



## Element Collective

AHF – TC CDBG Presentation

September 12, 2024



# Development Team



**Bob Monnat**  
Senior Partner  
Mandel Group, Inc.



**Dan Katt**  
Development Manager  
Mandel Group, Inc.



**Steve Ruff**  
Executive Vice President  
Mandel Property Services, Inc.



**Meghan Sohns**  
Program Director  
WayForward Services



**Elizabeth Riedel**  
Senior Development Associate  
Mandel Group, Inc.



**Taylor Huss**  
Operations Support Manager  
Mandel Property Services, Inc.



**Taylor Rozman**  
Housing Stability Director  
WayForward Services



- Research Park seeking evolution by way of densification and mixed-use activation
- Rental housing supply is low in this area of Madison, specifically the Research Park
- Site advantages include BRT / metro access and high concentration of nearby employment
- Shovel-ready





# Unit Mix

AMI Set Aside %	Studio	1BR	2BR	3BR	Total
30%	2	5	2	1	10
40%	3	17	2	2	24
50%	3	51	4	3	61
60%	3	40	3	3	49
80%	4	40	5	4	53
<b>58.32%</b>					<b>197</b>

# Rents

Bedroom Size	AMI Set Aside %	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Max HTC Limit
Studio	30%	\$ 576	\$ 85	\$ 661	\$ 661
Studio	40%	\$ 797	\$ 85	\$ 882	\$ 882
Studio	50%	\$ 1,017	\$ 85	\$ 1,102	\$ 1,102
Studio	60%	\$ 1,171	\$ 85	\$ 1,256	\$ 1,323
Studio	80%	\$ 1,327	\$ 85	\$ 1,412	\$ 1,764
1 Bedroom	30%	\$ 610	\$ 98	\$ 708	\$ 708
1 Bedroom	40%	\$ 847	\$ 98	\$ 945	\$ 945
1 Bedroom	50%	\$ 1,083	\$ 98	\$ 1,181	\$ 1,181
1 Bedroom	60%	\$ 1,248	\$ 98	\$ 1,346	\$ 1,417
1 Bedroom	80%	\$ 1,462	\$ 98	\$ 1,560	\$ 1,890
2 Bedroom	30%	\$ 722	\$ 128	\$ 850	\$ 850
2 Bedroom	40%	\$ 1,006	\$ 128	\$ 1,134	\$ 1,134
2 Bedroom	50%	\$ 1,289	\$ 128	\$ 1,417	\$ 1,417
2 Bedroom	60%	\$ 1,487	\$ 128	\$ 1,615	\$ 1,701
2 Bedroom	80%	\$ 2,025	\$ 128	\$ 2,153	\$ 2,268
3 Bedroom	30%	\$ 826	\$ 156	\$ 982	\$ 982
3 Bedroom	40%	\$ 1,153	\$ 156	\$ 1,309	\$ 1,309
3 Bedroom	50%	\$ 1,480	\$ 156	\$ 1,636	\$ 1,636
3 Bedroom	60%	\$ 1,709	\$ 156	\$ 1,865	\$ 1,964
3 Bedroom	80%	\$ 2,250	\$ 156	\$ 2,406	\$ 2,619

## Project Financing (Sources)

SOURCES OF FUNDS	Construction	Post Construction	Permanent
NewPoint Permanent Mortgage	-	26,049,445	26,049,445
Federal LIHTC Investor Capital	4,782,849	19,131,398	23,914,247
GP Equity	100	-	100
Construction Interest Income	-	1,894,974	1,894,974
Deferred Developer Fee	-	6,099,941	6,099,941
<b>GAP</b>	<b>5,295,419</b>	<b>-</b>	<b>5,295,419</b>
NewPoint Permanent Mortgage Available During Construction	26,049,445	(26,049,445)	-
NewPoint Tax Exempt Bond - Bridge	8,141,859	(8,141,859)	-
NewPoint Taxable Equity Bridge Loan	8,048,798	(8,048,798)	-
<b>Total Sources Of Funds</b>	<b>52,318,469</b>	<b>10,935,656</b>	<b>63,254,125</b>

