

Housing Forward: CDD Financing for Housing Development and Housing Services Application

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2020-8976; Housing Forward: CDD Financing for Housing Development and Housing Services. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on November 25, 2020**. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	Housing Forward (Lease Purchase)		
Amount of Funds Requested:	\$500,000	Type of Project:	<input type="checkbox"/> Development <input checked="" type="checkbox"/> Housing Services
Name of Applicant:	Common Wealth Development Inc		
Mailing Address:	1501 Williamson Street, Madison WI 53703		
Telephone:	608-256-3527	Fax:	608-256-4499
Project/Program Contact:	Ashley Gohlke	Email Address:	ashley@cwd.org
Financial Contact:	Stefan Davidson	Email Address:	stefan@cwd.org
Website:	www.cwd.org		
Legal Status:	<input type="checkbox"/> For-profit <input type="checkbox"/> Non-profit <input checked="" type="checkbox"/> Non-profit (CHDO)		
Federal EIN:	39-1323500	DUNS #:	030460778
Registered on SAM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Community Housing Development Organization:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> CHDO Application Attached		

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 <http://www.cityofmadison.com/dcr/aaFormsID.cfm>.

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: Justice Castañeda

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 JC you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Date: 11/25/2020

PROPOSAL OVERVIEW

1. Please provide a brief overview of the proposal. Describe the impact of the proposed development or program on the community as well as other key characteristics. *(Please limit response to 300 words including spaces).*

We propose is to increase the number of affordable home ownership opportunities for low to moderate-income families in Madison's targeted affordable housing neighborhoods. Our intention is to acquire 4 single family 2-4 bedroom homes in the range of \$180,000-250,000 each home, with an allocation from the Affordable Housing Fund of \$125,000 per home hope to be able to update each home to be energy efficient, safe and healthy spaces that will become a part of Common Wealth's Lease/Purchase Program. We intend to lease these homes for up to 36 months during which time we work with the family to prepare them in obtaining a mortgage as well as how to properly care for a home through a number of financial management skill building and home care trainings. The funding from this program will allow us to fund the acquisition, rehab as well as provide a zero payment 2nd mortgage to the families that would maintain the affordability of the home for the family keeping a the monthly payments at 30% of the household income.

Number of unduplicated households estimated to be served by this project: 4

HOUSING FORWARD GOALS & OBJECTIVES

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

1. Preserve, improve and expand the supply of affordable housing for homeowners and renters.
2. Improve housing stability for homebuyers.

AFFORDABLE HOUSING NEEDS

3. Describe your agency's knowledge of and experience in identifying affordable housing needs of the City of Madison.

Common Wealth Development has a successful 40-year track record of neighborhood revitalization and has completed many innovative programs and initiatives that have improved our community through development of commercial space and quality, affordable, and accessible housing and homeownership opportunities in the Marquette and Meadowood neighborhoods

4. Please describe the anticipated demand for the proposed target populations intended to be served.

Common Wealth's current interest list for the lease to purchase program sits at about 30 people, 10 of which are current residents, mainly single mothers residing in our properties in the Meadowood neighborhood. Our intention with this program is to increase number of affordable homeownership options for our residents and supporting population who aspire to become first time homeowners, mainly single parent and under-represented households.

AGENCY OVERVIEW

5. Describe the Agency's Mission Statement and explain how this project supports the Mission Statement.

Common Wealth's mission is to support and preserve the vitality of neighborhoods in the Madison Metropolitan area. Our work serves as the foundational bedrock of healthy community and economic development, with projects aimed at improving the housing and business climate of our neighborhoods through a people-first approach centered on racial equity and community level health improvement. One of our core goals is to provide safe, stable housing opportunities for renters and aspiring home owners. This project would allow us to increase the number of affordable homeownership opportunities within in our Lease/Purchase Program which will provide us the ability to graduate many of our larger families into spaces that would accommodate their lifestyle and home ownership goals, in turn allowing CWD to provide affordable rental opportunities to other families in need.

