

**City of Madison**  
**Request for Proposals #2020-8976**  
**Housing Forward**



**The Wisconsin Partnership for Housing Development, Inc.**

Affordable Homeownership – New Construction

Oak Glen Single Family

**November 20, 2020**

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

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

### APPLICANT INFORMATION

Proposal Title:	Oak Glen Single Family Affordable Homeownership		
Amount of Funds Requested:	\$255,000	Type of Project:	<input checked="" type="checkbox"/> Development <input type="checkbox"/> Housing Services
Name of Applicant:	Wisconsin Partnership for Housing Development, Inc.		
Mailing Address:	2045 Atwood Avenue Suite 101A		
Telephone:	608-258-5560	Fax:	608-258-5565
Project/Program Contact:	Nicole Solheim	Email Address:	nicolesolheim@wphd.org
Financial Contact:	Nicole Solheim	Email Address:	nicolesolheim@wphd.org
Website:	wphd.org		
Legal Status:	<input type="checkbox"/> For-profit <input type="checkbox"/> Non-profit <input checked="" type="checkbox"/> Non-profit (CHDO)		
Federal EIN:	39-1508503	DUNS #:	157313453
Registered on SAM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Community Housing Development Organization:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> CHDO Application Attached		

### AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <http://www.cityofmadison.com/dcr/aaFormsID.cfm>.

### LOBBYING RESIGTRATION

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

### CITY OF MADISON CONTRACTS

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

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

### SIGNATURE OF APPLICANT

Enter Name: Nicole Solheim 

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

Date: 11/20/2020

## PROPOSAL OVERVIEW

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

The Oak Glen Single Family Affordable Homeownership project as proposed will serve as the final piece of the Oak Glen Condominium development that began in the early 2000s. The project is located within the Twin Oaks subdivision on the south side of Madison. Twin Oaks was a development that was undertaken by Habitat for Humanity; other nonprofit developers were invited to participate in the project in order to develop a subdivision of mixed income and housing types. WPHD was approached to develop a condominium development including 18 units at the site. Eight units (within four buildings) were constructed; due to the recession in 2008, it took several years for those units to sell. There is a remaining parcel, owned by WPHD, that was envisioned for the final ten units (within five buildings). Due to market conditions, construction costs, and bank financing changes since the recession, construction of the remaining condo units is not feasible. Instead, WPHD is proposing to split the remaining parcel into separate lots and construct five single family homes. The completed homes will be sold to income-eligible homeowners at or below 80% AMI; remaining HOME funds at the time of sale will remain with the new homebuyer as down payment assistance to further ensure affordability and housing stability for that household. Buyers will also be required to complete homebuyer education from a HUD-certified counselor, if they haven't already. As described further in this application, our targeted market for the homes are first-time homebuyers and/or single parents at or below 80% AMI, particularly those households that are underrepresented as homeowners in Madison, and have experienced barriers to homeownership in the past. We plan on early outreach to financial counselors, lenders, realtors, and community partners to help inform the targeted population of this affordable homeownership opportunity.

In order to fund this development, WPHD is applying for funds under this RFP, and is also proposing to utilize the \$195,000 in HOME funds previously awarded to WPHD under the 2018 RFP for the purposes of acquisition/rehab of three single-family homes. Since that award, we have actively searched for single-family homes to rehab within the City of Madison. However, as construction costs, home prices, and competition among buyers has increased, we have been unable to purchase any homes that are within our budget and accept purchase contingencies for environmental review, etc. We strongly believe that these HOME funds would be best utilized by creating more housing opportunities in the City, rather than competing with other first time homebuyers on limited housing stock. Therefore, we would like to combine the 2018 award with this funding request to construct five new single-family homes at this site, and finally fully realize the original homeownership goals for the Oak Glen development. This proposal addresses both primary objectives stated in the Housing Forward RFP; the project will expand the supply of affordable housing for homeowners, while also improving housing stability for homebuyers, through the inclusion of down payment assistance with the home purchase. In addition, this development aligns with the supplemental goals of supporting first generational and first-time homebuyers that have historically experienced barriers to homeownership, as well as energy efficiency and sustainability in construction of the homes. Lastly, the Oak Glen Affordable Homeownership project features single family homes within an established neighborhood to help meet the need for missing-middle housing.

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

## HOUSING FORWARD GOALS & OBJECTIVES

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

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

## AFFORDABLE HOUSING NEEDS

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

WPHD has focused on affordable housing throughout the state since our inception in 1985. Within Madison and Dane County, we have developed both single-family and multi-family projects, for both homeownership and rental. This includes single-family home rehabilitation utilizing Neighborhood Stabilization Program (NSP) and HOME funds from the City of Madison. Our organization also administers a down payment assistance program that covers the greater Madison area.

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

The target population for this project is households at or below 80% Area Median Income, in particular those households that have experienced barriers in attaining homeownership. Due to the rapidly increasing median home price in Madison and shrinking supply of available housing at an affordable price, it is difficult for households in our target population to become homeowners within the City. As a result, we anticipate sufficient demand for these newly constructed single-family homes within an established neighborhood. In order to ensure affordability, down payment assistance will be provided by WPHD/City of Madison, and we encourage homeowners to seek other DPA and closing cost resources.

## AGENCY OVERVIEW

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

The mission of WPHD is to expand access to affordable housing opportunities and revitalize neighborhoods through partnerships among the public, nonprofit and private sectors. In order to further our mission, WPHD develops or co-develops housing throughout the state of Wisconsin and also works to support other nonprofit and community agencies to develop affordable housing. We promote home ownership through the development of single family homes and through the operation of down payment assistance programs in Southern Wisconsin. Over the past ten years, WPHD has constructed or rehabbed close to 60 single-family homes and sold them to qualified low-income households. Many of the homes are foreclosed, or located on foreclosed vacant lots. We believe that in the current environment, long term housing affordability and stability for many households can be best achieved by offering home ownership opportunities. Ownership offers the opportunity to manage housing costs and build wealth for lower income households.

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

The financing stack for this proposal includes HOME funds, a construction bridge loan, and interim funding from WPHD. Both the construction loan and WPHD financing are reimbursed at closing of the sale of the home. We have a long history working with Forward Community Investments (FCI) on construction financing for single-family homes throughout the state, including recent homes in Madison and Dane County. We have a rolling loan commitment with FCI for this work that is renewed annually. BMO Harris has an existing loan on the property from the original acquisition. There are no other financing sources required, so we do not anticipate having any issues securing financing if the HOME funds are awarded. WPHD has a long history of developing and selling single family homes with this same capital stack.

Please note that there is an outstanding partial HOME loan on the property that was tied to the original condominium development; WPHD is also requesting forgiveness of the balance of that loan, so we can proceed with this final phase and complete the Oak Glen project. It should be noted that WPHD is not planning on taking any developer fee on these five homes; all potential developer fee can be considered contributed. Our organization is prioritizing the completion of this final phase and providing affordable homeownership opportunities over developer fee.

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

The staff at WPHD has extensive experience working with and managing housing programs within HUD guidelines, marketing and implementing the programs, and working with homeowners to achieve a successful end result. WPHD performs income verification calculations on all homes that we develop and sell. In addition, WPHD completes income verification for a number of programs that are administered by our organization, including CDBG/HOME Rehab loans and DPA loans for Rock County, the Realtors Association of SC WI Housing Foundation Home Start Down Payment Assistance program, Lead Safe grants, and more. Previously, WPHD staff managed the statewide Down Payment Plus program, serving 600 families per year. The Executive Director of WPHD also worked with HOME and CDBG loans for multiple rental projects in her previous job.

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

As part of WPHD's mission, we seek to expand affordable housing opportunities for all household types and backgrounds. The vast majority of our projects, including single-family homes, are developed with federal funds and in partnership with the local municipality. As part of our development process, we are able to connect to other local nonprofits, service providers, and housing resources to expand outreach for our programs. In addition, WPHD is



certified as a Community Housing Development Organization (CHDO), therefore the Board includes members of the communities that we serve, including HUD designated low-income areas. As described later in this application, we will focus on early outreach in particular when selling these homes, to ensure homeownership opportunities are available to households of color that have experienced barriers to homeownership.

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

We understand that equity plays a critical role in the expansion of housing opportunities that our mission calls for. Internally, as a certified CHDO, our organization and Board of Directors have always been structured with diversity in mind. As an owner and property manager of affordable rental units, we utilize Affirmative Marketing practices and employ flexible screening criteria for prospective tenants. In addition to single-family development work, WPHD staff administer a number of housing programs, including down payment assistance and home rehab programs. Staff works directly with a diverse set of clients at all income levels. We are always looking for new opportunities to support equity within our work. For example, our property management staff developed a nonpartisan voter engagement program with the most recent election cycle, which included information about voter registration, polling locations, transportation resources, and more. This was provided to all of our tenants, encouraging them to participate, particularly given that renter households are historically underrepresented at the polls. The Oak Glen development, with five homes clustered together, will allow us to proactively reach out to realtors, lenders, and financial counselors in the Madison area to ensure they are aware of this affordable homeownership opportunity so we can reach more potential homeowners.

10. List Percent of Staff Turnover in 2019: 25%

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

WPHD has a small staff team of three people total. In 2019, we had a fourth employee that solely worked on administration of a housing program for the Waukesha County Consortium. The County moved that program to internal administration starting in 2020, and that employee became an official employee of the County instead of WPHD.

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

DESCRIPTOR	STAFF	BOARD
<b>GENDER</b>		
Female	2	5
Male	1	5
Unknown/Other	0	0
<b>TOTAL GENDER</b>	<b>3</b>	<b>10</b>
<b>AGE</b>		
Less than 18 yrs old	0	0
18-59 Yrs	3	9
60 and older	0	1
<b>TOTAL AGE</b>	<b>3</b>	<b>10</b>
<b>RACE*</b>		
White/Caucasian	3	9
Black/African American	0	1
Asian	0	0
American Indian/Alaskan Native	0	0
Native Hawaiian/Other Pacific Islander	0	0
<b>MULTI-RACIAL:</b>		
Black/AA & White/Caucasian	0	0
Asian & White/Caucasian	0	0
Am Indian/Alaskan Native &	0	0

White/Caucasian		
Am Indian/Alaskan Native & Black/AA	0	0
Balance/Other	0	0
<b>TOTAL RACE</b>	<b>3</b>	<b>10</b>
<b>ETHNICITY</b>		
Hispanic or Latino	0	0
Not Hispanic or Latino	3	10
<b>TOTAL ETHNICITY</b>	<b>3</b>	<b>10</b>
<b>PERSONS WITH DISABILITIES</b>		
	<b>0</b>	<b>0</b>

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

13. The following attachments are included with this application:

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

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

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

- A completed Application Budget Workbook, showing the City’s proposed financial contribution and all other proposed financing.
- A current list of Board of Directors, with home addresses included for each board member.
- For development proposals, a detailed map of the site and a second map using the AHF Affordable Housing Targeted Area Map showing the site in the context of the City.
- For development proposals, a Capital Needs Assessment report of the subject property, if the proposal is for a rehabilitation project and if the report is available at the time of application.
- For development proposals, a recent market study or analysis, if available at the time of application.
- For applicants seeking EECBG funds, an energy audit, prepared by a certified Focus on Energy auditor, if available at the time of application.
- For rental development proposals with more than one owner, a Project Organizational Chart, including ownership interest percentages.

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

## ATTACHMENT A – Housing Development – Owner-Occupied

- Type of Construction:       New Construction                                   Acquisition/Rehab
- Type of Project:               Single-Family Homeownership                               Condominium Homeownership
- Single-Family Lease-Purchase                                     Owner-Occupied Cohousing

Total number of units: 5  
 Total number affordable of units (<80% CMI): 5  
 Total number affordable of units (<50% CMI): 0

Total amount of CDD funds requested per affordable unit: \$51,000 per unit in new CDD funds; \$90,000 per unit in total CDD funds, counting previous HOME award to be used on this project. See narrative for detail on this proposal.

### DEVELOPMENT TEAM OVERVIEW

1. Identify all key roles in your project development team, including architect, legal counsel, and any other key consultants, if known.

Contact Person	Company	Role in Development	E-mail	Phone
Nicole Solheim	WI Partnership for Housing Development	Developer / Owner	nicolesolheim@wphd.org	608.258.5560
Architect & GC	TBD			
Jeff Femrite	Scholz Nonprofit Law	Legal Counsel	jfemrite@scholznonprofitlaw.com	608.268.0076

2. Who will be responsible for monitoring compliance with federal regulations and requirements at the time of development and at loan underwriting? Please describe the experience of the individual(s) including trainings and/or certifications that the individual(s)/agency has completed and/or attained.

The staff at WPHD has extensive experience working with and managing housing programs within HUD guidelines, marketing and implementing the programs, and working with homeowners to achieve a successful end result. WPHD performs income verification calculations on all homes that we develop and sell, in addition to a number of housing and DPA programs that we administer. WPHD has developed over 60 single-family homes utilizing HOME, CDBG, or NSP funds, and also manages rental properties with HOME restrictions. We are well aware of the variety of compliance requirements and regulations associated with these funding sources.

3. Please describe the development team’s experience with contracting with Minority- and Women-Owned Business Enterprises (M/WBE). Beyond standard construction bidding practices, what efforts have been made by the development team to ensure that M/WBE businesses are awarded contracts, and what efforts will be made to ensure that M/WBE businesses are given plentiful opportunities to be competitive when bidding on this proposal.

WPHD establishes a preference policy in our existing programs for Section 3, Minority, and Women-Owned Business Businesses and includes this policy in the Request for Bids materials. We allow companies to self-declare by completing a form attached to the contractor agreement. WPHD will work with the City to confirm applicable MBE/WBE businesses have access to bid opportunities, and may expand the list of eligible businesses via marketing efforts as necessary.

4. Please describe the development team’s experience with operating the proposed program and/or with developing or rehabilitating owner-occupied affordable housing.

Over the past 10 years, WPHD has constructed or rehabbed close to 60 single-family homes throughout the state and sold them to qualified low-income households. Many of the homes are foreclosed, or located on foreclosed vacant lots. For rehabbed homes, WPHD works with local contractors to complete an extensive scope on the property, include lead remediation and compliance with Housing Quality Standards (HQS), as well as energy efficient appliances and fixtures. In the past few years, we have developed several new construction homes on vacant foreclosed lots in the Cities of Janesville and Beloit with assistance from HOME funds, and are currently under construction on several more new homes. On all of the closings, we are integrally involved in the income verification, underwriting, and document preparation for the new buyer. We work in multiple communities throughout the state, and ensure we are compliance with the local municipality's regulations. In addition, WPHD is a program administrator for HOME and down payment assistance programs, so we are well-versed in HUD regulations and have extensive experience with a variety of loan programs and underwriting guidelines.

5. New construction and rehabilitation projects with HOME funds must have a ratified sales contract within nine months of construction/rehab completion. If the project is non-compliant, the developer must either convert the project to a HOME rental unit or be responsible for repayment of all funds dispersed. Describe the experience and qualifications of the entity that will manage the property, including maintaining property standards and ongoing compliance if converted to rental.

As mentioned above, WPHD has extensive experience developing and selling single-family homes with HOME funds, and we have not previously had any issues selling within the required time frame. Given the market conditions in Madison, we don't anticipate any issues with that timeline here. However, if it were to convert to rental, WPHD would serve as property manager for the rental units. We currently own and manage rental units in Janesville that were developed with HOME funds, and therefore are already familiar with compliance for those units. WPHD is also still involved with the management of the adjacent Oak Glen Condominium Association, so we would prefer to manage the single family homes if that situation arose.

6. If contemplating a lease-purchase program, please describe the development team's experience with lease-purchase programs and describe how the development team will operate the program and waitlist. How will the agency help residents qualify and prepare for the responsibilities of homeownership who are on waitlist?

N/A

7. Please describe how your team will support prospective program participants and homebuyers to ensure their success as homeowners. Describe what programs and services, if any, will be made available to potential homebuyers. Describe financial literary, credit builder programs or HUD-approved education counseling available to potential buyers pre and post purchase.

As mentioned below, down payment assistance is a common barrier to homeownership for lower income households, and this development will include down payment assistance for each home. WPHD will align with CDD's Program Guide for Homeownership, which includes a requirement that households be a first-time homebuyer or single parent. The household income limit is 80% of area median income, and there is additional underwriting criteria. All households are required to complete a homebuyer education course from a HUD-certified housing counselor. This may be through the Home Buyers Round Table, of which WPHD is a member; WPHD would also be very interested in working with the organization(s) that receive Housing Assistance Program funding under this RFP, both to connect to a diverse set of potential homebuyers and to leverage resources to make homeownership as affordable as possible. WPHD also has existing relationships with housing counselors from our work in Milwaukee and Rock Counties, including ACTS, Housing Resources Inc., and Neighborworks. These organizations are offering courses online and via phone, and we can establish a partnership for our Madison area homes if necessary to offer additional financial counseling options. As described further in the questions below, our goal is to work with counselors, lenders, realtors, and other partners early in the process, to ensure interested buyers within our targeted population are prepared when the time comes to list the homes for sale.

