

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, 2020**.

Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	<u>The Shield Apartments</u>		
Amount of Funds Requested:	<u>\$800,000</u>	Type of Project:	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Acquisition/Rehab
Name of Applicant:	<u>The Salvation Army</u>		
Mailing Address:	<u>5550 Prairie Stone Parkway, Hoffman Estates, IL 60192</u>		
Telephone:	<u>847-294-2154</u>	Fax:	_____
Admin Contact:	<u>Bramwell E. Higgins</u>	Email Address:	<u>Bramwell.Higgins@usc.salvationarmy.org</u>
Project Contact:	<u>Major Andrew Shiels</u>	Email Address:	<u>Andrew.Shiels@usc.salvationarmy.org</u>
Financial Contact:	<u>Jerry Burka</u>	Email Address:	<u>jerry.burka@orchardconsult.com</u>
Website:	<u>https://centralusa.salvationarmy.org/usc/</u>		
Legal Status:	<input type="checkbox"/> For-profit <input checked="" type="checkbox"/> Non-profit	Type of LIHTC Application:	<input type="checkbox"/> 4% <input checked="" type="checkbox"/> 9%
Anticipated WHEDA Set-Aside:	<input type="checkbox"/> General <input type="checkbox"/> Preservation	<input checked="" type="checkbox"/> Non-Profit	<input type="checkbox"/> Supportive Housing
Federal EIN:	<u>36-2167910</u>	DUNS #:	<u>962440868</u>

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: Bramwell E. Higgins

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

Date: 7-14-2020

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.

The Salvation Army (TSA), with a long and rich tradition of providing housing and social services worldwide, intends to develop new residential multifamily apartments, named 'The Shield Apartments', at the southwest corner of the intersection of North Blount Street and East Mifflin Street on the near eastside of the City of Madison. Once completed, the proposed project will consist of the new construction of one, three-story elevatored building containing 16 studio units (550 square feet) and 28 one bedroom/one bathroom units (690 to 725 square feet) for a total of 44 units targeting residents of all ages.

Currently, TSA owns and operates an existing shelter facility on an adjacent site which is the only emergency shelter in Dane County serving single women and families. Currently during the COVID-19 pandemic, we are only able to serve single women. In 2019, TSA acquired new property to the north and northwest with corner frontage on North Blount Street. The acquisition of the adjacent site allows the Salvation Army to expand the overall campus with a new redevelopment plan, comprising two main components. First, in order to fulfill TSA's mission and continue providing the current shelter services to the homeless in the community, a capital campaign will be launched in the near future to replace the shelter building at 630 E. Washington Ave. We undertook a capital campaign feasibility study in 2019 and received a preliminary report from our consultants with suggested action steps for the fundraising efforts. Due to the unfortunate outbreak of the Coronavirus, the campaign was put on hold until further notice. In light of COVID-19, the Salvation Army Central Territory has not authorized any fundraising to take place at this time. However, once the organization is post-COVID-19, we will resume efforts towards a capital campaign and are committed to replacing our current shelter with a modernized facility that will incorporate shelter services, transitional housing, and TSA administration offices. The building will have expanded, dedicated spaces for medical and dental clinics, and new space to dramatically expand mental health services. The shelter building will include a kitchen to continue meal service, a gymnasium, and space for children's activities. The second component will be the Shield Apartments, which is a way to offer some TSA clients a continuum of housing to help them succeed at reentering the private housing market. This two-part redevelopment plan represents a substantial investment by The Salvation Army into the neighborhood, totaling approximately \$40 million. The Shield Apartments project will be financed with equity from Federal low-income housing tax credits, construction and permanent financing from BMO Harris Bank, committed capital funds from Dane County, general partner equity, in addition to the requested funds from the City and a planned application for funding to the Federal Home Loan Bank's AHP program.

Thirty-seven of the units will be set aside as affordable units for residents earning 50 or 60 percent or less of the Dane County AMI, and 11 of these units will be reserved for integrated supportive housing targeting tenants who are homeless, veterans, and/or disabled. The remaining seven units will be rented at market rental rates. Each unit will have internet service, a washer, dryer, kitchen with a refrigerator, oven/range, and garbage disposal. In addition, the integrated supportive housing units will be fully furnished. Other facility spaces include office space for property management, supportive services, and a community room. The site will contain surface parking as well as underground parking for residents and staff members, bicycle parking; an outdoor play space for children will be part of the TSA's adjacent shelter campus. The new rental housing component will be offered to the general population, as well as targeted populations who require supportive services to help them lead stable, successful lives. To this end, The Shield Apartments project will offer an on-site case manager to coordinate supportive services provided by The Salvation Army of Dane County. In addition, quality recreational space, clinic space, and other supportive services will be housed in the neighboring shelter facility.

The Shield Apartments has the benefit of an experienced and successful development team. The Salvation Army Central Territory as developer and Gateway CDFI as consultant have worked together for more than 10 years developing multifamily properties across the Midwest, including those financed with LIHTC, HUD Section 202, HOME, CDBG, and FHLB AHP. With JLA Architects leading the functional design of the redevelopment, Miron Construction spearheading sustainability efforts and construction, the Shield Apartments will be well planned and provide very attractive, professionally-managed modern affordable housing to qualified low-income residents in a desirable location. This project will be nothing less than a high-quality, green-certifiable urban development which serves to strengthen our community with additional safe, affordable rental housing.

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

Type of Project: New Construction Acquisition/Rehab
 Type of Project: Multi-family Senior (55+ or 62+ yr. old): _____

Total number of units: 44

Total number affordable of units (<60% CMI): 37

Total % affordable of units (<60% CMI): 84%

Total amount of AHF requested per affordable unit: \$21,621.62

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

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.

The Salvation Army began its mission in Madison, Wisconsin in 1890, serving the Dane County community. Its ministry is motivated by the love of God and its mission is to meet human needs without discrimination. The year 2020 will mark the Salvation Army's 130 year anniversary. Over the course of these nearly 130 years, we have gained first-hand knowledge of the very real need for safe, quality, and affordable housing in the community. The Salvation Army of Dane County hosts six housing programs and a Diversion Program--an effort to keep families and individuals from entering the shelter system at all. Our housing background and experience includes providing two emergency shelters for the homeless (serving single women and families), transitional housing for homeless single women to establish self-sufficiency, Rapid Rehousing programs in partnership with other local social service agencies, and the DAWNS (Dane County Assists with New Starts) program. DAWNS follows a rapid rehousing model to place homeless people into stable and permanent housing in the private market with ongoing case management and some rent assistance. From working with these particular programs and helping to transition homeless people into housing, we have witnessed the supply of affordable housing in the local community to be a critical piece in ending homelessness. The Salvation Army is uniquely qualified to understand the dynamics of the local market and neighborhood and to work with existing government, business and community stakeholders to design, develop, produce, and operate a multifamily project that will meet the needs of low-income residents living in the area.

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

Baker Tilley was commissioned by The Salvation Army to conduct a market study to evaluate the need for additional affordable housing in the market area. As part of the analysis, it was determined that sufficient potential demand likely exists for the introduction of 44 multifamily rental units at the proposed site in Madison, Wisconsin. The site location and scope of development make the proposed development marketable in the prevailing rental market. Based on the scope of the research conducted and the analyst's professional opinion, the Shield Apartments is likely feasible from a market perspective and a market likely exists for the development as proposed. The prospect for long-term performance of the property is positive given the housing, demographic trends, and economic factors. The proposed development will not have a material negative impact on the existing housing market including the LIHTC Section 42 housing, other affordable housing properties (Section 8, 515, 236, and public housing), or market rate housing.

Based on Baker Tilley's discussions with property managers in the PMA, the low vacancy rates for the family developments in the PMA, and examples of recent LIHTC developments' initial lease-up, the likely absorption of the units at the proposed development is conservatively ten units per month. Based on the low vacancy rate for the developments that are deemed competitive to the proposed development and the long waiting lists currently maintained at comparable LIHTC projects, it is reasonable to assume that the development will open with a conservative estimate of 50 percent of the non-integrated supportive LIHTC units preleased (thirteen units). Based on a ten unit per month absorption rate combined with 50 percent of the units preleased at the development's opening, a two to three month lease-up period is expected based upon a 93 percent stabilized occupancy rate.

The Salvation Army has been serving the targeted population in this precise location for more than 40 years, when we purchased a former Catholic school building at 630 East Washington in 1977. Because we are an established and reputable social service and shelter provider, we are aware of the demand for permanent housing right outside our doorways. In 2019, our rapid rehousing program has found stable places to live for 490 people, which includes 118 families and 46 single women. According to the Homeless Services Consortium in Madison and its community by-name housing list, there are 486 singles and 130 families waiting. The need is clearly high for singles, which is why we have decided to target our permanent housing efforts primarily for single individuals. We know that single men and women are in extreme need of safe, more reliable rental housing units to call home. However, our proposed studios and one bedroom units can also serve very small families (2 adults and one child under 2 years old). The Salvation Army's internal numbers in Dane County also reflect a great need for permanent supportive housing. The shelter programs managed by The Salvation Army of Dane County served 269 families and 490 single women in 2019. An estimated 1900 families and 180 individuals were not able to be accommodated in 2019 due to lack of space.

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 population(s) you propose to serve (e.g. households experiencing or at risk of homelessness, formerly homeless families residing in Permanent Supportive Housing no longer in need of intensive support services, veterans, persons with disabilities, formerly incarcerated individuals, other, etc.).

Eleven units (25% of the total units in the building) will be designated for integrated supportive housing. The maximum income allowed for these units will be 30% CMI, specifically serving households who are homeless, veterans, and/or persons with disabilities. These 11 units will be designated for tenant referrals from the Coordinated Entry Systems Manager of the Homeless Services Consortium (HSC). We are committed to serving individuals who are currently homeless and listed on the "Prioritized by Name" list. All utilities will be paid for residents of these 11 units. The Salvation Army of Dane County has been a service provider for the HSC for many years and plans to continue its role and coordination with the consortium, providing supportive services for individuals and/or families experiencing homelessness.

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.

This innovative project goes beyond WHEDA'S supportive housing requirements by providing a permanent housing solution for some homeless clients of the current Salvation Army shelter. With the construction of its own affordable apartments, The Salvation Army will continue to embrace the "Housing First" model, thus also furthering the stability of this neighborhood. The new apartments will be the first step in a campus approach by The Salvation Army, as additional land has been acquired at the shelter site on which to build this separate building. The campus approach will allow for the more efficient provision of services to those in need.

The 37 affordable living units and associated community space to be constructed will allow The Salvation Army to continue its mission to serve those in need in a way more in keeping with current best practices. A portion of The Shield Apartments (11 integrated supportive housing units) will be targeted to homeless adults, many of whom may be veterans and/or disabled, and the project will provide a much-needed "Housing First" solution. The Salvation Army of Dane County will serve as the lead local agency for the project and will provide on-site service coordination in its implementation of the comprehensive supportive services plan.

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 and level of supportive services (such as assessment and referral, on-site intensive case management, etc.) that will be provided to residents of the proposed project.

The Salvation Army of Dane County, as a current service provider and participant in the Continuum of Care, will provide residents with comprehensive, case-managed supportive services. The 11 integrated supportive housing units will be designated as units for the Homeless Services Consortium and its housing placement system using the community by-name housing list. TSA will offer these residents voluntary, on-site case-managed supportive services. Residents will have access to a variety of social services from The Salvation Army and partner providers. TSA will coordinate referrals to, and facilitate The Shield Apartments residents' access to, services provided by other agencies in accordance with each resident's individually assessed needs. The services to which residents will have access include:

- needs assessment and comprehensive housing focused case management
- adult basic and vocational education, including basic computer skills
- life skills training
- dental services (clinic on site)
- medical services (clinic on site)
- mental health services (clinic on site)
- support group meetings
- benefits advocacy
- employment services and help with transportation services
- recreational opportunities
- legal services
- veterans' services
- financial skills training and credit counseling, and income support, as needed

Quality recreational space, clinic space and other supportive services will be housed in the neighboring TSA shelter facilities.

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.).

The Salvation Army intends to financially support 100% of the supportive services offered at The Shield Apartments. As part of TSA's commitment to supportive services, the salary of the on-site case manager will be paid by The Salvation Army. As a social service agency, we feel that supportive resources are the most important, essential services that we can offer to our clients and there will be no shortage of financial measures in order to meet the resident's needs for them to be successful in maintaining permanent housing. The Salvation Army has also established a project-based rental assistance program to ensure the long-term affordability of the 11 targeted units in the project. A copy of the Housing Assistance Agreement submitted to WHEDA in 2019 has been included in the city application attachments.

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

The Salvation Army of Dane County currently receives approximately \$1,000,000 annually from Dane County to fund its emergency overnight shelter for single women and families and its DAWNS program, which offers a rapid rehousing package for single women and families. DAWNS includes weekly case management sessions, and funding for a security deposit, and first month's rental assistance. We expect that potential DAWNS clients could be placed at the Shield Apartments, and the funding from Dane County to be used as part of that program. In addition, a project-funded housing assistance program has been established to guarantee rental income for the 11 integrated supportive housing units while requiring tenants to pay only 30% of their actual income toward the rent.

TENANT SELECTION, AFFIRMATIVE MARKETING & BARRIERS TO ENTRY

11. 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.

In accordance with the Housing First approach, TSA is in full support of flexible resident screening criteria for households connected to supportive services. Our third-party property management team, The Alexander Company, has developed 'Resident Selection Criteria' to reduce barriers to fair housing choice. A written copy of this exhibit has been included in this application, outlining eligibility, waiting list policy, credit screening, rental history, occupancy, criminal record checks, approval/denial instructions, security deposits, and unit transfer policies.

Income Criteria

There will be no minimum income requirement for applicants in the designated supportive services units, at 30% or below AMI. The project-funded TSA housing assistance program will guarantee rental income for the 11 integrated supportive housing units. According to Novogradac, the maximum LIHTC income limits for 30% AMI in the Madison Metropolitan Area are \$21,030 (one person), \$24,030 (two persons), and \$27,030 (three persons). All other applicants must have income to support 1-1/2 times the monthly rent amount. Income limits for 20 units at or below 50% AMI are \$35,050 (one person), \$40,050 (two persons), and \$45,050 (three persons). Income limits for six units at or below 60% AMI are \$42,060 (one person), \$48,060 (two persons), and \$54,060 (three persons).

Preferences

Populations targeted for the 11 integrated supportive services units will be referrals from the Coordinated Entry Systems Manager of the Homeless Services Consortium (HSC). The preference will be for individuals and/or families who are homeless, veterans, or disabled persons.

All applicants who are currently receiving supportive services from the Salvation Army will be placed at the top of the waitlist and prioritized over other applicants. They will then follow the Resident Selection Criteria (RSC) waitlist process. Management will run credit and criminal backgrounds checks on all applicants as outlined in the RSC. Criminal convictions will be denied based on the criteria stated in the RSC. Applicants with a history of non-violent crimes or that fall under the VAWA will not be denied. There are no credit score requirements for approval. The Resident Selection Criteria is posted on the apartment building's website and hard copies are provided in the leasing office to every prospect. Management will work with each applicant to review the credit report to determine the nature of any credit issues and grant applicant approval if any of the following conditions can be met:

1. The applicant has a payment agreement in place with any creditor.
2. The applicant has been evicted but is under a current payment plan with the Landlord.
3. The applicant is enrolled in or has completed a financial literacy program.
4. The applicant has a co-signer or guarantor.
5. The applicant has no credit or housing history established.

12. 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?

The Shield Apartments will have a Property Manager on site with regular office hours on weekdays, as will The Salvation Army services team. The PM will provide weekly information regarding unit availability to the designated contact at Salvation Army, and these staff will work closely to ensure that residents and applicants are well-informed, that their needs are met, and that the programs are working with full cooperation from both teams. This will also allow a natural relationship to form between the apartment management staff, the Salvation Army team and the residents.

During lease-up, daily communication will be routine, to ensure that applicants are placed in qualified units and the waitlist is established with accurate and current information. After lease up, monthly recurring meetings will be scheduled to discuss the property's services and management issues, if any, including issues that might arise in the context of the neighborhood. In addition, the Property Management staff and the Social Services staff will work to establish a good relationship with the police in the neighborhood, to build trust among the staff, police officers, The Shield Apartment residents and neighborhood residents.

13. Describe the proposed development's minimum occupancy standards that will prevent or reduce over-housing residents in such limited affordable housing opportunities.

The Shield Apartments will contain studio and 1-BR units, limiting occupancy for all units to no more than 2 adults and one child under the age of two. A minimum of one adult over the age of 18 is required to lease any unit. Thus, overhousing at The Shield Apartments will not be the issue that it might be in buildings with larger units. Other than the minimum age required, there are no age restrictions for this property.

14. 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.

Please see the attached HUD Form 92243 which outlines our affirmative marketing strategy to be put into place upon the start of lease up.

In addition to the organizations mentioned in the City's Marketing Best Practices, we will use community outreach to key organizations, including Centro Hispano of Dane County, the Nehemiah Center for Urban Leadership Development, United Asian Services of WI, United Migrant Opportunity Services, the Wisconsin Women of Color Network and the Catholic Multicultural Center.

The Marketing Efforts for the Shield Apartments will begin early with earned media at groundbreaking, during construction and at completion. Paid marketing and outreach efforts will begin at least 6 months prior to occupancy, with applications accepted 120 days prior to occupancy as part of LIHTC compliance. Ongoing marketing will include a project Facebook page, postings with community partners and traditional marketing methods as needed.

15. 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.

TSA intends to advertise in the weekly Housing Resource Vacancy List produced by the Community Action Coalition for South Central Wisconsin and WIHousingSearch.org funded by Wisconsin Housing and Economic Development Authority (WHEDA). We will participate in listservs through the Homeless Services Consortium, Madison Neighborhood Resource Teams, and the Tenney-Lapham Neighborhood Association.