6. Please describe the capacity of your agency to secure the total financing necessary to complete your proposed project, and past performance that will contribute to the success of the proposed program.

Common Wealth Development has a working relationship with a number of local community banks and have partnered with them over the last few years to borrow funds for real estate acquisitions. With the proposed per unit allocations for acquisition the remaining financing would be secured through debt financing with these community lenders. CWD has successfully administered a lease to purchase program for over two decades and continues to seek opportunities to increase the number of homes in the program to provide homeownership opportunities to the community we serve.

7. Please describe the agencies or development teams experience using federal HOME, CDBG or EECBG funds.

Ashley Gohlke, Housing Manager, Common Wealth Development: Ashley has over 9 years of housing management experience including affirmative marketing, outreach, tenant relations and HOME/WHEDA Tax Credit compliance. Ashley is in charge of compliance for all 146 units of Common Wealth Development housing with LIHTCs, the Affordable Home Program through the Federal Home Loan Bank of Chicago, and Property Tax Exemption guidelines. She has extensive knowledge of managing properties within the guidelines of multiple compliance layering. Common Wealth Development is regularly audited, has never had a reportable finding, has an excellent reputation and is highly regarded by our funding agencies.

Stefan Davidson, Finance Director, Common Wealth Development: Stefan has 18 years of experience in accounting and finance, working in public accounting as both an auditor and tax preparer and since 2010 in the financial management of not-for-profit housing organizations. As the Controller for Compass Housing Alliance (CHA) in Seattle, Washington, Stefan was responsible for the financial reporting and compliance of a portfolio of six housing projects. The projects were financed through a combination of federal and local grants and tax credit equity investments. Stefan was responsible for the financial management and reporting of two of the projects during their construction and lease-up phases. CHA also provided supportive services to all of the residents, along with day services to community residents that wanted them. These functions were all financed in part through federal and local grants and required fiscal compliance and periodic reporting and monitoring to maintain the funds. Stefan started as the Finance Director at Common Wealth Development in January of 2016, and has been responsible for the financial management of the organization, which includes funding from local and federal pass-through grants and the Yahara River View Apartments Partnership.

Mark France, Maintenance & Special Projects Coordinator, Common Wealth Development: Mark has 20 years of experience in project management, rehabilitation, and maintenance of low-income housing. He brings a design perspective that is centered on the long-term durability of housing stock and on creating livable spaces for residents. His experience encompasses both residential and commercial spaces and has worked in support of new developments as well as acquisition / rehabilitation projects.

Justice Castañeda, Executive Director, Common Wealth Development: Justice has over two decades of strategic planning and project implementation experience around residential and commercial development that he brings to this project. He also brings extensive experience working with comprehensive community development projects, integrating housing initiatives, economic development, mental health and wellness and educational opportunities for long-term community-level health improvement. An 8-year Marine veteran, Justice serves as a subject-matter-expert in both veterans' transition and housing, and comprehensive community development in extremely low-income areas, as well as in housing policy and development policy, generally. Justice has consulted for numerous foundations and governments and currently serves as the subject matter-expert on veterans' transition and veterans' housing for the Prevention Institute's Making Connections for Mental Wellbeing initiative. Mr. Castañeda is also uniquely versed in the challenges facing Madison in terms of housing, economic and educational disparities experienced by our populations of color. Justice brings this knowledge to Common Wealth Development and approaches this project not solely as a housing project, but as an opportunity to support lasting community and economic development in Madison and Dane County.

8. How does your agency reflect and engage the experiences of the target populations you serve or intend to serve, including black, indigenous, and other people of color, into your agency's operations and housing programs?

In 2019 we put great emphasis on building working relationships with other supportive programs in Madison to allow us to reach a wider range of folks suffering from homelessness. We partnered with organizations including,

but not limited to, the Tenant Resource Center, YWCA, the Department of Workforce Development and the Salvation Army.