## SITE INFORMATION

8. 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. If a site has not yet been identified, please explain where you will target your acquisition search and why?

The Oak Glen property is located within the Twin Oaks subdivision on the south side of Madison. Twin Oaks was a development that was undertaken by Habitat for Humanity of Dane County in the early 2000s. Other nonprofit developers were invited to participate in the project in order to develop a subdivision of mixed income and housing types. WPHD purchased property for condominium development to include 18 units within nine buildings. Due to the recession a few years into the project, only eight units (within four buildings) were constructed and sold to homeowners. WPHD retains ownership of the remaining remanant condominium expansion parcel, and is proposing to build five single-family homes in roughly the same location as the originally proposed five condominium buildings. Due to market conditions, rising construction costs, and bank financing changes since the recession, condominiums are no longer financially feasible. We also understand that homeownership is preferred for this area of the City, instead of rental. Therefore, we believe that this proposal is the best fit for the site and will realize the original affordable homeownership goals for the Oak Glen property. In addition, this proposal lines up with the City's desire for missing middle, infill housing in existing neighborhoods. The property is currently zoned SR-V2, and single-family detached homes are a permitted use. Planning staff has indicated we will likely need approval from Plan Commission/UDC for an amendment to the prior condominium plan. We had a DAT meeting with City staff on November 12<sup>th</sup>.

9. Please identify the assessment of market conditions in the targeted area.

Competition for single family homes is strong in this area as it is in all of Madison; competition for affordable, new homes is even stronger. Included with this response is a comparative market analysis completed by our realtor. The sales price of these homes will be limited both by the HUD HOME limit and by the need to ensure the long-term ownership cost is affordable to the new homebuyer.

10. Enter the site address(es), if known, 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:	4807 Freese Lane								
	Madison	5	0	0	0	0	121,900	1,125,000	Approx 150,000*
Address:	*WPHD owns parcel and has existing debt for acquisition; will get appraisal to determine acquisition cost of each single family lot								
Address:	Enter Address 3								

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

N/A

**COMMUNITY ENGAGEMENT PROCESSES**

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

WPHD has notified Alder Tierney, District 16, of our proposed development. This project is inherently linked to the existing Oak Glen Condominium development, and WPHD presented this proposal to the Oak Glen Condominium Association on November 12<sup>th</sup>. Residents are understandably disappointed that the original vision for 18 condo units hasn't come to fruition, as is WPHD. However, residents are also interested in seeing the full project completed. WPHD is proposing to mimic the originally planned site layout, with five single-family homes located where five condominium buildings were proposed. This development is also part of the Twin Oaks Homeowners Association. The Neighborhood Association has been contacted and a meeting will be held in coordination with the Alder as specified in the RFP.

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

The real estate market for single-family homes has remained strong in Madison throughout the pandemic. In the homes that we have recently listed in other markets, we have not seen any change in the overall process other than homebuyer education. All courses are currently held online and via phone. We expect this trend to continue throughout the pandemic; in addition, we expect that some homebuyer courses will remain online after the pandemic, as another option for prospective buyers that need more flexibility than the traditional in-person course.

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

As described in question 17 below, we propose developing a marketing plan which will include a one-page summary/flyer about the homes available for sale, and a list of local agencies/nonprofits, financial counselors, realtors, and lenders that WPHD will reach out to regarding the homeownership opportunity. This plan would be submitted to Madison CDD for review/feedback prior to implementation. WPHD would be available to provide information and presentations for housing counseling courses and lender/realtor trainings as well. The goal is to inform partners who work with our targeted population well in advance, so that potential buyers can be prepared to submit an offer when the property is listed. Partner outreach would include the Home Buyers Round Table, Urban League of Greater Madison, JustDane, Movin' Out, DCHA, and other organizations and individuals working in housing and financial readiness in the Madison area.

## TARGETED POPULATION AND AFFIRMATIVE MARKETING

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

The targeted population will align with CDD's Program Guide for Homeownership, which includes a requirement that households be a first-time homebuyer or single parent. The household income limit is 80% of area median income, and there is additional underwriting criteria tied to existing debt and assets. As described below, we would like to reach beyond the traditional requirements and also target households that are historically underrepresented in homeownership, and have experienced barriers to attaining homeownership - including first generational homebuyers.

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

A common barrier to homeownership with lower-income households within our targeted population is having funds available for a down payment. We will address this by including down payment assistance with the home sale; the final amount will depend on final project costs and individual underwriting, but it will be automatically included to ensure the home payment is as affordable and sustainable as possible. WPHD also has experience with a variety of down payment resources, and will encourage buyers to leverage and layer down payment and closing cost resources if possible. In the current tight sellers market for single family homes, low-income buyers with down payment assistance can struggle to compete with other offers, because a contingency for the down payment assistance approval is typically required. When WPHD develops and sells homes, we anticipate and encourage the use of down payment resources.

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

Affirmative marketing and community partnerships will be absolutely critical when we look to sell these homes to first-time and first-generational homebuyers, and households who have historically experienced barriers to homeownership. What we have seen in our recent home sales across the state, is that the housing market is so tight, we typically see multiple offers as soon as we list a home on the MLS. In the past, we would have more time to work with local nonprofits, realtors, and lenders when we listed a home to ensure qualified buyers were aware of the opportunity. In order to ensure WPHD can offer homes to a more targeted population, we propose developing a marketing plan when the development begins, which will include a one-page summary/flyer about the homes available for sale, and a list of local agencies/nonprofits, financial counselors, realtors, and lenders that WPHD will reach out to regarding the homeownership opportunity. This plan would be submitted to Madison CDD for review/feedback prior to implementation. WPHD would be available to provide information and presentations for housing counseling and financial literacy courses as well. The goal is to inform partners who work with our targeted population well in advance, so that potential buyers can be prepared to submit an offer when the property is listed.

**PROPOSAL TIMELINE**

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

Activity/Benchmark	Estimated Month/Year of Completion
Acquisition/Real Estate Closing	N/A - already owned
Rehab or New Construction Bid Publishing	May 2021
New Construction/Rehab Start	August 2021
Begin Sales/Marketing	August 2021
New Construction/Rehab Completion	March 2022
Complete Sales	August 2022
Request Final Draw of CDD Funds	September 2022

**ENERGY EFFICIENCY, RENEWABLE ENERGY & SUSTAINABLE DESIGN**

19. What is your organization’s track record of developing projects that incorporate extraordinary sustainable, energy efficient, and/or green building design techniques? Please describe how this proposed development will contribute to the City’s goal of 100% renewable energy and zero-net carbon emissions (originally adopted March 21, 2017). For more information, see [100% Renewable Madison Report](#).

The five single-family homes will be certified through the Wisconsin Green Built Home Program. Specific design plans have not yet been developed, so we have flexibility to design homes in the beginning with the WGBH criteria and sustainability in mind. WPHD has always included energy efficient features in our homes; we understand that housing affordability includes not just the initial purchase price, but the ongoing costs to maintain a home, including utilities.

20. If this is a new construction proposal, please attach a copy of the confirmation page demonstrating that your organization has submitted an [Initial Application](#) for Focus on Energy’s Energy Design Assistance program. Identify any third party certification, such as LEED®, WELL, Passive House or similar, that will be sought.

The Focus on Energy programs listed in the RFP apply to multifamily new construction and rehab projects, and therefore the programs are not applicable to our proposed single-family new construction project at this time. WPHD discussed this with Ethan Tabakin in CDD, and explained that WPHD intends to pursue WI Green Built Home certification for these homes, and we plan to work with a builder that will partner with Focus on Energy to review construction plans when we are at that stage of development. At this time, we cannot submit an application to FOE without plans and a builder in place.

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

Water efficiency design features will be address through the WI Green Built Home certification. This includes Water Sense labeled fixtures to achieve a guaranteed performance level that is better than code. We plan to include rain barrels with each home as well.

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

N/A

APPLICANT & PROJECT NAME: **WPHD - Oak Glen Single Family Affordable Homeownership**

1. AGENCY OVERVIEW

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

Account Description	2019 Actual	2020 Budget	2021 Proposed
<b>A. PERSONNEL</b>			
Salary (including benefits)	272,549	234,302	248,290
Taxes	17,083	14,854	15,316
<b>Subtotal A</b>	<b>289,631</b>	<b>249,156</b>	<b>263,607</b>
<b>B. OPERATING</b>			
All "Operating" Costs	84,541	115,750	63,815
<b>Subtotal B</b>	<b>84,541</b>	<b>115,750</b>	<b>63,815</b>
<b>C. SPACE</b>			
Rent/Utilities/Maintenance	21,979	20,950	19,320
Mortgage/Depreciation/Taxes	21,024	20,000	19,272
<b>Subtotal C</b>	<b>43,003</b>	<b>40,950</b>	<b>38,592</b>
<b>D. SPECIAL COSTS</b>			
Subcontracts	1,661,051	2,738,235	1,985,264
Deposits to Reserves			
Debt Service (Excl Mortgage)			
Other: (Specify)			
<b>Subtotal D</b>	<b>1,661,051</b>	<b>2,738,235</b>	<b>1,985,264</b>
<b>Total Operating Expenses:</b>	<b>2,078,227</b>	<b>3,144,091</b>	<b>2,351,278</b>
<b>REVENUE</b>			
Direct Public Grants	119,323	56,000	23,500
Direct Public Support			
Indirect Public Support	1,087,653	2,641,000	1,903,000
Miscellaneous Revenue	9,905	500	1,000
Restricted Funds Released			
Program Income	1,207,386	447,489	433,336
<b>Total Income</b>	<b>2,424,266</b>	<b>3,144,989</b>	<b>2,360,836</b>
<b>Net Income</b>	<b>346,039</b>	<b>898</b>	<b>9,558</b>



APPLICANT & PROJECT NAME:

**WPHD - Oak Glen Single Family Affordable Homeownership**

2. CAPITAL BUDGET

Enter ALL proposed project funding sources.

**FUNDING SOURCES**

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan						
City-AHF Loan						
City-HOME Loan	\$ 255,000					
City-CDBG Loan						
City-TIF Loan						
Other-Specify Lender/Grantor:						
City - Prior HOME Loan	\$ 195,000					
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Historic Tax Credit Equity						
Deferred Developer Fees						
Owner Investment						
Other-Specify:						
WPHD - interim financing	\$ 53,000					
<b>Total Sources</b>	<b>\$ 503,000</b>					

<b>Construction Financing</b>			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
Forward Community Investments / BMO Harris	\$ 975,500	5.00%	24
Bridge Loan-Lender Name:			
Historic Tax Credit Equity:			
<b>Total</b>	<b>\$ 975,500</b>		

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

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

Remarks Concerning Project Funding Sources:

The construction loan and WPHD interim financing are repaid at the closing for the sale to the new homebuyer. See attached sources/uses which details the flow of funds.

\*WPHD is not planning on taking any developer fee on these five homes - all developer fee can be considered a contribution to the project. Our organization is prioritizing completion of the final phase of Oak Glen and creating homeownership opportunities over developer fee.

APPLICANT:

**WPHD - Oak Glen Single Family Affordable Homeownership**

**3. PROJECT EXPENSES**

Enter the proposed project expenses

<b>Acquisition Costs</b>	<b>Amount</b>
Land	\$150,000
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

<b>Construction:</b>	
Construction/Rehab Costs	\$1,210,000
Construction Profit	\$0
Construction Overhead	\$0
General Requirements	\$0
Construction Supervision	\$0
FF&E/Personal Property	\$0
Demolition	\$0
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$25,000
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**

<b>Architectural &amp; Engineering</b>	
Architect - Design	\$17,500
Architect - Supervision	\$0
Engineering	\$0
Other (List)	
	\$0

<b>Interim/Construction Costs</b>	
Builder's Risk/Property Insurance	\$7,500
Construction Loan Interest	\$15,000
Construction Loan Origination Fee	\$10,000
Real Estate Taxes	\$2,500
Park Impact Fees	\$0
Other Impact Fees	\$0
Other (List)	
Utilities	\$7,500

<b>Financing Fees</b>	
Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$0
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0

<b>Soft Costs</b>	
Appraisal	\$2,500
Market Study	\$0

Environmental Reports	\$0
Survey	\$15,000
Permits	\$6,000
Lease-Up Period Marketing	\$0
Accounting/Cost Certification	\$0
Title Insurance and Recording	\$0
Relocation	\$0
FF&E	\$0
Capital Needs Assessment (if rehab)	\$0
Legal	\$10,000
Other (List)	
	\$0
<b>Fees:</b>	
Bridge Loan Fees	\$0
Organizational Fees	\$0
Syndication Fees	\$0
Total Development Fee	\$0
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
	\$0
<b>Reserves Funded from Capital:</b>	
Lease-Up Reserve	\$0
Operating Reserve	\$0
Replacement Reserve	\$0
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
<b>Other: (List)</b>	
	\$0
<b>TOTAL COSTS:</b>	<b>\$1,478,500</b>

<b>SOURCES AND USES OF FUNDS</b>		
WPHD - Oak Glen Single Family Affordable Homeownership		
<b>Sources of Funds</b>	<b>1 Home</b>	<b>5 Homes</b>
City HOME Funds - New Request	\$ 51,000.00	\$ 255,000.00
City HOME Funds - Prior Award to WPHD	\$ 39,000.00	\$ 195,000.00
Construction Loan	\$ 195,100.00	\$ 975,500.00
WPHD funds forwarded	\$ 10,600.00	\$ 53,000.00
<b>TOTAL SOURCES</b>	<b>\$ 295,700.00</b>	<b>\$ 1,478,500.00</b>
		\$ -
<b>Uses of Funds</b>		\$ -
		\$ -
<b>Acquisition (Hard Cost)</b>		\$ -
Purchase Price, Land - to be verified by appraisal	\$ 30,000.00	\$ 150,000.00
Closing Costs	\$ -	\$ -
Subtotal	\$ 30,000.00	\$ 150,000.00
		\$ -
<b>Rehabilitation (Hard Cost)</b>		\$ -
Construction	\$ 242,000.00	\$ 1,210,000.00
Construction Contingency	\$ 5,000.00	\$ 25,000.00
Subtotal	\$ 247,000.00	\$ 1,235,000.00
		\$ -
<b>Soft Costs</b>		\$ -
Construction Loan Fees/Interest	\$ 5,000.00	\$ 25,000.00
Insurance	\$ 1,500.00	\$ 7,500.00
Maintenance	\$ 1,000.00	\$ 5,000.00
Utilities	\$ 1,500.00	\$ 7,500.00
Real Estate Taxes	\$ 500.00	\$ 2,500.00
Architect	\$ 3,500.00	\$ 17,500.00
Appraisal pre and post-rehab	\$ 500.00	\$ 2,500.00
Lead Testing	\$ -	\$ -
Conditions Inspection post-purchase	\$ 200.00	\$ 1,000.00
Legal - HOA/Easement	\$ 2,000.00	\$ 10,000.00
Survey / Engineering	\$ 3,000.00	\$ 15,000.00
Developer Fee	\$ -	\$ -
Subtotal	\$ 18,700.00	\$ 93,500.00
		\$ -
		\$ -
<b>TOTAL USES</b>	<b>\$ 295,700.00</b>	<b>\$ 1,478,500.00</b>
		\$ -
Net Available	\$ -	\$ -
		\$ -
<b>Sales Price to Homeowner</b>	<b>\$ 230,000.00</b>	<b>\$ 1,150,000.00</b>
Seller's Closing Costs	\$ (3,500.00)	\$ (17,500.00)
Broker Commission	\$ (13,800.00)	\$ (69,000.00)
Construction Loan Repayment	\$ (195,100.00)	\$ (975,500.00)
Reimbursement to WPHD	\$ (10,600.00)	\$ (53,000.00)
<b>Remaining Proceeds - Down Pmt Assistance</b>	<b>\$ 7,000.00</b>	<b>\$ 35,000.00</b>

## **ADDENDUM #1 TO HOUSING FORWARD RFP APPLICATION**

The Housing Forward Request for Proposals offers up to \$6.85 million in funds from local and federal funding sources. Each of these funding sources carries with them various requirements and restrictions. Please select which funds your organization would be willing to accept, if awarded funds through this RFP:

**City Levy/Affordable Housing Funds**       **HOME**       **CDBG**       **EECBG**

Please note that Housing Services proposals are not eligible to receive EECBG funds. CDD will make the final determination of the appropriate mix of financial sources to awarded proposals, based on the preferences identified above by applicants.