We will make use of common marketing tactics such as apartments.com and similar sites as well as Facebook, and other social media. For Facebook marketing, we specifically have the opportunity to use geo fencing to target areas of the City more heavily populated by people of color, or those living in more distressed census tracts. In addition it will be crucial to reach those who may have less access to online tools, and so more traditional methods will also be used, including print publications such as Isthmus, Capital City Hues, the Madison Times and the Capitol Times to name a few.

Other avenues to market to demographic groups that are least likely to apply include community minority programs such as the Catholic Multicultural Center in Madison, Centro Hispano of Dane County, the Family and Community Wellness program at Nehemiah Center for Urban Leadership Development, United Asian Services of WI, Inc., United Migrant Opportunity Services, and the Wisconsin Women of Color Network.

Various regulations limit certain types of marketing (e.g. photos specifically showing a particular ethnic group), however, as the City's Affirmative Marketing Plan Best Practices suggests, you may feature images of a diverse pool of applicants or residents. Successful past practices for the Alexander Company include partnerships with Joining Forces for Families, both the Dane County and City of Madison Housing Authorities, and the Veterans Affairs Supportive Housing in Madison. Further, existing Clients of the Salvation Army of Dane County, many of whom are people of color will be a natural pool of potential renters.

16. Describe the proposed development's security deposit policy (e.g., ½ or 1x's rent, other set amount(s), criteria for variations if credit is conditional, etc.). What is the policy for units with a guaranteed rent subsidy or voucher?

A security deposit equal to 50% of one month's rent will be charged for each unit. A co-signer or additional deposit not to exceed one month's rent may be required for conditional credit and background reports or lack thereof. A payment plan will be available for applicants who are unable to pay the security deposit in full prior to move-in. When rent or security deposit is guaranteed by a third party, the standard 50% of one month's rent for the security deposit will be charged.

17. 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?

Rent increases will be given in accordance with the operating budget for the property. Rents shall not exceed the maximum allowable under WHEDA. In accordance with fair housing laws, all like units (bedroom size, LIHTC program designation) will be budgeted and receive the same rental increase notifications. However, the residents payment history shall be considered when determining the amount of the rental increase and when negative, a minimal or no increase will be given. The purpose of this apartment building is to provide affordable housing to those who may struggle to qualify and afford elsewhere. In keeping with that purpose, management will work with residents to establish flexible payment schedules that allow the resident to meet their financial obligations and help them improve their credit or rental history. Their success under this structure will not be taken advantage of by placing large rent increases on those who can afford to pay versus those who cannot. If tenants can pay their rent in full and management can pay the bills to operate the property and meet debt requirements, minimal rent increases will be given.

Because TSA's mission will continue to be service to those most in need, we will work with the Alexander Company to control costs to ensure that the housing will remain affordable to those it is intended to serve.

PUBLIC PURPOSE AND RISK

18. Please describe the public purpose of your proposal and the risks associated with the project.

The Shield Apartments and the total comprehensive redevelopment plan for the Salvation Army campus in Madison will serve the public welfare for purposes of improved public safety, public health, neighborhood stabilization, and urban housing development. Risks associated construction of the project include increases in construction costs due to increases in the cost of building materials or labor, increases in interest rates which result in increased holding costs.

SITE INFORMATION19. Address of Proposed Site: 651 East Mifflin Street, Madison, WI 53703 (actual address to be determined)

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

- Preferred Area (New Construction Only)
 Super-Preferred Area (New Construction Only)
 Eligible Area (New Construction & Acquisition/Rehabilitation)
 Targeted Rehab Area (Ineligible for New Construction, but preferred for acquisition & rehabilitation)

21. Identify the neighborhood in which the site is located: Tenney-Lapham22. Date Site Control Secured: 4/19/201923. 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.)

The site was chosen because the Salvation Army has owned existing property at 622 and 630 East Washington Avenue and had the opportunity to expand its footprint with the acquisition of adjacent property to the north of the current TSA shelter. The intersection of the project site is East Washington and North Blount Street, extending to East Mifflin Street. The current Salvation Army shelter facility has served the community since 1977 using a former Catholic School that was constructed in 1961, and converted to a family and women's shelter. The former classrooms were converted to offices and residence rooms. It is now at the end of its useful life due to inefficiency of design and serious health and safety concerns. Particularly with current COVID-19 concerns, the building no longer meets the current and projected needs of TSA's program delivery. As a second phase of their development plans, The Salvation Army intends to continue to fulfill its mission to serve the homeless by launching a capital campaign early in 2021 to replace the shelter building with a modern and more useful facility on the adjacent ground. In addition to shelter services, the Salvation Army would like to expand the stock of permanent affordable housing in Madison with a rental housing component on this campus - the proposed Shield Apartments project. The average home in Madison is valued at more than \$300,000, and it is known that affordable units are hard to find for people who work hard in lower-paying jobs. The Salvation Army project will provide new options and allow the City to expand its affordable housing opportunities near the downtown area.

The subject property straddles the border between the core downtown area and east downtown neighborhoods of Mansion Hill and First Settlement at the southeastern end of the Tenney-Lapham neighborhood. It lies six blocks northeast of the Capitol Square along the East Washington Avenue (U.S. Hwy. 151) corridor in the central isthmus, within the city-defined Capitol East District that extends roughly from the Yahara River on the north to the Capitol Square on the south. Until very recently, the neighborhood was primarily an aging industrial corridor that is now undergoing extensive redevelopment for mixed-use and high-density residential, commercial, entertainment and business incubation. This is home to Madison Gas & Electric Company, which has its large coal-fired power plant (Blount Generating Station), main offices and various electrical generating substations concentrated between East Main Street, the Capitol City Bicycle Trail, South Blair and South Livingston Streets.

24. 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 are no existing buildings on the proposed site of The Shield Apartments. The property on which the proposed project will be located currently consists of two existing parcels, which will be consolidated and subdivided to form the project site and the proposed emergency shelter facility, to be developed in the near future. One of these parcels has for some time been owned by TSA; the other is one of the sites formerly known as the Schlimgen

parcels, which were recently acquired by The Salvation Army. When the subdivision of the parcels is completed, the housing project's parcel will be transferred to The Shield Apartments LLC, the project owner entity.

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

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Festival Foods	0.2
Public Elementary School	Lapham Elementary	0.7
Public Middle School	O'Keefe Middle School	1.4
Public High School	East High School	1.7
Job-Training Facility, Community College, or Continuing Education Programs	The Beacon	0.1
Childcare	Red Caboose Child Care Center	0.4
Public Library	Madison Public Library	0.7
Neighborhood or Community Center	Wil-Mar Neighborhood Center	0.7
Full Service Medical Clinic or Hospital	UnityPoint Health-Meriter-West Washington Clinic	0.8
Pharmacy	Walgreen's	0.5
Public Park or Hiking/Biking Trail	James Madison Park	0.3
Banking	Associated Bank	0.2
Retail	Good Style Shop	0.4
Other (list the amenities):	Madison Senior Center	0.9

26. 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 proposed site is 328 feet to the nearest transit stop at E Washington & N Blair (Westbound); Stop ID 1214. There is an Eastbound bus stop directly across the street on E Washington and S Blair; Stop ID 1579. Eight different bus routes stop at both of these locations on weekdays including route numbers 6, 14, 15, 25, 27, 37, 56, and 57. Route 6 normally offers the most frequent service; however, due to COVID-19 concerns, Route 6 continues to operate reduced schedules until further notice. Typically, a bus travels westbound (Stop 1214) every 15 minutes in the early morning and afternoon commute hours and then increases to every 30 minutes at 8:50 am and 5:49 pm during weekdays. Eastbound service (Stop 1579) for Route 6 normally runs every 15 minutes beginning at 5:55 am and increases to every 30 minutes at 9:34 am, as well as every 15 minutes during the afternoon commute and increases to every 30 minutes at 6:35 pm on weekdays. Route 6 is the only bus serving these two bus stops on weekends with service every hour until 10:25 pm (Stop 1214) and 11:03 pm (Stop 1579).

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

The project site location is 0.6 miles from Lapham Elementary and therefore not eligible for District-provided, yellow bus transportation because the housing site is not located more than 1.5 miles from the attendance area elementary school. Lapham Elementary is considered to be within walking distance of the site location, four blocks from the proposed Shield Apartments. The walking route would be N. Blount Street to one block north, right on E. Dayton Street and approximately 0.5 mile to the destination at 1045 E. Dayton St. The same is true for the nearest middle school, O'Keefe Middle School, which is located 1.4 miles from the project site. The less congested walking route to the middle school would be south on N. Blount Street to Jenifer Street, left on Jenifer about one mile until S. Thorton Avenue where the school is located on the right at 510 S. Thorton Ave. However, Metro Transit also offers bus route 6 along East Washington Avenue with service to O'Keefe Middle.

28. 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.

The neighborhood is well-connected to all parts of the city by bus lines and major arterial roads, as well as bicycling/recreational paths. Both East Washington (two-way, three-lane each direction) and East Johnson Streets (one-way, three-lane one direction) are primary commercial thoroughfares that feature mostly locally-owned business establishments, including restaurants, neighborhood services, small markets and convenience shopping. The project site scored a 93 Walk Score. The Beacon, a comprehensive day resource center for people who need help with employment and computer skills, is located within walking distance directly across the street at 615 East Washington Ave. Festival Foods, a family-owned supermarket chain stocking meat & seafood, produce & organic foods, is also located one block away within walking distance. Associated Bank is two blocks from the project site. Red Caboose Child Care Center is less than a half-mile away and provides a childcare center, an after school program, and summer camps. The nearest Madison Public Library branch and Wil-Mar Neighborhood Center are both .7 miles from the TSA site. UnityPoint Health - Meriter, the nearest full-service hospital, is less than one mile from the site, and is a major employer. A U.S. Post Office is located directly across N. Blount in the 700 block of East Washington.

29. 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. CDD recommends contacting Kristian Chavira at the Madison Metropolitan School District for information on potential impact to public schools at kachavira@madison.k12.wi.us. Existing school capacity information can also be found at: https://accountability.madison.k12.wi.us/files/accountability/uploads/2019-11_fall_enrollment_reports.pdf

TSA of Dane County social services staff does not anticipate that The Shield Apartment will make an impact on the neighboring schools, primarily because the unit mix of efficiency and one-bedroom units will primarily serve single adults. Occupancy rules will allow three persons (two adults and a child under the age of two) to occupy the units; however, it is likely that these units will be occupied by couples or a single parent with one child. The elementary school of residency for The Shield Apartments is Lapham Elementary, which is projected to be at 76.1% capacity within five years. O’Keeffe Middle is expected to decrease in enrollment numbers in the next five years, and East High School is currently at only 61.9% capacity.

30. 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.

There is no knowledge regarding prior use of this site. The Phase I Environmental Site Assessment (ESA) and a Limited Phase 2 have been completed. True North Consultants, Inc. prepared a Limited Phase 2 ESA at the Schlimgen Properties, LLC located at 655 East Mifflin Street, 648 and 702 East Washington Avenue. These properties compose three separate parcels, only one of which (655 East Mifflin Street) contains the parcel for The Shield Apartments. The scope of work was developed based on the results of a Phase 1 ESA completed by Vierbicher Associates, Inc. in June 2019. On July 23 and 25, 2019, True North completed the work at the property.

Based on the results of this Limited Phase 2 ESA, True North concluded the following regarding 655 East Mifflin Street: Historic urban fill material was identified at various locations across the site; Concentrations of VOCs, PAHs, and RCRA metals identified in soil and groundwater are likely due to the presence of the historic urban fill material. True North recommends the following specific actions be considered for 655 East Mifflin Street regarding results of the soil and groundwater sampling:

The detectable concentrations are considered to be indicative of a “reportable release” under the “Spills Law”, Chapter 292, Wis. Stats. These results should be reported to the WDNR by the property owner utilizing WDNR Form 4400-225: Notification for Hazardous Substance Discharge (Non-Emergency Only). The WDNR may require additional groundwater sampling through the installation of groundwater monitoring wells and may require a Cap Maintenance Plan be prepared as a continuing obligation for the site.

True North recommends that the 648 East Washington Avenue and 655 East Mifflin Street parcels be presented to the WDNR as part of the total redevelopment plan. Typically, the WDNR would issue a “RP Letter” after receiving notification of a release. The RP Letter will define legal responsibilities and provide a timeline for completing specific tasks, including hiring a consultant, preparing a site investigation work plan, and initiating the site investigation.

31. Current zoning of the site: TE An interactive version of the Zoning Map can be found linked [here](#).

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

In a letter dated December 3, 2019, Matt Tucker, Zoning Administrator for the City of Madison wrote that the property for the building lies within the TE Zoning district, within which multi-family dwellings are a Conditional Use. On November 11, 2019, the Plan Commission of the City of Madison approved the Conditional Use to allow for the construction of this three-story, 44 unit, apartment building. Mr. Tucker also noted in his letter that "you may now proceed with the steps necessary to finalize the approval and secure building and development permits."

33. Describe the proposed project's consistency with adopted planning documents, including the City of Madison Comprehensive Plan (both adopted and draft of the Comprehensive Plan update), the Neighborhood Plan(s), the Generalized Future Land Use Map, and any other relevant plans. An interactive version of the Generalized Future Land Use Map can be found linked [here](#).

Within the City of Madison's Comprehensive Plan, The Shield Apartments will be consistent with several of the strategies adopted by the Common Council on August 7, 2018. This includes Strategy 7 of Land Use and Transportation, which states, "Maintain downtown Madison as a major activity center for the region while improving access and inclusivity." An action within this strategy calls for the continued use of the City's Affordable Housing Fund to support construction of affordable housing in and near downtown. Much of the recent development in and around downtown has been focused on high-end residential units, but TSA's redevelopment plan will make downtown living more available to households at all income levels and will foster the use of Madison's Affordable Housing Fund on the isthmus. Within the Neighborhoods and Housing element of the Comprehensive Plan, a stated goal is for Madison to have a full range of quality and affordable housing opportunities throughout the City. This development would also foster Strategy 4, Action E, which allows Community Development, Planning, and Economic Development to support and partner with a non-profit organization to preserve affordable housing for the long-term. Strategy 5 addresses the topic of providing housing options with health and social services for residents who need it most, including those experiencing homelessness. This is exactly the mission of The Salvation Army. Through partnership with TSA, the Community Development Division will support an organization that provides temporary shelter and permanent affordable housing with access to a full range of supportive services.

The Tenney-Lapham Neighborhood Plan was adopted by the Madison Common Council in 2008. A significant issue that emerged from this plan is ensuring that affordable, good quality housing opportunities continue throughout the Neighborhood. The plan supports organizations that provide a range of housing options for individuals and families of low and moderate income. The Shield Apartments will offer such options for renters in the Neighborhood. A second issue within the Neighborhood Plan is beautifying East Washington Avenue through better landscaping of building exteriors, city terraces, and parking lots. This project will redevelop a vacant lot and bring aesthetic design appeal to an otherwise underutilized corner of the Tenney-Lapham Neighborhood. Land Use Goal 4 addresses redevelopment of the 600 block of East Mifflin and sets out design standards for building height. The Shield Apartments will adhere to the maximum façade height of 3 stories to avoid drastic changes of scale between buildings on the same block. The total of 44 units proposed is also consistent with the Neighborhood's High Density Residential (HDR) designation for that block.

While the Generalized Future Land Use Map shows this site address as part of the High Residential designation, which includes predominantly larger and taller multifamily buildings, the Tenney-Lapham Neighborhood Plan wanted to amend this general land use recommendation according to the neighborhood's land use goals adopted in 2008.

CITY AND COMMUNITY ENGAGEMENT PROCESSES

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

On November 11, 2019, the proposed Shield Apartments received approval for its Land Use Application. The approval from the Plan Commission is good for 12 months, but extensions can be granted up to 24 additional months with the approval of the Alder and Heather Stouder, Planning Division Director in Madison.

35. 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?

The DAT meeting occurred on Thursday, June 6, 2019, and it is understood that another is not necessary. That body has approved plans for this development.

As a follow-up to last year's DAT, city officials suggested there be a minor traffic study commissioned at the development site. In response, KL Engineering was commissioned to conduct a traffic impact analysis for the proposed development. The analysis was completed in October 2019 in conjunction with the land use application and JLA Architects incorporated salient findings of the study into its master plan.

36. 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?

Alder Heck remains committed to facilitating engagement between TSA and TLNA as the project unfolds. By his positive vote at the planning commission and city council, Alder Heck also provides support, while noting that there are additional conditions of approval that need to be met to proceed. He is in regular communication with TSA administration to keep up to date with the latest plans and information concerning the proposed development. It is his desire to alleviate current concerns, incidents and impacts that occur on our property, as well as issues that are anticipated once the new facilities are built. He remains hopeful that a coalition of the City, neighbors, businesses, non-profits, other service providers, and TSA can work together to design and implement solutions. The Salvation Army wants to be a good community partner, to address security problems and improve the appearance of the site. The new redevelopment plan would allow opportunity for all of these issues to be addressed.

District 6 Alder Marsha Rummel is the adjacent alderperson of the project site. She is well aware of the TSA proposal and will be kept in the loop as developments are made. We will continue to keep her apprised of progress on the project as it proceeds.

37. 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?