Collaboratively we were able to house:

- Three “adult youth” ages 18-25:
- One resident is a single female who has been homeless since being released from the foster care system at 18 and is in the process of reunification with her three children.
- One is an expecting couple ages 21-25 that have had significant trouble finding housing due to pending criminal charges. One is a single disabled male who was homeless for several years due to limited income barriers and lack of housing history.
- Three families, all single mothers who were either fleeing dangerously violent significant others, reuniting with their children or were experiencing homelessness due to loss of job resulting in an eviction on their record.
- A single mother age 19 who aged out of the Foster Care system and has been homeless since.
- Two families that had been homeless and in shelter for 6 months or more.

In addition, Common Wealth employs a coordination of care model to provide holistic support services to our residents. Our Coordination of Care Specialist works to develop and foster strong relationships with community partners and stakeholders to help neighborhood residents and program participants access resources and stabilize their situations, so they experience less volatility in housing, employment, and food access. We also make connections to various service providers in the area who focus on mental health, vocational training, health and wellness, and childcare support.

We collaborate with:

1. Joining Forces For Families, a voluntary, community-based, supportive service that helps families address their basic human needs. By quickly linking clients to resources, JFF often keeps families stable and deflects them away from costly formal system interventions,
2. The Early Childhood Initiative, a voluntary home visiting program in Madison and Dane County, WI for pregnant women and families with children ages 0-4. ECI knows caregivers are the experts on their families, and supports them in working towards their goals.
3. Children’s Wisconsin, an entity that works with women with young children to obtain educational opportunities and training while also connecting them to resources.
4. The Meadowood Health Partnership. The primary mission of the Meadowood Health Partnership (MPH) is to strengthen families, promote literacy and provide neighborhood-based model health care. The partners include, Meadowridge Library, Today Not Tomorrow, Inc-Project Babies, Meadowood Neighborhood Center and Neighborhood Connectors. Access Community Health Centers is closely associated with this partnership and they provide technical and medical information assistance

Housing statistics:

Percentage of disabled residents: 18%

Percentage of households that are families: 60%

Percentage of households with Section 8: 13%

Percentage of tenants classified by HUD as other than Caucasian: 32% Percentage of residents that are age 65 or over: 9%

Percentage of households that are at or below 50% of Dane County Median Income: 65%

9. Describe how your agency promotes and supports equity in internal policy and procedures and within the community and the greater Madison area.

Common Wealth Development is an equal opportunity employer and is committed to a policy of equal opportunity for all employees and applicants, and a work and living environment in which everyone is treated with respect and dignity. It is our policy to be inclusive, seek and employ the most diverse and qualified personnel in all staff and Board of Directors positions, to provide equal opportunity for advancement to all employees, including with regard to recruitment, hiring, compensation, benefits, promotion, training, discipline and termination, and to administer these activities in a manner that will not discriminate against or give preference to any person because of race, color, religion, age, sex, gender, gender identity and expression, national origin, disability, ancestry, sexual orientation, marital status, or arrest or conviction record, or any other discriminatory basis prohibited by applicable local, state and federal law.

Common Wealth Development seeks to increase housing stability for low- to moderate-income individuals and families. Our community is defined by social geography elucidated through initial work focused on efforts in neighborhoods that are significantly disenfranchised from the overall health and economic vitality of the city of Madison due to historic processes and peripheralization. The work that we as an organization do, is done using a people-first approach centered on racial equity and community level health improvement.

Additionally, we work with a number of other organizations to support other rapid rehousing efforts and referrals of families and individuals who have or are currently experiencing homelessness.