### Financing Assumptions

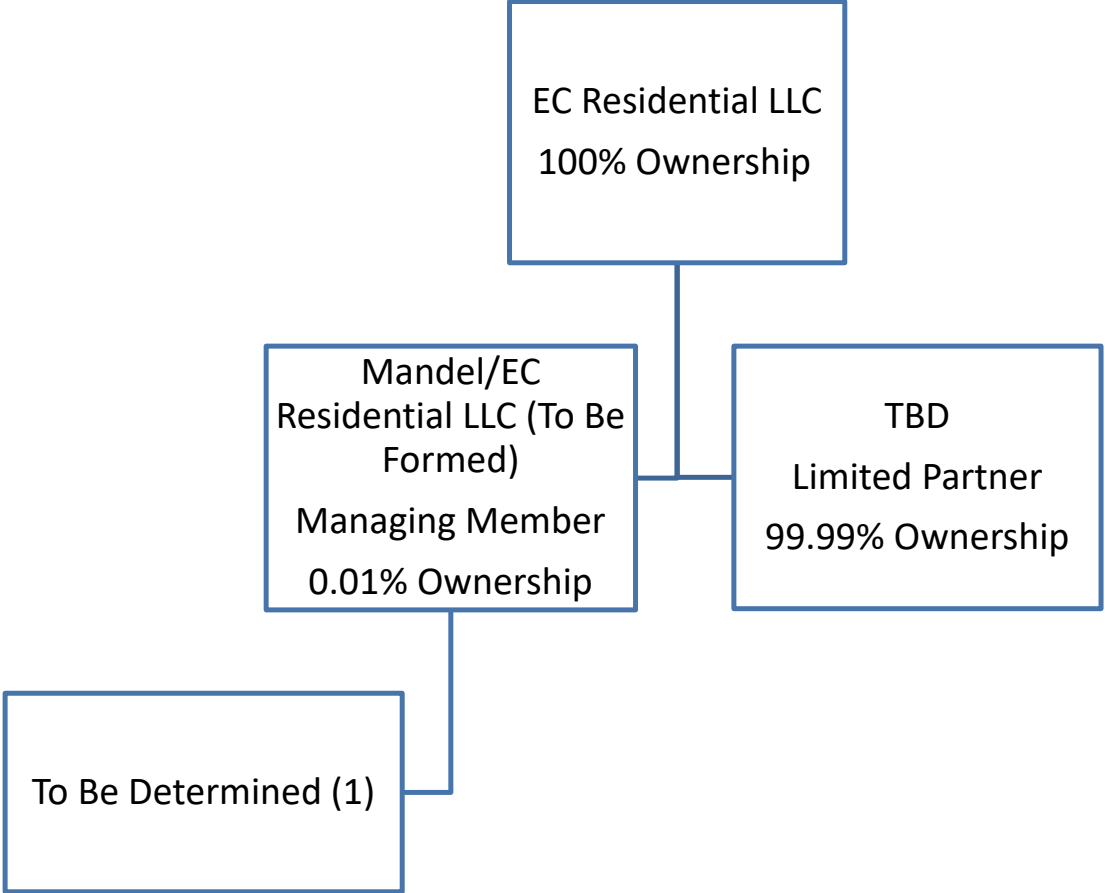
- Credits priced at \$.84
- I/O Permanent Mortgage sized to 1.15 DSCR