The conceptual master plan for The Salvation Army's new emergency shelter/transitional housing and three-story apartment building was initially presented to members of the Tenney Lapham Neighborhood Association (TLNA) and the adjacent Marquette Neighborhood Association on June 6, 2019. District 2 Alder Patrick Heck and District 6 Alder Marsha Rummel co-hosted the neighborhood meeting which was held in the auditorium of the Lapham School, located at 1045 East Dayton Street, Madison. This meeting was promoted in the summer edition of the TLNA Newsletter, which is distributed without charge to all households in the Tenney-Lapham Neighborhood, as well as through a direct mailing of postcards to households in both neighborhoods. All were welcomed to attend and learn of the Salvation Army's redevelopment plan. A copy of the conceptual master plan was presented on the auditorium's screen for all attendees to view. The meeting was attended by 80-100 neighborhood residents and approximately 25 questions or comments were taken before the meeting closed. Much of the discussion pertained to plans for the new shelter and clinic building, rather than the permanent housing which is the subject of this application.

TSA and JLA presented updated design changes to the shelter-housing campus at a TLNA Steering Committee meeting on July 1, 2019. The committee had voiced concerns regarding issues within The Salvation Army parking lot. The Salvation Army had a security assessment completed on July 10, 2019. TSA met with The Beacon on July 25, 2019 to gather strategies about their neighborhood policies. We met with the neighborhood police officers on July 30, 2019 to gather some ideas to improve security and safety. From these meetings, TSA created and enforced a 'Good Neighbor Policy' for all individual guests to sign upon entry. TSA staff also now wears red shirts to identify themselves as staff. A Shelter Security Plan was established which is detailed below:

Shelter Security Plan

Safety of both guests and neighborhood residents is of the utmost importance to The Salvation Army (TSA). Staff work to ensure TSA is a good member of our neighborhood, as well as ensure safety of the people who access services. Measures to address the security concerns and provide safety are outlined below.

Good Neighbor Policy Enforced by TSA Security Staff

TSA Good Neighbor Policy covers the one block radius of the shelter and was implemented on July 18, 2019. The policies include but are not limited to: Guests may not loiter on or around the shelter property; Illegal or suspicious activity on or around property is strictly forbidden; disposal of trash appropriately; and minimizing volume of music. The policy states that rules will be enforced beyond TSA perimeters to include E. Washington and Mifflin Street blocks and guests will be denied services if the rules are not followed. All guests sign this policy upon entry.

TSA reviewed proposals from three different security companies and determined that services would be better provided by culturally sensitive in-house staff that are trained in de-escalation, trauma and crisis intervention methods. At least one Shelter Monitor will patrol the one block radius of the shelter building hourly between 3:00 and 9:00 pm. In addition to enforcing the good neighbor policy for the shelter guests, Shelter Monitors will be trained to provide outreach and service connections to non-shelter guests in the monitoring zone as needed.

Guest Admission, Arrival and Departure Policy Changes

New admission policies will be implemented in the proposed shelter facility. Currently, due to the limited space, guests call or arrive each and every night that they need shelter and have to form a line outside. Shelter is not guaranteed service which can result in stressful situations, as some may be denied admission. The new policies will eliminate the need for line-forming outside the shelter and minimize admission denial onsite. There will be contingency plans for walk-ins and denials that are still being developed. Women's Shelter guests will reserve a bed in the morning and will be able to access said bed each night that it is needed until the guest does not return. This will minimize any sort of line forming outside of the property and reduce stress. Families will be able to access the same room for up to seven days at a time and won't be offered shelter every other night as it currently operates. Pay-to-stay guests will be able to utilize services seven days at a time with continued stays. This reserves the bed and allows guests to go to work and know they have a bed when they return. The lobby will be significantly larger than the current one to allow adequate space for guests to enter the building while waiting for check in. This will reduce the population outside and offer a space out of the elements for the guests. Shelter doors are closed for entry at 9:00 PM nightly. The following people may be admitted after curfew if capacity allows:

- People who are discharged from hospital
- People who have pre-arranged late check-in due to work or school schedule
- MPD referrals

TSA staff will be on site and monitoring the arrival and departure times to ensure no guests are waiting on facility grounds prior to opening, or remain on the facility grounds after closing. Staff and volunteers will communicate arrival and departure procedures to guests, and help ensure that guests find appropriate accommodations during the day so they do not linger on the property.

24-hour Front Desk

There will also be a staff member at the front desk 24 hours a day monitoring the cameras and controlling access of everyone entering the building. The shelter offices will be staffed by shelter advocates during the operating hours of 4:00 pm-8:00 am who will be responsible for overseeing operations, assisting with guest needs, ensuring safety and enforcing rules.

Transportation and Parking

A private shuttle bus from the Beacon will be provided daily, including weekends and holidays, to transport patrons to the Beacon in the morning and back to the shelter at the end of the day. An underground, controlled access parking structure will be provided for guests only. This will minimize non-guests from congregating on property, and will have increased security cameras for staff supervision.

Coordination with MPD

TSA has a very good working relationship and will continue to coordinate with Madison Police Department Central District staff on security procedures. Advice will be sought out on the placement of security cameras, as well as hiring a shelter monitor. TSA will provide video footage to MPD when requested. At a minimum, TSA will convene biannual meetings between MPD and staff to address any emerging issues or concerns.

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

TSA is in a somewhat unique position in this regard, as during the funding round in 2019, TSA held a number of stakeholder meetings to discuss the plans for this project. Thus neighbors and other stakeholders are aware of, and have commented on, these plans. We have continued to communicate directly with community leaders, such as the Neighborhood Association president and local Alders, in a safe manner by telephone and email. It is planned that The Salvation Army will discuss the progress and an update of this development with neighbors and members of the TLNA at a virtual meeting of the neighborhood organization in the coming weeks, and a letter will also be prepared for the Alders, which they will be free to send to their constituents.

39. 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.)?

As noted above, The Salvation Army plans to discuss the progress of this development with neighbors and members of the TLNA at their regular scheduled monthly "Zoom" meeting of the organization on Thursday, August 13, 2020. A letter will also be prepared for the Alders, which they will be free to send to their constituents.

40. 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](#)?

This development, like all of TSA's programs and services, will be available to all in need without discrimination regardless of race, gender, ethnicity, national origin, religion, sexual orientation, gender identity, disability or age. The organization has at its core the following beliefs:

"The Salvation Army exists to meet human need wherever, whenever, and however we can."

"The Salvation Army serves everyone. With love. With hope. And without discrimination."

"With one in six people living in poverty today, housing insecurity is not limited to a certain "type" of person."

The Shield Apartments will embrace these values and will be open to all persons. The Salvation Army seeks to be a welcome, safe place for all, which correlates directly with the City's Racial Equity and Social Justice Initiative.

SITE AMENITIES

41. 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 Shield Apartments site will include subsurface/covered parking at no charge to the residents, as well as bicycle parking and an outdoor playground on the site of the neighboring TSA shelter. Although the interior and exterior grounds of the apartments will be designated as "non-smoking", an outdoor designated smoking area will be available on the grounds of the shelter. Plans include green space and a community garden may also be created.

42. 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?

Interior common area amenities will include a community room for use by residents, and also by neighbors upon request. The building will feature a business center with computers for use by residents, and internet service in common areas. The proposed development will also have controlled entry with intercom and security cameras and lighting, on-site management, elevator, outdoor playground (adjacent to site), office spaces for supportive service delivery, and underground bike storage. Included in the rent will be 32 underground parking stalls and 18 off-street surface parking stalls. The residents will also have use of a gymnasium in the Salvation Army's existing and planned shelter.

43. 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.

The building will include internet service in common areas, as well as all living units. All units will include a washer/dryer, refrigerator, oven/range, garbage disposal, window blinds, walk-in closet, coat closet, television/cable connections, and central air-conditioning. In addition, 11 integrated supportive housing units will be fully furnished with sofa, bed, dresser, kitchen table, bathroom linens, bedding and all kitchenware and utensils needed to prepare and eat meals. The entire building will be a non-smoking facility inside and on the exterior grounds. There will be a designated exterior smoking area on the grounds of the emergency shelter adjacent to this property.

PROPOSAL TIMELINE

44. 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
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT) [<i>Target/Actual Month/Date</i>]	5/31/19
1 st Development Assistance Team/ Meeting (Due by 8/6/20) [<i>Target/Actual Month/Date</i>]	6/6/19
1 st Neighborhood Meeting (Due by 8/19/20) [<i>Target Month/Date</i>]	8/13/20
Submission of Land Use Application (Zoning Map Amendments Due by 9/16/20)	N/A
Submission of Land Use Application (Permissively Zoned Due by 10/7/20)	N/A
Plan Commission Consideration (If Rezoning, Due by 11/23/20 for 12/1/20 Common Council)	N/A
Urban Design Commission Consideration, if applicable [<i>Target Month/Date</i>]	N/A
Application to WHEDA	12/2020
Complete Equity & Debt Financing	7/2021
Acquisition/Real Estate Closing	10/2019
Rehab or New Construction Bid Publishing	6/2021
New Construction/Rehab Start	8/2021
Begin Lease-Up/Marketing	8/2022
New Construction/Rehab Completion	10/2022
Certificate(s) of Occupancy Obtained	10/2022
Complete Lease-Up	2/2023
Request Final AHF Draw	6/2023

HOUSING INFORMATION & UNIT MIX

45. 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.

ADDRESS #1:		651 East Mifflin Street, Madison, WI 53703									
		# 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%	11	6	5	0	0	0	475	512			
40%	0	0	0	0	0	0					
50%	20	8	12	0	0	0	798	854			
60%	6	2	4	0	0	0	958	1024			
LIHTC Sub-total	37	16	21	0	0	0					
Market*	7	0	7	0	0	0		1189			
Total Units	44	16	28	0	0	0	Notes: Owner will pay all utilities for 11 supportive housing units.				

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

ADDRESS #2:											
		# 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					
LIHTC Sub-total	0	0	0	0	0	0					
Market*	0	0	0	0	0	0					
Total Units	0	0	0	0	0	0	Notes:				

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

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

Washer/Dryer Other: All utilities will be paid by the owner for 11 units with integrated supportive services.

ENERGY EFFICIENCY, RENEWABLE ENERGY & SUSTAINABLE DESIGN

47. 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.

JLA Architects

- (5) LEED Accredited Professionals on staff
- Sun Prairie Ice Arena - Focus on Energy's Excellence in Energy Efficiency Award, 2015
- The Current - Associated Builders & Contractors (ABC-WI) Project of Distinction, 2019
- Veritas Village - The Daily Reporter "Top Project", 2018
- Multiple projects utilizing Focus on Energy, Wisconsin Green Built, Wisconsin Energy Start, and Green Globes

Miron Construction

Sustainability is one of 6 Core Values, and is led by Theresa Lehman, a credentialed LEED Fellow. Ms. Lehman holds a number of additional credentials and is a member of national committees regarding sustainability. Miron's 3rd party certified, award-winning green building portfolio includes 65 projects valued at \$905 Million. The most renowned sustainable project, Lake Mills Elementary School, has won 16 awards, including the 2016 Greenest school award. The only WI-based contractor on the ENR Top 100 Green Contractors list, Miron was honored as the recipient of the 2019 FOE Energy Efficiency Excellence award. They have completed 20 projects enrolled in the FOE Design Assistance program, and have 34 active projects enrolled in the program.

Miron completed the Salvation Army Kroc Center in Green Bay, WI, which was awarded LEED Silver certification in 2012.

48. 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](#).

The Salvation Army and project team are committed to enabling the transition to a cleaner and more efficient electricity system and reducing carbon emissions. The project has been enrolled in the Focus on Energy Design Assistance program. Together, FOE and the design team will explore energy efficiency strategies as well as explore renewable energy systems (i.e. photovoltaics). The team is familiar with the FOE Renewable Energy Prescriptive and RECIP programs. However, the project is too early in the design phase to secure a feasibility analysis to determine the size of the PV system, and to determine the FOE renewable energy program in which to enroll. The project team is also exploring other renewable energy incentive and grant programs to enable the project to meet initial capital budget constraints. If the project cannot obtain the funding to help offset the cost of a photovoltaic system, the project will include the infrastructure, such that the project will be PV ready for installation of a photovoltaic system in the future.

49. 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.

This project was pre-registered for the program on June 24, 2020 (confirmation of the initial application is attached), and this demonstrates that energy efficiency is an important goal of the project. Together, FOE and the project team will explore energy efficiency passive design features and the integration of energy efficient building materials (i.e. roof, insulation, windows, etc.), mechanical, electrical and hot water systems, equipment and controls into the project design to off-set initial capital costs and to maximize economic benefits over the life of the project.

Beyond the physical building, the team will explore ways to foster energy efficiency among residents and staff, and operation & maintenance policies for managing the building in an efficient and healthy manner. Because the building itself is only as good as the behaviors of the people who operate and occupy it, the team will be discussing a building occupant educational program to empower people to make energy efficient choices. This is part of the LEED for Multifamily Residential green building rating system.

Integrating sustainability into the project holistically is a project goal. Third-party green building rating systems,

such as LEED for Multifamily Residential is being explored to minimize waste (i.e. energy and water usage). Other 3rd party green rating systems that focus strictly on the health and well-being of people, such as Fitwel and WELL are also being explored. All of these green building rating systems will be further discussed in detail as the design progresses.

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

The intent of the project is to create an equitable economic housing solution in a socially vital community. To improve public health, building occupants will be encouraged in daily movement and physical activity both indoors and outdoors. The housing will be constructed adjacent to The Salvation Army's Community Center, which will include a wellness center and gymnasium. The idea is that the project will be a micro community within the Madison Community. The on-site outdoor walking paths and courtyard are designed to encourage people to move outdoors.

The project is located near E. Washington Ave., which is currently being redeveloped into a vibrant, work-live-play neighborhood. It will be built on a site with existing infrastructure with a relatively high density. The location has a walk score of 93 and a bike score of 99. The project site is connected to the community via sidewalks, promoting walkability to numerous diverse businesses, grocery store, and community organizations. The project is also located adjacent to the Madison Metropolitan Transit and will have secure, indoor bicycle storage, providing building occupants with alternative transportation options.

The building is designed with first floor unit walk-ups with porches along Mifflin Street. The porches bring the scale of the building down to a pedestrian level while tying in with the existing neighborhood architecture and urban context, and also giving tenants personal space and direct connection for walking and biking.

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

The biggest climate threats to south Central Wisconsin, in particular Dane County, is the threat of severe weather, including strong winds, tornadoes, rain/flooding, extreme heat, extreme cold and blizzards. The development will be designed to exceed 2015 International Energy Conservation Code for both the building shell systems and MEP systems.

The building will have an underground parking structure for both cars and bicycles. The parking garage will allow tenants to directly access the apartment levels via internal elevator, stairs, and corridors without the need to be outside in the elements.

52. 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?

Water efficiency is a project goal. The design will include low-flow and -flush water fixtures along with ENERGY STAR appliances such as dishwashers and washing machines to reduce potable water (and energy) consumption. The site will be designed in accordance with the City's new stormwater requirements to appropriately handle stormwater. The landscaping will be designed with native/adaptive vegetation such that an irrigation system can be avoided. The team is also exploring potential blue roof technologies and a rainwater collection system.

53. 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?

People spend 90% of their time indoors, so the built environment, in particular indoor air quality, has a major impact on human health. Pandemics, such as COVID, drive the need for healthier buildings. The project team will be reviewing and discussing the REHVA guidance, based on WHO documents which provide the best evidence and knowledge from 27 countries in Europe, focusing on HVAC systems in buildings that articulate a set of measures that help to control the airborne transmission of COVID-19 in buildings (apart from frequent surface cleaning). Additionally, the project teams will be reviewing the guidance from WELL and Fitwel. Specifically, high-performance ventilation systems that do not have recirculated air and a minimum of MERV 13 filtration will be included in the design. Another design consideration includes antimicrobial coatings for high-touch surfaces.

54. 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.

All units will meet ANSO Type B level ADA accessibility. WHEDA-awarded projects require 20% of the units to meet ANSI Type A level ADA accessibility; in accordance, nine units of the Shield Apartments will be fully accessible.

55. 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.

N/A

REAL ESTATE PROJECT DATA SUMMARY

56. 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:	651 E. Mifflin Street Madison, WI 53703								
	0	44	0	0	0	9	755,000		755,000
Address:	Enter Address 2								
Address:	Enter Address 3								

57. 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 are no existing buildings on the site of the proposed Shield Apartments.

58. 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.

No business or residential tenants will be displaced temporarily or permanently by construction of the Shield Apartments.

DEVELOPMENT TEAM

59. 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 Shield Apartments will be a limited liability company owned by The Salvation Army Services Inc. as the Managing General Partner with an interest of 0.01%. The investor in Low Income Housing Tax Credits, as the Limited Partner, will have an interest of 99.99%. We have had preliminary discussions with Cinnaire and anticipate that they will be the federal LIHTC investor. A final decision will be made after the LIHTC awards are announced.

60. 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, 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.

N/A

61. 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
Major Andrew Shiels	The Salvation Army	Developer	andrew.shiels@usc.salvationarmy.org	608.250.2203

Melissa Sorensen	The Salvation Army	Supportive Services	melissa.sorensen@usc.salvationarmy.org	608.250.2237
Joseph Lee	JLA architects	Architect	jlee@jla-ap.com	414.988.7520
Steve Wolters	Miron Construction	General Contractor	steve.wolters@miron-construction.com	608.203.2735
Joe Alexander	The Alexander Company	Property Manager	jma@alexandercompany.com	608.258.5580
Jerry Burka	Gateway CDFI	Consultant	jerry.burka@orchardconsult.com	314.918.7608
Matthew Munro	Godfrey and Kahn	Attorney	mmunro@gklaw.com	414.287.9552

62. 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	# or % Employees who are Women	# or % Employees who are Persons of Color
The Salvation Army-Dane County	Developer	75%	22%
Miron Construction	General Contractor	34%	2%
The Alexander Company	Property Manager	38%	6%
JLA Architects	Architect	22%	13%
The Salvation Army-Dane County	Service Provider	75%	22%

DEVELOPMENT TEAM EXPERIENCE AND CAPACITY

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.