10. List Percent of Staff Turnover in 2019: 10%

11. Divide the number of resignations or terminations in calendar year 2019 by total number of budgeted positions. Do not include seasonal positions. Explain if you had 20% or more turnover rate. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

12. Indicate by number the following characteristics for your agency's current staff and Board of Directors.

DESCRIPTOR	STAFF	BOARD
GENDER		
Female	13	7
Male	10	7
Unknown/Other	0	0
TOTAL GENDER	23	14
AGE		
Less than 18 yrs old	0	0
18-59 Yrs	22	12
60 and older	1	2
TOTAL AGE	23	14
RACE*		
White/Caucasian	12	11
Black/African American	3	2
Asian	2	0
American Indian/Alaskan Native	0	1
Native Hawaiian/Other Pacific Islander	0	0
MULTI-RACIAL:		
Black/AA & White/Caucasian	0	0
Asian & White/Caucasian	1	0

Am Indian/Alaskan Native & White/Caucasian	1	0
Am Indian/Alaskan Native & Black/AA	0	0
Balance/Other	4	0
TOTAL RACE	23	14
ETHNICITY		
Hispanic or Latino	4	0
Not Hispanic or Latino	19	14
TOTAL ETHNICITY	23	14
PERSONS WITH DISABILITIES		
	2	1

*These categories are identified in U.S. Department of Housing and Urban Development (HUD) Standards.

13. The following attachments are included with this application:

- Housing Development – Owner-Occupied (Complete Attachment A and Budget Workbook)
- Housing Development – Rental (Complete Attachment B and Budget Workbook)
- Housing Services (Complete Attachment C and Budget Workbook)
- Homebuyer Education (Complete Attachment D and Budget Workbook)

Note: Proposals for housing services should only complete Worksheets 1-3 (Agency Overview, Capital, and Expenses) in the Budget Workbook. Proposals for housing development should complete Worksheets 1-4 (Agency Overview, Capital, and Expenses, Proforma). Proposals for homebuyer education services should only complete Worksheets 1 and 5 (Agency Overview and Homebuyer Education Budget).

PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION AND CHECK THE BOX WHEN ATTACHED:

- A completed Application Budget Workbook, showing the City’s proposed financial contribution and all other proposed financing.
- A current list of Board of Directors, with home addresses included for each board member.
- For development proposals, 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.
- For development proposals, 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.
- For development proposals, a recent market study or analysis, if available at the time of application.
- For applicants seeking EECBG funds, an energy audit, prepared by a certified Focus on Energy auditor, if available at the time of application.
- For rental development proposals with more than one owner, a Project Organizational Chart, including ownership interest percentages.

NOTE: If an appraisal, market study, or capital needs assessment is not available at the time of application, and the proposal is funded through this RFP process, these items must be submitted to the City prior to receiving a loan agreement.

	# 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:	Enter Address 2								
Address:	Enter Address 3								

11. If site occupied by a tenant please describe the relocation requirements, relocation plan and relocation assistance that you will implement or have started to implement

N/A

COMMUNITY ENGAGEMENT PROCESSES

12. If the proposal targets a general area of the City, describe alderpersons response and how your agency intends to engage with the neighborhood. Include innovative strategies to engage Neighborhood Association to support future homeowners.

In different conversations, we have met with alders on the north side, to discuss housing strategies to benefit the underserved.

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

Amid the pandemic, we have expanded our housing team and have provided more resources and peronal contacts for residents. The pandemic has severely impacted our ability to complete maintenance request (both urgent and non-urgent,) so we have adjusted our safety protocol to protect both our residents and our staff. In terms of new clients, we have expanded our online capabilities to provide assistance and information to anyone who may seek it, whether it be via email, phone call or video call.

14. Please describe how you will coordinate your project with other community groups or agencies?

With all of our projects, Common Wealth Development works with a number of community and government organizations on a daily basis to foster a collaborative environment for our projects and those we aim to serve.

TARGETED POPULATION AND AFFIRMATIVE MARKETING

15. Describe your targeted population in terms of preferences to a specific population (e.g. individuals with disability, first generational homebuyers) or any other unique characteristics. Include information on why you have selected the targeted population.