# Project Expenses (Uses)

USES OF FUNDS	Construction	Post Construction	Total Permanent
<b>Acquisition</b>			
Land	-	2,052,531	2,052,531
Land Infrastructure	328,405	-	328,405
<b>Construction Related Expenses</b>			
<i>New Construction and Rehab</i>			
Hard / Construction Costs - Residential	\$ 194,459	30,619,456	30,619,456
E - Equipment & Furnishings		146,450	146,450
Other New Construction / Rehabilitation		3,193,333	3,193,333
<i>Site Work Costs</i>			
On Site - Site Work		1,438,926	1,438,926
<i>Contractor Fees</i>			
General Requirements	3.46%	1,223,113	1,223,113
Contractor Overhead	4.61%	1,687,090	1,687,090
<b>Contingency Funds</b>			
Construction Contingency	5.00%	1,915,418	1,915,418
<b>Construction Period Expenses</b>			
<i>Local or State Agency - Residential Related Fees and Expenses</i>			
Construction Loan Origination Fee - NewPoint	1.00%	422,401	422,401
<i>Bond Related Expenses</i>			
Cost of Bond Issuance - WHEDA	1.50%	633,602	633,602
<i>Other Lender and Financing Related Expenses</i>			
Bridge Loan Fees and Expenses		45,000	45,000
Construction Loan Interest		6,122,647	6,122,647
<i>Other Construction Period Soft Costs</i>			
Construction Period Real Estate Taxes		100,343	100,343
Title and Recording		45,000	45,000
Construction Insurance		152,400	152,400
Park Impact Fees		225,440	225,440
Other Interim/Construction Costs		66,234	66,234

<b>Permanent Financing Expenses</b>				
<i>Lender and Financing Related Expenses</i>				
Permanent Loan Origination Fee - NewPoint	0.50%	130,247	-	130,247
Legal Fees - Real Estate		165,000	-	165,000
3rd Party Reports - NewPoint		25,000	-	25,000
Lender Counsel - NewPoint		125,000	-	125,000
Application Processing Fee - NewPoint		25,000	-	25,000
Other Financing Fees and Expenses		65,000	-	65,000
<b>Architectural and Engineering Expenses</b>				
Architect's Fee - Design	4%	1,347,746	-	1,347,746
Engineering Costs		781,467	-	781,467
Survey		10,000	-	10,000
<b>Syndication Fees &amp; Expenses</b>				
Organizational (Partnership)		50,000	-	50,000
<b>Capitalized Reserves</b>				
Operating Reserve	6 Months		1,434,137	1,434,137
<b>Reports, Studies and Related Work</b>				
Appraisal(s)		6,000	-	6,000
Market Study		6,500	-	6,500
Environmental Report		20,000	-	20,000
<b>Other Soft Costs</b>				
Tax Credit Application Fee	\$ 2,000	2,000	-	2,000
Tax Credit Allocation Fee		214,141	-	214,141
Tax Credit Compliance Fee		10,835	-	10,835
Cost Certification / Accounting Fees		37,500	15,000	52,500
Rent Up Marketing Expense		300,000	-	300,000
Soft Cost Contingency	5%	163,763	-	163,763
Other Miscellaneous Costs		22,000	-	22,000
<b>Developer Earned Fees and Expenses</b>				
Developer's Fee Received		333,512	7,433,988	7,767,500
Consultants		112,500	-	112,500
<b>Total Uses Of Funds</b>		\$ 52,318,469	\$ 10,935,656	\$ 63,254,125

# Ownership Structure



Notes:

(1) Mandel/EC Residential LLC has not yet been formed. Barry R. Mandel will own a majority of the entity through trust(s) and/or LLCs and will also have management control of the entity. The remaining ownership will be other Mandel Group Inc. executives, as individuals, none of whom will own more than 20%.



