

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”) is entered into as of the _____ day of _____, 2025, by and between the City of Madison (the “**City**”) and the Board of Regents of the University of Wisconsin System (“**Board of Regents**”).

RECITALS

WHEREAS, City Madison General Ordinance Section 28.071 (the “**Ordinance**”) allows buildings within the “Downtown” of the City (as defined in the Ordinance) to exceed the maximum allowable stories provided the property owner has agreed to allocate beds or units at below market rate to students enrolled in postsecondary educational institutions.

WHEREAS, the Ordinance contemplates that the City will enter into memoranda of understanding with one or more postsecondary educational institutions to refer students from households with low or moderate incomes to rent the reduced cost beds or units, and that the property owner will agree to abide by the terms of any such memorandum of understanding.

WHEREAS, from time to time, the City has and may continue to secure commitments from developers to dedicate a certain number of reduced cost beds or units in student-housing developments pursuant to development agreements between the City and a developer.

WHEREAS, the Board of Regents operates the University of Wisconsin-Madison (“**UW**”) a postsecondary educational located in the City.

WHEREAS, the City and the Board of Regents, on behalf of UW, are entering into this Memorandum of Understanding (“**MOU**”) for the purpose of documenting the UW’s commitment to refer low to moderate income student as contemplated by the Ordinance or pursuant to development agreements between the City and developers to rent reduced cost beds or units (such reduced cost beds or units covered by this MOU are referred to herein as “**Reduced-Cost Units**”).

NOW, THEREFORE, the City and Board of Regents agree:

1. **Affordable Housing Goals.** UW supports City efforts to enhance the stock of affordable housing in the UW campus area and throughout the City, and in appropriate circumstances to include a specified number of reduced-cost beds or units with private developers in order to increase the reduced-cost housing opportunities for students who have need for affordable campus-area housing. The UW recommends that the City’s benchmark for establishing the amount of discount should be to ensure that the rent for the reduced-cost bed or unit is no more than the estimated cost of attendance attributable to housing for purposes of federal financial aid, and ideally a fraction (75–80%) of that amount. However, UW acknowledges that the amount of discount and the number of Reduced-Cost Units is determined through the negotiations between the City and developers and may vary among developments, and that no uniform discount or number of discounted units is feasible for all projects.
2. **UW-Madison’s Commitment.** For each campus-area housing development that includes an affordable housing component, whether that is pursuant to the Ordinance or a development agreement or similar document between the City and a developer, the UW commits to assisting the developer to meet the affordable housing requirements. The UW commitment with respect to each City-approved development is as follows:

- a. Notifying eligible students of their status as eligible students and providing them with information about campus-area reduced-cost housing opportunities.
- b. Developing criteria for establishing what constitutes a low-income student for purposes of eligibility for a Reduced-Cost Unit. UW shall submit the proposed criteria to the City no later than July 1 on an annual basis. If the City does not notify UW that it objects to the proposed criteria within fourteen (14) business days after UW's submittal, the proposed criteria shall be used by UW to determine students' eligibility for a Reduced-Cost Unit for the following academic year. If, within fourteen (14) business days after UW's submittal the City notifies UW that it objects to the proposed criteria the City and UW shall meet and confer to develop mutually acceptable eligibility criteria, which shall then be used by UW to determine students' eligibility for a Reduced-Cost Unit for the following academic year.
- c. Providing a Student Need Certification for the Developer that each student who seeks to rent a Reduced-Cost Unit and who has provided UW with prior written consent to release the Student Need Certification to the Developer is a UW-Madison student who meets the relevant financial need factors (each a "**Qualified Student**").
- d. Maintaining a streamlined financial need verification process, enabling students to authorize electronic release of this information through their UW- Madison Student Center to themselves and/or directly to a third party of their choosing through an automated process.
- e. Reviewing annual reports that the City may require property owners to supply to the City and the University, documenting metrics which may include, but not be limited to: (1) the number of UW students who applied for Reduced-Cost Units; (2) the number of UW applicants who are offered Reduced-Cost Units, and the number of UW-student applicants denied Reduced-Cost Units; (3) the number of UW-student applicants who rent Reduced-Cost Units; (4) the average and median monthly rent per bed for Reduced-Cost Units; and (5) total rents collected for Reduced Cost Units. Should the metrics indicate a pattern of insufficient demand by UW students for Reduced-Cost Units, the parties understand that such information may be taken into consideration when UW submits its proposed eligibility criteria to the City for approval.