Our goal is to target aspiring first-time homebuyers that have outgrown the standard apartment size as well as families whom may not be in the position currently to qualify for a home loan, but are taking the steps necessary to become eligible. Many of the aspiring homeowners are disproportionaltely people of color, people with disabilities, and people who are otherwise overlooked in the housing market. It is part of our mission to represent those who are underrepresented and may not otherwise have the opportunity under conventional markets.

16. Describe your affirmative marketing strategy and any other strategies to engage your intended population. How will this project address barriers to housing experienced by your target population?

It is the policy of Common Wealth Development, Inc. (CWD) to effectively market its rental properties in accordance with the Federal Fair Housing and Equal Opportunity Laws they pertain to Affirmative Marketing . In order to accomplish this goal CWD will use the following procedures with respect to the marketing of its rental properties.

2. Marketing:
 - a. Vacancies will be posted in the window of CWD offices where applications are accepted, as well as on the CWD website and the local Housing Resource Vacancy list created by Housing Navigation Services.
 - b. Vacancy notices can also be emailed directly to persons on waitlist and other interested parties.
3. Notification of Fair Housing Laws:
 - a. The Equal Housing Opportunity slogan shall be used with all marketing/advertising literature as well as on the CWD website.
 - b. Fair Housing Posters shall be displayed in English and Spanish in all CWD offices where applications are accepted and leases signed

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

1. Outreach:
 - a. Availability notices will be sent to a list of local organizations and service providers representing and aiding minority and low-income populations. These organizations include but are not limited to; Community Action Coalition, Salvation Army, Urban League, Tenant Resource Center, UNIDOS, YWCA, The Road Home and Tellurian.
 - b. An interest list will be maintained through CWDs property management system, all interested persons will be contacted when a unit matching their requested unit, income, location and family size description is available.

PROPOSAL TIMELINE

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

Activity/Benchmark	Estimated Month/Year of Completion
Acquisition/Real Estate Closing	4/2021
Rehab or New Construction Bid Publishing	5/2021
New Construction/Rehab Start	5/2021
Begin Sales/Marketing	6/2021
New Construction/Rehab Completion	9/2021
Complete Sales	10/2021
Request Final Draw of CDD Funds	11/2021

ENERGY EFFICIENCY, RENEWABLE ENERGY & SUSTAINABLE DESIGN

19. What is your organization’s track record of developing projects that incorporate extraordinary sustainable, energy efficient, and/or green building design techniques? 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). For more information, see [100% Renewable Madison Report](#).

Common Wealth Development owns and operates Yahara River View Apartments a 60-unit affordable housing apartment complex that has been ranked by MG&E as the second most energy efficient multi-family housing projects in the city of Madison. We model all of our housing projects after this building, working with community partners such as Project Home and Focus on Energy to update buildings and homes with the best technology to reduce our carbon footprint and increase energy efficient and savings!

20. If this is a new construction proposal, 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.

N/A

21. 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?

N/A

22. 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, if available.

N/A

APPLICANT & PROJECT NAME: **Common Wealth Development - Lease Purchase**

1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2019 Actual.

Account Description	2019 Actual	2020 Budget	2021 Proposed
A. PERSONNEL			
Salary (including benefits)	1,069,373	1,148,458	1,281,447
Taxes	79,300	78,849	96,397
Subtotal A	1,148,673	1,227,307	1,377,844
B. OPERATING			
All "Operating" Costs	365,838	429,983	348,496
Subtotal B	365,838	429,983	348,496
C. SPACE			
Rent/Utilities/Maintenance	1,111,404	765,491	826,241
Mortgage/Depreciation/Taxes	824,177	857,451	859,218
Subtotal C	1,935,581	1,622,942	1,685,459
D. SPECIAL COSTS			
Subcontracts			
Deposits to Reserves			
Debt Service (Excl Mortgage)			
Other: (Specify)			
Assistance	109,504	174,787	88,477
Subtotal D	109,504	174,787	88,477
Total Operating Expenses:	3,559,596	3,455,019	3,500,276
REVENUE			
Direct Public Grants	849,639	677,158	574,844
Direct Public Support	245,555	438,888	513,937
Indirect Public Support			
Miscellaneous Revenue			
Restricted Funds Released			
Program Income	2,076,128	2,233,561	2,309,512
Total Income	3,171,322	3,349,607	3,398,293
Net Income	(388,274)	(105,412)	(101,983)