# Diversity Initiatives

## Construction Outreach and Minority Hiring

- Cross Management Services



## Development

- ACRE Program
  - Internship
  - Case-Study



# Sustainability

## Corporate Approach

- Long-term Hold
- Life-Cycle Analysis
- 1<sup>st</sup> LEED Gold Residence Hall in UW System

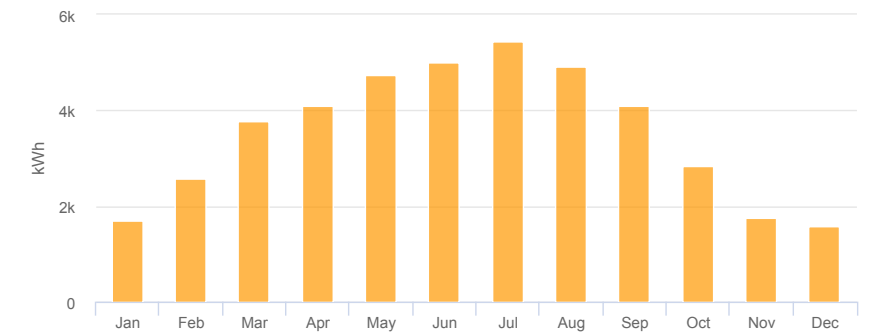
## Project Approach

- Site Selection
- Energy Efficiency
  - Green Built Home
- Green Roof
- Solar
  - Evaluating Both Buildings
  - 42,500kWh



UWM Cambridge Commons

## GLOW SOLAR



Month	GHI (kWh/m <sup>2</sup> )	POA (kWh/m <sup>2</sup> )	Shaded (kWh/m <sup>2</sup> )	Nameplate (kWh)	Grid (kWh)
January	49.0	59.1	58.0	1,746.2	1,689.0
February	75.0	88.6	88.0	2,669.4	2,576.5
March	118.6	131.6	131.0	4,003.9	3,772.8
April	141.0	149.3	148.6	4,569.8	4,100.0
May	171.1	175.8	175.0	5,384.7	4,737.9
June	185.9	188.4	187.5	5,774.8	5,018.7
July	199.9	204.6	203.7	6,281.5	5,447.1
August	174.7	184.0	183.3	5,650.0	4,924.8
September	137.6	151.3	150.7	4,620.8	4,112.1
October	88.2	102.4	101.9	3,100.0	2,841.1
November	50.8	62.2	61.5	1,856.1	1,747.7
December	43.1	56.0	54.3	1,628.6	1,574.7





# Property Management

- WHEDA Approved
- Diverse Workforce
- 33 Properties/5,069 Apartments
- Robust In-house Training & Advancement Opportunities
- Tenant Selection & Affirmative Marketing
  - In-house management system (Entrata)
  - Commitment to daily + weekend on-site staffing
    - 24-hr Emergency Maintenance
  - Affirmative Marketing
    - In-person support for lease applications
    - Social Media and print advertising
      - Multi-language
      - Targeted media & advertising



## Coordination with SSP

- Unit Mix
  - 34 Units at 30% - 40% AMI
  - Studio/1BR/2BR/3BR at each AMI level
  - Focus on serving west Madison population
    - WayForward
- Design
  - Amenity Spaces
    - Private Meetings
    - Outdoor Space
    - Potential activation of Retail Spaces for supporting uses
- Additional Partnerships
  - VASH
  - The Road Home



# Integrated Supportive Housing Plan



**Mission:** To bring our community together to create food and housing security through action and advocacy

**Vision:** A community where everyone has the stability to thrive.

**Services:** WayForward Resources (formerly Middleton Outreach Ministry) has **over 40 years of experience** in providing food and housing stability in our community, primarily serving Middleton, Cross Plains, and West Madison. WayForward Resources has **one of the largest food pantries as well as housing stability case management, direct financial assistance, and seasonal programs.**