**ATTACHMENT D**

**DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION**

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

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

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

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

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

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

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

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

Company Name Wisconsin Partnership for Housing Development, Inc.

Enter Name: Nicole Solheim

By entering your initials in the box,

NS

You are electronically signing your name and agreeing to the terms above.

Date: 11/19/2020

## WPHD Board of Directors, 2020

Board Member Name	Position	Term Ends	Work Affiliation	Work Address	Home Address	Public Employee	Appointed by Government Entity	Lives in Low income Census Tract
Marissa Downs	Chair	Dec-20	Development Consultant	3912 N Lightning Dr Appleton, WI 54913 Phone: (920)602-6679 <a href="mailto:marissadowns@gmail.com">marissadowns@gmail.com</a>	2520 E. Apple Hill Blvd Appleton, WI 54913	No	Yes	No
Bill Wigchers	Vice Chair Chair, Development Committee	Dec-21	Homes by Towne	COO, Homes by Towne 710 N. Plankinton Milwaukee, WI 53203 Phone: 414-274-2486 <a href="mailto:Bill.Wigchers@zilber.com">Bill.Wigchers@zilber.com</a>	6140 Preston Lane New Berlin, WI 53151	No	No	No
Mike Waters	Treasurer/Secretary Chair, Finance Committee	Dec-21	Settlers Bank	4321 W. College Avenue Appleton, WI 54914 Phone: 920.939.6760 <a href="mailto:mwaters@settlerswi.com">mwaters@settlerswi.com</a>	N1117 Barnwood Ct Greenville, WI 54942	No	No	No
Hal Bergan	Member	Dec-21	Consultant	714 Parman Terrace Madison, WI 53711 Phone: 608-238-4848 <a href="mailto:Bergan@chorus.net">Bergan@chorus.net</a>	714 Parman Terrace Madison, WI 53711 Phone: 608-238-4848	No	No	No
Todd Mandel	Member	Dec-21	Consultant	225 15th Street South La Crosse, WI 54601 <a href="mailto:todd@mightycommunities.com">todd@mightycommunities.com</a>	225 15th Street South La Crosse, WI 54601	No	No	Yes Census Tract 8
Carla Cross	Member	Dec-20	Cross Management	Cross Management Services 315 Court Street #200 Milwaukee, WI 53212 Phone: 414-449-4920 X 107 <a href="mailto:ccross@cross-management.com">ccross@cross-management.com</a>	1814 N Vel R Phillips Ave Milwaukee, WI 53212	No	No	Yes Census Tract 1860
Gina Stilp	Member	Dec-20	Zilber Foundation	Zilber Foundation 710 Plankinton Avenue Milwaukee, WI 53208 Phone: 414-274-2447 <a href="mailto:gstilp@gmail.com">gstilp@gmail.com</a>	2565 N Humboldt Blvd Milwaukee, WI 53212	No	No	Yes Census Tract 79
Kate Sullivan	Member	Dec-20	Impact Seven, Inc.	Impact Seven, Inc. 2961 Decker Drive Rice Lake, WI 54868 Phone: (608)575-4178 <a href="mailto:kate.sullivan@impactseven.org">kate.sullivan@impactseven.org</a>	2702 Sommers Ave., #1 Madison, WI 53704	No	No	Yes Census Tract 20
David Ritchay	Member	Dec-21	The Commonwealth Companies	The Commonwealth Companies 24 S. Brook Street Fond du Lac, WI 54935 Phone: (502)919-0263 <a href="mailto:d.ritchay@commonwealthco.net">d.ritchay@commonwealthco.net</a>	505 Rolling Lane Louisville, KY 40207	No	No	No
Kristi Morgan	Member	Dec-20	The Commonwealth Companies	The Commonwealth Companies 7447 University Avenue, Suite 210 Middleton, WI 53562 Phone: 608-824-2292 <a href="mailto:morgan@mirupartners.com">morgan@mirupartners.com</a>	1718 Hidden Hill Drive Verona, WI 53593	No	No	No



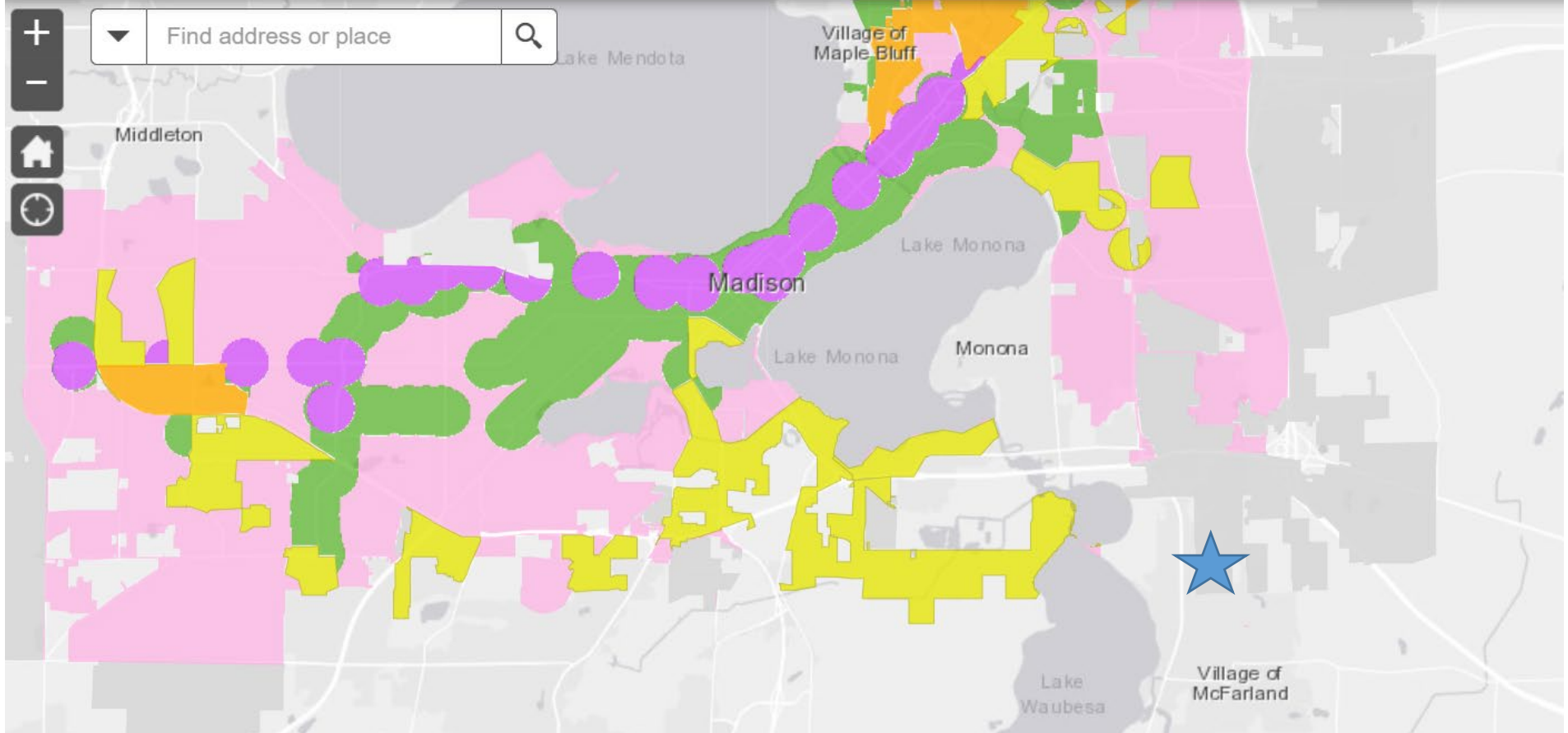
Oak Glen Single Family Affordable Homeownership

4807 Freese Lane, Madison – Site Map



# CITY OF MADISON 2020 Affordable Housing Targeted Areas

City of Madison Open Data

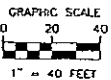


Note: This proposal is for owner-occupied homeownership, which is allowed City-wide per the RFP.

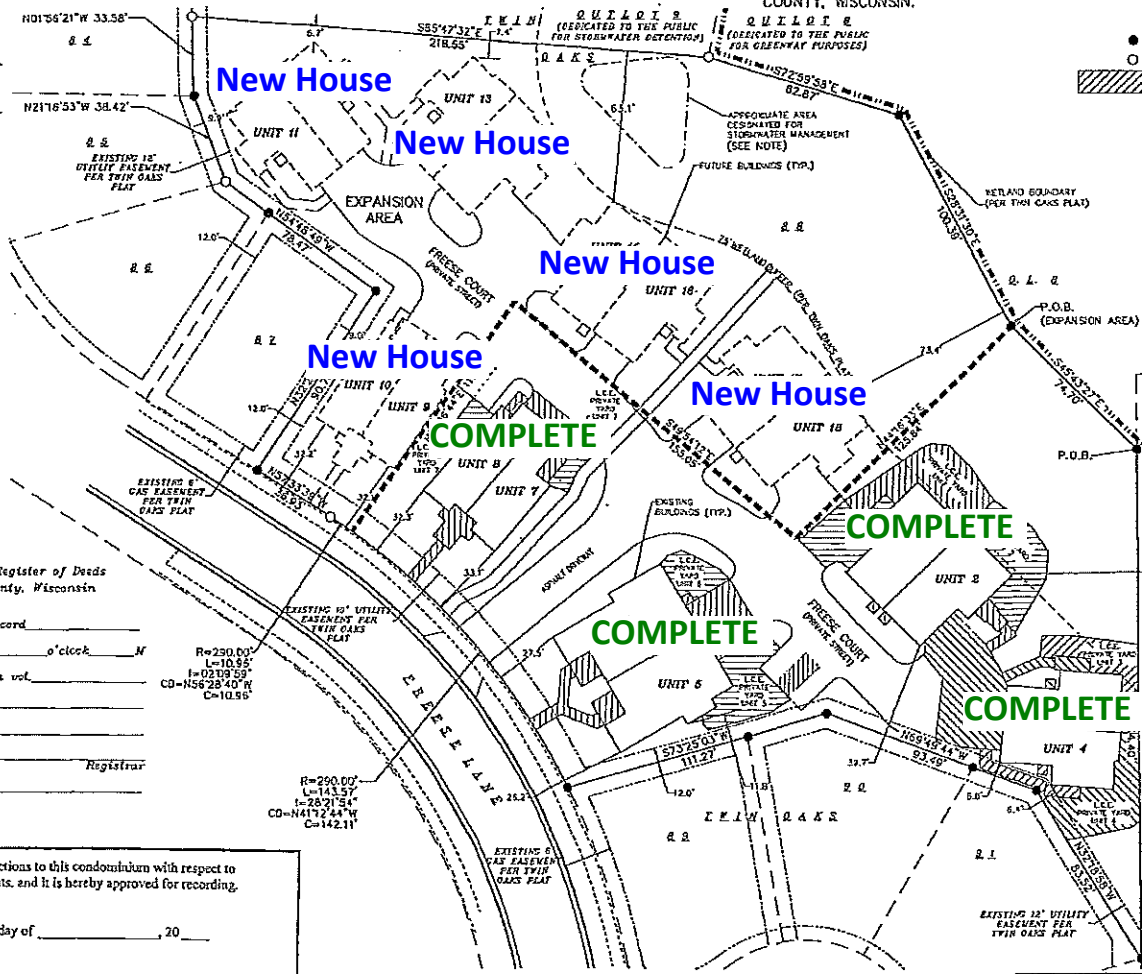


# THE OAK GLEN CONDOMINIUM

BEING A PART OF LOT 88, TWIN OAKS, BEING LOCATED IN THE SE 1/4 OF THE NE 1/4 OF SECTION 34 TOWNSHIP 7 NORTH, RANGE 10 EAST, CITY OF MADISON, DANE COUNTY, WISCONSIN.



BEARINGS ARE REFERRED TO THE NORTH LINE OF SECTION 34, BEARING S89°17'32"E (T.A.S. SOUTH ZONE (NAD 27))



### LEGEND AND NOTES

- 3/8" SOLID IRON ROD FOUND
- 1/4" SOLID IRON RE-ROD SET
- ▨ LIMITED COMMON ELEMENTS (L.C.E.)

EVERYTHING OTHER THAN UNITS AND LIMITED COMMON ELEMENTS ARE COMMON ELEMENTS.  
 SIDEWALKS, DRIVEWAYS AND PRIVATE ROADS SHOWN HERE ARE ILLUSTRATIVE PURPOSES ONLY. EXACT SIZE AND LOCATION ARE AS CONSIDERED.  
 THIS PROPERTY IS SUBJECT TO ANY AND ALL EASEMENTS AND AGREEMENTS BOTH RECORDED AND UNRECORDED.  
 WETLANDS, IF PRESENT, HAVE NOT BEEN DELINEATED.  
 THIS SURVEY SHOWS VISIBLE ABOVE-GROUND IMPROVEMENTS ONLY. NO GUARANTEE IS MADE FOR BELOW-GROUND STRUCTURES.  
 SEE "ADDITIONAL NOTES" ON SHEET 4

### CONDOMINIUM DESCRIPTION

Being a part of Lot 63 of Twin Oaks as recorded in Volume 58-039A of Plats, on Pages 209-211, as Document Number 3834712, Dane County Registry, Located in the Southeast 1/4 of the Northeast 1/4 of Section 34, Township 7 North, Range 10 East, City of Madison, Dane County, Wisconsin, more fully described as follows:

Beginning at the northeast corner of said Lot 68, also being the most southerly corner of Outlot B, Twin Oaks; thence South 01 degrees 18 minutes 40 seconds East, 214.40 feet; thence North 32 degrees 18 minutes 50 seconds West, 83.52 feet; thence North 69 degrees 49 minutes 44 seconds West, 93.69 feet; thence South 73 degrees 25 minutes 03 seconds West, 111.27 feet; to a point of curvature (thence 143.57 feet along the arc of a curve to the left through a central angle of 28 degrees 21 minutes 54 seconds with a radius of 290.00 feet and a chord bearing North 41 degrees 12 minutes 44 seconds West, 162.11 feet to a point of tangency; thence North 34 degrees 35 minutes 44 seconds East, 119.42 feet; thence South 49 degrees 54 minutes 12 seconds East, 156.05 feet; thence North 44 degrees 15 minutes 33 seconds East, 125.84 feet; thence South 45 degrees 43 minutes 22 seconds East, 74.70 feet to the point of beginning. Said parcel contains 44,131 square feet or 1.01 acres more or less.

### EXPANSION AREA DESCRIPTION

Being a part of Lot 63 of Twin Oaks as recorded in Volume 58-039A of Plats, on Pages 209-211, as Document Number 3834712, Dane County Registry, Located in the Southeast 1/4 of the Northeast 1/4 of Section 34, Township 7 North, Range 10 East, City of Madison, Dane County, Wisconsin, more fully described as follows:

Commencing at the northeast corner of said Lot 68, also being the most southerly corner of Outlot B, Twin Oaks; thence North 45 degrees 43 minutes 27 seconds West, 74.70 feet to the point of beginning; thence South 44 degrees 15 minutes 33 seconds West, 125.84 feet; thence North 49 degrees 54 minutes 12 seconds West, 156.05 feet; thence South 34 degrees 35 minutes 44 seconds West, 119.42 feet; to a point of curvature (thence 105.55 feet along the arc of a curve to the left through a central angle of 02 degrees 08 minutes 59 seconds with a radius of 290.00 feet and a chord bearing North 56 degrees 28 minutes 40 seconds West, 105.69 feet to a point of tangency; thence North 57 degrees 33 minutes 39 seconds West, 35.93 feet; thence North 32 degrees 35 minutes 21 seconds East, 90.70 feet; thence North 54 degrees 48 minutes 49 seconds West, 78.47 feet; thence North 21 degrees 16 minutes 51 seconds West, 35.47 feet; thence North 01 degrees 15 minutes 21 seconds West, 33.58 feet; thence South 65 degrees 47 minutes 32 seconds East, 218.55 feet; thence South 72 degrees 59 minutes 58 seconds East, 82.87 feet; thence South 28 degrees 31 minutes 30 seconds East, 100.39 feet to the point of beginning. Said parcel contains 46,035 square feet or 1.05 acres more or less.

### SURVEYOR'S CERTIFICATE

I, Richard S. Lawrence, Registered Land Surveyor, No. 2354, hereby certify that in full compliance with the provisions of Chapter 703 of the Wisconsin Statutes, the plat shown herein is a correct representation of the condominium described and the identification and location of each unit and the common elements can be determined from the plat.

Dated this 8<sup>th</sup> day of MAY, 2008.  
 Signed, Richard S. Lawrence  
 Richard S. Lawrence, R.L.S. S-2354  
 Rechecked this 23<sup>rd</sup> day of MAY, 2008.