APPLICANT & PROJECT NAME:

Common Wealth Development - Lease Purchase

2. 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:						
Various	\$ 425,000	y	4.00%	30	30	\$24,578
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan						
City-AHF Loan						
City-HOME Loan	\$ 425,000					
City-CDBG Loan						
City-TIF Loan						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Historic Tax Credit Equity						
Deferred Developer Fees	\$ 75,000					
Owner Investment						
Other-Specify:						
Total Sources	\$ 925,000					

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
Bridge Loan-Lender Name:			
Historic Tax Credit Equity:			
Total	\$ -		

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

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

Remarks Concerning Project Funding Sources:

APPLICANT:

[Redacted]

3. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$0
Existing Buildings/Improvements	\$850,000
Other (List)	
[Redacted]	\$0

Construction:	Amount
Construction/Rehab Costs	\$35,000
Construction Profit	\$0
Construction Overhead	\$0
General Requirements	\$0
Construction Supervision	\$0
FF&E/Personal Property	\$0
Demolition	\$0
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$0
Other (List)	
[Redacted]	\$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:

[Redacted]

Total Cost: \$0

Architectural & Engineering	Amount
Architect - Design	\$0
Architect - Supervision	\$0
Engineering	\$0
Other (List)	
[Redacted]	\$0

Interim/Construction Costs	Amount
Builder's Risk/Property Insurance	\$0
Construction Loan Interest	\$0
Construction Loan Origination Fee	\$0
Real Estate Taxes	\$0
Park Impact Fees	\$0
Other Impact Fees	\$0
Other (List)	
[Redacted]	\$0

Financing Fees	Amount
Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$0
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0

Soft Costs	Amount
Appraisal	\$0
Market Study	\$0

Environmental Reports	\$0
Survey	\$0
Permits	\$0
Lease-Up Period Marketing	\$0
Accounting/Cost Certification	\$0
Title Insurance and Recording	\$0
Relocation	\$0
FF&E	\$0
Capital Needs Assessment (if rehab)	\$0
Legal	\$0
Other (List)	
	\$0
Fees:	
Bridge Loan Fees	
Organizational Fees	\$0
Syndication Fees	\$0
Total Development Fee	\$0
Developer Overhead	\$20,000
Other Consultant Fees	\$0
Other (List)	
	\$0
Reserves Funded from Capital:	
Lease-Up Reserve	\$20,000
Operating Reserve	\$0
Replacement Reserve	\$0
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
Other: (List)	
	\$0
TOTAL COSTS:	\$925,000

Board of Directors

Board Member Name	Most Recent Appointment (date)	Public Official (Y/N)	Low Income Representative* (Y/N)
Benjamin LeRoy- Vice President Self Employed	2018-20	N	N
Leslie Freehill Attorney	2019-21	N	N
Susan Day- Treasurer Retired Banker	2019-21	N	N
Shaya Schreiber, School Counselor	2019-21	Y	Y
Beth Welch- Secretary Social Worker	2018-20	N	Y
Eric Galvin, Self Employed	2019-21	N	N
Rudy Moore Attorney	2019-21	N	Y
Robert Paolino, Engineer	2018-20	Y	Y
Tyrone Cractic-Williams Police Officer	2018-20	Y	N
Connor Sabatino, President Attorney	2019-21	N	N
Autumn Neugent, Accountant	2019-22	N	Y
Amy Wick, Attorney	2018-20	Y	Y
Dean Loumos, Retired non-profit executive	2019-21	N	N
Vanessa Kuettel, Social Worker	2019-21	N	Y

