Madison, as well as operates a daytime resource center in Madison serving adults dealing with chronic persistent mental health issues and homelessness at our Off the Square Club (OTSC) program.

- 3. Please explain in greater detail how Gorman will embrace the City's Affirmative Marketing Best Practices.**

In the marketing plan for Courtyard Lofts Gorman will identify the approximate start date of outreach for the groups we are targeting and clearly communicate the anticipated initial occupancy date with these groups. Gorman's property management division has experience with several nonprofits and other community agencies in the Madison area that we are planning on partnering with to ensure groups least likely to apply are made aware of Courtyard Lofts. These agencies include but are not limited to Freedom, Inc., ConNEXTions; Asian Outreach Program, and the Native American Center for Health Professions.

Our efforts to affirmatively market Courtyard Lofts to groups least likely to apply will not cease when the building reaches stabilized occupancy. We are committed to continue these efforts to maintain occupancy goals.

## Other

1. **The Seller has indicated to staff a desire to close on the sale of the property in 2021. Will the site control secured for this project be sufficient to complete the project on the estimated timeline if awarded LIHTC?**

The Seller is requiring that we purchase or commit to purchasing the Property by the end of 2021. Therefore we will own the property if we decide to put in a WHEDA application.

2. **This site is in the Sandburg Elementary and Sherman Middle School Enrollment Areas instead of Hawthorne and Whitehorse. Please re-submit questions 28 and 30 regarding routes to school and enrollment levels.**

The 5-year enrollment estimation for Sandburg Elementary is 77.7%, well below the 90% threshold. For Sherman Middle School it is 58.4%, again well below the threshold of 90%.

To get from Courtyard Lofts at 3841 East Washington Ave to Sandburg Elementary at 4114 Donald Drive by foot students would start by walking east along East Wash approximately three tenths of a mile, crossing Lien Rd, Parkside Dr, and Thierer Rd. They would then cross East Washington and head north along the east side of Portage Rd for approximately nine tenths of a mile before turning right on Donald Dr. and walking an additional tenth of a mile before arriving at Sandburg Elementary. The total distance would be approximately 1.32 miles and involves three major crossings.

To reach Sandburg Elementary via public transit students would be able to board the Eastbound 06 bus at East Washington and Lien and depart at the stop at Portage and Rider, an approximately 11-minute bus ride.

To get from Courtyard Lofts to Sherman Middle School students would start by walking west along the south side of East Washington Avenue approximately one tenth of a mile before crossing at Mendota St. to the north side of East Wash. From there students would walk roughly six tenths of a mile west along East Wash to the north-west corner of the intersection of Wright St. and East Wash. There they would turn right and walk approx. one tenth of a mile to cross to the north side of Carpenter St., following Carpenter for four tenths of a mile before turning right and using the connector to reach the Starkweather Creek Path. After walking on this path for roughly half a mile and using the pedestrian bridge to cross Aberg Ave, students would cross through Washington Manor Park to reach the north side of Dahle St, walking two tenths of a mile along Dahle St. before turning right to walk north along Kedzie St. Walking a tenth of a mile north students would reconnect with the Starkweather Creek Path and turn left to walk west along the south side of Aberg Ave until they reach the SW corner of Aberg Ave and Ruskin St., roughly seven tenths of a mile. Finally, they would walk north along the west side of Ruskin for roughly two tenths of a mile before reaching Sherman Middle School. Total walking distance along this route that has dedicated sidewalks the entire length is roughly 3.19 miles.

To reach Sherman Middle School by public transit students would board the Westbound 20 at East Washington and Lien and depart at Packers and Schlimgen. They would then walk approximately four tenths of a mile to reach Sherman Middle.

**3. How many parking spaces are anticipated on site and at what cost, if any?**

We are anticipating maintaining a large portion of the existing parking on the site. There are 154 parking spaces along the sides of the existing building that will not be impacted by the proposed new construction townhomes that will front East Washington. There will not be a fee for parking.