Office of Register of Deeds  
 Dane County, Wisconsin

Received for Record \_\_\_\_\_  
 20 \_\_\_\_ at \_\_\_\_ o'clock \_\_\_\_ M  
 and recorded in vol. \_\_\_\_\_  
 of \_\_\_\_\_  
 on page \_\_\_\_\_  
 Registrar \_\_\_\_\_  
 Document No. \_\_\_\_\_

There are no objections to this condominium with respect to Sec. 703 Wis. Stats. and it is hereby approved for recording.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

Director of Planning and Community & Economic Development  
 City of Madison

SURVEYED FOR :  
 WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT  
 121 SOUTH PINCKNEY ST., SUITE 200  
 MADISON, WI 53703

PLAT DATE: MAY 23, 2008 TIME: 10:39 AM  
 LAYOUT: SHEET 1  
 LAYER NAME: Condo Plat Final  
 DRAWN BY: C Kay-Schulte REVIEWED BY: R Lawrence  
 FILE NAME: W:\M\CD\SURV\WISVOPR.dwg

**MAYO CORPORATION**  
 600 Grand Canyon Drive  
 Madison, WI 53719  
 (608) 833-0628  
 (608) 633-0746 (fax)

WH-06-08  
 Sheet 1 of 5

B-28

# City of Madison, Wisconsin Property Map



7/14/2020, 12:48:29 PM

1:1,128

     Municipal Limits

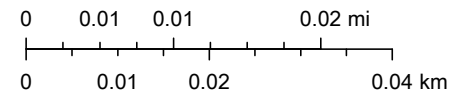
     Additional Address

     Street Names

Parcels

     Situs Address

     Place Name



City of Madison IT



**Prepared for:**

Nicole Solheim  
Wisconsin Partnership for  
Housing Development

Thursday, November 19,  
2020

## **COMPARATIVE MARKET ANALYSIS**

Oak Glen Market Review



**Prepared By:**

**Ann Raschein**

RE/MAX Preferred  
5320 Monona Dr  
Monona, WI 53716-3127

Pref: 608-575-7614  
ann@madcitydreamhomes.com

# COMPARABLE REPORT



MLS #	1888426	1882712	1885539	1890081
Status	Sold	Sold	Sold	Sold
Address	4723 FREESE LN	4718 Freese Ln	4801 Catalina Pky	4623 Star Spangled Tr
Location	MADISON - C E12	MADISON - C E12	MADISON - C E12	MADISON - C E12
Original Price	\$199,900	\$262,500	\$297,000	\$300,000
List Price	\$199,900	\$262,500	\$297,000	\$300,000
Sold Price	\$220,000	\$280,000	\$308,000	\$310,000
Bedrooms	3	3	3	3
Full Baths	1	1	2	3
1/2 Baths	0	1	0	1
Fin Above Grade SqFt	1,008	1,248	1,412	1,405
Fin Part/All Below Grd SF		270	0	323
Finished SqFt	1,008	1,518	1,412	1,745
Price Per SQFT	\$218.25	\$184.45	\$218.13	\$177.65
Year Built	2006	2004	2015	2011
Subdivision	Twin Oaks	Twin Oaks	Secret Places	Liberty Place
School District	Madison	Madison	McFarland	Madison
Garage	1 car, Detached	2 car, Attached	2 car, Opener	2 car, Attached, Opener
Exterior	Vinyl	Vinyl	Vinyl	Vinyl
Basement	None	Full, Radon Mitigation System, Poured concrete foundatn	Full, Full Size Windows/Exposed, Sump pump, Stubbed for Bathroom, Radon Mitigation System, Poured concrete foundatn	Full, Walkout to yard, Finished, Partially finished, Sump pump, Poured concrete foundatn
Laundry Level	M	L	M	L
Primary Bed Bath	None	None	Full	Full, Tub/Shower Combo
Heating/Cooling	Forced air	Forced air, Central air	Forced air, Central air	Forced air, Central air
Interior Features	Washer, Dryer, Water softener inc, At Least 1 tub	Walk-in closet(s), Water softener inc, Cable available	Wood or sim. wood floor, Walk-in closet(s), Air cleaner, Water softener inc, Cable available, At Least 1 tub	Wood or sim. wood floor, Washer, Dryer, Water softener inc, Cable available, At Least 1 tub
Exterior Features	Patio	Deck	Patio	Deck, Patio
Closing Date	8/17/2020	7/17/2020	7/17/2020	9/17/2020
Days On Market	5	7	1	4
<b>Total Adjustments:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Adjusted Price</b>	<b>\$220,000</b>	<b>\$280,000</b>	<b>\$308,000</b>	<b>\$310,000</b>

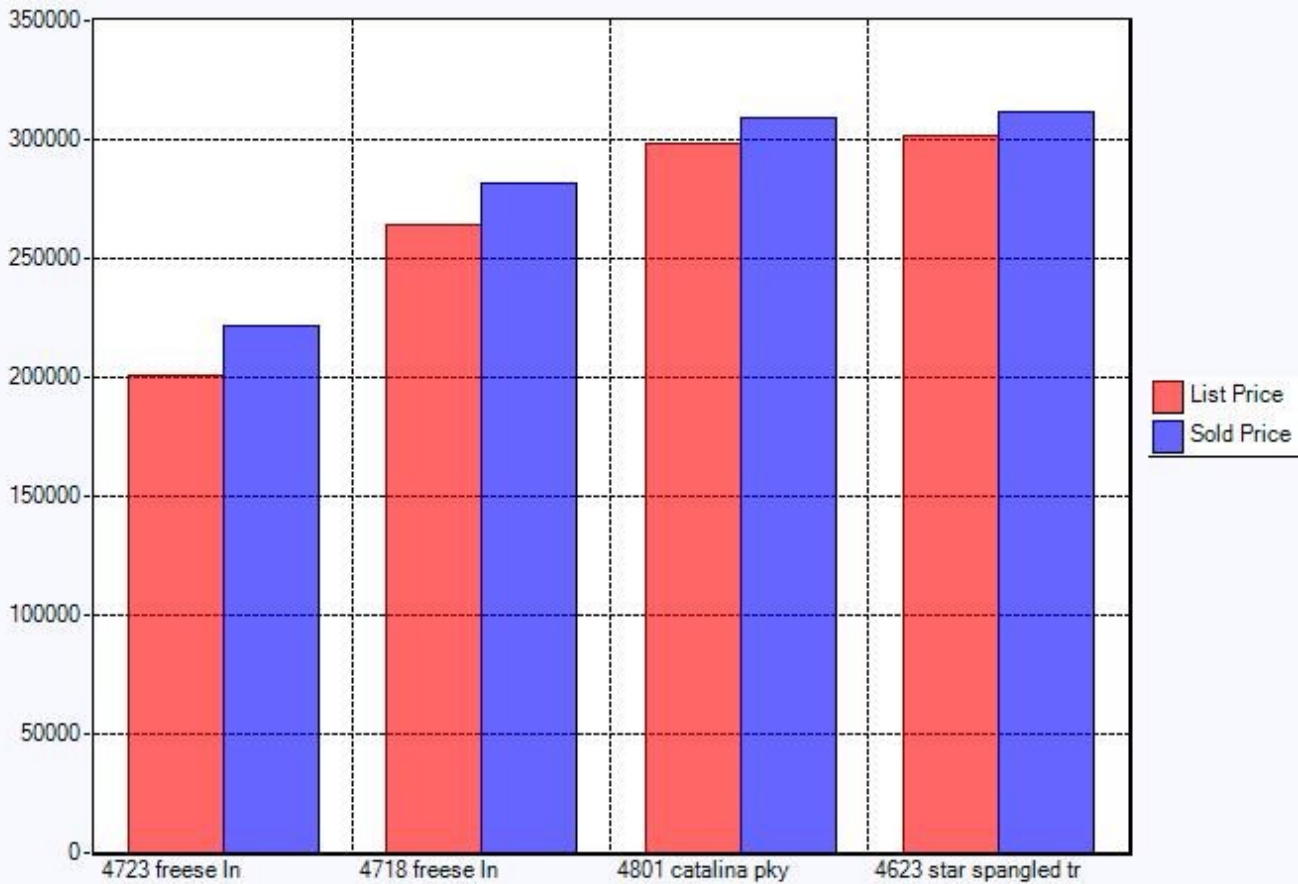
# CMA SUMMARY REPORT

Single Family Summary Statistics				
	HIGH	LOW	AVERAGE	MEDIAN
<b>Price:</b>	\$300,000	\$199,900	\$264,850	\$279,750
<b>Selling Price:</b>	\$310,000	\$220,000	\$279,500	\$294,000
<b>Adj Price:</b>	\$310,000	\$220,000	\$279,500	\$294,000

Single Family - Sold										
MLS #	ADDRESS	Location	Beds	AbvGrdSqFt	FinSqFt	DOM	LP	LP/FinSqFt	SP	SP/FinSqFt
1888426	4723 FREESE LN	E12	3	1,008	1,008	5	\$199,900	\$198.31	\$220,000	<b>\$218.25</b>
1882712	4718 Freese Ln	E12	3	1,248	1,518	7	\$262,500	\$172.92	\$280,000	<b>\$184.45</b>
1885539	4801 Catalina Pky	E12	3	1,412	1,412	1	\$297,000	\$210.34	\$308,000	<b>\$218.13</b>
1890081	4623 Star Spangled Tr	E12	3	1,405	1,745	4	\$300,000	\$171.92	\$310,000	<b>\$177.65</b>
	<b>Total Listings</b>					<b>Avg</b>	<b>Avg</b>	<b>Avg</b>	<b>Avg</b>	<b>Avg</b>
	<b>4</b>					<b>4</b>	<b>\$264,850</b>	<b>\$188.37</b>	<b>\$279,500</b>	<b>\$199.62</b>

This analysis is to be used for the sole purpose of the intended client/customer and may not be used for financing, legal, or any use other than value determination for listing purposes. This CMA should not be considered an appraisal or home inspection.

## COMPARABLE PROPERTY STATISTICS



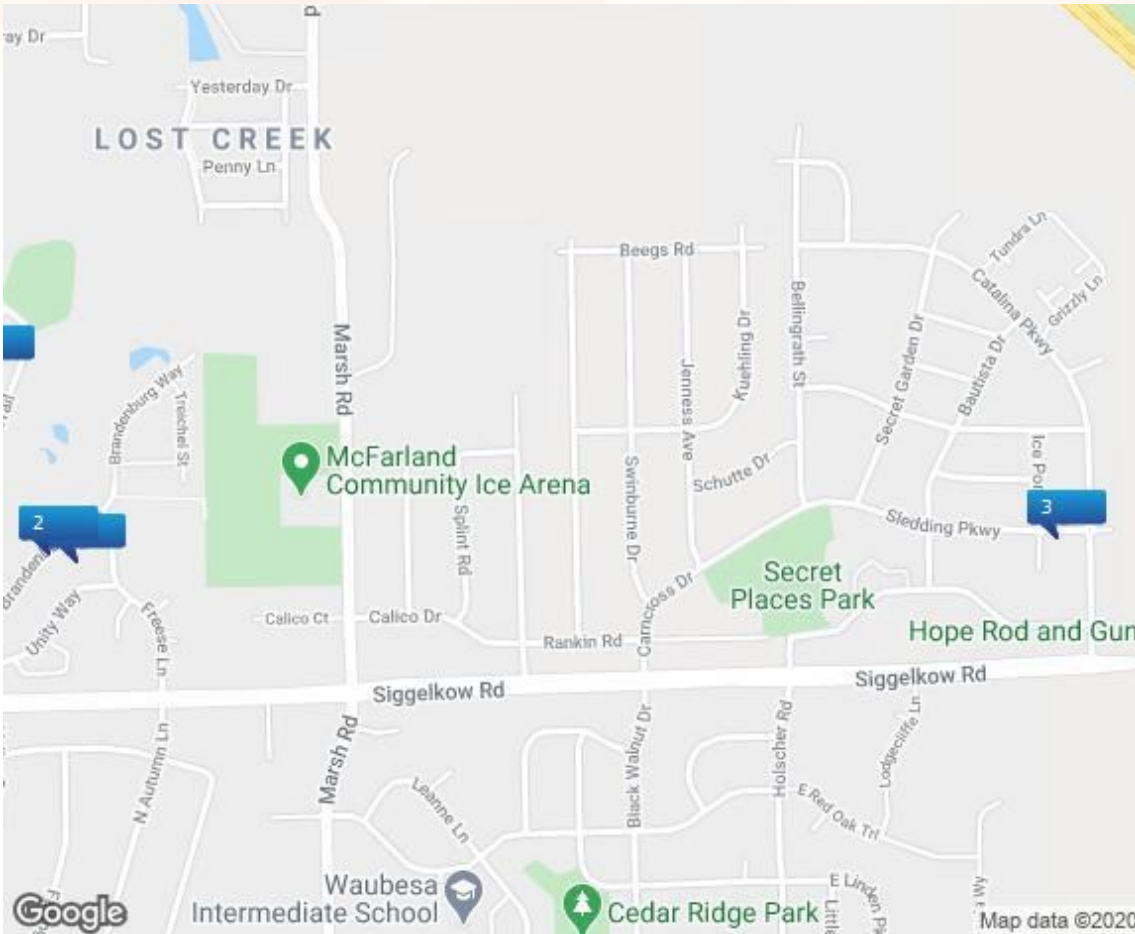
### Sold Properties

Total # of Listings	4
Lowest List Price	\$199,900.00
Average List Price	\$264,850.00
Highest List Price	\$300,000.00
Lowest Sold Price	\$220,000.00
Average Sold Price	\$279,500.00
Highest Sold Price	\$310,000.00
Average Price Per SQFT	\$199.62
Average Days On Market	4

This analysis is to be used for the sole purpose of the intended client/customer and may not be used for financing, legal, or any use other than value determination for listing purposes. This CMA should not be considered an appraisal or home inspection.



# MAP OF PROPERTIES



Subject Property  
  Active  
  Sold  
  Offer-No Show  
  Withdrawn  
  Rented  
  Expired

Map No.	MLS#	Address	City/State/Zip	Price
1	1888426	4723 FREESE LN	Madison WI 53718	\$220,000
2	1882712	4718 Freese Ln	Madison WI 53718	\$280,000
3	1885539	4801 Catalina Pky	Madison WI 53558	\$308,000
4	1890081	4623 Star Spangled Tr	Madison WI 53716	\$310,000

This analysis is to be used for the sole purpose of the intended client/customer and may not be used for financing, legal, or any use other than value determination for listing purposes. This CMA should not be considered an appraisal or home inspection.

## **FINAL COMMENTS**

Competition is strong in this area as it is in all of Madison. I would anticipate a new home could sell for at least \$285,000 and could be higher based on size and features.



## **Oak Glen Single Family Affordable Homeownership**

### **Affirmative Marketing Plan**

Homebuyers for this development must align with the City of Madison CDD's Program Guide for Homeownership, which includes requirements that households be a first-time homebuyer or single parent and have an income at or below 80% AMI. With this development, WPHD strives to reach households that would be least likely to pursue this homeownership opportunity – particularly, first generational homebuyers, households of color, and households that are historically underrepresented in homeownership.

WPHD will develop a marketing plan when the development begins, which will include a one-page summary/flyer about the homes available for sale, and a list of local agencies/nonprofits, financial counselors, realtors, and lenders that WPHD will reach out to regarding the homeownership opportunity. This plan would be submitted to Madison CDD for review/feedback prior to implementation. WPHD would be available to provide information and presentations for housing counseling and financial literacy courses as well. The goal is to inform partners who work with the targeted population well in advance, so that potential buyers can be prepared to submit an offer when the property is listed.

**City of Madison**  
**HOME Investment Partnerships Program**  
**Initial Certification and Recertification Application**  
**Community Housing Development Organization (CHDO)**

**APPLICANT INFORMATION:**

Wisconsin Partnership for Housing Development  
 Name of Organization

2045 Atwood Ave, Ste 101A  
 Address

Madison	WI	53704
City	State	Zip Code

Nicole Solheim	Executive Director
Contact Person	Position with Organization

608.258.5560 x 34	nicolesolheim@wphd.org
Telephone Number	Email address

608.258.5565	39-1508503
Fax Number	Federal Tax I.D. Number

Date of most recent CHDO Certification/Recertification: 2019

I hereby certify that all statements provided in this application and in the attachments herein are true; that I am authorized to sign this application, and to make these statements, on behalf of the applicant organization; and that the organization understands that misrepresentation of any facts which lead to the improper allocation and expenditure of public funds may result in legal action against the organization for retrieval of any such funds and appropriate penalties.

  
 CHDO's Authorized Representative

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

Date: 11/20/2020

## I. ORGANIZATIONAL STRUCTURE

**Recertifying Organizations:** Please check box if there has been no amendments or changes in documents since last certification. If amendments have occurred, attach a copy highlighting any such amendments.