REFERENCES

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

Name	Relationship	Email Address	Phone
John Kennedy	St. Louis Equity Fund: Investor/Partner	johnkennedy@slefi.com	314.446.8274
John Wiechmann	Midwest Housing Equity Group: Investor/Partner	johnwiechmann@mhegin.com	402.334.8899
David Gevers	JLA-WHEDA project	dgevers@ejplesko.com	608.833.7600

PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION 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, 2020 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, 2020.

APPLICANT & PROJECT NAME:

The Salvation Army / The Shield Apartments

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:						
BMO Harris Bank	\$ 1,200,000	Y	4.00%	16	30	\$68,748
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
Not Applicable						
AHP Loan	\$ 625,000	N	0.00%	30	30	\$0
City-AHF Deferred Loan	\$ 400,000	N	0.00%	30	30	\$0
City-AHF Interest/Cash Flow Loan	\$ 400,000	Y	2.75%	16	30	\$19,596
City-TIF Loan	\$ -					
Other-Specify Lender/Grantor:						
Dane County WI / Capital Funds	\$ 1,300,000	N	0.00%	30	30	\$0
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Tax Credit Equity	\$ 6,440,000					
Historic Tax Credit Equity	\$ -					
Deferred Developer Fees	\$ 112,000					
Owner Investment	\$ 1,000,000					
Other-Specify:						
Seller Take-Back Financing	\$ 755,000					
Total Sources	\$ 12,232,000					

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
BMO Harris Bank	\$ 6,000,000	4.00%	24
Bridge Loan-Lender Name:			
NONE			
Tax Credit Equity:			
Cinnaire	\$ 6,440,000		
Total	\$ 12,440,000		

Estimated pricing on sale of Federal Tax Credits: **\$ 0.92**

Estimated pricing on sale of State Tax Credits: **\$ -**

(if applicable)

Remarks Concerning Project Funding Sources:

The estimated development budgets anticipate a request to WHEDA for a 9% LIHTC allocation of \$700,000, which at the estimated price of \$.92 would yield total equity of \$6,440,000. The general partner's contribution (\$644) and roughly 30% of the limited partner's contribution would be available during construction; the balance of the limited partner's contribution would be paid in installments following completion. Additionally, the GP will make an extraordinary capital contribution of \$840,000 to fill the funding gap.

APPLICANT:

The Salvation Army

2. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$755,000
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

Construction:	
Construction/Rehab Costs	\$7,717,047
Construction Profit	\$385,450
Construction Overhead	\$154,100
General Requirements	\$385,450
Construction Supervision	\$0
FF&E/Personal Property	\$0
Demolition	\$0
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$432,000
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	\$240,000
Architect - Supervision	\$15,000
Engineering	\$35,000
Other (List)	
	\$0

Interim/Construction Costs	
Builder's Risk/Property Insurance	\$40,000
Construction Loan Interest	\$225,000
Construction Loan Origination Fee	\$60,000
Real Estate Taxes	\$10,000
Park Impact Fees	\$26,600
Other Impact Fees	\$0
Other (List)	
<u>Lender/Investor Inspections</u>	\$32,000

Financing Fees	
Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$12,000
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0

Soft Costs	
Appraisal	\$7,500
Market Study	\$10,500

Environmental Reports	\$25,000
Survey	\$20,000
Permits	\$0
Lease-Up Period Marketing	\$0
Tax Credit Fees - Application	\$4,000
Tax Credit Fees - Compliance	\$2,150
Tax Credit Fees - Allocation	\$70,000
Accounting/Cost Certification	\$37,500
Title Insurance and Recording	\$40,000
Relocation	\$0
FF&E	\$65,000
Capital Needs Assessment (if rehab)	\$0
Legal	\$75,000
Other (List)	
Site Plan Review	\$5,000
Fees:	
Bridge Loan Fees	\$0
Organizational Fees	\$0
Syndication Fees	\$0
Total Development Fee	\$980,000
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
	\$0
Reserves Funded from Capital:	
Lease-Up Reserve	\$30,000
Operating Reserve	\$200,000
Replacement Reserve	\$26,400
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$30,000
Other: (List)	
Soft Cost Contingency	\$79,303
TOTAL COSTS:	\$12,232,000

APPLICANT: The Salvation Army

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	392,700	400,554	408,565	416,736	425,071	433,573	442,244	451,089	460,111	469,313	478,699	488,273	498,039	507,999	518,159	528,522
Less Vacancy/Bad Debt	27,489	28,039	28,600	29,172	29,755	30,350	30,957	31,576	32,208	32,852	33,509	34,179	34,863	35,560	36,271	36,997
Income from Non-Residential Use*	33,467	34,136	34,819	35,515	36,226	36,950	37,689	38,443	39,212	39,996	40,796	41,612	42,444	43,293	44,159	45,042
Total Revenue	398,678	406,652	414,785	423,080	431,542	440,173	448,976	457,956	467,115	476,457	485,986	495,706	505,620	515,733	526,047	536,568
Expenses:																
Office Expenses and Phone	8,059	8,301	8,550	8,806	9,070	9,343	9,623	9,912	10,209	10,515	10,831	11,156	11,490	11,835	12,190	12,556
Real Estate Taxes	52,800	54,384	56,016	57,696	59,427	61,210	63,046	64,937	66,885	68,892	70,959	73,088	75,280	77,539	79,865	82,261
Advertising, Accounting, Legal Fees	11,200	11,536	11,882	12,239	12,606	12,984	13,373	13,775	14,188	14,613	15,052	15,503	15,969	16,448	16,941	17,449
Payroll, Payroll Taxes and Benefits	68,241	70,288	72,397	74,569	76,806	79,110	81,483	83,928	86,446	89,039	91,710	94,462	97,295	100,214	103,221	106,317
Property Insurance	19,000	19,570	20,157	20,762	21,385	22,026	22,687	23,368	24,069	24,791	25,534	26,300	27,089	27,902	28,739	29,601
Mtc, Repairs and Mtc Contracts	35,150	36,205	37,291	38,409	39,562	40,748	41,971	43,230	44,527	45,863	47,239	48,656	50,115	51,619	53,168	54,763
Utilities (gas/electric/fuel/water/sewer)	42,656	43,936	45,254	46,611	48,010	49,450	50,933	52,461	54,035	55,656	57,326	59,046	60,817	62,642	64,521	66,457
Property Mgmt	23,562	24,269	24,997	25,747	26,519	27,315	28,134	28,978	29,848	30,743	31,665	32,615	33,594	34,602	35,640	36,709
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	13,200	13,596	14,004	14,424	14,857	15,302	15,761	16,234	16,721	17,223	17,740	18,272	18,820	19,385	19,966	20,565
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
Asset Management Fee	4,400	4,532	4,668	4,808	4,952	5,101	5,254	5,411	5,574	5,741	5,913	6,091	6,273	6,462	6,655	6,855
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	278,268	286,616	295,215	304,071	313,193	322,589	332,267	342,235	352,502	363,077	373,969	385,188	396,744	408,646	420,905	433,532
Net Operating Income	120,410	120,036	119,570	119,009	118,349	117,584	116,710	115,721	114,613	113,380	112,017	110,518	108,876	107,087	105,142	103,036
Debt Service:																
First Mortgage	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	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	0	0	0	0
Total Debt Service	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748
Total Annual Cash Expenses	347,016	355,364	363,963	372,819	381,941	391,337	401,015	410,983	421,250	431,825	442,717	453,936	465,492	477,394	489,653	502,280
Total Net Operating Income	51,662	51,288	50,822	50,261	49,601	48,836	47,962	46,973	45,865	44,632	43,269	41,770	40,128	38,339	36,394	34,288
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	32,066	31,692	31,226	17,016	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	19,596	19,596	19,596	33,245	49,601	48,836	47,962	46,973	45,865	44,632	43,269	41,770	40,128	38,339	36,394	34,288
AHF City Interest Loan	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596

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

DCR Hard Debt	1.75	1.75	1.74	1.73	1.72	1.71	1.70	1.68	1.67	1.65	1.63	1.61	1.58	1.56	1.53	1.50
DCR Total Debt	1.36	1.36	1.35	1.35	1.34	1.33	1.32	1.31	1.30	1.28	1.27	1.25	1.23	1.21	1.19	1.17

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:

Additional housing assistance contract rental income - \$2

APPLICANT:

The Salvation Army

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	539,093	549,875	560,872	572,090	583,532	595,202	607,106	619,248	631,633	644,266	657,151	670,294	683,700	697,374
Less Vacancy/Bad Debt	37,737	38,491	39,261	40,046	40,847	41,664	42,497	43,347	44,214	45,099	46,001	46,921	47,859	48,816
Income from Non-Residential Use*	45,943	46,862	47,799	48,755	49,730	50,725	51,739	52,774	53,830	54,906	56,004	57,124	58,267	59,432
Total Revenue	547,299	558,245	569,410	580,799	592,415	604,263	616,348	628,675	641,249	654,074	667,155	680,498	694,108	707,990
Expenses:														
Office Expenses and Phone	12,932	13,320	13,720	14,132	14,555	14,992	15,442	15,905	16,382	16,874	17,380	17,901	18,438	18,992
Real Estate Taxes	84,728	87,270	89,888	92,585	95,363	98,224	101,170	104,205	107,332	110,551	113,868	117,284	120,803	124,427
Advertising, Accounting, Legal Fees	17,973	18,512	19,067	19,639	20,228	20,835	21,460	22,104	22,767	23,450	24,154	24,878	25,625	26,394
Payroll, Payroll Taxes and Benefits	109,507	112,792	116,176	119,661	123,251	126,948	130,757	134,680	138,720	142,881	147,168	151,583	156,130	160,814
Property Insurance	30,489	31,404	32,346	33,317	34,316	35,346	36,406	37,498	38,623	39,782	40,975	42,204	43,471	44,775
Mtc, Repairs and Mtc Contracts	56,405	58,098	59,841	61,636	63,485	65,389	67,351	69,372	71,453	73,596	75,804	78,078	80,421	82,833
Utilities (gas/electric/fuel/water/sewer)	68,450	70,504	72,619	74,798	77,041	79,353	81,733	84,185	86,711	89,312	91,992	94,751	97,594	100,522
Property Mgmt	37,810	38,944	40,113	41,316	42,556	43,832	45,147	46,502	47,897	49,334	50,814	52,338	53,908	55,525
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	21,182	21,818	22,472	23,146	23,841	24,556	25,293	26,051	26,833	27,638	28,467	29,321	30,201	31,107
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	7,061	7,273	7,491	7,715	7,947	8,185	8,431	8,684	8,944	9,213	9,489	9,774	10,067	10,369
Total Expenses	446,538	459,935	473,733	487,945	502,583	517,660	533,190	549,186	565,662	582,631	600,110	618,114	636,657	655,757
Net Operating Income	100,761	98,311	95,678	92,854	89,832	86,602	83,158	79,489	75,587	71,442	67,045	62,384	57,451	52,233
Debt Service:														
First Mortgage	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748	68,748
Total Annual Cash Expenses	515,286	528,683	542,481	556,693	571,331	586,408	601,938	617,934	634,410	651,379	668,858	686,862	705,405	724,505
Total Net Operating Income	32,013	29,563	26,930	24,106	21,084	17,854	14,410	10,741	6,839	2,694	-1,703	-6,364	-11,297	-16,515
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	32,013	29,563	26,930	24,106	21,084	17,854	14,410	10,741	6,839	2,694	-1,703	-6,364	-11,297	-16,515
AHF City Interest Loan	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596	19,596

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

DCR Hard Debt	1.47	1.43	1.39	1.35	1.31	1.26	1.21	1.16	1.10	1.04	0.98	0.91	0.84	0.76
DCR Total Debt	1.14	1.11	1.08	1.05	1.02	0.98	0.94	0.90	0.86	0.81	0.76	0.71	0.65	0.59

Assumptions

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

THE SHIELD APARTMENTS DEVELOPMENT TEAM EXPERIENCE & CAPACITY

Introduction to The Salvation Army

There are two Salvation Army corporations that will be engaged on the Shield Apartments project, both of which are Illinois non-profit corporations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code. These two corporations are The Salvation Army and The Salvation Army Services, Inc. The boards of directors, including all officers and members, are identical for both corporations; and the articles and by-laws of both corporations are largely the same. The Salvation Army, an Illinois Corporation – the older, larger, and more experienced corporation – will serve as sponsor, developer and guarantor. The Salvation Army Services, Inc., which was specifically created to participate in projects like the Shield Apartments – will serve as general partner of the limited partnership that will own the project.

The Salvation Army as an organization was originally founded in 1865 in the slums of London, England by William and Catherine Booth, and began operations in Wisconsin in the 1880's. The organization's mission is to meet human needs in the name of Jesus Christ without discrimination, and presently in the United States provides services to over 30 million people a year through about 8,000 centers of operation. The Salvation Army was described by management theorist Peter Drucker as "by far the most effective organization in the U.S. No one even comes close to it in respect to clarity of mission, ability to innovate, measurable results, dedication and putting money to maximum use" (*Forbes*, August 11, 1997).

The Salvation Army, Inc., an Illinois non-profit corporation, is in charge of all programs and operations of The Salvation Army in its Central Territory of the U.S., which comprises an 11-state region including Wisconsin and Michigan. The Central Territory is headquartered in Hoffman Estates, Illinois, has over 13,000 employees and total assets of more than \$2.5 billion. Over the past 40 years, the Central Territory has developed approximately 1,000 units of multifamily rental housing utilizing a wide variety of financing tools including LIHTC, HUD 202/811, and HOME, FHLB AHP and other State and local gap financing programs.

A complete list of those multifamily rental housing developments is attached.

The Central Territory has also closed on five NMTC allocations, which have been used to finance mainly non-housing community service centers. Finally, the Central Territory owns and operates a number of homeless and emergency shelters, child & adult day care centers and adult substance abuse rehabilitation centers throughout the 11-state region, most of which were substantially financed with capital campaigns over the years. Within the Central Territory, there are 10 different divisions that more directly operate and administer day-to-day activities in the facilities and programs located within each division. The Salvation Army of Dane County is within the Wisconsin & Upper Michigan Division which is headquartered in Milwaukee.

The Salvation Army of Dane County will implement the case-managed supportive services for the Shield Apartments. Along with the single women's and emergency family shelter, The Salvation Army of Dane County currently manages six housing programs and a diversion

program, which seeks to quickly house families and women experiencing homelessness so that they can avoid entering the emergency shelter. The other programs, known as Holly House, Rapid Rehousing, House-ability, RISE, Pathway of Hope and DAWNS, all seek to provide support and assistance to single women and families as they seek to move from homelessness to permanent housing. A wide range of facilities and services are provided through the programs. The Salvation Army collaborates with other local non-profits, such as the YWCA, United Way, The Road Home to coordinate with private landlords and local leasing agencies to best meet the individual needs of the women and families who seek homelessness assistance through The Salvation Army of Dane County.

Individual Development Team Members

Several key team members have been selected by The Salvation Army for the development of the Shield Apartments, including JLA Architects, as project architect; Miron Construction as general contractor; the Alexander Company as third-party property manager; Godfrey & Kahn as legal counsel; Baker Tilley for market analysis and specialized accounting; First American for title insurance; and Gateway Community Development Fund, Inc., as development and financing consultant, each of which has substantial experience developing affordable housing.

Specific Responses to AHF Experience and Capacity Criteria

Page 16 of the City of Madison CDD RFP includes eight (8) categories or criteria for assessing development team experience. The Salvation Army's response to each is outlined as follows:

a. Experience Developing Multifamily Housing

Over the past 40 years, The Salvation Army Central Territory has developed approximately 1,100 units of affordable, multifamily housing which are spread among seven of the Territory's eleven states. The total development cost for the housing facilities was approximately \$90 million, which was provided through a variety of public and private sources and, in many of the projects, funding provided directly by the Central Territory. This includes about 500 units of supportive housing for seniors financed through the HUD Section 202 program, and 424 housing units in seven (7) projects that have obtained and utilized LIHTC credits. Completed between 2001 and 2016, those LIHTC projects are located in Minnesota, Indiana, Missouri and Nebraska. Most of the seven LIHTC projects also incorporated other federal, state and local funding resources or gap financing, which prominently include HOME/CDBG funds, Federal Home Loan Bank AHP funding and a variety of state and local affordable trust funding. Additionally, the projects have also utilized Federal and in the case of the projects in Missouri, State historic tax credit equity. The 3010 Apartment project in St. Louis, for example, used a combination of Federal and State LIHTC and historic tax credit equity to finance the majority of its \$12.6 million total development cost.

The Salvation Army continues to own and operate each of the projects that it has developed, which are included on the attached list.

b. Participating in Public/Private Joint Ventures

Over the past twenty years or so and with the advent of the use of various tax credits as the foundation of the financing for many affordable housing and community service facilities, The Salvation Army has increasingly utilized public/private joint ventures for its developments. For each of its LIHTC projects, for example, it created for-profit limited partnerships in which the Army, through The Salvation Army Services, Inc. has acted as the general partner but has utilized various private entities as the investor and limited partner participant. For example, The Salvation Army has worked with and entered into joint venture agreements with National Equity Fund, Midwest Housing Equity Group, Cinnaire and the St. Louis Equity Fund for several of its LIHTC projects. Joint venture agreements have also included two direct investments from individual banks, one in Missouri and the other in Nebraska.

