

CDD Financing Application for Affordable Housing Fund (AHF-TC)

This application form should be used for projects seeking City of Madison AHF-TC funds Request for Proposals #13059-2024. Please format for logical page breaks. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on August 1, 2024**. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Development Name: The Presley

Site Address: 3555 E. Washington Ave., Madison, WI 53704

Amount of Funds Requested: \$3,000,000 Type of Project: New Construction Acquisition/Rehab

Lead Applicant: PreservingUS, Inc.

Mailing Address: 8500 Shawnee Mission Parkway, L-21

Telephone: ~~913-671-8300~~ 913-671-3300

Admin Contact: Emily Robinson Email Address: erobinson@preservingus.org

Lead Project Contact: Brian Sweeney Email Address: bsweeney@cohenesrey.com

Financial Contact: Sonya Shifflett Email Address: sshifflett@cohenesrey.com

Website: Preservingus.org

Legal Status of Maj. Owner: For-profit Non-profit LIHTC Application: 4% only 4+4% 9%

Anticipated WHEDA Set-Aside: General Preservation Non-Profit Supportive Housing

Federal EIN: To be formed upon award SAM/ UEI #:* To be formed upon award
* If seeking federal funds

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file an Individual Developer Affirmative Action Plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <https://www.cityofmadison.com/civil-rights/contract-compliance/affirmative-action-plan/individual-developers>.

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** by registering with the City Clerk's at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>. 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.

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 on the Community Development Division Funding Opportunities Website for this RFP.

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: Emily Robinson Date: 07-31-24

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

AFFORDABLE HOUSING GOALS & OBJECTIVES

1. Please check which of the following goals outlined in the Request for Proposals are met with this proposal:
- 1. Increase the supply of safe, quality, affordable rental housing, especially units affordable to households with incomes at or below 30% of area median income, that ensure long-term affordability and sustainability.
 - 2. Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability.
 - 3. Improve the existing rental housing stock through acquisition/rehab to create long-term affordability and sustainability.

AFFORDABLE HOUSING NEEDS, BENEFIT AND RISK

2. Please describe the anticipated demand for this specific affordable rental housing in the City of Madison.

The anticipated demand for "The Presley" will come from the Northeast Area of Madison. The Presley will offer units ranging from permanent supportive housing to an income limit of 80 percent of Area Median Income. All rents at 60 percent of average median income and above are positioned below the maximum allowable rent limits. 80 percent AMI rents are positioned at ten percent below the gross maximum allowable 70 percent rent limit, while the 70 percent rents are positioned ten percent below the net maximum allowable rents. Similarly, the 40 percent income limit rents are positioned at the max net 30 percent rents, in order to increase accessibility for renter households at these income levels. Ultimately, this will increase the cohort size of renter households that can afford to live at the property, and thus drive demand. Further, the Presley will offer 16 units of Permanent Supportive Housing across all unit sizes. Services will be offered by Lutheran Social Services of Wisconsin and Upper Michigan (LSS). LSS will provide housing support to families transitioning out of homelessness through Dane County's Continuum of Care program. Supporting the unhoused is at issue across the nation. Cohen-Esrey Development Group and PreservingUs, Inc. are pleased to be addressing this issue in partnership with the City of Madison.

3. Please describe the public benefit of the proposed housing development and the risks associated with the project.

The Presley will add attainable housing to highly amenitized area. It will be housing that accommodates all styles of life and living arrangements. It represents the integration of lower priced housing into a mixed-use area. This is a walkable area with excellent access to transit. It will be much improved with the imminent launch of BRT Route A. Social services will be offered on site, while medical services are available two blocks to the southwest at Access Community Health Center. The units will incorporate universal design, so that older residents can stay in the neighborhoods of their choice. The neighborhood is in transition, and the development team is pleased to add affordable, accessible, housing as a first line of defense against the displacement that reinvestment and revitalization can bring.

PROPOSAL DESCRIPTION

4. Please provide a brief overview of the proposal including key characteristics. Describe how the proposed development will help meet the needs of residents in this location and the impact of the proposed development on the community. *(Please limit response to 300 words including spaces).*

The Presley will be new construction, targeted to families. The building design will be five stories with a mix of units, indoor amenity space, and parking on the first floor. This building will also offer an elevator. Further, The Presley will also offer an array of townhome units to address the "missing middle" housing that is lacking in the city. The development team is excited to work with Focus on Energy to develop a comprehensive, energy-efficient, design. We will also work with Baker Tilley to utilize the Inflation Reduction Act's tax credit program to further incentivize an energy efficient, resilient, development. The Presley will provide units at a range of income levels, including 'extremely-low income'. There has been a dearth of new affordable housing supply in the Northeast Madison area. The development team recognizes that Rise Madison will offer an influx of affordable housing to the immediate area. However, affordable housing is in extremely high demand in the city and development timing indicates that the projects will not be competing for residents. Rise should place in service a year and a half before the Presley. The Presley will offer permanent supportive housing and resident services to those living in the building and the community. This will address the crisis of homelessness in Madison, and offer support to the neighborhood by offering various classes on topics ranging from financial literacy to nutrition, to accessing higher education

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

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

Total number of units: **89**

Total number affordable of units (≤60% CMI): **76** Total % affordable of units (≤60% CMI): **85%**

Total amount of AHF requested per affordable unit: **\$39,500**

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

6. Please indicate acceptance of the standard loan terms for this proposal as described in Section 1.4 of the RFP.
 Yes, I confirm.

7. Applicants requesting alternative loan terms and/or wishing to provide additional information regarding the financing structure or options, please indicate below.