- A. **ORGANIZATION:** Organization must be organized under state and local laws and must provide evidence of legal status. Please provide:
- Charter, or
  - Articles of Incorporation

No changes or amendments since last certification

- B. **PURPOSE OF ORGANIZATION:** An organization must have among its purposes the provision of decent housing that is affordable to low and moderate-income persons. Please provide the following:

- By-laws of the organization,
- Articles of Incorporation,
- Charter, or
- Resolution.

No changes or amendments since last certification

- C. **TAX EXEMPT RULING:** Provide evidence that it has a tax-exempt ruling from the Internal Revenue Service (IRS), under section 501 (c) of the Internal Revenue Code of 1986.

- A 501 (c) (3) Certificate Letter from the IRS
- A 501 (c) (4) Certificate Letter from the IRS

No changes or amendments since last certification

- D. **SERVICE AREA:** To receive certification an organization must have a clearly defined geographic service area. The service area can be an area larger than a single neighborhood but must be within the City of Madison's Participating Jurisdiction. Please provide the following:

- Neighborhood Name(s), Census Tract(s), Zip Code(s), and Boundary Streets
- Include a Map
- If the organization wishes to work city-wide, please indicate it and provide information as to existing or anticipated projects with addresses, neighborhoods, census tract, and zip codes.

No changes or amendments since last certification

- E. **EXPERIENCE:** The organization must be able to demonstrate that it has least one year of experience **directly related to the development of housing**. Newly created organizations that do not have this experience may meet the requirement if they have a nonprofit parent or sponsor organization that can demonstrate at least one year of experience in the development of housing. Please provide one of the following:

- A narrative statement, signed by the Executive Director or Board President, documenting that the organization has at least one year of experience directly related to the development of housing prior to seeking CHDO certification;
- A statement signed by the Executive Director or Board President that documents that its parent or sponsoring organization has at least one year of experience related to the development of housing; or
- A signed agreement or letter of understanding between your organization and the nonprofit parent or sponsor organization that documents the relationship between the two organizations.

No changes since last certification, continue to have demonstrated capacity

F. **RELIGIOUS ORGANIZATION SPONSORSHIP:** Is your nonprofit organization sponsored or created by a religious organization?

Yes  
 No

If the answer above is “Yes,” please note that a religious organization cannot qualify as a CHDO, but a religious organization may sponsor the creation of a wholly secular nonprofit. Housing units developed by the CHDO organization must be made available to all persons, regardless of religious affiliation or belief.

G. **FOR-PROFIT ORGANIZATION SPONSORSHIP:** Is your nonprofit organization sponsored or created by a for-profit entity?

Yes  
 No

If the answer above is “Yes,” a for-profit entity cannot qualify as a CHDO, but a for-profit entity may sponsor the creation of a nonprofit. However, the for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, contractor, developer, or real estate management firm. The for-profit entity may not appoint more than one-third of the membership of the organization’s governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the Board members and the CHDO organization must be free to contract for goods and services from vendors of its own choosing. In addition, the CHDO may not operate out of offices owned and/or used by the for-profit entity.

## II. REQUIRED ELEMENTS FOR CERTIFICATION AND RECERTIFICATION

A. **LOW-INCOME INPUT:** To be certified a CHDO, an organization must have a specific formal (written) process for low-income program beneficiaries to advise the organization in its decisions regarding the design, location of sites, development and management of affordable housing projects. Specifically, the organization must have a detailed written plan for ensuring that input from low-income program residents of the service area will be solicited and integrated into the decision-making and project development processes of the organization. **Please provide a**

**copy of the written procedure for gathering low-income input, and some examples of past outreach efforts.**

**B. FINANCIAL ACCOUNTABILITY:** The organization must have financial accountability standards that conform to 24 CFR 84.21, "Standards for Financial Management Systems". These standards are a variation on OMB Circular A-133 but are an updated version to that circular. The organization must certify that its financial management systems comply with this specific standard. Please provide the following information:

- The most recent certified financial statements that have been audited or prepared by an accountant
- Notarized statement by the president or chief financial officer of the organization, or a certification from a certified Public Accountant.

If your organization does not have audited financial statements because it has been operating for less than one year, you must submit the audited financial statements of the parent or sponsor organization.

*A non-profit organization cannot be certified as a CHDO if the organization's most recent financial statements and/or audit reflect an outstanding finding, material weakness or other unresolved matter that would affect the capacity of that organization to successfully develop a CHDO project.*

**C. STAFF AND CAPACITY:** The organization must have experienced paid staff responsible for the day-to-day operations. The organization must demonstrate the capacity of its key staff to carry out the activities it is planning to undertake. Please provide the following information:

- Descriptions of key paid staff members who have successfully completed a project(s) similar to those to be assisted with HOME funds. (Include project descriptions of relevant completed projects, the staff member's experience that will demonstrate their capacity in housing development and the staff member's percentage of time worked for the organization.)

**D. BOARD COMPOSITION:** At least one-third of the organization's Board of Directors must consist of low-income representatives that reside in the applicant's service area and no more than one-third of the Board can be from the public sector. When calculating the one-third requirements, we consider the total number of Board Members regardless of their permanent residence. Board members cannot receive salary for their service as board member.

1. An applicant organization must ensure that at least one-third of its governing board consists of representatives of low-income communities within its service area. There are three ways to meet this requirement: (1) individuals can be residents of a low-income neighborhood in the organization's service area but they do not necessarily have to earn a low income themselves, (2) they can be low-income residents of the community; that is, their household income is 80% or less than the Area Median Family Income for the service area as published by the U. S. Department of Housing and Urban Development, or (3) they may be elected representatives of low-income neighborhood organizations.
2. No more than one-third of the organization's Board of Directors may be from the public sector. Representatives of the public sector include: (1) *elected officials*, such as council members, (2) *appointed public officials*, such as planning or zoning commission, regulatory or advisory boards, (3) *public employees*, which include employees of public agencies or

departments of the City such as fire and police, and (4) any individual who is not necessarily a public official, but has been *appointed by a public official* to serve on the organization's Board of Directors.

To verify that your current Board meets both the low-income requirement and the limits on public sector representation above, **please list all current Board Members and accompanying information requested below.**

**Submit dated certifications signed by each board member verifying his or her public official and low income status.** Certifications should be current as of the board member's most recent Board appointment. A sample certification is attached to this application.

Current Board Members

Board Member Name / Home Address	Most Recent Appointment (date)	Public Official* (Y/N)?	Low Income Representative* (Y/N)?
Marissa Downs, 2520 E Apple Hill Blvd, Appleton, WI	12/31/2018	Y	N
Bill Wigchers, 6140 Preston Ln, New Berlin, WI	12/1/2019	N	N
Mike Waters, N1117 Barnwood Ct, Greenville WI	12/1/2019	N	N
Hal Bergan, 714 Parman Terrace, Madison, WI	12/1/2019	N	N
Todd Mandel, 225 15 <sup>th</sup> St South, La Crosse, WI	12/1/2019	N	Y
Carla Cross, 1814 N Vel R Phillips Ave, Milwaukee, WI	12/31/2018	N	Y
Gina Stilp, 2565 N Humboldt Blvd, Milwaukee, WI	12/31/2018	N	Y
Kate Sullivan, 2702 Sommers Ave #1, Madison, WI	12/31/2018	N	Y
David Ritchay, 505 Rolling Lane, Louisville KY	12/1/2019	N	N
Kristi Morgan, 1718 Hidden Hill Dr, Verona, WI	12/31/2018	N	N

***(attach additional sheets if necessary)***

\* Please note that the definition of “public official” and “low income representative” have very specific definitions under the CHDO HOME program. Please see sample certification attached for definitions.



## POLICIES FOR PROJECT DEVELOPMENT

### Low-Income Input

WPHD is a statewide organization, engaging in consulting and development work across the State. As stated in our mission, we seek to work collaboratively with communities, nonprofits and residents in the areas where we engage in development work. Frequently our development work is preceded by technical assistance provided to local groups intending to increase local capacity. As a result, we generally operate in Wisconsin communities where capacity does not currently exist at the local level to engage in affordable housing development. Our work and the identification of geographic areas where we engage in development activities is informed by our Board of Directors, which includes members from across the state who are actively involved in housing development in their geographic areas. As we engage in development at the local level, we are informed by:

- **Board members:** Members who live in the communities where we operate. We seek to identify representatives living in neighborhoods where we are actively working so that they can represent neighborhood interests. For example, work in South Milwaukee is informed by a Board member who lives in the neighborhood where we engage in development activities and who participates in local neighborhood activities. By policy, these low income representatives of our Board serve on our Development committee and provide direct input into identification of neighborhoods that we serve, homes that we purchase, and approve any other work that we might do in the area. In addition, when we do identify a new area for development work, we seek to add a new Board member who can represent that area.
- **Local nonprofits:** In addition to Board representation, we seek out local relationships by working collaboratively with other nonprofits representing low income residents in areas where we serve. For example, our development work in Wisconsin Dells was done in collaboration with a local nonprofit who now manages the ten-unit development. Our recent work in Stoughton was initiated by a local housing advocacy nonprofit. We always work with local housing counseling providers and seek referrals from local nonprofit groups for identification of homebuyers or tenants and to identify areas where we can collaborate.
- **Local developers:** we seek out relationships with local developers to assist in the addition of affordable housing units to projects they are undertaking. This might include addition of affordable units in a mixed unit development or as partners in development activities.
- **Local businesses:** we work with local contractors and realtors, and buy from local businesses in order to develop closer community relationships.
- **City staff:** we work with local staff to ensure that the work we are engaged in is consistent with applicable neighborhood plans and affordable housing plans. We seek out opportunities to inform city staff and committee members of the need for affordable housing.
- **Residents:** WPHD works with local neighborhood groups in areas where they are present to ensure that we adhere to their neighborhood plans. We engage with neighbors adjacent to our work sites and provide information on the work that we are doing. We frequently answer questions and engage with neighbors where we are doing our work.

As a Community Development Agency, our sole purpose is to improve access to affordable housing. Our work is done in a number of ways through development activities and program management. In each instance, we approach development as a neighborhood revitalization activity, which means that we seek to engage in more than the actual development. We form strong local partnerships because they are critical to the success of our programs.



**ACCOUNTING STANDARDS**

*I certify that the Wisconsin Partnership for Housing Development, Inc. conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems".*

**SIGNATURE**

A handwritten signature in blue ink, appearing to read 'Nick C', is written above a solid black horizontal line.

**NAME** Nicholas A Curran, CPA, CNAP

**TITLE AND COMPANY** CEO, Numbers 4 Nonprofits

**DATE** 11/12/2020



**THE WISCONSIN PARTNERSHIP  
FOR HOUSING DEVELOPMENT, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Wisconsin Partnership for Housing Development, Inc.  
Madison, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Wisconsin Partnership for Housing Development, Inc., which comprise the consolidated statements of financial position as of December 31, 2019, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wisconsin Partnership for Housing Development, Inc. as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, The Wisconsin Partnership for Housing Development, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequently issued clarifying ASUs; ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*; and ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, as of January 1, 2019. Our opinion is not modified with respect to this matter.


### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and activities are presented for purposes of additional analysis of the financial statements rather than to present the financial position and changes in net assets of the individual entities, and they are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. The consolidating and other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating and other supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2020 on our consideration of The Wisconsin Partnership for Housing Development, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Wisconsin Partnership for Housing Development, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Wisconsin Partnership for Housing Development, Inc.'s internal control over financial reporting and compliance.

  
Wegner CPAs, LLP  
Madison, Wisconsin  
September 17, 2020

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
December 31, 2019

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 246,003
Grants receivable	90,215
Accounts receivable	40,179
Prepaid expenses	4,166
	<hr/>
Total current assets	380,563

**RESTRICTED DEPOSITS AND FUNDED RESERVES**

Tenants' security deposits	40,134
Replacement reserve	117,145
Operating reserve	77,814
	<hr/>
Total restricted deposits and funded reserves	235,093

**LONG-TERM ASSETS**

Investment	500
Construction in progress	1,105,664
Notes receivable, net	129,999
Related party notes receivable	2,750,669
Property and equipment, net	4,438,708
	<hr/>
Total long-term assets	8,425,540

**Total assets**

**\$ 9,041,196**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 205,894
Security deposits	44,815
Due to AHFE conference	29,151
Notes payable, current portion	37,452
Construction loans payable, current portion	267,878
	<hr/>
Total current liabilities	585,190

**LONG-TERM LIABILITIES**

Notes payable less current portion	3,276,594
Construction loans payable less current portion	532,083
Deferred loans	3,451,555
	<hr/>

Total long-term liabilities	7,260,232
	<hr/>
Total liabilities	7,845,422

**NET ASSETS**

Without donor restrictions	493,480
With donor restrictions	702,294
	<hr/>
Total net assets	1,195,774

**Total liabilities and net assets**

**\$ 9,041,196**

See accompanying notes.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2019

**CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**

SUPPORT AND REVENUE

Grants	\$ 1,016,156
Housing sales	702,900
Consulting programs	190,836
Loan forgiveness	305,576
Rental income	548,975
AHFE conference (less direct expenses of \$41,541)	382
Interest income	10,626
Miscellaneous income	953
Excess of assets acquired over liabilities assumed in the donation of Uplands Homes, LLC	<u>204,701</u>
Total support and revenue without donor restrictions	2,981,105

EXPENSES AND LOSSES

Cost of properties sold	819,683
Development costs	696,802
Personnel	312,711
Rental expenses	77,273
Occupancy	39,198
Repairs and maintenance	139,750
Professional fees	88,482
Contract administration	13,146
Notes receivable forgiveness	7,346
Depreciation	141,415
Office expenses	11,326
Travel	13,831
Taxes and insurance	99,332
Interest	<u>200,713</u>
Total expenses	2,661,008
Impairment	<u>66,736</u>
Total expenses and losses	2,727,744

NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Satisfaction of purpose restrictions	<u>18,479</u>
Change in net assets without donor restrictions	271,840

**CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**

Contributions	94,280
Net assets released from restrictions	<u>(18,479)</u>
Change in net assets with donor restrictions	<u>75,801</u>

**Change in net assets** 347,641

Net assets at beginning of year 848,133

**Net assets at end of year** \$ 1,195,774

See accompanying notes.



**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2019

	Affordable Housing	Management and General	Fundraising	Total Expenses
Cost of properties sold	\$ 819,683	\$ -	\$ -	\$ 819,683
Development costs	696,802	-	-	696,802
Personnel	246,535	62,500	3,676	312,711
Rental expenses	77,273	-	-	77,273
Occupancy	33,733	5,161	304	39,198
Repairs and maintenance	139,750	-	-	139,750
Professional fees	2,007	86,438	37	88,482
Conference	27,541	14,000	-	41,541
Contract administration	13,146	-	-	13,146
Loan forgiveness	7,346	-	-	7,346
Depreciation	141,415	-	-	141,415
Office expenses	7,860	3,322	144	11,326
Travel	10,392	3,248	191	13,831
Taxes and insurance	97,856	1,394	82	99,332
Interest	-	200,713	-	200,713
<b>Total expenses</b>	<b>2,321,339</b>	<b>376,776</b>	<b>4,434</b>	<b>2,702,549</b>
Less expenses included with revenues on the statement of activities	<u>(27,541)</u>	<u>(14,000)</u>	<u>-</u>	<u>(41,541)</u>
<b>Total expenses included in the expense section of the statement of activities</b>	<b><u>\$ 2,293,798</u></b>	<b><u>\$ 362,776</u></b>	<b><u>\$ 4,434</u></b>	<b><u>\$ 2,661,008</u></b>

See accompanying notes.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2019

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	347,641
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Forgiveness of notes receivable		6,352
Loan forgiveness		(305,576)
Donated property		(79,280)
Loss on sale of property		59,764
Impairment of construction in progress		66,736
Accrued interest added to principal of mortgage notes payable, related parties		105,058
Depreciation		141,415
Excess of assets acquired over liabilities assumed in the donation of Uplands Homes, LLC		(204,701)
(Increase) decrease in assets		
Grants receivable		37,932
Accounts receivable		(1,516)
Prepaid expenses		706
Increase (decrease) in liabilities		
Accounts payable		(12,318)
Due to member and affiliates		(6,231)
Security deposits		2,959
Due to AHFE conference		2,263
Net cash flows from operating activities		161,204

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of property and equipment		(11,643)
Proceeds from sales of property		702,900
Payments for construction in progress		(948,000)
Issuance of notes receivable		(108,543)
Net cash flows from investing activities		(365,286)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from line of credit		9,974
Payments on line of credit		(30,461)
Payments on construction loans payable		(570,695)
Proceeds from construction loans payable		287,697
Proceeds from deferred loans		632,351
Payments on notes payable		(44,408)
Net cash flows from financing activities		284,458

**Net change in cash and restricted cash**

		80,376
Cash and restricted cash at beginning of year		400,720
<b>Cash and restricted cash at end of year</b>	<b>\$</b>	<b>481,096</b>

See accompanying notes.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Wisconsin Partnership for Housing Development, Inc. (WPHD) provides technical assistance and development financing to nonprofit community-based organizations working to revitalize neighborhoods and expand housing opportunities for lower-income people in Wisconsin. The corporate purposes on which WPHD's application for tax-exempt status was also based on acting as a co-developer with other developers and the development of mixed-income housing. In addition to those activities, WPHD provides technical assistance and consulting services to state and local governments as well as nonprofit and for-profit developers and nonprofit providers of other housing-related services and programs, provides technical and financial assistance to nonprofit and public agencies that provide services to lower-income home buyers, manages a statewide program to provide down payment assistance to lower-income home buyers, manages the federal HOME funds for a four-county consortium, manages a loan servicing program for a consortium of lending institutions, and has provided technical assistance, purchasing and rehabilitating homes under a rental program, and consulting services in other states. WPHD's support and revenue is from federal and state government grants, grants from foundations and other philanthropic sources, consulting fees, development and management fees, and property sales.