In addition to public/private participation on its LIHTC development, The Salvation Army Central Territory has also closed on several New Markets Tax Credit (NMTC) projects, which have primarily been used to finance community service centers. To facilitate the NMTC investment, the Army has created joint ventures with private entities in each project, with the participation mainly coming from large banks, including, for example, with U. S. Bank and Chase Bank.

c. Years in Existence and Staff Experience

The Salvation Army Central Territory of the U.S. has been in existence since the late 1800's and operates 10 Divisions within its 11-state region that includes the Wisconsin and Upper Michigan Division. The Central Territory is headquartered in Hoffman Estates, Illinois, and has over 13,000 employees. The Salvation Army has a wide variety of qualified and capable staff that will be utilized during each phase of the development, construction and operation of the proposed project. This will include staff at the Territory, Division (located in Milwaukee) and the local office located in Madison, The Salvation Army of Dane County.

Staff at Territory will provide overall guidance and financial/administrative support for the project. For example, a key staff member at the Central Territory is Bram Higgins, who is the corporate secretary and general counsel. Bram has been with the Central Territory for about 13 years and has been intimately involved in each LIHTC and NMTC project developed within the Territory over that time. An attorney, Bram was previously general counsel for the Missouri Housing Development Commission, the State's housing finance agency. During that time, Bram facilitated the financing and closing of several thousands of affordable housing units throughout the State.

d. Financial Capacity to Secure Financing and Complete Project

The Salvation Army, Inc. has total assets of more than \$2.5 billion and has significant financial capacity to secure the financing for and complete and operate the proposed project. As it has done on all its other LIHTC projects, The Salvation Army plans to provide direct project funding and rental assistance subsidies for the eleven (11)

integrated supportive housing units in the Shield Apartments project. The Salvation Army will also provide all financial guarantees required by the private investor.

For its last four LIHTC projects, for example, The Salvation Army provided about \$40 million in construction financing that with the completion of those projects has been converted into long-term, low rate financing in the amount of about \$9.1 million.

e. Developer's Experience with Integrated Support Housing Units

Each of the projects that has been developed and are still being operated by The Salvation Army have some level of supportive services available on-site for residents. The level and intensity of the services varies based on the purpose and intent of each project. For example, the purpose of the HUD Section 202 facilities is to provide supportive services that will allow seniors to live as independently as possible. The Army does this by providing a service coordinator at each of its 202 facilities who works with the tenants to bring needed services to the facility and develops and implements social, recreational and transportation programming. Several of its LIHTC projects primarily serve as workforce housing resources. For example, with the historic rehabilitation and conversion of the Railton Residence building in St. Louis from hotel-style units to regular apartments, the goal was to provide a high quality and affordable alternative for low income service workers for downtown offices and commercial places that were beginning to be crowded out by a significant level of up-scale market rate housing development in the area at the time. Supportive services mainly focus on assisting residents with job-search and other related employment activities. At the other end of the spectrum is the Veteran's Residence, a 48-unit development in St. Louis that serves veterans and others who are moving from homelessness to self-sufficiency. Although preference is given to veterans, all individuals in need of supportive services are welcome. Community amenities include a community room, computer lab, library and laundry room. Residents receive ongoing supportive services while living at the property, which include substance abuse counseling, life skills classes, health services, transportation services, housing assistance and employment services.

f. Experience of Proposed Property Management Entity

The Alexander Company is one of the first firms to utilize the Low Income Housing Tax Credit program beginning with its inception in 1986. The Alexander Company has since developed more than 5,000 housing units in a dozen states, with the overwhelming majority being affordable. The Company currently maintains and manages roughly 760 affordable units in five states and is currently constructing another 300+ affordable housing units in the City of Milwaukee and Greensboro, North Carolina. Existing managed properties include three projects in the Madison MSA totaling 220 affordable units, two projects in Kansas City, MO totaling 317 affordable units, four projects in Davenport, IA totaling 122 affordable housing units, and two projects in the Washington, DC MSA totaling 101 affordable units.

While the Alexander Company staff does not perform supportive services functions, it is currently in a partnership with the Housing Authority of the City of Milwaukee (HACM),

which is developing housing for veterans who are homeless or at risk of becoming homeless. The partnership will include wrap-around services provided by both HACM and the United States Veterans Administration. Alexander Company leadership is well steeped in TSA service to the community and for that reason is enthusiastic to partner in providing quality, affordable housing combined with the extensive wrap-around service options offered by TSA. Finally, given the Company's long history, geographic diversity and use of other funding sources, the Alexander Company's team is fully accustomed to providing culturally sensitive property management and marketing practices, both by choice, and in some cases, as mandated by certain program requirements.

The Alexander Company has developed dozens of HOME funded units and currently manages 24 such units in three states. Additionally, the Company has experience in compliance associated with LIHTC, CDBG, New Markets Tax Credits and other local affordability requirements. The Alexander Company's in-house, Madison-based compliance staff hold certifications including: Certified Occupancy Specialist, Housing Credit Certified Professional, and Housing Compliance Manager for HOME Funds designations.

g. List of Architectural / Service / Green Building Certifications or Awards

The Salvation Army

3010 Apartments Project, St. Louis, MO

Excellence in Historic Preservation: National Trust for Historic Preservation HUD Secretary's Award, 2015

Historic Preservation Most Enhanced Award: St. Louis Landmarks Association, 2015

JLA Architects

Sun Prairie Ice Arena

Focus on Energy's Excellence in Energy Efficiency Award, 2015

The Current

Associated Builders & Contractors (ABC-WI) Project of Distinction, 2019

Veritas Village

The Daily Reporter "Top Project," 2018

- Multiple projects utilizing Focus on Energy, Wisconsin Green Built, Wisconsin Energy Start, and Green Globes

Miron Construction

ENR Top 100 Green Contractors list

2019 FOE Energy Efficiency Excellence award

Lambeau Field North & South End Zone Improvements

AGC Alliant Build America Award

Lake Mills Elementary School, Lake Mills, WI

Awarded Platinum LEED Certification

16 awards including: ENR Best of the Best Projects Award (National)

ENR Midwest Best Projects Award

US Department of Education Green Ribbon School

Salvation Army Kroc Center, Green Bay, WI

LEED Silver Certification, 2012

h. Project Organizational Chart

The preliminary organizational chart for the proposed project is attached.

MULTIFAMILY DEVELOPMENT EXPERIENCE SUMMARY

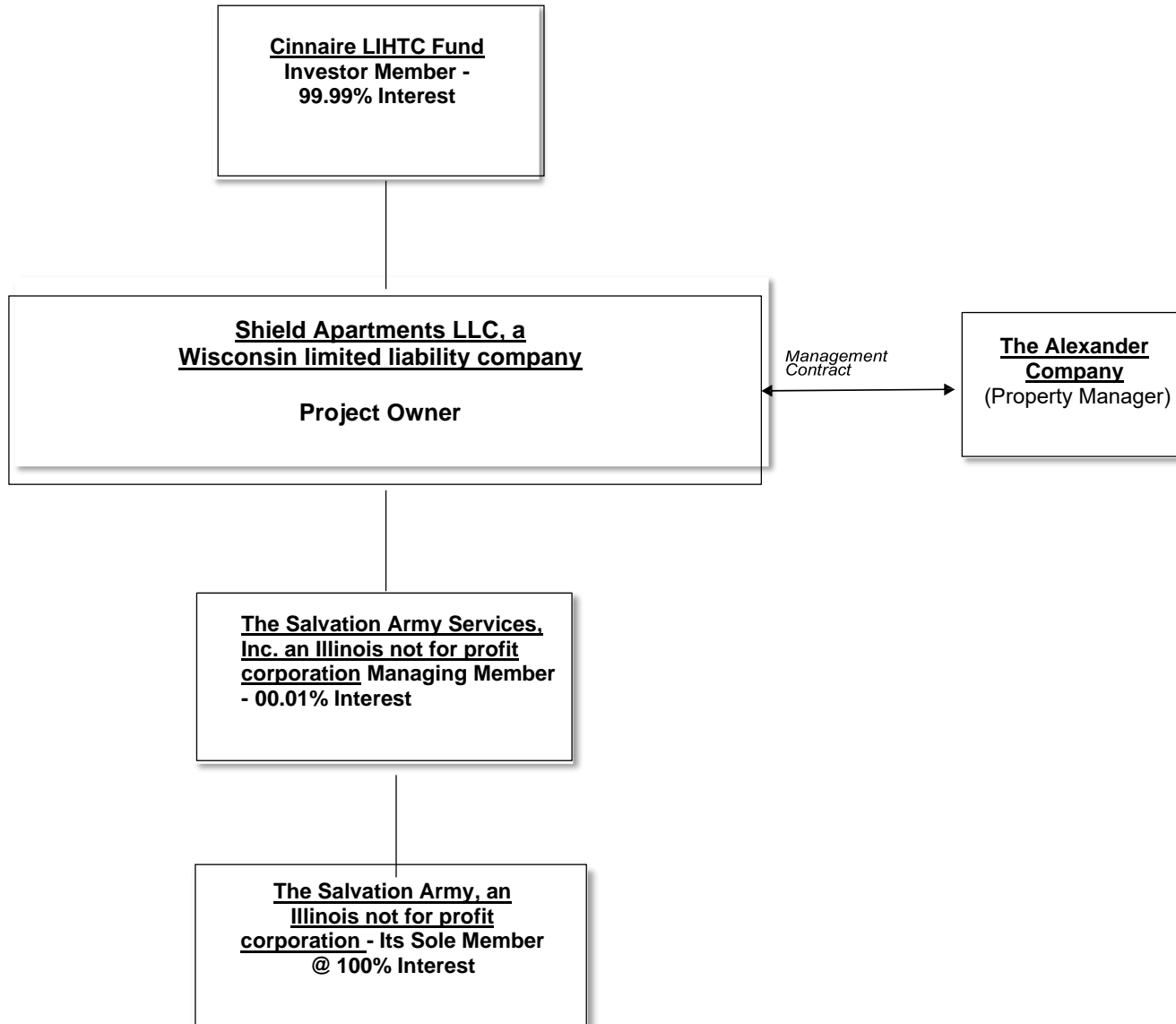
The Salvation Army, an Illinois non-profit corporation
5550 Prairie Stone Parkway
Hoffman Estates, IL 60192

15-Jul-20

Role in Prior Developments: Developer Sole Member / GP Property Manager (where indicated)

Development Name City, State	Date Acquired or Constructed	Unit Count			Financing Sources/ Government Programs	Current Occup. %	Participation Period		Current Property Management Agent
		Low Income	Market	Special Need			From:	To:	
Booth Manor; Minneapolis, MN	1977	156	1	0	HUD FHA Mtge, HAP	95-100%	1977	Current	Hayes Gibson
Booth Manor; Grandview, MO	1981	51	1	0	HUD Section 202, HAP	95-100%	1981	Current	
Booth Manor; Chicago, IL	1990	57	0	0	HUD Section 202, HAP	95-100%	1990	Current	Hayes Gibson
Booth Manor, Kansas City, KS	1990	35	1	0	HUD Section 202, HAP	95-100%	1990	Current	
Booth Manor, Oak Creek, WI	1993	40	1	0	HUD Section 202, HAP	95-100%	1993	Current	
Booth Manor, Indianapolis, IL	1994	75	0	0	HUD Section 202, HAP	95-100%	1994	Current	Hayes Gibson
Durham Booth Manor, Omaha, NE	1997	48	1	0	HUD Section 202, HAP	95-100%	1997	Current	
Booth Manor II, Oak Creek, WI	1997	40	1	0	HUD Section 202, HAP	95-100%	1997	Current	
Carpenter Apartments, Indianapolis, IN	2001	51	1	0	HUD Section 202, HAP	95-100%	2001	Current	Hayes Gibson
Booth Manor, St. Louis, MO	2001	74	1	0	HUD Section 202, PRAC	95-100%	2001	Current	
Hope Harbor, Minneapolis, MN	2001	96	0	0	LIHTC, HOME, CDBG	95-100%	2001	Current	Hayes Gibson
Booth Manor, Columbus, IN	2002	20	0	0	HUD Section 202, PRAC	95-100%	2002	Current	Hayes Gibson
Barton Center, Indianapolis, IN	2006	37	0	0	LIHTC	95-100%	2006	Current	Hayes Gibson
Castleview Apartments, Rochester, MN	2008	32	0	0	LIHTC	95-100%	2008	Current	Hayes Gibson

The Shield Apartments
Preliminary Organizational Chart – July 2020





DOING THE MOST GOOD™



Brian Peddle
General

Commissioner Brad Bailey
Territorial Commander

Major Steven J. Merritt
Divisional Commander

Major Andrew Shiels
Capital Area Coordinator
Madison Temple Corps Officer

Major Melissa Shiels
Capital Area Program Director
Madison Temple Corps Officer

Lieutenant Kelly Summit
Madison Temple Associate Corps Officer
Captains Vong and Ting Luangkhamdeng
Madison Genesis Corps Officers

July 1, 2020

City of Madison Community Development Division
215 Martin Luther King Jr Blvd, Suite 300

Affordable Housing Fund
Madison, WI 53703-3348

Re: Supportive Services for The Shield Apartments

The Salvation Army of Dane County (TSA), as a current service provider and participant in the Madison area's Continuum of Care, will provide residents of TSA's LIHTC property named The Shield with comprehensive, case-managed supportive services.

Eleven (11) of the units will be designated as units for the Homeless Services Consortium and its housing placement system using the community by-name housing list. TSA will offer these residents voluntary, on site case managed supportive services. The services to which residents will have access include:

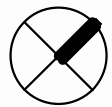
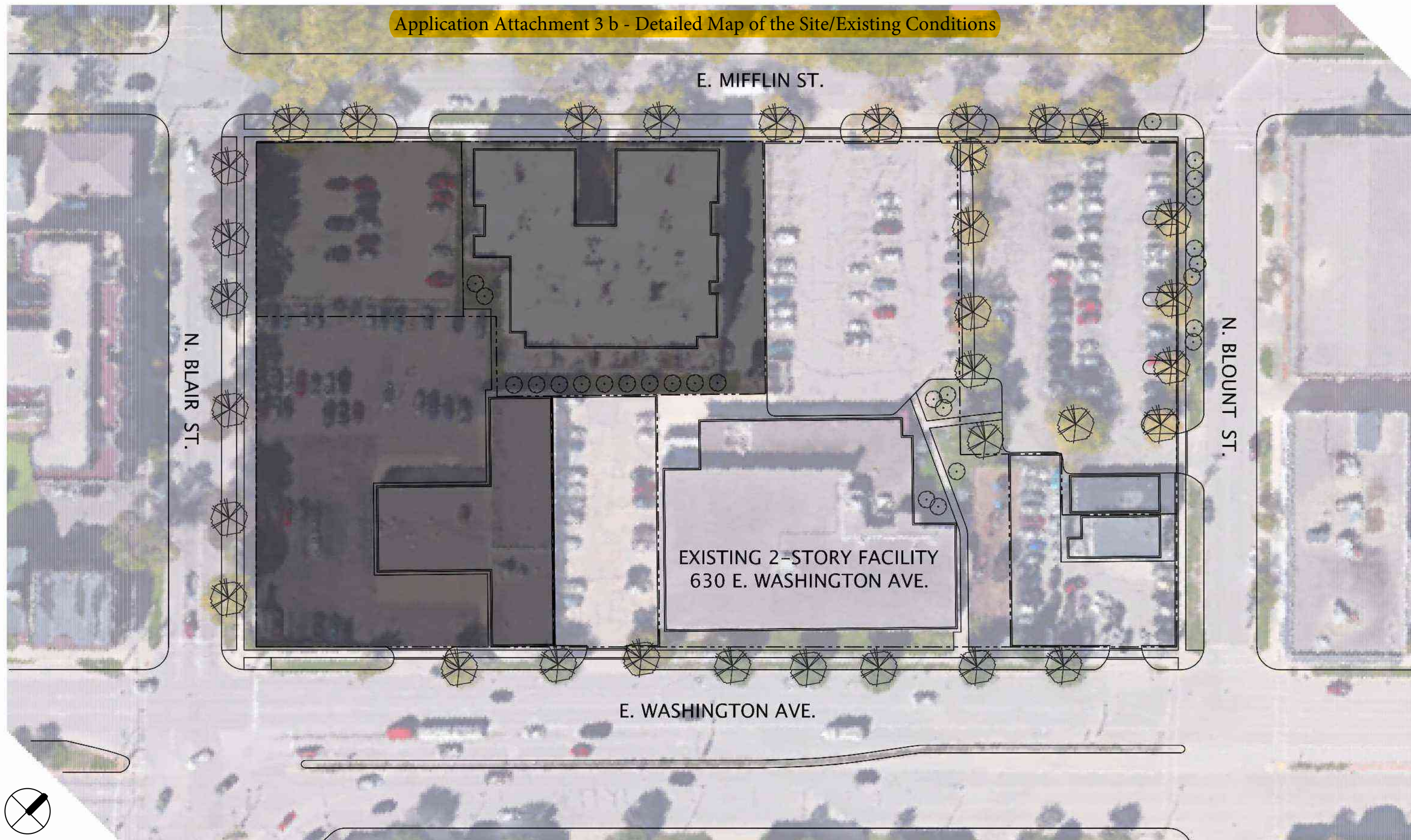
- needs assessment and comprehensive housing focused case management
- adult basic and vocational education, including basic computer skills
- life skills training
- dental services (clinic on site)
- medical services (clinic on site)
- mental health services (clinic on site)
- support group meetings
- benefits advocacy
- employment services and help with transportation services
- recreational opportunities
- legal services
- veterans' services
- financial skills training and credit counseling, and income support, as needed