3. Property Owner Obligations

As contemplated by the Ordinance, property owners committing to provide Reduced-Cost Units will memorialize this by executing and recording a land use restriction for the benefit of the City and agreeing to comply with the provisions of this MOU. The City and UW agree that the obligations described in this Section 3 are solely those of the property owner, and that the UW has no obligation to enforce noncompliance by the property owner of any term of this MOU or associated land use restriction.

Property owners agreeing to abide by the terms of this MOU agree to the following:

- a. The City and Board of Regents may amend this MOU from time to time.
- b. The property owner shall make Reduced-Cost Units available to Qualified Students on a first-come, first-served basis.
- c. The property owner agrees to accept the Student Needs Certification from UW as a basis for renting the Reduced-Cost Units to Qualified Students, understanding that a Qualified Student must meet the established eligibility criteria for being a low-income student and be enrolled as

a student at UW. The property owner may rely on the determination in a Student Need Certification that an individual is a Qualified Student without having to further investigate eligibility.

- d. The property owner will only rent Reduced-Cost Units to a Qualified Student under this MOU or students eligible under another memorandum of understanding between the City and another postsecondary educational institution.
- e. A Qualified Student shall have all of the same rights, obligations, access to amenities, roommate choices, and standard rental agreement terms as any other prospective residents at property, except for a reduction in rent.
- f. Qualified Students must meet the property's rental application requirements applicable to all tenants with the exception of providing a parental or other guaranty of the rental agreement and meeting the income requirement (which will be modified proportionately to correspond to the reduction in rent).
- g. Any Qualified Student who enters into a rental agreement for Reduced-Cost Unit shall remain eligible for the reduced rent for the entirety of the term of the rental agreement.
- h. The property owner shall use good faith efforts to market the Reduced-Cost Units.
- i. The property owner shall provide the City and UW an annual report by September 1st of each year certifying that the property owner has complied with the terms of this MOU and any associated LURA certifying the owner has satisfied its obligations under such documents ("**Annual Report**"). The Annual Report will provide the following information for the preceding July-June fiscal year:

- (1) The number of UW students who applied for Reduced-Cost Units;
- (2) The number of UW applicants who are offered Reduced-Cost beds Units, and the number of UW-student applicants denied Reduced-Cost Units;
- (3) The number of UW-student applicants who rent Reduced-Cost Units;
- (4) The average and median monthly rent per bed for Reduced-Cost Units;
- (5) Total rents collected for Reduced Cost Units. Should the metrics indicate a pattern of insufficient demand by UW students for Reduced-Cost Units, the UW agrees to discuss with the City and property owners the potential revision of the eligibility criteria for Reduced-Cost Units in order to make them available to larger population of students with financial need for reduced-cost housing.

Board of Regents of the University of Wisconsin System
On behalf of the University of Wisconsin-Madison

By: _____
David Honma
AVC/Controller

[City Signatures follow]

CITY OF MADISON, WISCONSIN,
a Wisconsin municipal corporation

By: _____
Satya Rhodes-Conway
Mayor

By: _____
Michael Haas
Acting City Clerk

APPROVED:

APPROVED AS TO FORM:

David P. Schmiedicke
Finance Director

City Attorney

The execution of this MOU by City officials was authorized by Enactment No. _____, File No. _____, adopted _____, 2025.