Neighborhood Builders, LLC is a for-profit limited liability company formed during the year ended December 31, 2001. Neighborhood Builders, LLC is a minority owner of Uplands Homes, LLC. Neighborhood Builders, LLC is wholly owned by WPHD.

Uplands Homes, LLC is a for-profit limited liability company formed during the year ended December 31, 2001 to develop and own a 40-unit tax credit rental housing project. Neighborhood Builders, LLC initially owned 90% and two unrelated parties each initially owned 5% of Uplands Homes, LLC. On January 1, 2019, the equity investor assigned its rights to Neighborhood Builders, LLC. At December 31, 2019, the Neighborhood Builders, LLC owns .9951%, and two unrelated parties each own .00245% of Uplands Homes, LLC.

The Edge Artist Flats, LLC is a for-profit limited liability company formed during the year ended December 31, 2018 to acquire, own, develop, and operate a 42-unit low income housing project. WPHD is a class B special member of The Edge Artist Flats, LLC and as of December 31, 2019, WPHD owns .001% of The Edge Artist Flats, LLC.

WPHD Affordable Ventures, LLC is a for-profit limited liability company formed during the year ended December 31, 2018. WPHD Affordable Ventures, LLC is an owner of Barton School Apartments MM, LLC and Friar House Flats MM, LLC as described below. WPHD Affordable Ventures, LLC is wholly owned by WPHD.

Barton School Apartments MM, LLC is a for-profit limited liability company formed during the year ended December 31, 2018 to acquire, own, develop, and operate a 40-unit low income housing project. Barton School Apartments MM, LLC is to be managed solely by Commonwealth Holdings, LLC. As of December 31, 2019, WPHD Affordable Ventures, LLC owns 51% of the membership units of the company but is only entitled to 1% of the profits, losses, and distributions of the company.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Friar House Flats MM, LLC is a for-profit limited liability company formed during the year ended December 31, 2018 to acquire, own, develop, and operate a 40-unit low income housing project. Friar House Flats MM, LLC is to be managed solely by Commonwealth Holdings, LLC. As of December 31, 2019, WPHD Affordable Ventures, LLC owns 51% of the membership units of the company but is only entitled to 1% of the profits, losses, and distributions of the company.

Muskego School Apartments MM, LLC is a for-profit limited liability company formed during the year ended December 31, 2019 to acquire, own, develop, and operate a 40-unit low income housing project. Muskego School Apartments MM, LLC is to be managed solely by Commonwealth Holdings, LLC. As of December 31, 2019, WPHD Affordable Ventures, LLC owns 51% of the membership units of the company but is only entitled to 1% of the profits, losses, and distributions of the company.

**Principles of Consolidation**

The financial statements include the accounts of WPHD and its wholly owned subsidiaries, Neighborhood Builders, LLC and WPHD Affordable Ventures, LLC. All material intra-entity transactions have been eliminated. All WPHD Affordable Ventures, LLC transactions are presented in the WPHD column in the consolidating statement of activities.

**Accounts Receivable**

Accounts receivable consist of unpaid service fees and tenant rental income of which WPHD has an unconditional right to receive. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**Property and Equipment**

All acquisitions of property and equipment in excess of \$2,500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Rental properties	40 years
Equipment	3-5 years
Furniture and fixtures	5-7 years

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from donor restrictions.

**Grants and Contracts**

WPHD received grants and contracts from government agencies and other that are conditioned upon WPHD incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by WPHD, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported in increases in net assets without donor restrictions.

**Revenue Recognition**

Housing sales consist of payments made for the sale of property improved by WPHD. WPHD recognizes housing sales at the point in time when the sale is closed.

Consulting programs consist of payments for fees earned by providing development and consulting services. WPHD recognizes these sales at the point in time when the service is performed.

**Income Taxes**

The Wisconsin Partnership for Housing Development, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Neighborhood Builders, LLC; Uplands Homes, LLC; The Edge Artist Flats, LLC; Barton School Apartments MM, LLC; Muskego School Apartments MM, LLC, and Friar House Flats MM, LLC are treated as partnerships for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the LLCs. Members are taxed individually on their shares of the LLC's earnings. The income earned by WPHD from its ownership in the LLC's is in accordance with WPHD's tax-exempt purpose and, therefore, is not taxable income to WPHD.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, occupancy, professional fees, office expenses, travel, and taxes and insurance, which are allocated on the basis of estimates of time and effort.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following program services and supporting activities are included in the accompanying financial statements:

*Affordable Housing*—Includes the development of, and participation in, affordable rental housing and for-sale homes; administration of programs for existing homeowners to rehab their properties; administration of programs to assist in the purchase of affordable housing; and consulting to non-profits, for-profits, and communities related to the development of affordable housing.

*Management and general*—Includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of WPHD's program strategy through the executive director, secure proper administrative functioning of the board of directors, and manage the financial and budgetary responsibilities of the organization.

*Fundraising*—Provides the structure necessary to encourage and secure government grants and tax credits.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Adoption of New Accounting Guidance**

On May 28, 2014, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs supersedes the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements that will provide users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

WPHD adopted the requirements of the new guidance as of January 1, 2019, using the modified retrospective method of transition. In applying the new guidance, WPHD elected to use the practical expedient that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019.

Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of WPHD's contracts do not contain variable consideration and contract modifications are generally minimal.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The adoption of the new guidance did not have a significant impact on WPHD's financial statements. Based on WPHD's evaluation process and the review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new guidance.

Also, on November 17, 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*. The ASU requires amounts generally described as restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Previously, transfers between cash and restricted cash were classified as operating, investing, or financing activities, or as a combination of those activities, in the statement of cash flows. WPHD adopted the requirements of the ASU as of January 1, 2019, using a retrospective transition method.

In addition, on June 21, 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions (that is, revenue from contracts with customers) or contributions. The ASU also assists entities in determining whether a contribution is conditional. WPHD adopted the requirements of the ASU as of January 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of January 1, 2019 or entered into after that date. As a result, most government grants accounted for as exchange transactions under previous guidance are now accounted for as conditional contributions.

**Date of Management's Review**

Management has evaluated subsequent events through September 17, 2020, the date which the financial statements were available to be issued.

NOTE 2—CONSTRUCTION IN PROGRESS

At December 31, 2019, WPHD determined that the carrying value of various affordable housing projects being constructed exceeded their fair value computed using 95% of the current value of similar-sized homes on the same street or in the same neighborhood. Accordingly, WPHD concluded that an impairment loss was probable on five of the nine projects and recognized a loss of \$66,736 for the year ended December 31, 2019.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 3—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Rental properties	\$ 927,134
Building	4,298,650
Land and improvements	1,239,048
Furniture and fixtures	<u>124,873</u>
Property and equipment	6,589,705
Less accumulated depreciation	<u>2,150,997</u>
Property and equipment, net	<u>\$ 4,438,708</u>

The rental properties and construction in progress are pledged as collateral on the related construction loans payable to Forward Community Investments.

NOTE 4—RELATED PARTY TRANSACTIONS

WPHD partners with Commonwealth Holdings, LLC on several affordable housing projects. In conjunction with this partnership, four members of Commonwealth Holdings, LLC were admitted to WPHD's board of directors. Commonwealth Holdings, LLC contributed \$20,000 to WPHD and paid WPHD \$120,000 of developer fees during the year ended December 31, 2019.

At December 31, 2019, notes were receivable totaling \$2,750,669 from The Edge Artist Flats, LLC, Barton Schools, LLC, Friar House Flats, LLC, and Muskego School Apartments, LLC. The notes receivable bear interest at rates between 0 and 6.5% and mature between 15 and 31 years after completion of the project. Repayment on these notes begins upon the close of the first fiscal year after completion of the projects.

NOTE 5—OPERATING LEASES

WPHD leases facilities for operation of its programs. Rental expenses were \$21,979 for the year ended December 31, 2019.

NOTE 6—NOTES RECEIVABLE

WPHD began acquiring, rehabilitating, and reselling foreclosed homes under the Neighborhood Stabilization Program (NSP) during the year ended December 31, 2009. When homes are sold to qualified households a portion of the NSP funds are passed on to the household as down payment assistance that is forgiven over five or more years. At December 31, 2019, notes receivable from various homeowners totaled \$126,999. During the year ended December 31, 2019, \$3,900 of these notes were forgiven.

WPHD began providing down payment assistance notes to qualified households through Wisconsin's Housing Cost Reduction Initiative (HCRI) program during the year ended December 31, 2013. Notes are forgiven over a five-year period. At December 31, 2019, notes receivable from various homeowners totaled \$3,000. During the year ended December 31, 2019, \$2,452 of the notes were forgiven.



**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2019

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NOTE 7—NOTES PAYABLE

WPHD's obligation under notes payable consists of the following:

Note payable to Associated Bank, payable in monthly installments of \$10,989, including interest at 7.81%, due May 1, 2020. Note was subsequently refinanced with a different lender on May 1, 2020	\$ 1,154,767
Subordinated Home loan payable, CASCW; annual payments equal to the lesser of an agreed upon amount or surplus cash as defined in the mortgage note beginning May 1, 2008; interest at 5.85%, compounded annually, unpaid amounts added to principal balance; due May 1, 2037; collateralized by a second mortgage on the rental property; principal balance was \$656,100 as of December 31, 2019; interest of \$94,045 added to principal as of December 31, 2019.	1,701,662
Subordinated CDBG loan payable in the amount of \$265,000, CASCW; no debt service due until maturity; interest at .5% compounded annually, unpaid amounts added to principal balance; due May 7, 2042; nonrecourse and collateralized by a third mortgage on the rental property; interest of \$1,439 was added to principal as of December 31, 2019.	289,288
Note payable to BMO Harris Bank with 5.55% interest. Monthly principal and interest payments are due until the final due date of June 12, 2022 at which time the outstanding principal balance is due in full. The note is secured by land located at 4809 Freese Lane.	106,416
Note payable to BMO Harris Bank with 5.55% interest. Monthly principal and interest payments are due until the final due date of June 12, 2022 at which time the outstanding principal balance is due in full. The note is secured by all business assets.	63,249
Note payable to BMO Harris Bank with 5.55% interest. Monthly principal and interest payments are due until the final due date of June 12, 2022 at which time the outstanding principal balance is due in full. The note is secured by all business assets.	29,721
\$30,000 line of credit with 6% interest. Monthly principal and interest and principal payments are due until the final due date of September 30, 2020 at which time the outstanding principal balance is due in full. The note is secured by all business assets.	2,601
Notes payable	3,347,704
Less unamortized debt issuance costs	33,658
Less current portion	37,452
Notes payable less current portion	<u>\$ 3,276,594</u>

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 7—NOTES PAYABLE (continued)

The Associated Bank and CACSW notes were refinanced in May 2020. The interest on the CACSW note was forgiven and repayment is subject to a surplus cash calculation annually. The Associated Bank note was refinanced with Impact Seven in the amount of \$1,475,000 with monthly payments of \$7,256 including interest at 4.25%, due on May 1, 2030. The future scheduled maturities of notes payable at the current terms are as follows:

2020		\$ 20,596
2021		32,085
2022		210,443
2023		26,789
2024		27,798
Thereafter		<u>2,302,063</u>
		<u><u>\$ 2,619,774</u></u>

NOTE 8—DEFERRED LOANS

WPHD receives various government subsidies in the form of deferred payment 0% interest loans. The loans are forgiven pro-rata over the period of affordability as long as the property is used in accordance with the grant agreements. If the underlying property is sold, WPHD is required to repay the balance due on the loan or 100% of net proceeds from the sale, whichever is less. If there are no net proceeds from the sale the loan is forgiven.

Deferred loans consist of the following:

Property Description		
City of Madison - 4809 Freese Lane	\$	173,378
City of Madison - 437 S Main		44,698
City of Janesville - 615 Van Buren		34,525
City of Janesville - 214 Franklin		41,422
City of Janesville - 159 Cherry		92,749
City of Janesville - 312 Linn Street		91,532
City of Janesville - 121 N Washington		2,400
City of Beloit - 335 Highland		917
North Dakota Housing Trust Fund		1,300,919
BMO Friar Flats AHP loan		510,000

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2019

NOTE 8—DEFERRED LOANS (continued)

BMO Barton School AHP loan	510,000
Waukesha Consortium - Muskego School loan	330,000
City of Milwaukee - 217 15th Avenue	134,443
City of Milwaukee - 516 Menominee	122,588
City of Milwaukee - 1122 Marshall	61,984
Total deferred loans	\$ 3,451,555

NOTE 9—CONSTRUCTION LOANS PAYABLE

WPHD's obligation under construction loans payable consists of the following:

Note payable to Forward Community Investments with interest at 5.75%. Monthly principal and interest payments are due until the final due date of February 18, 2022, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on two properties.	\$ 155,579
Note payable to Forward Community Investments with interest at 5.5%. Monthly principal and interest payments are due until the final due date of March 27, 2022, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property.	96,852
Note payable to Forward Community Investments with interest at 6%. Monthly principal and interest payments are due until the final due date of November 23, 2020, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property.	127,325
Note payable to Forward Community Investments with interest at 5.5%. Monthly principal and interest payments are due until the final due date of April 18, 2020, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property.	66,754
Note payable to Forward Community Investments with interest at 6%. Monthly principal and interest payments are due until the final due date of November 23, 2020, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property.	57,807

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2019

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NOTE 9—CONSTRUCTION LOANS PAYABLE (continued)

Note payable to Forward Community Investments with interest at 5%. Monthly principal and interest payments are due until the final due date of December 8, 2021, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property. 66,739

Note payable to Forward Community Investments with interest at 6%. Monthly principal and interest payments are due until the final due date of June 13, 2021, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property. 1,944

Note payable to Forward Community Investments with interest at 6%. Monthly principal and interest payments are due until the final due date of June 13, 2021, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property. 1,644

Note payable to Forward Community Investments with interest at 5.75%. Monthly principal and interest payments are due until the final due date of April 27, 2022, at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property. 153,767

Note payable to Forward Community Investments with interest at 5.25%. Monthly principal and interest payments are due until December 15, 2021 at which time the outstanding principal balance is due in full. The note is secured by a mortgage on one property. 71,550

Construction loans	799,961
Less current portion	<u>267,878</u>

Construction loans payable less current portion \$ 532,083

The future scheduled maturities of construction loans are as follows:

2020	\$ 267,878
2021	89,498
2022	<u>174,707</u>
	<u><u>\$ 532,083</u></u>

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 December 31, 2019

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NOTE 10—NET ASSETS

Net assets with donor restrictions are restricted for the following purposes:

Neighborhood Stabilization Program	\$ 163,132
Property restricted for affordable housing	225,780
Home Investment Partnership	207,804
Healthy Homes and Lead Hazard Control	67,070
Wisconsin HCRI Program	15,420
City of Stoughton affordable housing	10,873
Janesville CDBG	<u>12,215</u>
Net assets with donor restrictions	<u>\$ 702,294</u>

NOTE 11—COMMITMENTS AND CONTINGENCIES

**Property Management Agreement**

Uplands Homes, LLC entered into a property management agreement with Affiliated Capital Corporation that requires a management fee equal to 7% of gross receipts, payable on a monthly basis. Management fees incurred under these agreements for 2019 totaled \$30,593.

**Escrows and Reserves**

Associated Bank requires Uplands Homes, LLC to make monthly escrow payments to accumulate reserves for real estate taxes.

Uplands Homes, LLC is required by the operating agreement to deposit \$250 per unit per year into a replacement reserve account commencing with the placed in-service date for each unit. The deposit requirement increases annually by 4%. During 2019, the Company made the 12 required monthly deposits for the current year. Withdrawals are restricted to fund major repairs, capital expenditures, and replacement of capital items. Approval of the investor member must be obtained for any withdrawal over \$5,000.