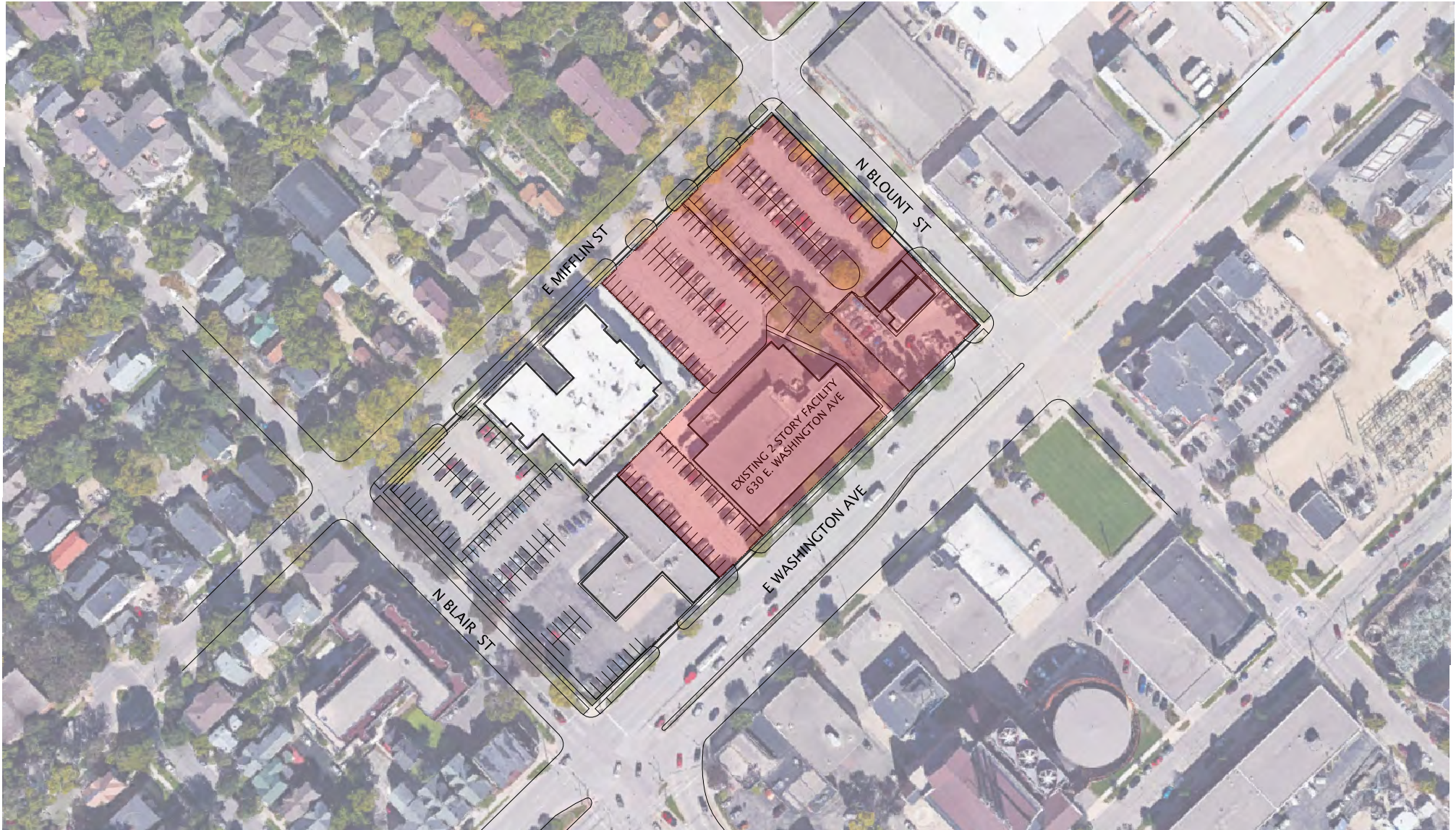
On behalf of The Salvation Army- Dane County, we hereby agree to provide the services stated above.

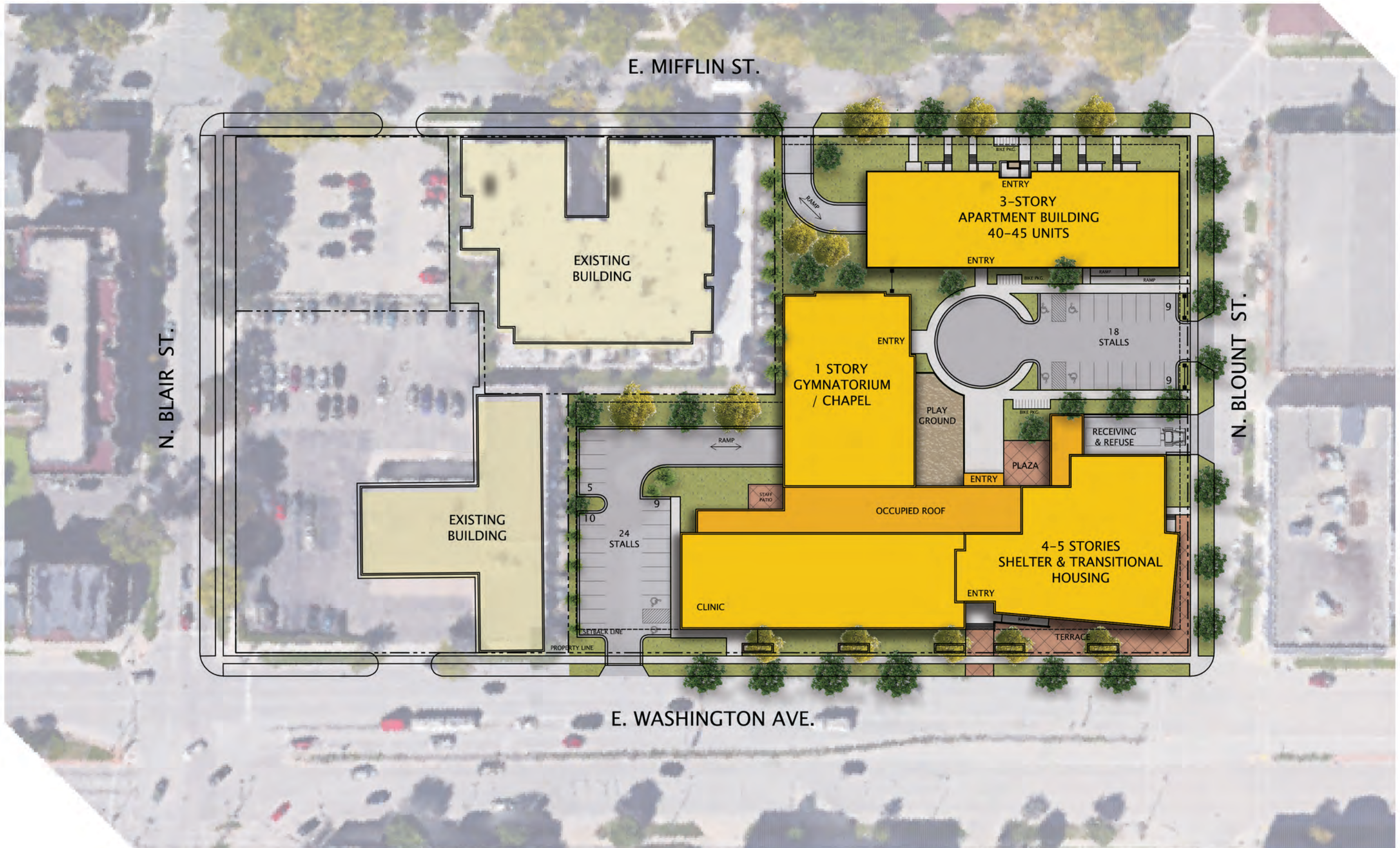
Sincerely,

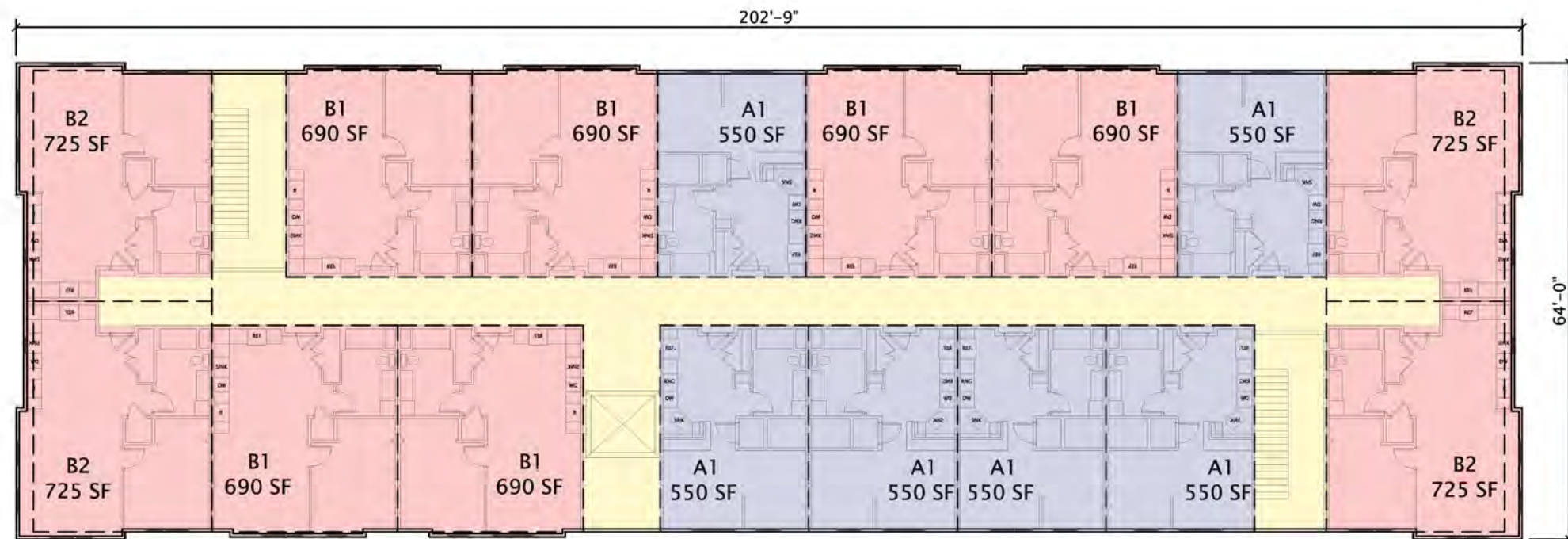
Melissa Sorensen, MSW, APSW
Executive Director of Social Services
630 E Washington Ave
Madison, WI 53703
608.250.2237

Major Andrew Shiels
Capital Area Coordinator
3030 Darbo Dr
Madison, WI 53714
608.250.2203



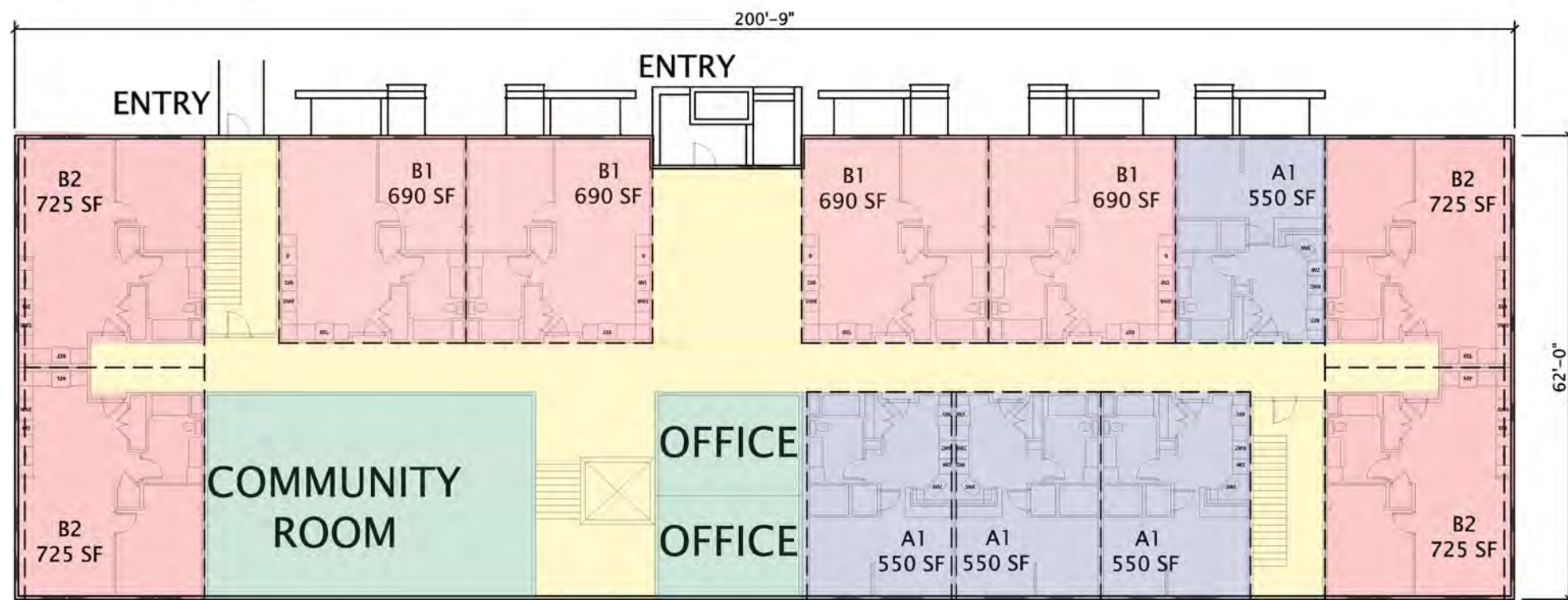






SECOND & THIRD FLOOR PLAN
12,411 s.f. / floor

APARTMENT BUILDING DATA					
FLOOR	UNITS				COVERED PKG
	STUDIO	1BR	TOTAL	BR'S	
3	6	10	16	16	32
2	6	10	16	16	
1	4	8	12	12	
T.	16	28	44	44	.72 / UNIT
	36%	64			



FIRST FLOOR PLAN
12,140 s.f.





New Construction

Thank You

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-55384-18131**

Program: **New Construction**

Sponsor: **Focus on Energy**

Created By: **Theresa Lehman on 6/24/2020 2:00:17 PM**

Project Name: **The Shelter - The Salvation Army Shelter & Transitional Housing**

Project Location: **630 E. Washington Ave.**

Madison, WI 53703

Business Customer: **The Salvation Army**

Your unique application number is listed below:

FOE-55384-18131

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.



Department of Planning & Community & Economic Development

Building Inspection Division

Madison Municipal Building, Suite 017
215 Martin Luther King Jr. Blvd.
P.O. Box 2984
Madison, Wisconsin 53701-2984
Phone: (608) 266-4551
Fax (608) 266-6377
www.cityofmadison.com

December 3, 2019

Mr. Bramwell E. Higgins
Secretary
The Salvation Army Services, Inc.
5550 Prairie Stone Parkway
Hoffman Estates, IL 60192

Re: "The Shield" Apartments / 44-Unit Building on E. Mifflin Street

Dear Mr. Higgins:

You have requested information relative to the zoning for the three story, 44-unit apartment building that your organization is proposing to build on E. Mifflin Street. The proposed building is part of the overall redevelopment project located at 630 – 648 E. Washington and 12 N. Blount Street in Madison, WI.

The property for the apartment building lies within the TE Traditional Employment Zoning District, within which *multi-family dwelling* are a Conditional Use. The project also requires approval of the demolition of any principal structures that you may wish to raze to accommodate the redevelopment.

At its regular meeting November 11, 2019, the Plan Commission of the City of Madison approved the Conditional Use that will allow for the development and construction of a three-story 44-unit apartment building and the demolition of any principal structures required for the proposed development. You may proceed with the steps necessary to finalize the approval and secure building and development permits.

If you have any questions in regard to this letter, please feel free to contact me at (608) 266-4551.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Tucker", with a long horizontal flourish extending to the right.

Matt Tucker
Zoning Administrator

CC: Major Andrew Shiels, Capital Area Coordinator
For Salvation Army of Dane County

HOUSING ASSISTANCE AGREEMENT

Type of Project: Rental Assistance for 11 rental units

THIS AGREEMENT made this **2nd** day of **December, 2019** by **THE SALVATION ARMY**, an Illinois nonprofit corporation (“**TSA**”) in favor of **THE SALVATION ARMY SERVICES, INC.** an Illinois nonprofit corporation (the “**Developer**”).

Recitals

WHEREAS, the Developer intends to develop a multifamily housing facility in Madison, Wisconsin (the “**Project**”) that will provide a mix of market rate, affordable and supportive housing apartment units;

WHEREAS, the Developer intends to submit an application for a reservation of FY2020 low-income housing tax credits to the Wisconsin Housing and Economic Development Authority (“**WHEDA**”) to support development and construction of the Project;

WHEREAS, the Project will consist of forty-four (44) rental units (the “**Units**”), thirty-seven (37) of which (16 efficiency units and 21 one-bedroom units) will be low-income housing tax credit units (the “**Credit Units**”);

WHEREAS, eleven (11) of the Credit Units (6 efficiency and 5 one-bedroom units) will be specifically designated as integrated supportive housing units that will be reserved for tenants whose incomes are no more than 30% of the applicable Area Median Income (the “**SH Units**”).

WHEREAS, Developer intends to identify a source for project-based rental assistance for the SH Units (the “**Rental Subsidy**”) and to apply for such assistance; however, regardless of its receipt of any such assistance from any source, TSA desires to provide rental subsidy for the SH Units in the Project to assist in the provision of affordable rental housing for residents of the SH Units, in furtherance of TSA’s charitable purposes; and

WHEREAS, the Developer needs the Rental Subsidy to be provided hereunder in order to operate the Project and ensure affordability for residents of the SH Units.