We would consider asking CDD to waive a portion of their cash flow note to increase the availability of resident services and start a special reserve for residents who are experiencing difficulty in paying rent or are below a given income requirement.

8. Period of Affordability Commitment:
 Permanent Affordability in exchange for a waiver of shared appreciation to the long-term deferred note
 40 years – Minimum Commitment

9. Will the development team commit to making annual payments on the AHF Cash Flow Note concurrently with repayment of the deferred developer fee? If yes, explain how this will be memorialized in organizational documents, including the final Amended and Restated Operating Agreement. If not, what year will Cash Flow Payments begin?

The property is able to service the AFH Cash Flow Note within the given terms 50 percent payback at a 1.75 interest rate and a 30 year amortization period. Currently the developer fee is 50 percent deferred and will pay off in year 11. The proforma contemplates monthly payments starting at permanent loan conversion. This will all be memorialized in the Operating Agreement and subsequent waterfall.

10. Are there any terms of anticipated funding sources anticipated to be incongruent with this RFP? Please explain.

There are no funding sources anticipated to be incongruent with the terms of this RFP.

SITE INFORMATION

11. Address of Proposed Site: **3555 E. Washington Ave.,**

12. In which of the following areas on the Affordable Housing Targeted Area Map (see Attachment A) is the site proposed located? Please check one of the first three AND Limited Eligibility, if applicable.

- Preferred TOD Area
- Eligible Core Transit Area
- Preservation & Rehab Area (Ineligible for New Construction)
- Limited Eligibility Area

13. Identify the neighborhood in which the site is located: Hawthorne

14. Date Site Control Secured: 12/15/2023

15. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities in areas of greatest impact. Describe the neighborhood and surrounding community. (Attach a close-up map of the site indicating project location and a second map using the [AHF Targeted Area Map](#) to show the site in the context of the City.)

This site’s location and surroundings make it ideal for new, affordable multifamily construction. The site is located just off a main commercial corridor. It is close to retail, education, health care, and multimodal transit options. As an infill site, the development will take advantage of existing infrastructure, rather than having to use resources to develop along Madison’s tightening suburban edge. The site is underutilized currently with a single-story, functionally obsolete, retail array. Adding accessible, affordable, reduced barrier housing brings this site up to its highest and best use. The site is set back from the main corridors that traverse the neighborhood to the northwest and northeast. This makes an easier transition from commercial uses closer to Washington Avenue and Stoughton Road/Hwy 51 to the smaller multifamily and single-family homes located to southwest and southeast of the site. The development team is also excited by the reinvestment in the neighborhood spurred by the City. Increasing pedestrian and cyclist safety and comfort, particularly around and along the heavily trafficked thoroughfares of Washington Avenue and Stoughton Road increases livability. Increased connectivity across these corridors completes neighborhoods by increasing access to various neighborhood assets. Finally, the site is located in a Qualified Census Tract, which means that any eligible basis is increased by 30 percent, and any funds committed to the project are better leveraged. Please find a close-up map of the site and a second map utilizing the AHF Target Area Map included as attachments.

16. Current zoning of the site: CC-T An interactive version of the Zoning Map can be found linked [here](#).

17. Will the proposed development seek a Zoning Map Amendment:
 Yes No, it's permissively zoned To be determined

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

The site is zoned appropriately

19. Describe the proposed project’s consistency with the land use recommendations, goals and objectives as may be relevant in adopted [plans](#), including the City of Madison Comprehensive Plan (adopted 2018), Neighborhood Plans, Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant [plans](#).

The site is located in a transitioning area and is adjacent to a Community Activity Center, according to the Northeast Area Plan. It is also considered an eastern gateway to Madison. The revival of this site is a step in the right direction to improve this first impression of the City. According to the GFLU map, the site is in a lower-density zoning area, but because of the TOD Overlay, the site can pursue higher density uses. The Presley is consistent with all of the strategies from the city of Madison’s Comprehensive Plan. The site is located in a Transit-Oriented Development area. It is well stratified in that it offers a variety of units at a variety of price points. The project will also be resource efficient, in that it will maximize leverage with incentives and return on investments from energy-efficient strategies. It increases the supply of affordable units in the City by adding them to a location with access to opportunity. It is integrating lower priced housing with housing that is closer to, if not, market rate. Amenities and finishes will be the same, regardless of price point. The location will increase ridership on the bus lines. Several options for grocery stores and pharmacies are nearby. A community health center is less than two blocks from the site. Adding more residents, and pedestrian and cyclist-oriented features, to the neighborhood will activate the streetscape, and create a safer place for neighbors to live, work, and play.

20. If the site is in a Limited Eligibility Area, describe how the relevant concerns will be addressed via design or other strategies, e.g., noise mitigation, air quality, etc.?

N/A

21. Identify the distance the following amenities are from the proposed site. Limit to closest three and/or less than one mile per category. Please limit list to the closest three amenities within one mile per category. Please use the MMSD Find My School [link](#) as the closest school is not always assigned.