The operating agreement also requires the Company to deposit \$81,000 into an operating reserve account upon receipt of the investor member's fourth installment of a capital contribution. The Company is required to maintain this balance throughout the term of the Company, as defined in the operating agreement. Withdrawals from the operating reserve are permitted with the approval of the investor member. There were no withdrawals made from the operating reserve in 2019.

**Land Use Restriction Agreements**

Uplands Homes, LLC entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, the Company must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units that shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the Company fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits, and the members may be subject to recapture of tax credits.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2019

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NOTE 11—COMMITMENTS AND CONTINGENCIES (continued)

In connection with the HOME loan described in Note 7, Uplands Homes, LLC has entered into a Land Use Restriction Agreement with the Wisconsin Department of Administration regarding the project's 11 HOME units. The HOME contract specifies that one unit will be occupied by a household with income at or below 30% of the published County Median Income (CMI) and the remaining 10 HOME units will be occupied by households with income at or below 50% of CMI. The rent for the 30% CMI unit cannot exceed the lesser of 50% of the HUD published 65% rent limit or the fair market rent. The rent for the 50% CMI units cannot exceed the lesser of the HUD published low rent or the fair market rent.

NOTE 12—CASH FLOW INFORMATION

Supplemental cash flow information for the year ended December 31, 2019 is as follows:

Noncash investing and financing transactions	
Construction in progress sold and repaid	
construction loans payable	\$ 556,545
Construction in progress acquired with loans	920,048
Deferred loan passed through as related party	
notes receivable	2,001,463
Donated property	79,280
Cash paid for interest	1,089

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts shown in the consolidated statement of cash flows:

Cash	\$ 246,003
Restricted deposits and funded reserves	<u>235,093</u>
Total cash and restricted cash shown in the consolidated statement of cash flows	<u>\$ 481,096</u>

NOTE 13—EMPLOYEE RETIREMENT PLAN

WPHD sponsors a defined contribution plan covering all employees with at least six months of service. WPHD made a contribution to the plan equal to 3% of all participants' compensation each year for the year ended December 31, 2019. Employer contributions for the year ended December 31, 2019 totaled \$7,893.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019

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NOTE 14—LIQUIDITY AND AVAILABILITY

The following table reflects WPHD's financial assets as of December 31, 2019, reduced by amounts not available to meet cash needs for general expenditures within one year of the date of the consolidated statement of financial position because of donor-imposed restrictions:

Financial assets at end of year	
Cash	\$ 246,003
Grants receivable	90,215
Accounts receivable	<u>40,179</u>
Total financial assets at end of year	376,397
Less amounts not available for general expenditures within one year, due to:	
Donor imposed purpose restrictions	<u>(48,553)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 327,844</u></u>

WPHD strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested certificates of deposit, money market funds, and other short-term investments. In the event of an unanticipated liquidity need, WPHD also could draw upon a \$30,000 line of credit.

NOTE 15—SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 17, 2020, the date which the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could impact operating results. The related financial impact and duration cannot be reasonably estimated at this time.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
December 31, 2019

<b>ASSETS</b>	<u>WPHD</u>	<u>Neighborhood Builders, LLC</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 212,972	\$ 33,031
Grants receivable	90,215	-
Accounts receivable	37,283	2,996
Prepaid expenses	2,188	1,978
Total current assets	<u>342,658</u>	<u>38,005</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Tenants' security deposits	-	40,134
Replacement reserve	-	117,145
Operating reserve	-	77,814
Total restricted deposits and funded reserves	<u>-</u>	<u>235,093</u>
<b>LONG-TERM ASSETS</b>		
Investment	500	-
Investment in Neighborhood Builders, LLC	200,100	200,000
Construction in progress	1,105,664	-
Notes receivable, net	129,999	-
Related party notes receivable	2,906,004	-
Property and equipment, net	990,984	3,447,724
Total long-term assets	<u>5,333,251</u>	<u>3,647,724</u>
<b>Total assets</b>	<u>\$ 5,675,909</u>	<u>\$ 3,920,822</u>
<b>LIABILITIES AND NET ASSETS AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 177,437	\$ 28,457
Security deposits	8,450	36,365
Due to AHFE conference	29,151	-
Notes payable, current portion	9,700	27,752
Construction loans payable, current portion	267,878	-
Total current liabilities	<u>492,616</u>	<u>92,574</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable less current portion	192,286	3,239,643
Construction loans payable less current portion	532,083	-
Deferred loans	3,451,555	-
Total long-term liabilities	<u>4,175,924</u>	<u>3,239,643</u>
Total liabilities	4,668,540	3,332,217
<b>NET ASSETS AND MEMBERS' EQUITY</b>		
Without donor restrictions	305,075	-
With donor restrictions	702,294	-
Members' equity	-	588,605
Total net assets and members' equity	<u>1,007,369</u>	<u>588,605</u>
<b>Total liabilities and net assets and members' equity</b>	<u>\$ 5,675,909</u>	<u>\$ 3,920,822</u>



Totals Before Eliminations	Eliminations	Consolidated Totals
\$ 246,003	\$ -	\$ 246,003
90,215	-	90,215
40,279	(100)	40,179
4,166	-	4,166
<u>380,663</u>	<u>(100)</u>	<u>380,563</u>
40,134	-	40,134
117,145	-	117,145
77,814	-	77,814
<u>235,093</u>	<u>-</u>	<u>235,093</u>
500	-	500
400,100	(400,100)	-
1,105,664	-	1,105,664
129,999	-	129,999
2,906,004	(155,335)	2,750,669
4,438,708	-	4,438,708
<u>8,980,975</u>	<u>(555,435)</u>	<u>8,425,540</u>
<u>\$ 9,596,731</u>	<u>\$ (555,535)</u>	<u>\$ 9,041,196</u>
\$ 205,894	\$ -	\$ 205,894
44,815	-	44,815
29,151	-	29,151
37,452	-	37,452
267,878	-	267,878
<u>585,190</u>	<u>-</u>	<u>585,190</u>
3,431,929	(155,335)	3,276,594
532,083	-	532,083
3,451,555	-	3,451,555
<u>7,415,567</u>	<u>(155,335)</u>	<u>7,260,232</u>
8,000,757	(155,335)	7,845,422
305,075	(100)	304,975
702,294	-	702,294
588,605	(400,100)	188,505
<u>1,595,974</u>	<u>(400,200)</u>	<u>1,195,774</u>
<u>\$ 9,596,731</u>	<u>\$ (555,535)</u>	<u>\$ 9,041,196</u>

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
Year Ended December 31, 2019

	WPHD	Neighborhood Builders, LLC
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
SUPPORT AND REVENUE		
Grants	\$ 1,016,156	\$ -
Housing sales	702,900	-
Consulting programs	198,826	-
Loan forgiveness	305,576	-
Rental income	107,495	441,480
AHFE conference (less direct expenses of \$41,541)	382	-
Interest income	8,869	1,757
Miscellaneous income	1,036	(83)
Forgiveness of related party management fee	-	398,158
Excess of assets acquired over liabilities assumed in the donation of Uplands Homes, LLC	-	204,701
Total support and revenue without donor restrictions	2,341,240	1,046,013
EXPENSES AND LOSSES		
Cost of properties sold	819,683	-
Development costs	696,802	-
Personnel	266,175	46,536
Rental expenses	77,273	-
Occupancy	21,979	17,219
Repairs and maintenance	-	139,750
Professional fees	46,525	49,947
Contract administration	13,146	-
Loan forgiveness	7,346	-
Depreciation	21,024	120,391
Office expenses	11,326	-
Travel	13,831	-
Taxes and insurance	15,291	84,041
Interest	1,089	199,624
Total expenses	2,011,490	657,508
Impairment	66,736	-
Total expenses and losses	2,078,226	657,508
NET ASSETS RELEASED FROM DONOR RESTRICTIONS		
Satisfaction of purpose restrictions	18,479	-
Change in net assets without donor restrictions	281,493	388,505
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	94,280	-
Net assets released from restrictions	(18,479)	-
Change in net assets with donor restrictions	75,801	-
<b>Change in net assets</b>	357,294	388,505
Net assets and members' equity at beginning of year	650,075	200,100
<b>Net assets and members' equity at end of year</b>	<b>\$ 1,007,369</b>	<b>\$ 588,605</b>

Totals Before Eliminations	Eliminations	Consolidated Totals
\$ 1,016,156	\$ -	\$ 1,016,156
702,900	-	702,900
198,826	(7,990)	190,836
305,576	-	305,576
548,975	-	548,975
382	-	382
10,626	-	10,626
953	-	953
398,158	(398,158)	-
204,701	-	204,701
3,387,253	(406,148)	2,981,105
819,683	-	819,683
696,802	-	696,802
312,711	-	312,711
77,273	-	77,273
39,198	-	39,198
139,750	-	139,750
96,472	(7,990)	88,482
13,146	-	13,146
7,346	-	7,346
141,415	-	141,415
11,326	-	11,326
13,831	-	13,831
99,332	-	99,332
200,713	-	200,713
2,668,998	(7,990)	2,661,008
66,736	-	66,736
2,735,734	(7,990)	2,727,744
18,479	-	18,479
669,998	(398,158)	271,840
94,280	-	94,280
(18,479)	-	(18,479)
75,801	-	75,801
745,799	(398,158)	347,641
850,175	(2,042)	848,133
\$ 1,595,974	\$ (400,200)	\$ 1,195,774

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>CDBG - Entitlement Grants Cluster</b>				
Department of Housing and Urban Development				
Waukesha County Division of Community Development— Community Development Block Grants/Entitlement Grants				
	14.218	HS16049 HS17052 HS18047	\$ -	\$ 190,116
<b>Other Programs</b>				
Department of Housing and Urban Development				
City of Janesville Neighborhood and Community Services—Home Investment Partnerships Program Deferred Payment Loans				
	14.239		-	621,629
City of Beloit Community and Housing Services—Home Investment Partnerships Program Deferred Payment Loans				
	14.239	M15DC550211	-	917
City of Madison Community Development Division—Home Investment Partnerships Program Deferred Payment Loans				
	14.239	BL009-HUDHOM15 BL010-HUDHOM15 BL001-HUDHOM98	-	50,610
City of Milwaukee Department of City Development—Home Investment Partnerships Program Deferred Payment Loans				
	14.239		-	333,014
Dane County Office of Economic and Workforce Development— Home Investment Partnerships Program Deferred Payment Loans				
	14.239		-	241,881
Rock County Planning & Development Division— Home Investment Partnerships Program				
	14.239		-	75,279
Waukesha County Division of Community Development— Home Investment Partnerships Program				
	14.239	HM17055 HM18049	-	627,068
Total 14.239			-	1,950,398
North Dakota Housing Finance Agency—Housing Trust Fund Deferred Payment Loan				
	14.275	HTF-17-05	1,300,919	1,300,919
<b>Total expenditures of federal awards</b>			<b>\$ 1,300,919</b>	<b>\$ 3,441,433</b>

See accompanying notes to schedule of expenditures of federal awards.

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2019

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**NOTE 1—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of The Wisconsin Partnership for Housing Development, Inc. under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Wisconsin Partnership for Housing Development, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Wisconsin Partnership for Housing Development, Inc.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3—INDIRECT COST RATE**

The Wisconsin Partnership for Housing Development, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4—LOANS OUTSTANDING**

The Wisconsin Partnership for Housing Development, Inc. has received deferred loans from the federal loan programs listed below. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of the loans outstanding at December 31, 2019 consist of:

CFDA Number	Program Name	Outstanding Balance at December 31, 2019
14.239	Home Investment Partnerships Program	\$ 782,258
14.275	Housing Trust Fund	1,300,919
		<u>\$ 2,083,177</u>

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2019

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Finding 2018-001

Condition: This finding was a significant deficiency noting that misstatements were identified during our audit relating to receivables, payables, deferred loans, impairment of construction in progress, loan forgiveness and classification and identification of federal grant funding.

Recommendation: The auditor recommended that controls be implemented to ensure accounting for federal grant funding including non-cash transactions are recorded accurately and that the executive director and the outsourced accountant meet and discuss the necessary accounting for all property purchases, sales, and project closing. The auditor also recommended that data that is relevant to financial and compliance reporting be summarized and reconciled when completing the reporting requirements, and that controls be implemented to review and reconcile all reporting to third parties for completeness and accuracy prior to submission.

Current Status: WPHD implemented controls during 2019 to adequately correct this finding.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
The Wisconsin Partnership for Housing Development, Inc.  
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Wisconsin Partnership for Housing Development, Inc., which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Wisconsin Partnership for Housing Development, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Wisconsin Partnership for Housing Development, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Wisconsin Partnership for Housing Development, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

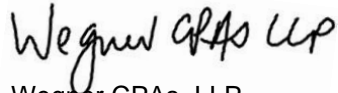
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Wisconsin Partnership for Housing Development, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP  
Madison, Wisconsin  
September 17, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
The Wisconsin Partnership for Housing Development, Inc.  
Madison, Wisconsin

**Report on Compliance for Major Federal Program**

We have audited The Wisconsin Partnership for Housing Development, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on The Wisconsin Partnership for Housing Development, Inc.'s major federal program for the year ended December 31, 2019. The Wisconsin Partnership for Housing Development, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for The Wisconsin Partnership for Housing Development, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Wisconsin Partnership for Housing Development, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of The Wisconsin Partnership for Housing Development, Inc.'s compliance.

***Opinion on Major Federal Program***

In our opinion, The Wisconsin Partnership for Housing Development, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

**Report on Internal Control over Compliance**

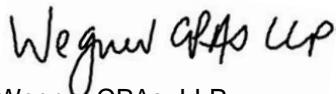
Management of The Wisconsin Partnership for Housing Development, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements

referred to above. In planning and performing our audit of compliance, we considered The Wisconsin Partnership for Housing Development, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Wisconsin Partnership for Housing Development, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Wegner CPAs, LLP  
Madison, Wisconsin  
September 17, 2020

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended December 31, 2019

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**Section I—Summary of Auditor's Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.239	Home Investment Partnerships Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

**Section II—Financial Statement Findings**

No matters were reported.

**Section III—Federal Award Findings and Questioned Costs**

No matters were reported

**THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.**  
**CITY OF MADISON COMMUNITY DEVELOPMENT DIVISION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2019**

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1. Single Audit required? Dollar threshold used to distinguish between type A and type B programs	Yes \$ 750,000
2. Type of auditor's report issued.	Unmodified
3. Internal control over financial reporting - Were material weakness(s) identified? Were reportable condition(s) identified not considered to be material weaknesses? Was noncompliance material to the financial statements noted?	No No No
4. Internal control over major federal programs - Were material weakness(s) identified? Were reportable condition(s) identified not considered to be material weaknesses?	No No
5. Was the indirect cost allocation plan reasonable and acceptable?	Yes
6. Were the actual costs reasonable and allocated appropriately?	Yes
7. Were the costs allocated to the CD office contracts based on costs incurred, and are they supported by records and documents?	Yes
8. Were any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
9. Does the audit include an identification of all federal revenue sources and dollar amounts by program?	Yes
10. Does the audit list any financial statement findings?	No
11. Does the audit list any federal and state award findings and questioned costs?	No
12. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No
13. Does the audit report identify any additional audit issues related to the Agency's CD Division grants/contracts?	No
14. Does the audit include the schedule of revenues and expenditures by program and revenue source?	No
15. Does the audit include the schedule of CD Division funds expended by program?	No
16. Does the audit include the schedule or real property assets and the debt recorded against each property?	No

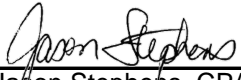
CITY OF MADISON COMMUNITY DEVELOPMENT DIVISION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended December 31, 2019

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17. Was a management letter or other document conveying audit comments issued as a result of this audit?

No

Signature of Partner in Charge  
Name of Partner in Charge  
Date of report

  
\_\_\_\_\_  
Jason Stephens, CPA  
September 17, 2020



## Creating Homes. Building Opportunity.

Wisconsin Partnership for Housing Development, Inc. (WPHD) is a private nonprofit corporation working to expand affordable housing through housing development, consulting, program administration, and advocacy. Since our founding in 1985, we have partnered with the public, nonprofit and private sectors in efforts to build and sustain strong neighborhoods and communities.

### Single-Family Homeownership

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- Single-family rehab and new construction in Rock County, Dane County, and Milwaukee County, sold to low-to-moderate income families.
- Construction sites are used to provide training opportunities for at-risk youth.