NOW, THEREFORE, in consideration of the above premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Subsidy.** From and after the Commencement Date (as hereinafter defined) respecting the SH Units, TSA agrees to provide a gross monthly subsidy to the Developer equal to (a) \$680.00 per month for the six (6) efficiency SH Units and \$730.00 per month for the five (5) one-bedroom SH Units (collectively, the “**Rental Subsidy**”). Such Rental Subsidy for an SH Unit shall be reduced by rent payable by the resident of such SH Unit in the amount of 30% of such resident’s adjusted gross income, as such adjusted gross

income is defined under the HUD Section 8 program (the “**Tenant Portion**”) and shall be further reduced by any third party rental subsidy payments received respecting such SH Unit for the prior calendar month (the “**Third Party Rental Assistance Payments**”). The Rental Subsidy shall increase by 2% per annum, commencing on January 1st of the first year following the year of initial lease up of the Units, and on each subsequent January 1 during the term of this Agreement.

2. **Term.** The amounts payable under this Agreement shall commence to be payable as to the SH Units as of the calendar month of first lease of such SH Units in the Project (the “**Commencement Date**”) and shall continue thereafter during the initial fifteen (15) year compliance period of the Project pursuant to Section 42 of the Code.
3. **Use of Proceeds.** The Rental Subsidy payments received by the Developer shall be used exclusively to pay for the operations of the Project. Operating expenses will include the cost of property management fees, maintenance and repair expenses, utilities costs, property taxes, amounts due and payable on Project mortgage loans not paid from cash flow of the Developer, replacement reserves, asset management fees payable to the investor member of the Project Owner (as hereinafter defined) and other operating costs reasonably related to the Project, so as to permit the Developer to provide affordable rental housing for low-income persons in the Project during the term of this Agreement, and any Rental Subsidy, received at any time, in excess of operating expenses then payable may be held in Project reserves that may be created under the Project Owner’s operating agreements, until needed for such Project costs.
4. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Wisconsin.
5. **Headings.** All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section. The Recitals provisions are incorporated herein as if fully set forth in this Agreement.
6. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine and neuter gender, shall include all other genders, the singular shall include the plural and vice versa as the context may require.
7. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their respective successors and permitted assigns.
8. **Reliance.** No person other than the parties to this Agreement may directly or indirectly rely upon or enforce the provisions of this Agreement, whether as a third party beneficiary or otherwise unless TSA consents in writing to such reliance, with the exception of the investor member of the Project Owner, which is intended to be a third party beneficiary of this Agreement and shall have the rights to directly enforce the duties and obligations of TSA hereunder.

9. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed by the parties or any third party to create the relationship of partners or joint venturers between TSA and the Developer.
10. **Assignment.** This Agreement and the rights and obligations hereunder may not be assigned by either party without the written consent of the other party; provided, however, that it is understood and agreed to by the parties hereto that this Agreement may be assigned at the initial closing and start of construction stage of the Project to Shield Apartments LLC, the single purpose entity created by Developer to own and operate the Project (the “**Project Owner**”).
11. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[Remainder of this page intentionally blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

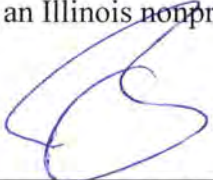
Developer's address:

5550 Prairie Stone Parkway
Hoffman Estates, Illinois 60192

Fax: (847) 294-2296

DEVELOPER:

**THE SALVATION ARMY SERVICES,
INC.**, an Illinois nonprofit corporation

By: 
Bramwell E. Higgins, Secretary

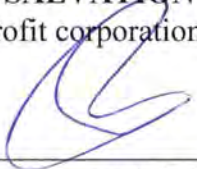
TSA's address:

5550 Prairie Stone Parkway
Hoffman Estates, Illinois 60192

Fax: (847) 294-2296

TSA:

THE SALVATION ARMY, an Illinois
nonprofit corporation

By: 
Bramwell E. Higgins, Secretary

The Shield Apartments
City of Madison AHF Application - July 15, 2020

Schedule of Other Income in Operating Pro Forma
Additional Income from Housing Assistance Contract for Eleven Supportive Housing Units *

Rental Income in Operating Pro Forma from Workbook

Unit Composition	No. of Units	Net Tenant Rent	Gross Monthly Rent	Gross Annual Rent
0 BR / 30% CMI	6	\$475.00	\$2,850.00	\$34,200.00
1 BR / 30% CMI	5	\$512.00	\$2,560.00	\$30,720.00
	<u>11</u>		<u>\$5,410.00</u>	<u><u>\$64,920.00</u></u>

Rental Income Based on Project's Housing Assistance Agreement

Unit Composition	No. of Units	Net Tenant Rent	Gross Monthly Rent	Gross Annual Rent
0 BR / 30% CMI	6	\$680.00	\$4,080.00	\$48,960.00
1 BR / 30% CMI	5	\$730.00	\$3,650.00	\$43,800.00
			<u>\$7,730.00</u>	<u><u>\$92,760.00</u></u>

Gross Housing Assistance Agreement Income	\$92,760.00
Less: Rental Income from LOLA Application	<u>-\$64,920.00</u>
Additional "Other Income" for Operating Pro Forma	<u><u>\$27,840.00</u></u>

*The Shield Apartments project will include eleven (11) supportive housing units, which will be reserved for residents whose incomes are at or below 30% CMI. Each of the units will come fully furnished and the owner will pay all regular tenant utilities (tenants in the project's other units will be required to pay their own utilities). The project developer will seek an allocation of project-based rental assistance for the eleven (11) 30% CMI units from a local housing authority or other such source; however, to ensure availability of such rental assistance, the project's developer has committed to provide such assistance through a housing assistance contract. The established rents in the contract are \$680 for the 0 BR units and \$730 for the 1 BR units. These rents reflect roughly 90% of the Dane County Housing Authority's housing choice voucher payment standards. Under the contract, as with the Housing Authority's program, residents will be required to pay 30% of their adjusted gross income towards the rent amount with the balance being subsidized through the contract.

Resident Selection Criteria

Thank you for applying to live at our community. These criteria explain the process we use to select our residents. The Shield Apartments/The Alexander Company Inc. is an Equal Housing Opportunity provider and it is our policy to treat all residents and visitors fairly and consistently without regard to race, color, religion, sex, national origin, disability or familial status. This community and its employees comply with the provisions of Title VIII of the Civil Rights Act of 1968, the Fair Housing Amendments Act of 1988 ("Fair Housing Act"), the Violence Against Women Act, and, to the extent applicable, the Americans with Disabilities Act. Furthermore, this community complies with the state and local fair housing regulations of the jurisdictions in which it is located.

BASIC ELIGIBILITY REQUIREMENTS

- Valid photo identification for all residents over the age of 18.
- A valid Social Security number for all household members. If a Social Security card is not available, the community will accept a letter from the Social Security Administration stating that a new card has been applied for.
- Proof of all income. Rental assistance is allowed and considered as part of this requirement.
- Several apartments in this community have income restrictions. The chart below shows the maximum income allowed for the household under the three programs. All applicants must have income to support 1 ½ times monthly rent amount.

Maximum Income Restrictions by Household Size

Household Size	30% AMI Program	50% AMI Program	60% AMI Program
1 person	\$21,030	\$35,050	\$42,060
2 persons	\$24,030	\$40,050	\$48,060
3 persons	\$27,030	\$45,050	\$54,060

THE APPLICATION PROCESS

Prospective tenants must submit one application and a non-refundable application fee per applicant over the age of 18. Once the application is approved and the available apartment is accepted, the applicant will sign a lease agreement in which the applicant agrees to abide by all the rules and regulations. If an applicant is denied, applicant will receive an email or letter stating the reasons for the denial. Falsification of any information on the application is basis for automatic denial. Upon approval based on credit, criminal and rental history, the applicant will complete the income and asset verification portion of the process to determine eligibility under the LIHTC requirements.

The Waiting List: If a unit is not available, interested parties may join the waiting list. Applications will be processed in the order received with application fee. Applicants will be contacted when a unit becomes available. Failure to respond to attempted contacts will result in removal from the waiting list.

Credit Screening: A report will be obtained through a commercial credit-reporting agency. If the applicant has filed bankruptcy and it has not been discharged, the application will automatically be denied. Medical or student related loans or collection status is not a factor for denial. History of significant or repeated delinquencies is acceptable with proof of letter of payment arrangements or enrollment in a financial literacy program. Each applicant will receive the name, address, and contact information for the credit bureau to report or dispute any information the applicant finds to be inaccurate. Applicant will not be denied based solely on credit score or any information on the credit report that is under dispute or in repayment.

Continue to next page

Rental History: Rental history for the past 2 years must indicate the ability to care for the property without damage. Previous evictions and/or judgments for rent require proof of payment agreement or satisfaction by Landlord. Applicant will not be denied solely due to lack of housing history.

Occupancy: No more than 2 adults and one child under the age of 2 may occupy an apartment.

Criminal Record Checks: All applicants and household members over 18 years of age will be screened for criminal history. All applicants shall disclose in their application if any household member(s) have criminal charges pending at the time of application and if so, where and what the pending criminal charges are. A history of any of the following by any household member is cause for denial of an application for housing:

- I. A felony conviction or adjudication other than an acquittal of sex offenses (including but not limited to forcible rape, child molestation, and aggravated sexual battery), arson, crimes involving explosives, and the illegal manufacture of controlled substances or manufacture of illegal drugs.
- II. Within 10 years from the completion of any sentence, probation, or parole for a felony that involved damage to or destruction of property, bodily harm against a person, including but not limited to: murder, homicide, manslaughter, armed robbery, aggravated assault, or any felony of violence that may establish that the applicant constitutes a direct threat to the health or safety of other individuals or to the property.
- III. Within 5 years from the completion of any sentence, probation, or parole for a felony that involved stalking, weapon offenses, burglary, theft, auto theft, buying receiving or possession of stolen property, or sales or trafficking in an illegal drug or controlled substance.
- IV. Within 2 years from the completion of any sentence, probation, or parole for any misdemeanor or ordinance violation for a crime of violence that may establish that the applicant constitutes a direct threat to the health or safety of other individuals or the property.
- V. Registry on the Sex Offenders Registry.

Approval: If an applicant is approved, a copy of the lease shall be provided for review by applicant. Once the lease is signed, a security deposit equal to half of one month's rent is due prior to lease start date. Payment plans are available. Co-signors or a higher security deposit not to exceed one month's rent may be required for applicants with conditional credit or housing history or lack there-of.

Denial: Any applicant that is denied will be provided a written letter of denial with instructions on how to receive a copy of their credit or background report as well as instructions on how to appeal the decision. Appeals will be reviewed by the property's Area Manager and Compliance Manager.

Security Deposits: Once an application is approved, a copy of the lease will be provided for review. Once the lease is signed, a security deposit equal to half of one month's rent will be due prior to move-in. A co-signor or additional deposit not to exceed one month's rent may be required for conditional credit and background reports or lack there-of. Payment plans are available.

UNIT TRANSFER POLICIES

All transfer requests must be made and submitted in writing to management. Under these conditions, unit transfer requests will take priority to the waitlist applicants;

1. Reasonable Accommodation Requests
2. HUD/Tax Credit Compliance

Continue to next page

PRIVACY POLICY

It is the policy to guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained. Therefore, neither The Shield Apartments nor its agents shall disclose any personal information contained in its records to any person or agency unless the individual about whom the information is requested shall give written consent to such disclosure.

The Privacy Policy in no way limits The Shield Apartments' ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for residency. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on handicap or disability will be treated in a confidential manner.



Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

**Affirmative Fair Housing
Marketing Plan (AFHMP) -
Multifamily Housing**

**U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity**

OMB Approval No. 2502-0608
(exp.04/30/2020)

1a. Grantee Name & Address (including City, County, State, Zip Code, Telephone No. & email address)	1b. Rental Assistance Contract Number
	1c. No. of Units

1d. Entity Responsible for conducting Outreach and Referral (check all that apply)

Grantee Service Provider Other (specify)

Entity Name, Contact Person and Position (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

1e. If the outreach is performed by any other entity other than the Grantee, explain how the Grantee will monitor their activities to ensure compliance with affirmative fair housing outreach requirements. Enter "N/A" in the field below if not applicable.

1f. To whom in the Grantee's office should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

2a. Affirmative Fair Housing Marketing Plan

Plan Type

Date of the First Approved AFHMP:

Reason(s) for current update:

2b. Outreach Start Date

Grantees should not begin accepting applications prior to conducting the marketing and outreach activities identified in the approved AFHMP.

Date Outreach will begin (xx/xx/xxxx)

Date Grantee will begin accepting applications (xx/xx/xxxx)

Note: Only Fiscal Year 12 Demonstration Grantees are permitted to accept applications prior to conducting marketing and outreach activities identified in the approved AFHMP.

3a. Target Areas (check one):

Statewide

Other (specify)

3b. Target Population(s)

3c. Is all or some of the Target Population(s) covered by a Settlement Agreement? **No** **Yes**

3d. Demographics of Target Population(s)

(check all that apply)

White

American Indian or Alaska Native

Asian

Black or African American

Native Hawaiian or Other Pacific Islander

Hispanic or Latino

Families with Children (under age 18)

Other ethnic group, religion, sex, etc. (specify)

3e. Data Source(s) used to obtain the demographic characteristics.

4a. Identify the demographic group in the target population(s) that are least likely to apply.

4b. For each demographic group in the target population(s) that are least likely to apply, provide a description of how the program will be marketed to eligible individuals in the target population(s).

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices/locations in which rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Grantee Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at all rental offices/locations (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Grantee Office Model Unit Other (specify)

5c. Project Owner Compliance to display Fair Housing Poster and the AFHMP

Explain how you will ensure that every project owner will prominently display the Fair Housing Poster and AFHMP.

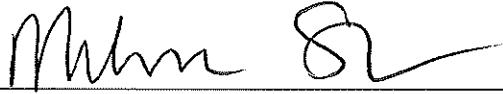
6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your outreach activities have been successful in attracting individuals in the target population(s) who are least likely to apply, including who will be responsible for conducting this evaluation, when this evaluation will be conducted and how the results of this evaluation will inform future marketing activities.

7. Additional Considerations. Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to eligible persons in the target population(s) who are least likely to apply for the program? Please attach additional sheets, as needed.

8. Review and Update

By signing this form, the grantee agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 8 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). The Grantee also certifies that training will be provided to staff/entities that provide outreach to target population(s) for the purpose of enrollment in the 811 PRA program. Training will consist of affirmative fair housing outreach requirements and the Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act and the American with Disabilities Act. I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).



07/07/2020

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Melissa Sorensen

Name (type or print)

Executive Director of Social Services, The Salvation Army of Dane County

Title & Name of Company

For HUD-Office of Housing Use Only

Reviewing Official:

Signature & Date (mm/dd/yyyy)

Name
(type or print)

Name

Title

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Approval

Disapproval

Signature & Date (mm/dd/yyyy)

Name
(type or print)

Title

The Salvation Army The Shield Apartments

Response Submission Due Date: August 19, 2020 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: jspears@cityofmadison.com and etabakin@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. Provide an overview of the feedback and comments that you received from your neighborhood meeting(s) held since last year's application for City financial assistance.**

There have been minimal comments from the neighborhood since last year's application for City financial assistance. The Salvation Army team and key neighborhood partners had a few planning meetings focused on the communication plan with the neighborhood. COVID-19 has impacted the ability of The Salvation Army and neighborhood partners to come together to expand on issues and concerns raised at the time of our initial application. The main issues raised in meetings preceding COVID-19 closures expressed the need for ongoing communication and agency/neighborhood transparency. The Salvation Army and neighborhood partners discussed best practices for disseminating information to neighborhood partners while also keeping the privacy of The Salvation Army guests in mind. Our immediate plans included providing flyers to the neighborhood regarding property updates, shelter changes, community engagement opportunities/etc. -- perhaps turning this flyer into a monthly newsletter, depending on any feedback from the neighborhood. COVID-19 has pushed back our timeline for some of these items, but as the community starts opening back up, we plan to reconvene our efforts to promote communication and transparency between the neighborhood and The Salvation Army.

- 2. How would you describe The Salvation Army's current rapport with the Tenney-Lapham neighborhood's residents since implementing new shelter operations practices last summer? What's the method and frequency of ongoing communication?**

The Salvation Army has continued to have an open line of communication with the Tenney-Lapham neighborhood since the implementation of shelter operations. We have addressed the issues with the neighborhood head on. The neighborhood seems to have a better understanding of who we are and who to connect with if there is something that needs to be addressed. The ongoing conversation and new shelter operations has allowed us to alleviate many of the direct concerns facing our neighbors. Like with so

many things, COVID-19 has put a wrench in our original plans. The planned method of communication was going to be a flyer that was delivered to the neighbor's homes with update information, but COVID-19 has put a stop to that plan. Our main goal is to work with our neighbors to formulate a new plan and figure out the safest way possible to effectively share information with one another. With any relationship that has had tension in the past, resolving issues and building a new foundation will take time -- both parties seem committed to making this work.

Energy Efficiency

- 1. The City expects awarded applicants to continue working with Focus on Energy throughout the building design process. This begins with completing the Building Analysis Summary Report and providing an update as to the recommended strategies most likely to be fully implemented in this project ASAP/by approximately September 15, 2020. Please provide a progress report on the status of this project's FOE Energy Design Assistance Building Analysis. By what date would you anticipate that it would be feasible to provide the Energy Design Assistance staff team with the requested information needed to complete the Building Analysis Summary Report?**

The project team is currently working with Focus on Energy, and the project is enrolled in the Design Assistance program. FOE is aware of the project schedule and understands that the project is currently in the planning/conceptual design phase. The team is aware that FOE recently communicated with the City of Madison to explain that the project is not far enough in the design process to complete the Energy Design Assistance (EDA) Building Analysis. It is our understanding that the City is aware of the process and is adjusting their process to allow for additional time as the design, hence the EDA Building Analysis results will not be ready to share by September 15, 2020. FOE will continue to be a project stakeholder and will do the EDA Building Analysis as soon as the design has progressed far enough. We currently anticipate having an EDA Building Analysis Summary Report that we could share with the EDA staff team by December 15, 2020.