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Hy-Vee Grocery Store	0.4
Public Elementary School	Hawthorne Elementary School	0.2
Public Middle School	O’Keefe Middle School	2.4

Public High School	Madison East High School	1.9
Job-Training Facility, Community College, or Continuing Education Programs	Madison Technical College	0.5
Childcare	Sunny Ridge Kids Childcare	0.5
Public Library	Madison Public Library	1.4
Neighborhood or Community Center	East Madison Community Center	0.3
Full Service Medical Clinic or Hospital	UW Health East Med Center	2.8
Pharmacy	Walgreens	0.3
Public Park or Hiking/Biking Trail	Carpenter-Ridgeway Park	0.5
Banking	Heartland Credit Union	0.3
Retail	East Towne Mall	1.2
B-cycle Station	St. Paul and Waubesa	2.1
Other (list the amenities):		

22. What is the actual walking distance (in miles) between the proposed site and the nearest seven-day per week [transit stops](#) (i.e. weekday and weekends)? List the frequency of service at that bus stop during the weekday at noon. List the bus route(s), major transit stop street intersections and describe any other transit stops (include street intersections and schedule) located near the proposed site. Please do not include full bus schedules.

The closest seven day per week transit stop will be the Wright-Fair Oaks stop on East Washington Ave, located 0.32 miles from the proposed primary entrance of the site. Route A services this stop once every 15 minutes, while Route L services this stop once every 90 minutes. Route A will become a BRT route in fall of 2024. Route A provides connectivity from Downtown, approximately four miles to the southwest of the site, to the Sun Prairie Park and Ride, located approximately four miles to the northeast of the site.

23. Describe the walkability of the site and the safest walking routes for children to get to their elementary and middle schools if MMSD [Yellow Bus Service](#) is not provided (e.g., less than 1.5 miles and no major roads crossed). Describe the Metro Transit Route for high school students. Enter "N/A" for age restricted (55+) developments.

Walkscore currently gives the site a rating of 66, meaning the site is somewhat walkable. Some errands can be accomplished on foot. The safest walking route for children living at the Presley and attending Hawthorne Elementary School would be to head southeast along Prairie Avenue, take a left and head southeast on Mayfair Avenue, and then take a right and head southeast on Concord Avenue to the school. The entire route is 0.23 miles in length. Middle school students would be served by the MMSD Yellow Bus. High School students would attend Madison East High School, which is located along Washington Ave, less than two miles to the southeast of the site. High school students would take Route A, which is slated to become a BRT route this fall.

24. Describe the transit options for people to access employment and amenities such as childcare, after school activities, grocery stores, the nearest library, neighborhood centers, and other amenities described above.

The addition of BRT to Route A will offer the best transit option for residents. The route already provides connectivity to downtown. Many employment opportunities are available in the Northeast Area. Childcare is most safely accessed via Prairie Avenue, via Mayfair to Lexington, although the most direct route is along Washington Avenue. While the Imagine Center at Reindahl Park is in planning stages, it is not anticipated to open for a few years. Currently the closest public library is the Hawthorne branch, located 1.2 miles to the southwest of the site along Washington Avenue. It is accessible via bus, car or bicycle. A Hy-Vee grocery store is located just over 0.4 miles from the site. It would be accessible by bus, automobile, bicycle, or on foot, but is across Stoughton Road. The East Madison Community Center is located 0.3 miles to the north of the site, across Washington Avenue, and Access Community Health Center is located 0.3 miles to the southwest of the site, across Washington Avenue. The development team realizes that pedestrian and bicycle safety improvements to the neighborhood are integral for improving connectivity and access for community residents.

25. Describe the impact this housing development will have on the schools in this area. What percent are the 5-year projected capacities for the area schools? Ideal enrollment is considered 90%. Are the schools projected to be at, above, or below capacity? Approximately how many elementary and middle school children are projected to live at the proposed housing development based on the proposed unit mix and previous housing experience? See 5-year projected capacities from 2019 school capacity information found in this [Report](#) (.pdf pages 30-31). MMSD is in the process of updating this information post-pandemic. Please also e-mail Grady Brown (kgbrown@madison.k12.wi.us) to obtain updated current and projected capacity for the relevant schools.

The Presley’s unit mix would anticipate approximately 60 school age residents to live at the property. We would anticipate these to be divided into 30 elementary school students, 10 middle school students, and 20 high school students. The MMSD Long Range Facilities Plan, 2024 illustrates that Hawthorne Elementary is currently at 73 percent capacity and has capacity for an additional 107 students. We anticipate that middle school students will attend O’Keeffe Middle School. O’Keeffe is at 46 percent capacity and has capacity for an additional 525 students.

SITE AMENITIES

26. Describe the exterior amenities that will be available to tenants and guests (e.g., tot lot or play structure, outdoor exercise equipment, patio, permanent tables and chairs, greenspace, grill area, gardens, etc.).

The Presley will be comprehensively amenitized. Exterior community amenities will include garage parking in the podium style building. A playground will be located on the roof deck. Guest bicycle parking will be offered outside, while resident bicycle parking will be offered in the parking garage. The property’s street scape along Prairie Avenue will be activated for pedestrians, utilizing pedestrian oriented lighting and a stacked approach to façade design that will soften the primary building’s massing along Prairie Avenue.

27. Describe the interior common area amenities that will be available to tenants and/or guests (e.g., community rooms, exercise room, business center, etc.). For family developments, will there be a year-round indoor play space &/or youth lounge for children and teens?

On-site property management and maintenance will be available. The primary building will be elevator-serviced, hence all units are anticipated to be visitable. An exercise facility, a common area with a kitchen and booth seating will be available in the primary building. These will be accessible to those living in the townhome units as well. Storage lockers will be available for the residents of the main building. The community space will offer a small library with board games and comfortable seating. It will open to residents year round.

28. Describe the interior apartment amenities, including plans for internet service (and cost to tenants, if any) and a non-smoking indoor environment throughout the building.