# Integrated Supportive Housing Plan

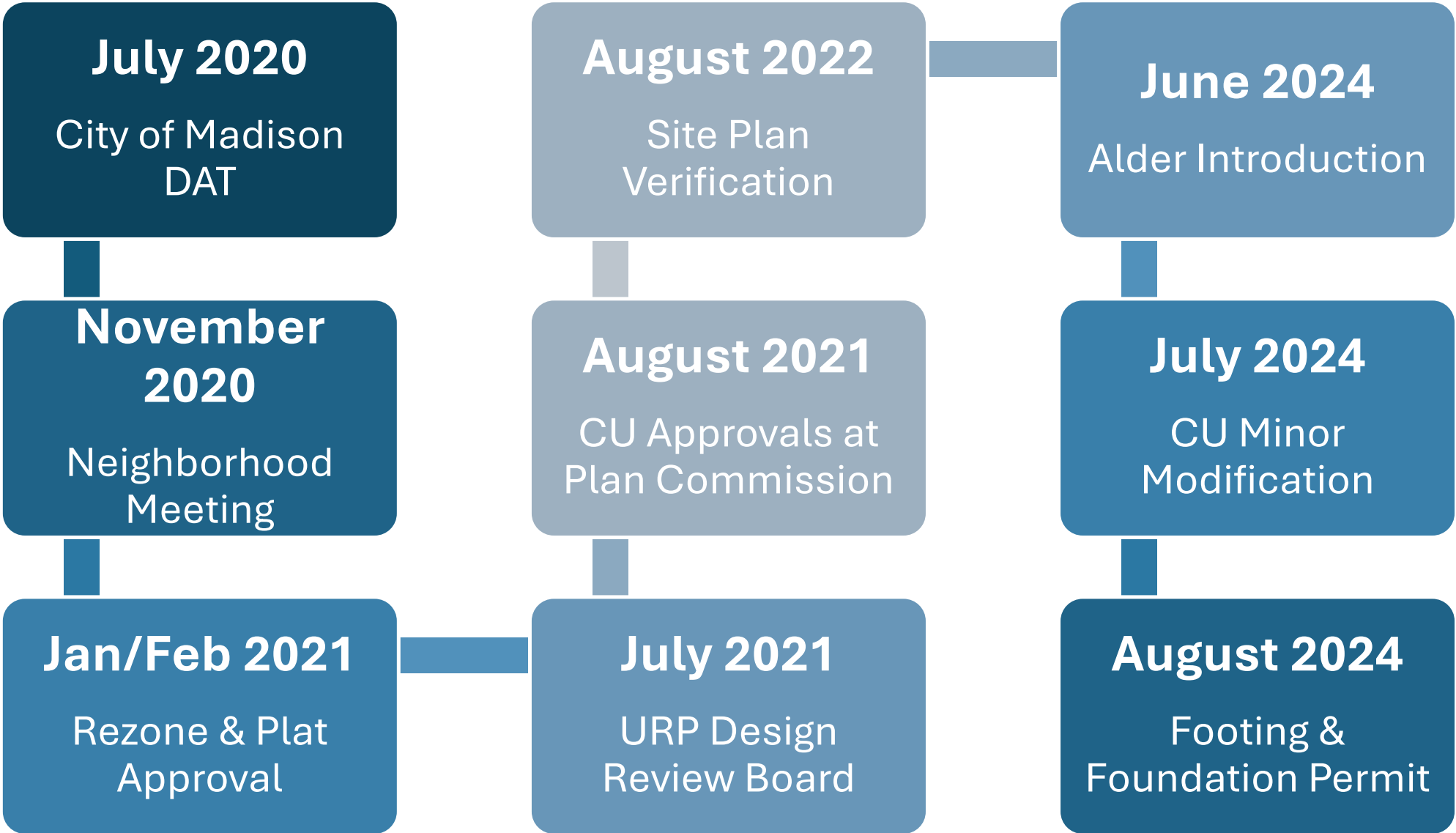
**Supportive Services:** WayForward will provide supportive case management services to 3 - 5 units from the coordinated entry list.

WayForward's Supportive Services Case Management includes **direct financial assistance, developing and assisting households in obtaining self-sufficiency goals, landlord engagement** to assist in resolving issues, and **referrals to other community programs.**

AMI Set Aside %	Studio	1BR	2BR	3BR	Total
30%	2	5	2	1	10
Coordinated Entry	1	1	1	1	4+



# Land Use Approval Timeline



**Thank You!**