### Affordable Rental

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- Secured funding and approvals in 2019 for a multi-unit new construction building in Stoughton, WI, with rent-controlled units targeted for homeless families in the local school district.
- WPHD owns and manages 5 duplexes/10 units in Janesville that are rent-controlled and occupied by low-income tenants.
- WPHD developed and owns a 40-unit affordable rental development in Sun Prairie with homes, townhomes, and duplexes scattered within a larger neighborhood.
- Partnered with Commonwealth Development Corporation to develop affordable rental housing throughout the state utilizing low-income housing tax credits, including developments in Green Bay, Muskego, West Bend, and Janesville.

### Program Administration

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#### Homeowner Rehab Programs:

- WPHD administers HOME and CDBG programs for Rock County that provide rehab loans to homeowners. This allows the elderly to stay in their homes longer, improves neighborhoods, and results in healthy homes, free from lead paint and code violations that create unsafe conditions.

#### Down Payment Assistance Programs:

- Rock County Down Payment Assistance, providing zero-interest loans of up to \$8,000.
- Home Start Program, funded by Realtor's Association of South Central Wisconsin Housing Foundation, providing low-interest loans of up to \$4,000.

### Advocacy

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- Founding member of Wisconsin Collaborative for Affordable housing, involvement in A Home for Everyone Conference for 25+ years, full administration of AHFE Conference since 2016.
- Dane County Homebuyers Round Table / Housing Initiative Conference Committee.
- National Low Income Housing Coalition, State member, representing Wisconsin.



WISCONSIN  
**PARTNERSHIP  
FOR HOUSING  
DEVELOPMENT**

2045 Atwood Avenue  
Madison, WI 53704  
P (608) 258-5560 F (608) 258-5565  
[www.wphd.org](http://www.wphd.org)

## Nicole Solheim

Executive Director

### Overview

Nicole serves as Executive Director for WPHD. She manages WPHD's overall operations, including program administration, real estate development and property management, housing advocacy, and community engagement.

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### Development

- Oversees program administration for Down Payment Assistance programs, homeowner rehab projects, and development activities
  - Completes relevant program reporting, including HOME/CDBG reporting, and ensures program compliance
  - Reviews and approves contractor payments and progress updates
  - Responsible for financing rental properties and single family housing and development work in Janesville, Madison, Stoughton and Milwaukee
  - Initiates new development and administration opportunities throughout the state
  - Establishes partnerships with communities, developers, and other nonprofit agencies to pursue and achieve affordable housing projects
- 

### Education

B.B.A. Real Estate & Urban Economics  
M.S. Urban & Regional Planning  
University of Wisconsin - Madison

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### Community Participation

Vice President, Rodney Scheel House Board of Directors  
City of Madison Plan Commission member  
Dane County Housing Initiative Committee member  
WI Collaborative for Affordable Housing Committee member

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### Previous Experience

Prior joining WPHD, Nicole served as Director of Development for a national affordable housing firm, focused on the development of multi-family and scattered-site affordable housing. She also worked for a commercial real estate development firm and for an economic development nonprofit organization in Madison, Wisconsin. Nicole has a passion for affordable housing, neighborhood reinvestment, and pursuing community partnerships.

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WISCONSIN  
**PARTNERSHIP  
FOR HOUSING  
DEVELOPMENT**

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Madison, WI 53704  
P (608) 258-5560 F (608) 258-5565  
[www.wphd.org](http://www.wphd.org)

## Heather Boggs

Program Manager

### Overview

Heather joined the Partnership in 2009, and she handled the day-to-day operation of the Downpayment Plus Program for several years while WPHD served as the program administrator. She currently works with clients in Rock County to determine eligibility for home rehabilitation and down payment assistance programs, administers the Home Start down payment assistance program for the RASCW Housing Foundation, and serves as property manager for WPHD-owned rental units located in Janesville.

### Development

- Manage Part 5 income compliance, underwriting, and closing documentation for single-family development properties.

### Program Management

- Managed the day-to-day operation of Federal Home Loan Bank of Chicago's Downpayment Plus and DPP Advantage programs from 2009-2015.
- Manages application eligibility review, underwriting, and loan closings for Rock County Rehab, Rock County Down Payment Assistance, and RASCW Housing Foundation Home Start Down Payment Assistance.
- Manages WPHD's rental program for 10 duplexes located in Janesville, WI.

### Certifications and Trainings

In Person Trainings:

- Determining Income & Allowances, Dennison Associates, Madison, WI – 2012
- Wisconsin Tenant-Landlord Laws, Madison, WI – 2014
- Fair Housing Law, Madison, WI – 2016 and 2018

Notary Public

### Previous Experience

Before joining WPHD, Heather worked in nonprofit auditing, fundraising and event planning. She also has experience in personal financing and insurance.

### Education

B.A., Political Science  
University of Iowa





WISCONSIN  
**PARTNERSHIP  
FOR HOUSING  
DEVELOPMENT**

2045 Atwood Avenue  
Madison, WI 53704  
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## Tyler Goedtke

Construction Manager

**Overview** Tyler joined WPHD as Construction Manager in 2018. He manages WPHD's day-to-day construction activities, including operation of HOME and CDBG homeowner rehab programs, and management of single-family HOME development projects.

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**Development**

- Develops project scope of work for homeowner rehab projects
- Communicates project scope and schedule with homeowners
- Engages with contractors to complete homeowner projects
- Evaluates contractor qualifications, licenses, and certifications
- Completes regular inspections of homeowner rehab and development projects to ensure quality and timeliness
- Oversees single family housing development work in Janesville, Madison, and Stoughton and Milwaukee
- Manages maintenance and repairs at WPHD rental properties

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**Education** B.S. Construction Management  
South Dakota State University  
Brookings, South Dakota

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**Certifications and Trainings** Housing Quality Standards (HQS) Certification  
Healthy Homes practitioner  
OSHA 30 Hour Safety Certification  
CDBG Implementation Training

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**Previous Experience** Before joining WPHD, Project Manager II at the Southwest Minnesota Housing Partnership overseeing HOME, CDBG, and Lead Hazard grant programs.

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## WPHD Board of Directors, 2020

Board Member Name	Position	Term Ends	Work Affiliation	Work Address	Home Address	Public Employee	Appointed by Government Entity	Lives in Low income Census Tract
Marissa Downs	Chair	Dec-20	Development Consultant	3912 N Lightning Dr Appleton, WI 54913 Phone: (920)602-6679 <a href="mailto:marissadowns@gmail.com">marissadowns@gmail.com</a>	2520 E. Apple Hill Blvd Appleton, WI 54913	No	Yes	No
Bill Wigchers	Vice Chair Chair, Development Committee	Dec-21	Homes by Towne	COO, Homes by Towne 710 N. Plankinton Milwaukee, WI 53203 Phone: 414-274-2486 <a href="mailto:Bill.Wigchers@zilber.com">Bill.Wigchers@zilber.com</a>	6140 Preston Lane New Berlin, WI 53151	No	No	No
Mike Waters	Treasurer/Secretary Chair, Finance Committee	Dec-21	Settlers Bank	4321 W. College Avenue Appleton, WI 54914 Phone: 920.939.6760 <a href="mailto:mwaters@settlerswi.com">mwaters@settlerswi.com</a>	N1117 Barnwood Ct Greenville, WI 54942	No	No	No
Hal Bergan	Member	Dec-21	Consultant	714 Parman Terrace Madison, WI 53711 Phone: 608-238-4848 <a href="mailto:Bergan@chorus.net">Bergan@chorus.net</a>	714 Parman Terrace Madison, WI 53711 Phone: 608-238-4848	No	No	No
Todd Mandel	Member	Dec-21	Consultant	225 15th Street South La Crosse, WI 54601 <a href="mailto:todd@mightycommunities.com">todd@mightycommunities.com</a>	225 15th Street South La Crosse, WI 54601	No	No	Yes Census Tract 8
Carla Cross	Member	Dec-20	Cross Management	Cross Management Services 315 Court Street #200 Milwaukee, WI 53212 Phone: 414-449-4920 X 107 <a href="mailto:ccross@cross-management.com">ccross@cross-management.com</a>	1814 N Vel R Phillips Ave Milwaukee, WI 53212	No	No	Yes Census Tract 1860
Gina Stilp	Member	Dec-20	Zilber Foundation	Zilber Foundation 710 Plankinton Avenue Milwaukee, WI 53208 Phone: 414-274-2447 <a href="mailto:gstilp@gmail.com">gstilp@gmail.com</a>	2565 N Humboldt Blvd Milwaukee, WI 53212	No	No	Yes Census Tract 79
Kate Sullivan	Member	Dec-20	Impact Seven, Inc.	Impact Seven, Inc. 2961 Decker Drive Rice Lake, WI 54868 Phone: (608)575-4178 <a href="mailto:kate.sullivan@impactseven.org">kate.sullivan@impactseven.org</a>	2702 Sommers Ave., #1 Madison, WI 53704	No	No	Yes Census Tract 20
David Ritchay	Member	Dec-21	The Commonwealth Companies	The Commonwealth Companies 24 S. Brook Street Fond du Lac, WI 54935 Phone: (502)919-0263 <a href="mailto:d.ritchay@commonwealthco.net">d.ritchay@commonwealthco.net</a>	505 Rolling Lane Louisville, KY 40207	No	No	No
Kristi Morgan	Member	Dec-20	The Commonwealth Companies	The Commonwealth Companies 7447 University Avenue, Suite 210 Middleton, WI 53562 Phone: 608-824-2292 <a href="mailto:morgan@mirupartners.com">morgan@mirupartners.com</a>	1718 Hidden Hill Drive Verona, WI 53593	No	No	No

**Board Member Combined Certification for  
Community Housing Development Organization Status**

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**Public Official Certification**

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\_\_\_\_\_  
Signature

11/17/20  
Date

Bill Wigchers  
\_\_\_\_\_  
Printed Name

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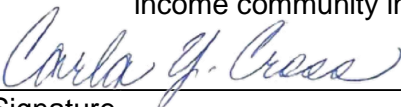
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\_\_\_\_\_  
Signature

11/12/2020  
\_\_\_\_\_  
Date

Carla Cross  
\_\_\_\_\_  
Printed Name

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

David Ritchay

\_\_\_\_\_  
Printed Name



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Hal Bergan  
Signature \_\_\_\_\_

11-16-2020  
Date \_\_\_\_\_

HAL BERGAN  
Printed Name \_\_\_\_\_

**Board Member Combined Certification for  
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\_\_\_\_\_  
Signature

Kristi Morgan  
\_\_\_\_\_  
Printed Name

11/12/2020  
\_\_\_\_\_  
Date

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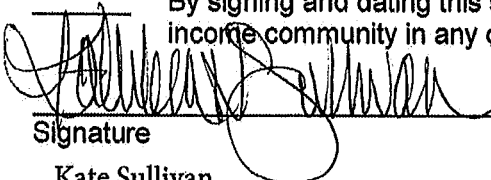
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\_\_\_\_\_  
Signature  
Kate Sullivan

11/12/2020  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name



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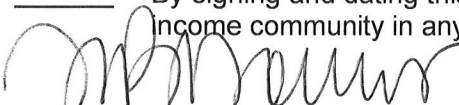
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\_\_\_\_\_  
Signature

  11/12/20    
Date

Marissa Downs  
\_\_\_\_\_  
Printed Name

**Board Member Combined Certification for  
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\_\_\_\_\_  
Signature

11/14/20  
\_\_\_\_\_  
Date

Mike Waters  
\_\_\_\_\_  
Printed Name

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Todd Mandel  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Printed Name

11/12/2020  
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Date

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\_\_\_\_\_  
Signature

11/17/2020  
\_\_\_\_\_  
Date

Gina Stilp  
\_\_\_\_\_  
Printed Name



# Wisconsin Partnership for Housing Development Oak Glen Single Family Affordable Homeownership

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Response Submission Due Date: January 6, 2021 NOON

## **Instructions to Applicants:**

Please respond ***briefly and succinctly*** to the questions below in-line, unless otherwise specified (e.g. additional documentation requested). Maximum 1/3 a page per question. Please use this Word document to record your answers and return this completed document to [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com). Please cc: [etabakin@cityofmadison.com](mailto: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. Please provide an update on the discussions WPHD has had with Planning Division staff regarding subdivision of the land and the status of land use approvals. What are the options and any issues identified by Planning Division staff on how to proceed with subdividing the land?

*WPHD's proposal includes single-family lots with access from Freese Court, which is a private drive developed with the first phase of Oak Glen condos. Subsequent to our DAT meeting, Zoning and Planning staff followed up to confirm that existing zoning does not allow single-family lots on non-public streets. Options moving forward include: 1) Develop remaining condominiums on parcel as originally planned, or 2) Request a zoning changed to Planned Development zoning, which could allow lots on the private drive with site specific zoning.*

*Option #1 is not desirable for a number of reasons, including financial feasibility - WPHD has been trying to develop the remaining condos since the recession. In addition, we are past the 10-year expansion period per WI condo law which allowed the development of the remaining condos. Future expansion of the condos would require an amendment to the existing Condominium Declaration (requiring approval of 2/3 of current owners and their lenders).*

*Option #2 for Planned Development zoning seems to be the best path forward, and WPHD will proceed as such if we receive an award recommendation and can engage a design team to prepare the zoning submittal package. A hybrid approach of these options could be to develop the homes as 'zero lot line' or detached condominium homes, whereby the homes are part of a condominium association that would take care of landscaping/snow removal, but the homeowner would still be responsible for all other home costs. This would address the zoning technicality of single-family lots on a non-public street, but would still require a zoning change for the homes and would also be more financially complicated for the initial construction loans as well as underwriting loans for the new buyer. Therefore, pursuing PD zoning for single-family lots is our preferred option.*

## **Social and Racial Equity**

1. Research has shown standard Affirmative Marketing practices appear to be ineffective in reaching prospective homebuyers from communities of color. Please elaborate on the approach that your organization will use beyond standard practices to affirmatively market and provide outreach to prospective Black, Asian, and/or Latinx homebuyers.

*Although WPHD does not directly provide homebuyer education and financial counseling, our organization has worked with a variety of counseling agencies, down payment providers, lenders, and realtors in the Madison area and throughout the state. If awarded funds for development, we will utilize these existing relationships as well as form new relationships with local organizations connected to the Black, Asian, and Latinx communities. This includes organizations receiving funding for counseling/assistance under this RFP, such as HRI, Movin' Out, and ULGM. Prior to this RFP response, WPHD had initial conversations with ULGM about connecting to their pipeline of interested buyers throughout their existing and expanding homeownership and financial counseling programs. This outreach is a priority for our organization and will begin immediately upon award of funds, during the predevelopment process, to allow time for potential buyers to work with housing counselors and lenders so they are prepared to purchase when the homes are available. Throughout this process, WPHD would provide updates to City staff on outreach to organizations, for review and any further feedback. We believe this is a unique opportunity to develop homes specifically for the purpose of reaching underrepresented buyers that are working with local agencies and counselors, rather than having those buyers compete in the general Madison market with sellers that are not a mission-focused nonprofit such as WPHD.*

## **Financing**

1. Please elaborate further on why WPHD does not want to collect a development fee for this proposal.

*During early conversations about the Oak Glen development and this proposal with CDD staff, it was discussed that an old HOME loan balance remains on the property from the prior development in the early 2000s, in the amount of approximately \$200,000. In acknowledgement of that balance, WPHD proposes to defer any developer fee and requests forgiveness of the existing HOME loan balance. Our typical developer fee would be up to \$12,000 per new construction home; instead, we would propose a small fee to cover time for construction oversight by our construction manager, if agreed to by CDD staff. We are certainly open to further discussion on this with staff. WPHD currently owns the property but an acquisition cost is included in the budget to account for the initial acquisition cost and to pay down existing debt on the property. An appraisal would be ordered to support the acquisition amount allocated to each lot.*

2. Based on the targeted sales price of \$230,000 per home, would a lower AMI target of 60% AMI or lower for qualified buyers be achievable?

*Although the market analysis indicated potential sales prices of \$285,000+ per home, the current sale limit per HOME requirements is \$268,000. We were more conservative with the estimated price in this analysis due to a fairly low amount of nearby sale comparables and the ultimate goal of providing affordable homes to historically underrepresented buyers. Project cost estimates were based on costs from the City's Mosaic Ridge homes, with an inflation factor – however, based on the DAT meeting and subsequent conversations with staff, we will incur some additional costs due to stormwater management regulations and new zoning/platting. However, we may be able to target some 60% AMI buyers if project costs are stable, other down payment loans can be layered in, and if the buyer meets CDD underwriting criteria for debt ratios, etc.*

3. Please confirm that you are taking net sales proceeds when selling to homebuyers and using those proceeds to provide mortgage reduction assistance to offset the buyers' first mortgage amounts.  
*That is correct – net sales proceeds remaining after loan payoff and closing costs will be transferred to the buyer as down payment assistance to lower the first mortgage amount and improve affordability.*