In unit amenities at The Presley will include Energy Star rated appliances, including a refrigerator, range, and exhaust systems. Units will also come equipped with Energy Star rated dishwashers and in-unit washer-dryers. HVAC systems will also be Energy Star rated. These will be controlled by the resident by utilizing a smart thermostat. Wireless internet will be provided free of charge to all of the common areas, and the units will be wired for 100Mbps connectivity. Qualified residents will be encouraged to utilize AT&T’s low cost internet bundle. Residents earning more than 200 times the national poverty level be able to choose which ever internet service provider they wish. The development will be entirely non-smoking, with restricted areas around entrances or dwellings.

29. In regards to parking, what is the:

a. Anticipated number of total number parking spots:	89
i. Underground	--49
ii. Surface	--40
b. Ratio of parking spots to units?	1.0
c. Monthly parking cost?	0
d. Will the parking cost in this development vary by CMI level?	N/A

Brief further comments regarding parking fees may be added here:

N/A

30. For proposals contemplating first floor commercial space, describe how the use and/or tenant of the space will be a benefit to the immediate neighborhood (e.g. childcare, senior center, community facility, neighborhood-serving commercial etc.). Explain how the use of the space was identified to fill a service gap or enhance the surrounding community. Describe if a prospective tenant or use has already been identified or how a prospective tenant will be found and will help inform the space’s design.

While the building is not located a “commercial core” area as designated by the city, the development team recognizes the need for mixed use in the immediate area. Lutheran Social Services will have office space on the first floor that is designed with their input. They will be able to utilize this space to assist clients residing in the building or serve clients located in the neighborhood. No rent or income is anticipated to be generated or collected from this endeavor, and the designated area will remain in basis.

CITY AND COMMUNITY ENGAGEMENT PROCESSES

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

As part of the WHEDA LIHTC submission in January 2024, Katie Bannon, Zoning Administrator for the City of Madison confirmed in a letter to WHEDA (1.22.24) that 3555 East Washington Avenue, Madison, WI is currently zoned CC-T (Commercial Corridor-Transitional), which allows for the development as proposed, in a mixed-use building as a Conditional Use.

32. Briefly summarize the most notable staff comments made at the City’s Development Assistance Team (DAT) regarding the proposed development and reference the date of the presentation. If this proposal has not yet presented to DAT, what is the anticipated date of the presentation?

On December 14, 2023, Brian Sweeney, Cohen-Esrey Development Group and Kevin Burow, CEO of Knothe Bruce, met with the Development Assistance Team. At that time, the proposal was for a 99-unit building. The major unanswered issues related mostly to figuring out all the cross easements with adjacent properties and some vacation of old city property adjacent to the site and the access to the site.

The proposal contained herein is slightly changed to address the WIS-DOT proposal to expand Schmedeman Avenue south of East Washington Avenue which would impact the most westerly portion of 3555 East Washington. While this East Washington Avenue/Stoughton Road improvement planning process has been around for a decade-plus, the most recent WIS-DOT’s ‘preferred plan’ seems to be nearing an actual resolution.

In light of this, we adjusted the site plan moving the housing further to the east, so the future road could be built. The new site plan calls for 89 units, with 23 3BR units. We increased the number of 3 BR’s to 25% of the number of units in anticipation of a Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) submission (which gives points for 25% 3 BR’s).

We understand that the new plan may require an additional DAT meeting with City staff and are available to meet at any time as needed.

33. Describe the response of the alderperson in which the proposal is located, as well as the adjacent alderperson(s), if within 200 feet of an adjacent [Aldermanic District](#). What issues or concerns with the project did they identify, if any? How will those be addressed?

We contacted Alder Amani Latimer Burris before the Neighborhood meeting (held on January 24, 2024) and shared our plans with her. She was very receptive to the proposal but wanted to hear from the neighbors and other stakeholders.

34. Describe the neighborhood and community input process to date, including notification to and input from the nearby Neighborhood Association(s). What was the date that the proposal was presented to the neighborhood? If not yet completed, what is the anticipated meeting date? What issues or concerns with the project has been identified, if any? How will those be addressed? Describe the plan for continued neighborhood input on the development (e.g. steering committee, informational meetings, project website, etc.).

Minutes to the January 24, 2024 neighborhood meeting are included as an attachment.

35. Describe your plans for neighborhood informational meetings and other ways of engaging and informing residents both during construction and approaching lease-up. Describe your experience in working with neighborhood residents post-approval and detail effective strategies you have used since the beginning of the pandemic to effectively communicate with residents.

Cohen-Esrey Development Group has already started DAT meetings with the neighborhood. Residents were pleased that an underutilized, underinvested, retail array would make way for affordable housing. The imminent completion of Schmedeman Avenue is impacting the original site design somewhat. The Development Department has asked that we present it to the neighborhood again. Fundamentally, the design is the same. However, the unit count has decreased slightly. Nonetheless, shortly after the closing on the construction loan, a “Coming Soon” webpage will be developed and published. Site signage will include contact information and telephone number. Additionally, signage will have a QR code that directs to the web-page. Social media links are embedded in the web-page. Information about pre-leasing activities and unit availability will be shared across these platforms.

DEVELOPMENT TEAM

36. Identify all key roles in your project development team, including any co-developers, property management agent, supportive services provider(s), architect, general contractor, legal counsel, and any other key consultants, if known.