Renewable Energy

- 1. Please describe your Renewable Energy systems that will be incorporated into the proposed project (solar photovoltaics (PV), solar thermal, biogas, biomass and wind).**

The project team will explore renewable energy systems, including photovoltaics (PV) and solar thermal hot water systems, as well as grants and incentives to off-set the initial capital cost of the systems. Assuming that the project is awarded incentives and grants that will off-set the cost of the renewable energy systems, the Shield Apartments will incorporate them. The team also intends to have a conversation with Madison Gas and Electric (MGE) to explore their interest in owning and maintaining the renewable energy systems. The size of the renewable energy systems will be based on the available physical space as well as the grant criteria and funding value. At a minimum, the project will be PV ready.

2. What is the status of application(s) to Focus on Energy’s Renewable Energy team, MadiSUN, and/or other applicable agency providing incentives to implement renewable energy systems?

MadiSUN, a program established in 2018 to further the City of Madison’s goals in pursuing 100% renewable energy, is administered by RENEW Wisconsin, of which Miron is a member of, offers grants to cover 10% of installed cost, up to \$5,000 for solar arrays that are within 45° of due South; or have a roof angle under a 10% pitch. In exchange, the project team agrees to educate and advance solar energy via ribbon-cutting/ dedication, hosting educational sessions and/or creating a case-study. The project team cannot apply for this grant until a solar contractor is selected and awarded on a first-come, first-serve basis.

Once the design progresses, the project team will engage a qualified solar design/builder, who is also a FOE Trade Ally, to size and design the system, select qualifying PV equipment, and pursue grant opportunities. At that time, the project team will also apply for FOE’s Prescriptive Renewable Incentive, which offers up to \$50,000 for the installation of qualifying Solar Electric (PV) systems/equipment, based on the size of the system.

The project team is also aware MGE recently launched a new pilot program, Renewable Energy Rider (RER), to serve business customers with renewable energy resources to serve all or a significant portion of the project’s electric needs with renewable generation by building new renewable generation. The RER is available for customers with a minimum electric demand level of 200 kilowatts (kW). Once the project is further into design and FOE and the project team can provide an estimated electrical demand, the project team will then engage MGE to discuss their program.

Additionally, the team is aware of the other renewable energy incentive programs available for solar technologies, including the Business Energy Investment Tax Credit (ITC), Modified Accelerated Cost-Recovery System (MACRS), renewable energy sales tax exemption, solar equipment property tax exemption and private grant programs, in which the project team will pursue.

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

- i. Site is located within walking and biking distance to the following:
 - 1. Grocery
 - 2. Public transportation

- 3. Social services
- 4. Diverse jobs
- 5. Entertainment
- 6. Parks
- 7. Community Markets
- 8. City bike paths
- ii. High walkability promotes reduced private vehicular trips and resulting reduced CO2 emissions.
- iii. Multiple neighborhood meetings along with city committee meetings were held, and input incorporated into project design.
- iv. Surface parking visual impact has been reduced by locating internal to the site screen by project buildings and landscaping.
- v. Building is oriented to hug E. Mifflin street with the main building entrance, and front porch walk up unit entries to fit with the existing street context, and further promote site walkability.
- vi. All building elements are fully ADA accessible, including 100% of the dwelling units.
- vii. The project will focus on supportive service and income qualified housing.

b. Optimize site potential

- i. Project is a redevelop of a greyfield site.
- ii. Site location and building orientation optimizes walkability, biking, and public transportation as listed in response to *Design for Equitable communities*.
- iii. Location of the Shield Apartments along E. Mifflin Street to better fit in with the existing context of the neighborhood and density.

c. Optimize energy use

- i. Building energy modeling will be employed to analyze all building systems.
- ii. Building design sets Window-to-Wall Ratio (WWR) below 30%.
- iii. All window will be operable to promote natural ventilation vs mechanical.
- iv. The use of all LED lighting establishes a Lighting Power Density (LPD) below standard code levels.
- v. Airtight exterior building envelope and thermal performance surpassing IECC requirements.
- vi. All appliances will be Energy Star certified.
- vii. Programable thermostats.
- viii. Occupancy sensors for lighting systems in all common areas and parking garage.
- ix. Explore renewable energy systems, including photovoltaics (PV) and solar thermal hot water systems to incorporated based on funding and incentives. Install infrastructure to easy installation of future renewable energy systems.

d. Protect and conserve water

- i. The project will be designed to capture all stormwater on site and manage for slow release into the municipal systems.
- ii. Site landscape will be drought tolerant and require minimal water consumption.
- iii. All building plumbing fixtures will be low flow.

e. Optimize building space and material use

- i. The project is a redevelop of a greyfield site.
- ii. Reduce overall material use through optimizing building size and module;
- iii. Building materials are selected to maximize Green Built standards for recycle content, post life recyclability, renewable resources, and energy consumption.
- iv. Establish a project construction waste and recycling programing for waste diversion, from landfills and incinerators. Limit the generation of C&D materials, require the separation of waste streams, and ensure that reuse and recycling is done in an environmentally acceptable manner during construction, renovation, and demolition process.

f. Enhance indoor environmental quality (IEQ)

- i. Implement Fitwell Certification Systems by training Building Occupants, Facilities Managers, and Maintenance Staff in Sustainability Principles and Methods.
- ii. Assure acoustic privacy and comfort by employing sound-absorbing material and equipment isolation.
- iii. Control disturbing odors through contaminant isolation and ventilation.
- iv. Provide thermal comfort with a maximum degree of personal control over temperature and airflow with programable thermostats.
- v. Supply an adequate quantity and quality of ventilation and intake of outside air to ensure acceptable indoor air quality.
- vi. Ensure fresh air intakes are located away from loading areas, exhaust fans, and other contamination points, preferably on roofs.
- vii. Install radon mitigation system.
- viii. Limit the use of volatile organic compounds (VOCs) in such products as cleaners, paints, sealants, coatings, and adhesives. See also WBDG Evaluating and Selecting Green Products.
- ix. Prohibit smoking in all areas of the building. Environmental Tobacco Smoke (ETS) is a known carcinogen.
- x. Avoid products containing formaldehyde (i.e., carpet, wall panels, or prefabricated cabinetry).
- xi. Create a high-performance luminous environment through the careful integration of natural and artificial light sources.
- xii. Evaluate the benefit of specifying high-performance windows to increase mean radiant temperature (MRT).

- xiii. Provide easily maintained window treatments that occupants can individually control for both thermal comfort and light exposures from the sun.
- xiv. Provide high quality potable water.
- xv. Control domestic water temperature to avoid temperature ranges where legionellae grow: keep domestic water temperatures above 140°F (60°C) in tanks and 122°F (50°C) at all taps (faucets and showers).

g. Optimize operational and maintenance practices.

- i. Implement Fitwell Certification Systems by training Building Occupants, Facilities Managers, and Maintenance Staff in Sustainability Principles and Methods.
- ii. Use automated monitors and controls for energy, water, waste, temperature, moisture, and ventilation.
- iii. Reduce waste through source reduction, reuse, and recycling to eliminate disposal of reusable materials at landfills and incinerators.
- iv. Perform scheduled energy audits and re-commissioning of systems.
- v. Implement a comprehensive preventive maintenance program to keep all building systems functioning as designed.
- vi. Provide logistic support and tools to facilities managers and maintenance crews to calibrate, operate and maintain facilities in accordance with the design intent.
- vii. Engage building occupants through surveys, education, clear signage, and incentive programs.
- viii. Choose higher efficiency equipment.
- ix. Exterior materials have been selected to long life durable and low ongoing maintenance requirements.

2. When will the development team be able to commit to certain sustainable building design techniques being “explored” in your application (e.g. blue roof systems, LEED Multifamily, etc.)?

The project is going to integrate the infrastructure to support renewable energy systems such that they can easily be added during the construction of the project or in the future. The team will commit to certain sustainable building elements that are currently being explored once the sources of funding are known and the project budget can support the initial capital cost of the sustainable systems and equipment.

Unit Mix

1. What is the level of confidence from the market study that market rate unit rents within this campus are viable?

Baker Tilley analyzed and compared the most comparable general occupancy market rate developments to estimate the Shield Apartment’s correlated market rents. The

comparables were selected based on the location, style, and age of the developments as well as the amenities that the developments offer. Based on this information, the market study analysis suggests the proposed market rental rate will definitely be accepted in the marketplace. At a proposed market rental rate of \$1,075, we are pricing our market rate units at a 22.7% discount to area market rate rents (after being adjusted for utilities and amenities). According to Baker Tilley, this represents a great value in the marketplace. Baker Tilley indicated it is reasonable to assume that the development will open with a conservative estimate of 25% of the market rate units preleased (two units). Based on a ten unit per month absorption rate combined with two units preleased at the development's opening, a lease-up period of less than one month is expected for the market rate units, based upon a 93 percent stabilized occupancy rate.

In addition, the Alexander Company reviewed current apartment listings within a 12-block radius, which resulted in only one 1-bedroom unit close to the price point that Shield Apartments is offering. That particular unit is above the price point and not available until September 30th. According to the Company, a high quality one-bedroom apartment at The Shield Apartments priced at \$1,075/month including parking would easily rent and would be an automatic option for any applicant that may be over income for a LIHTC unit at The Shield. Moreover, a one-bedroom unit at this rate and location meets the challenge of workforce housing for those landing between 60% and 120% AMI. The Alexander Company has no apprehension about marketing these units and conversely feels this is a unique and compelling opportunity in this market.

Financing

- 1. Do construction costs take into account Davis-Bacon prevailing wages that will be required if the project is awarded the desired 11 project-based vouchers, should The Salvation Army apply to DCHA for project-based vouchers?**

Yes, the construction costs assume payment of prevailing wages.

- 2. Do development costs take into account the costs of soil remediation and/or soil capping to comply with the recommendations of the Phase II ESA?**

The project budget includes an allowance for soil remediation and/or soil capping.

- 3. What utility allowance assumptions is The Salvation Army making for the 50% and 60% AMI units?**

The project's operating proforma uses the utility allowance schedules for a multi-unit structure provided by the Community Development Authority of the City of Madison. The efficiency units include a total utility allowance of \$103 (electric heat \$27, electric cooking fuel \$6, natural gas hot water \$4, lighting and refrigeration \$21, air conditioning \$3, and base charges for natural gas \$22 and electric \$20). The one-bedroom units

include a total utility allowance of \$114 (electric heat \$32, electric cooking fuel \$6, natural gas hot water \$5, lighting and refrigeration \$25, air conditioning \$4, and base charges for natural gas \$22 and electric \$20).

- 4. It appears that TSA is not maximizing the amount of hard debt from BMO Harris Bank that it is eligible to borrow, given the exceptionally high debt coverage ratio. Please explain this strategy.**

The initial year debt coverage ratio, which includes both the BMO Harris loan and that portion of the City of Madison's AHF loan, is 1.34. And the debt coverage ratio in Year 15 is 1.16. We do not agree that these debt coverage ratios are exceptionally high; rather, they are, for most financial participants in the project, minimally acceptable. In other words, given the terms and conditions of the BMO Harris and the AHF loans, the BMO Harris loan is reasonably sized.

- 5. It appears that TSA is taking a lower developer fee than WHEDA allows to be claimed. Please explain this strategy.**

Based on the criteria found in WHEDA's Appendix J / WHEDA's Developer Fee Policy for Housing Tax Credit Developments, the developer would be entitled to take an overall fee of up to approximately \$1,300,000. The project's budget in the City application included a fee of \$980,000. Taking a lower developer fee amount was done intentionally primarily based on the scoring criteria of both WHEDA and the Federal Home Loan Bank of Chicago in terms of financial leveraging. The projected LIHTC equity amount was based on the maximum award that would still give us the highest score under WHEDA's financial leveraging point structure. In regard to the FHLB AHP grant amount, this was determined in conversations with staff from BMO Harris Bank (the likely application member bank sponsor) as the most advantageous grant request that would yield maximum points under the FHLB Chicago's implementation plan. Likewise, we think that all other projected funding sources are set at reasonably expected levels. Accordingly, any increase in the developer's fee beyond what is in the budget would necessarily need to be paid for by either a deferral of that increase, which project operations cannot bear, or from increasing the General Partner's contribution, which does not make financial sense since the developer and the GP are the same entity.

- 6. How does AHP funding from a Federal Home Loan Bank fit into the project budget if a closing is contemplated before The Salvation Army receives notice of an AHP award? Will The Salvation Army cover the amount applied for if an application to a Federal Home Loan Bank is unsuccessful?**

The Salvation Army intends to submit an application to the Chicago FHLB through a member bank in accordance with its 2021 implementation plan and schedule. The Chicago FHLB requires projects utilizing the 9% Federal Low Income Housing Tax Credit (LIHTC) to provide evidence of a 2021 (or prior) LIHTC award. The Chicago FHLB typically

calls for applications to be due in early June, so The Salvation Army is anticipating submitting the application at that time in 2021. As it has done with other projects, and to allow The Shield Apartments project to proceed following the LIHTC award from WHEDA, The Salvation Army will bridge the AHP financing and guarantee to increase its financial commitment to the project if it is unsuccessful in obtaining the AHP funds.

7. Is the entire County commitment expected to be used for the housing component of the campus redevelopment?

Yes.

8. Due to COVID-19 and limited capital, do you still envision the shelter and housing development happening at the same time? If not at the same, how can you ensure that the shelter redevelopment will materialize? How will doing the project in phases impact each respective phase?

The Salvation Army's plan is that there will be considerable overlap between the construction of the two projects. The expectation is that construction of the housing development would start first (currently expected in late summer/early fall 2021 assuming receipt of a WHEDA LIHTC award in early 2021) with the shelter's construction starting a few months thereafter. The shelter development requires demolition of the existing building and considerably more site preparation; thus, its construction will take longer than the housing development. Accordingly, it is expected that construction of the shelter would not be completed until well after the housing development is completed and occupied.

The Salvation Army is committed to continue to provide emergency homeless shelter and related services in the City of Madison. The Salvation Army's current facility is functionally and economically obsolete and the Army is dedicated to raising the necessary capital to make the development of a new facility a reality. It is further dedicated to constructing and operating the new facility as "state of the art", which will be reflected in its design and operation's best practices, including those that are being learned from its recent COVID-19 experience.

As indicated, the overall campus will proceed in two phases: the housing development and then the shelter. Although there is expected to be a significant overlap in construction of the two phases, beginning the housing project first is expected to create significant fund-raising momentum for the shelter project. Obtaining the City's funding and the WHEDA award, and demonstrating construction of the development will provide a strong message to the community that this is a serious effort, which should have a very positive impact on the planned capital campaign for the campus.

Supportive Housing Units/Supportive Housing Partnerships

1. Please confirm that the 11 units of supportive housing will come from referrals from the Coordinated Entry List, and that the remaining units will have an application process with no prioritization.

Yes, this is correct.

Scoring

1. What is the development team's level of confidence with meeting the WHEDA threshold and competitive scoring requirements compared to last year?

We are highly confident in meeting the threshold requirements for the WHEDA application. Given the major changes to this year's scoring categories, the project will not score as high as it did last year. We have self-scored the project at 197 points under the Non-Profit Set-Aside. This score will be competitive only if the overall bar for scoring has lowered across all projects submitting a WHEDA application. The primary reason for the lower score is due to points under the Areas of Economic Opportunity, in which the unemployment rate was eliminated; rent burden was reduced for the project census tract; and nearby census tracts are no longer categorized as "high need" by WHEDA. Scoring opportunities under energy efficiency and sustainability were also decreased.

2. Given the competitiveness of the self-score, please explain the pros and cons for applying in the Non-Profit Set-Aside instead of the Supportive Housing Set-Aside.

Non-Profit Set-Aside

Pros: Meets TSA's goals for the project with supportive housing units and mixed-income units.

Cons: Only the highest-ranking applicants within each set-aside are able to continue in the process. With a self-score of 197 points in the Non-Profit Set-Aside, we are uncertain if this will be competitive enough to be awarded. In 2019, WHEDA noted that the cutoff for awards in the Non-Profit Set-Aside was 212 (under a different scoring system).

Supportive Housing Set-Aside

Pros: In the past, very few applicants have submitted applications to WHEDA under this set-aside. In 2019, the lowest score awarded in the Supportive Housing Set-Aside was 154 according to WHEDA. The Shield Apartments has a self-score of 165 using this set-aside (categories of Mixed-Income Incentive, Supportive Housing, and Veterans Housing are prohibited from scoring points). Given the QAP modification to the eligibility requirements of Supportive Housing, the Shield Apartments, as it is currently designed, now qualifies under this set-aside and meets the spirit of what WHEDA is trying to accomplish. In addition, the Salvation Army is highly respected for its specialized services to the homeless population. We are a well-established social service agency

with Madison roots that can deliver effective and comprehensive supportive services for this vulnerable population. Having a committed LIHTC award would also improve our chances of securing National Housing Trust Funds and a FHLB-AHP award in 2021.

3. Has The Salvation Army confirmed with WHEDA if a privately funded rental assistance program from a non-governmental entity would satisfy the requirements for the Supportive Housing Set-Aside, if that set-aside were pursued?

Yes, WHEDA has confirmed that the TSA Housing Assistance Agreement has passed WHEDA's test for rental assistance under the Supportive Housing Set-Aside. This is, perhaps, what makes our project characteristically different from other submissions in that it allows the lowest-income residents of our region to obtain affordable housing without a government voucher.