HEALTHY HOUSING | EQUITABLE ECONOMIC DEVELOPMENT | SUSTAINABLE LAND USE

Common Wealth is a 501c(3) non-profit with a Board of Directors made up of an outstanding group of community

ATTACHMENT D

DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

Proposers are hereby notified that all information submitted in response to this RFP may be made available for public inspection according to public records laws of the State of Wisconsin or other applicable public record laws. Therefore, proposers are encouraged to refrain from submitting information that cannot be open for public inspection. However, if proposers must include information deemed confidential and proprietary by the proposer, proposer must comply with these instructions:

- Requests for confidentiality must be submitted prior to the proposal submission date to the City of Madison Purchasing Office.
- Requests for confidentiality must use this designated form. Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The City considers other markings of confidential in the bid/proposal document to be insufficient.
- Any information to be considered confidential or proprietary must be separated and packaged from the rest of the proposal. Co-mingling of confidential/proprietary and other information is not acceptable.

Prices always become public information when bids/proposals are opened or when negotiations have been completed and the contract has been awarded. Other information usually cannot be kept confidential unless it involves a trade secret as defined in §.134.90(1)(c), Wis. Stats. Any information that will be included in any resulting contract cannot be considered confidential. A proposal, in its entirety, will not be considered confidential and/or proprietary.

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in §. 134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to hold the City of Madison harmless for any costs or damages arising out of the City's agreeing to withhold the materials.

The attached material submitted in response to Bid/Proposal # 2020-8976 includes proprietary and confidential information which qualifies as a trade secret, as provided in §s.19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released:

Section	Page No.	Topic	Specific law that supports confidentiality of information

Company Name Common Wealth Development
 Enter Name: Ashley Gohle

By entering your initials in the box,  You are electronically signing your name and agreeing to the terms above.

Date: 11/25/20

Common Wealth Development Housing Forward Lease Purchase

Response Submission Due Date: January 6, 2021 NOON

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. Please cc: etabakin@cityofmadison.com. We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Questions:

Energy Efficiency

1. Please describe any energy efficiency techniques or strategies that CWD will incorporate into the homes rehabilitated under this program.
 - a. Common Wealth Development has a history of providing the most efficient retrofits possible when it comes to acquisition/rehab projects as well as new developments. As with past projects, we intend to carry out an energy assessment of each home, and, pending results, the following steps will be conducted to maximize energy efficiency.
 - i. Update insulation & conduct air sealing
 - ii. Update lighting and create more opportunity for natural light, such as installing solar tubing and/or skylights
 - iii. Install Energy Star rated appliances
 - iv. Install high efficiency HVAC & water heater systems
 - v. Update windows and roofing if needed
 - vi. Update lighting to energy star rated fixtures
 - vii. Update electrical and water systems if needed
 - viii. Assess solar viability and establish where able

Social and Racial Equity

1. Research suggests standard affirmative marketing practices are ineffective in reaching prospective homebuyers from communities of color. Please elaborate on the approach that your organization will use beyond standard practices to affirmatively market and provide outreach to prospective Black, Asian, and/or Latinx homebuyers.
 - a. Our organization has cultivated trusting relationships with other organizations in the city that work directly with populations of color and low-income populations. Some of the organizations we work with include Community Action Coalition, Salvation Army, Urban League, Meadowood Health Partnership, Tenant Resource Center, UNIDOS, YWCA, The Road Home and Tellurian. We have adapted the same relationship in our homeownership program, by advertising an available home to these organizations prior to the general public

first, we are able to reach prospective Black, Asian, and/or Latinx homebuyers and work with them in our 36-month lease to purchase model to get the family housed right away and work with them to achieve their goal of homeownership.