Contact Person	Company	Role in Development	E-mail	Phone
Brian Sweeney	Cohen-Esrey Development Group, LLC	Developer	bsweeney@cohenesrey.com	612-817-3266
Emily Robinson	PreservingUS, Inc.	Owner	erobinson@preservingus.org	202-285-6909
Kristina Viera	Cohen-Esrey Communities, LLC	Property Managment	kviera@cohenesrey.com	913-671-3300
Leah Gubin	Lutheran Social Services	Development Direct	leah.gubin@lsswis.org	920-312-4835
Bob Feller	Knothe Bruce	Architect	bfeller@knothebruce.com	608-218-1869
Mick Hintz	Horizon Construction	General Contractor	m.hintz@horizonbm.com	608-219-7954
James Neeld	Sandberg Phoenix	Legal Counsel	jneeld@sandberphoenix.com	816-714-1041
Kari Wolff	MarksNelson	Third Party Accountant	kwolff@mnadvisors.com	816-743-7700
Don Bernards	Baker Tilley	Tax Credit Consultants	donald.bernards@bakertilley.com	608-444-4009

37. Describe the project’s organizational structure. Please attach an organizational chart detailing the roles of the applicant, all partnerships, ownership and controlling interest percentages of each entity.

The Presley will be an LLC that is owned by the LIHTC investor, which is to be determined, and Presley Apartments Manager, LLC. Presley Apartments Manager, LLC will be owned by PreservingUS Wisconsin, LLC and LMM Partners, LLC to a ratio of 51 percent to 49 percent. PreservingUS Wisconsin, LLC is owned by nonprofit partner, PreservingUS, Inc., while LMM Partners, LLC shares a similar ownership with Cohen-Esrey Development Group, LLC. Please see the organizational chart included with this submission for more detail.

38. Describe briefly the Development Team’s knowledge of and experience in addressing affordable housing needs of the City of Madison. Please be sure to address:

- a. Experience developing multifamily housing for low- and moderate-income households, including:
 - i. Experience obtaining and implementing LIHTC, including number, type and location of proposed and completed LIHTC projects and/or affordable housing units your organization has developed.
 - ii. Experience obtaining and implementing federal, state, city and other financing resources, including number of projects, number of units and location of projects with federal LIHTC, HOME, CDBG, or Section 108 funds.
- b. Developer’s experience with, including number of projects, number of units and location developed with integrated supportive housing units.

- c. Leadership/key development team staff qualifications (briefly). Years the organization has been in existence.
- d. Financial capacity of the organization to secure financing and complete the proposed project.
- e. For non-profit organizations and/or co-developers, please describe the organization's Mission Statement and explain how the proposed development supports the Mission Statement.

Please limit responses to three pages within this application format or enter "See Attached." Please do not duplicate information here and attached.

Cohen-Esrey Development Group has been awarded over \$700 million in tax credits over the past 30 years, frequently in partnership with PreservingUS, Inc. Over the past five years, the team has won 12 allocations in Wisconsin, Minnesota, Colorado, and Texas. The team created, or restored, more than 800 units of affordable housing over that period.

The team has won multiple CDBG and HOME awards from the cities and governments where we work. The Neighborhood development, comprised of 112 units, was award a total of \$500,000 in CDBG funding from the City of Mankato. The City of San Antonio awarded \$1,000,000 to the 200-unit Loma Vista Lofts in Texas. Further Hotel Grim, located in Texarkana Texas, was awarded approximately \$2,500,000 from that City in EPA loans, CDBG, and HUD 108. Hotel Grim is comprised of 94 units.

Our property management company, Cohen-Esrey Communities, which shares similar ownership to Cohen-Esrey Development Group, has managed integrated supporting housing in Saint Louis, MO, Kansas City, MO, Kansas City, KS, and Des Moines, IA for almost two decades. They bring best property management practices to bear, gleaned from long-standing supportive service providers working in these areas.

The development team has direct experience developing supportive housing units in Minnesota and Colorado. In Mankato Minnesota, the development team worked with the state and the supportive housing provider to develop 112 units of affordable housing, of which eleven are set-aside for High Priority Homeless households. These units are assisted through the county's coordinated entry system. Residents in these units are clients of a service provider. The service provider is generally responsible for rent payments and facilitating communication between property management and the resident. The service provider also provides case management and access to opportunities for employment and education.

In Colorado, the development team was selected in response to an RFP to develop permanent supportive housing for unhoused LGBTQ+ youth in Colorado Springs. The service provider had provided transitional housing for this population but recognized a deep need for stable housing. The 50 units are subsidized by a voucher program funded by the state. The development team participated in the design process, where the team learned about trauma informed design, and how unit lay out and aesthetics can positively or negatively affect these populations.

Bios of key personnel, company leadership, and additional information about the company can be found in the brochure included with this submission.

The construction and permanent loans will be guaranteed by revocable trusts of the owners/guarantors. We have strong relationships with many banking institutions across the country. We frequently collaborate with Enterprise Communities, Bank of America, Merchants Capital, and PNC Bank for equity and financing. Definitive financing partnerships will be made post tax credit award. We are also confident that The Presley will score over 200 points in WHEDA's upcoming round which we believe is highly competitive.

The development of the Presley meets PreservingUS, Inc.'s mission of developing affordable housing, through the Presley's wide range of income targeting, providing resident services through on-site resident services that are sustainable as an operating expense, and delivering accessible homes through going above minimum standards for accessibility and visitability.

39. For projects that will be co-developed with a non-profit partner, please describe the non-profit's role in the development. State if the non-profit will have a controlling interest (as memorialized in organizational documents), Right of First Refusal, or General Partner Purchase Option. If not, please elaborate on how the non-profit organization will be involved in the long-term ownership of the development. Describe briefly the compensation structure for non-profit developer, including percentage of the developer fee allocated.

PreservingUS, Inc, the non-profit partner, will remain in control and be the primary decision maker throughout the development, and operation of the project through the compliance period. PreservingUS, Inc. will have right of first refusal at the end of the compliance period. PreservingUs, Inc. will participate in more than 100 hours which is not less than any other owner, and participation will be regular, consistent, and substantial. PreservingUS, Inc. will receive a flat fee of \$50,000 to be paid pari passu with the cash developer fee. This will be memorialized in a development agreement between CEDG and PUI.

40. For non-profit applicants interested in federal HOME funds, please describe in detail the development team's experience using HOME funds, including a list of projects the team has developed using such funds. Is the Non-Profit Organization certified as a CHDO? If not, please indicate interest in CHDO certification. Please enter N/A if this question does not apply.

The development team has experience in using HOME funds. Brewery Lofts in Hastings Nebraska is comprised of 35 units and was awarded HOME funding from the state. Hotel Grim, 94 units, located in Texarkana, and Lofts at Ventura, 200 units, located in San Antonio both have Multifamily Direct Loans from Texas Department of Community Affairs. The development and property management teams are familiar with the rules and regulations necessary to implement this program.

Currently, PreservingUS, Inc. is not a CHDO in Madison. However, we would be interested in pursuing a discussion to become one in the City of Madison and Dane County area.

41. Who will be responsible for monitoring compliance with federal regulations and requirements during development and construction phases of the project? List past projects they have completed with similar compliance requirements.

The Development Manager, the Project Manager, and the Construction Coordinator from CEDG, will work closely with the General Contractor to ensure that procurement and contracts are in compliance with the various program reporting requirements, such as certified payroll, Section 3, and WBE/MBE/DBE reporting. Projects with similar reporting requirements include:

Midtown Plaza – Kansas City, MO: Section 3 and Certified payroll
 Hotel Gri – Texarkana, TX: Section 3 and Certified payroll
 Sinclair Flats – Mankato, MN: Davis-Bacon compliant
 Lewis Lofts – Mankato, MN: Davis-Bacon compliant
 Loma Vista Lofts – San Antonio, TX: Davis-Bacon compliant

42. Who will be responsible for monitoring compliance with federal regulations and requirements during the Period of Affordability? Please describe the experience of the property management agency including trainings and/or certifications that the individual/property management agency has completed and/or attained.

Cohen-Esrey Communities, LLC will be responsible for managing compliance during the affordability period. Site management, compliance staff, and leasing agents are all required to take Certified Occupancy Specialist classes, as well as Certified Property Management classes. Computer-based training is available for safety and fair housing. Additional in-person trainings for compliance are completed at housing conferences or through private vendors, as necessary. Currently, Cohen-Esrey Communities, LLC is a WHEDA Certified Management Agent in good standing.

43. What other major sources of soft funding are being sought for the proposed development (e.g., TIF, Dane County AHDF, Federal Home Loan Bank Affordable Housing Program, Dane Workforce Housing Fund, etc.)? What is the status of those funds and anticipated commitment dates? Describe the development team's experience in successfully obtaining funds from the sources sought for the proposed development.

In addition to the Madison AHF, the development team will be requesting funding from Dane County AHDF, Federal Home Loan Bank Affordable Housing Fund, and the Dane Workforce Housing Fund. We have previously utilized Dane County Workforce Housing Fund as a source for Village on Main, a PUI/CEDG developed property in Waunakee. We will apply for funding with DWHF upon announcement of tax credit award. We have not previously applied for Dane County Affordable Housing Development Fund. The team will submit an application for funding no later than the imminent August 5th due date. Finally, we would submit for Federal Home Loan Bank of Chicago AHP funds in June of 2025. We would anticipate award announcement in mid Q4 of 2025.

44. For projects led or co-developed with a BIPOC or minority developer, please explain the BIPOC or minority developer role in the development. State what percentage stake the BIPOC or minority developer will have in the development, development fee split, cash flow, etc. (as memorialized in organizational documents). If the development team will partner with a BIPOC or minority developer, but will not maintain a stake in the organization structure, please explain this decision and elaborate on how the BIPOC or minority developer will be involved in the long-term ownership of the development.

N/A

45. Describe this development team’s experience in or plans to offer a development partnership role, employment or meaningful internship opportunity to a graduate or student of the Associates in Commercial Real Estate (ACRE) program on this or another project?

We at Cohen-Esrey, particularly in the Kansas City office, have over the years and decades worked with mentoring interns, particularly college students involved in the real estate field, especially during the summer months. In addition, when Brian Sweeney served as Director of Planning and Economic Development for the City of St. Paul, the department had a regular intern program, which included partnering with real estate organizations including Urban Land Institute (ULI), LISC-Twin Cities, Habitat for Humanity, and the University of St. Thomas’ real estate program.

We would welcome the opportunity to engage a graduate or student of the Associates in Commercial Real Estate (ACRE) program and develop a robust, real-life, meaningful experience as The Presley development unfolds. Let us know if you would like us to flush out the program in the coming weeks and we can get an outline to you. Mr. Sweeney would be the ‘mentor’ to the individual.

46. 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 and awarded a percentage of the contracts that meets or exceeds the City’s **25%** goal as aligned with WHEDA’s EBE program.

Communicating expectations around M/WBE business hiring with the General Contractor, early and often, is the best practice noted by the development team. The development team has worked with a Madison based GC previously, and we have begun discussions with them on this project. This GC has called W/MBE businesses to inform them of bidding opportunities, and encourages W/MBE businesses to join this calling list.

47. Beyond standard construction bidding practices, to what efforts will the development team commit to ensure that women and people of color represent a meaningful share of the construction labor force working on this proposal. Describe how the development team will commit to exceeding the City’s contract labor utilization goal of **13%** for persons of color working on the job site.