Financing

1. Addendum 1 to the RFP was not submitted. Please confirm that CWD would be willing to accept funds from any source (City levy, HOME, CDBG, and EECBG).
 - a. CDBG
2. The requested level of CDD subsidy per unit exceeds the CDD's adopted underwriting guidelines of \$90,000 per unit. Please elaborate on why CWD believes that such a substantial award is justified.
 - a. The cost of a single-family home in Madison is currently averages \$298,303. \$90,000 is not sufficient enough to provide efficiency updates required by the city as well provide a 2nd mortgage necessary maintain true affordability of an 80% CMI household at 30% qualifying income/mortgage PITI payment.
 - b. The attached feasibility spreadsheet with provide a more visual explanation of the necessity of greater subsidy in order to acquire and create truly affordable homeownership opportunities.
3. How did CWD calculate the permanent loan amount for which it is eligible in the budget workbook? Could CWD service additional debt from a permanent mortgage lender?
 - a. Common Wealth has a long-standing relationship with Monona Bank who is currently financing our new project at 5802 Raymond Rd and a Lease to Purchase Home at 405 Rogers Street.

Program Targeting

1. Question 8 was unanswered. Please describe and specify where you will target acquisition for this program and explain why CWD feels like homeownership strategies are necessary in that location.
 - a. Our intended target areas are South/West Meadowood Neighborhood as well as on the North Side, within and around the Sherman Ave corridor. In the Meadowood neighborhood our strategy is to create affordable homeownership opportunities that would allow families in our current rental units, options to graduate into housing that better accommodate their family size and future wealth building opportunities right in their neighborhood. The North side affords a better opportunity for us to acquire homes under \$290,000 to create affordable housing; as housing prices increase in the city, the Brentwood Village-Packers-Sherman Neighborhood is becoming more attractive for single families who wish to become homeowners because prices are still relatively attainable. Furthermore, with the Sherman Ave corridor ripe for gentrification, we feel that it is imperative for us to aggressively pursue permanent affordable options before it becomes economically prohibitive.

Unit Mix

1. For approximately how long are CWD's lease-purchase typically vacant between time of sale and occupancy of the next prospective homebuyer?
 - a. Common Wealth Development would typically see a vacancy of 30-60 days depending on the amount of rehab/reno that would be needed in order to adequality update the home to the health, safety and energy efficiency standards set forth by the city of Madison and Common Wealth development.

Supportive Housing Units/Supportive Housing Partnerships

1. Please expand on CWD's response to question 14 of Attachment A. Specify which agencies CWD intends to partner with on this project and, generally, how that partnership will function.
 - a. CWD's intention is to partner with organizations such as UNIDOS, YWCA, The Road Home and Tellurian, to reach aspiring homeowners who would otherwise not have the opportunity to become homeowners. We also intend to work with local financial institutions such as Old National Bank and Heartland Credit Union, to provide financial wealth education to participants as they ready for homeownership. We will look to organizations such as Sustain Dane, Elevate Energy and Focus on Energy to ensure that the homes updated to the best possible health and energy efficiency.

LEASE-PURCHASE

Acq.			250,000
Rehab		pfa #	35,000
Soft			5,000
			<u>290,000</u>

City Fund			125,000
CWD Admin Fee	10%		12,500
Investment			<u>112,500</u>

1st mortgage			208,800
2nd	L-P Program income		72,500
Other	Dpp+		-
Down Payment		3%	8,700
			<u>290,000</u>

P&I	3.50% interest	30 yr	\$937.61
RET	0.021 mill rate		507.50
Ins			50.00
PITI			<u>1,495</u>

Qualifying Income		30%	59,804
less rental income credit	\$ -	75%	-
Qualifying Income			<u>59,804</u>

80% CMI	HH =	1	54,950
		2	62,800
		3	70,650
		4	78,500