Communicating expectations around M/WBE business hiring with the General Contractor, early and often, is the best practice noted by the development team. The development team has worked with a Madison based GC previously, and we have begun discussions with them on this project. This GC participates in job fairs at the local community colleges to identify potential women and BIPOC employees. The GC has also solicited contractors from local labor companies, who meet Section 3 criteria.

48. For the following development team roles, please identify the number and/or percentage of women and persons of color employed by that company or organization as well as the total employees for each firm.

Company	Role in Development	BIPOC		Women		Total Employees
		#	%	#	%	#
Cohen-Esrey Development	Developer	2	10	7	35	20
PreservingUS, Inc.	Co-Developer			1	100	1
	Co-Developer					
Horizon Construction	General Contractor					Unknown
Cohen-Esrey Communities, LLC	Property Manager					300
KnotheBruce	Architect					Unknown
	Service Provider					

49. Describe the development team’s organizational experience in engaging with the target populations you intend to serve, including black, indigenous, and other people of color. Especially consider operations, design, development, and property management.

The development team considers local service organizations to be the subject matter experts when it comes to developing housing that fits the needs of a given target population. For example, construction is completing on a development in Colorado Springs that will provide permanent supportive housing to LGBTQ+ youth experiencing homelessness. The team worked with the youth-serving non-profit to incorporate trauma informed design features to better serve this population.

The development team will work with Lutheran Social Services of Wisconsin and Upper Michigan to inform unit design, and additional resident services, for individuals and families coming out of homelessness. Property management will look for managers with a background in social services and/or certified in Adult Mental Health First Aid to serve these populations.

50. Describe ways in which the development team promotes and supports ongoing equity work in internal policy and procedures and within the community and the greater Madison area.

Cohen-Esrey Development Group, and its sister companies, are Equal Opportunity Employers. The company does not discriminate against employees based on race, color, religion, sex, national origin, age, disability, or genetic information. Cohen-Esrey supports ongoing equity work among its team members through facilitating ongoing feedback, through bi-annual surveys, creating intra-office mentoring programs, and offer paid “floating holidays” so employees can celebrate culturally significant dates

51. If any team member has acted as a development partner or has any ownership interest in any project currently underway or completed, please list the following information and provide a current status for the team member and/or any related entity, as applicable:

- a. List any foreclosure, default, or bankruptcy within the past ten years.
- b. List any litigation completed, pending, or underway in relation to any financing or construction project within the past five years.
- c. List any Chronic Nuisance Abatement or Nuisance Case notifications issued by Madison Police Department and/or Building Inspection in the past five years
- d. List any unresolved Building Inspection citations resulting in a Municipal Court Complaint in the past five years
- e. List any litigation in the past five years with the City of Madison, including but not limited to Federal, State, or Municipal Court proceedings
- f. List any litigation in the past five years in the State of Wisconsin, including but not limited to Federal, State, or Municipal Court proceedings

N/A

INTEGRATED SUPPORTIVE HOUSING UNITS

52. Provide the number and percent of Integrated Supportive Housing Units proposed, the income category(ies) targeted for these units, and the target service population(s) proposed (e.g., individuals and/or families currently experiencing homelessness listed on the Community-wide Prioritized List, persons with disabilities, formerly incarcerated individuals, other, etc.).

The Presley has set aside 18 units, or 20 percent, of units for Integrated Supportive Housing. These permanent supportive housing units will be restricted to individuals and families earning 30 percent of AMI. These individuals and families will come through the state’s Coordinated Entry Program, Dane County Aging and Disability Resource Center, Dane County Veterans Services, the Dane County Human Service Agency, Lutheran Social Services, Wisconsin’s Department of Health and Human Services, and other local agencies as appropriate.

53. Provide the number and percent of Veteran Units targeted in the proposed development at or below 60% AMI. How many of the veteran units will be prioritized for veterans experiencing homelessness coordinating with the HUD VASH program listed in Attachment C?

The Presley will offer nine units, at 11 percent of total units, to veterans. Four of these units will be set aside for HUD VASH voucher holders. These units will be offered at the 60 percent and below income limits. The development team has had discussions with Heather Campell, the local HUD VASH coordinator about the availability of vouchers. The development team will work with the Dane County Veterans Service Office and the HUD VASH Housing Program to inform the Memorandum of Understanding, a Tenant Selection Plan, and an Affirmative Fair Housing Marketing Plan.

54. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) for the supportive housing units, including service provider(s) from the Homeless Services Consortium (see Attachment C), if applicable. Provide a detailed description of the type (e.g., assessment and referral, on-site intensive case management, etc.) and level of supportive services (% FTE and ratio of staff: household) that will be provided to residents of the proposed project.

PreservingUS, Inc, the project owner, will partner with Lutheran Social Services of Wisconsin and Upper Michigan (LSS). LSS, PUI, and CEC will establish a lease up team with recurring meeting dates no later than three months before the project is anticipated to place in service. The team will develop a comprehensive MOU and Tenant Selection Plan to ensure team communication and reduced barrier housing. Potential residents will be referred to LSS from the Coordinated Entry Priority Housing List. LSS and case management, where applicable, will assist the client in filling out the application and providing required documentation. CEC will conduct screening as appropriate. Once a resident, CEC and LSS will copy each other on any communication regarding the resident's housing related matters. LSS will provide a 0.5 FTE at 16 hours a week for the 18 Supportive Housing Units.

55. Please describe the proposed integrated supportive housing approach that will go beyond meeting WHEDA's supportive housing requirements outlined in the Appendix S Checklist of the WHEDA Qualified Allocation Plan targeting veterans and/or persons with disabilities. Please elaborate on the target populations the proposed development will prioritize serving. Describe the consultation and coordination between Developer, the Property Manager and the lead Supportive Service Coordination Agency that occurred prior to this application and planned to design the development in terms of matching unit mix (income and size) to the targeted population.

Property management will work with WI DHS, Dane county and LSS to fill units with eligible residents. A comprehensive MOU will provide definitions, eligibility guidelines, roles of the service provider, ownership, and property management company, as well as funding, and confidentiality. The MOU also states that the service provider will participate in the creation of the Tenant Selection Plan. The MOU will establish recurring meetings dates and communication procedures. Further, property management will be encouraged to hold units open for 60 days to ensure there is adequate time to complete the referral process. 100 percent of the units in the primary building will be visitable. Six units will be Type A, and an additional 45 units will be convertible to Type A. Further, PUI, CEC, and LSS will create an Affirmative Marketing and Fair Housing Plan and waiting list policy to be approved by DHS

56. CDD expects that supportive service partners have access to adequate compensation for the dedicated services provided to residents of the development. In order to ensure the success of the development, the partnership(s), and the tenants, describe the level of financial support to help pay for or subsidize supportive services that the development will provide annually to the identified supportive service partner(s). Identify any other non-City funding sources contemplated or committed for supportive services outside of this project. Explain any arrangement with developer fee sharing, "above the line" payments in the operating budget, "below the line" payments out of available cash flow and/or percent of developer fee shared. CDD is open to deferral of AHF Cash Flow Note payments to ensure meaningful financial support to supportive service partners.

Attach a letter from the Supportive Service Provider(s) **affirming** the services they intend to provide to residents of the supportive housing units, the cost of those services and how those services will be financially supported (i.e., through the development, fundraising, existing program dollars, etc.). Supportive Service Provider should also confirm that

they've reviewed the projected rents, been given an opportunity to provide feedback and are comfortable with those rents being able to serve the target population.

Supportive services will be provided out of operating expenses at an initial cost of about \$40,000 per year. This will provide part time staff, of 16 hours per week, for the 18 Supportive Housing Units. This allows the property to service the AHF debt and pay down the DDF within the compliance period. Ownership would like to offer more robust resident services, hence PUI and LSS will work together to identify and apply for resources. We would appreciate further discussions with AHF about Cash Flow Note payment deferral to increase the amount of service provided at a later date.

Please find an initial executed Supportive Services Plan and Memorandum of Understanding, between LSS and PUI, included as an attachment.

PROPERTY MANAGEMENT: TENANT SELECTION & AFFIRMATIVE MARKETING

57. Confirm that Applicant has read and submitted with this application a Tenant Selection Plan consistent with the Standards found in RFP Attachments B-1 and will submit before closing an Affirmative Marketing Plan consistent with the Standards found in RFP Attachments B-2.

Yes, I confirm.

58. Describe the proposed property management entity or partner's experience including number of projects, number of units and location of projects managed. Be sure to address the property management entity's performance experience with and approach to leasing up and coordinating with integrated support services as well as with racially, linguistically, and culturally inclusive property management and marketing practices.

Cohen-Esrey Communities, LLC (CEC) currently owns and manages almost 13,000 units in 120 properties across 15 states. The company has been in business since the 1970s. CEC has provided property management for supportive housing services for over a decade. We work with a variety of service providers who assist people and families from all walks of life. We take pride in our reputation for providing quality, accessible, housing, while utilizing collaborative approach with resident service providers to ensure positive outcomes for our residents.

Please find a list of developments with supportive housing and the name of the service provider following:

Vecino-Freedom Place, St. Louis, MO: targets homeless veterans. Supportive Service provided by St Patrick's Center.

Vecino – Intrada, St Louis, MO: offers 10 units for those aging out of foster care. Supportive services provided by Epworth Family Support Network.

Vecino – Alhaven, Kansas City, MO: offers 12 units for transition age youth who have been diagnosed with HIV or AIDS or have a mental health diagnosis.. Supportive services provided by Save Inc.

Renaissance -Life Skills, Kirkwood, MO: targets adults with disabilities, with emphasis on developmental delays. Supportive services provided by Easter Seals.

Vecino – Eileens Place, Kansas City, KS: targets single mothers and children living in homelessness. Supportive services provided by Metropolitan Lutheran Ministry.

Cohen-Esrey Development Group – Sinclair Flats, Mankato, MN: offers 4 units for young adults living in homelessness. Supportive services provided by SkyLine Incc., also offers 4 units for People with Disabilities. Supportive services provided by Blue Earth County HHS.

Cohen-Esrey Development Group – The Launch Pad, Colorado Springs, CO: 50 units for LGBTQ youth living in homelessness. Supportive services provided by The Place (anticipated place-in-service date is August 2024).

CEC provides Equal Opportunity Housing. As such, CEC will participate in Fair Housing Planning which seeks to eliminate segregation, and promote integration, overcome disparities in access to opportunity, maintain compliance with fair housing and civil rights requirements, and address other barriers to fair housing choice based on characteristics protected by the Fair housing Act which include: Race, Color, National Origin, Religion, Sex (including sexual orientation and gender identity), Familial Status and Disability.

59. Describe the planned approach, relationship and coordination between the Property Manager and the lead Supportive Service Coordination Agency for lease up and ongoing services. Have these entities previously participated in an in-depth pre-lease up coordination process with these target population(s) in coordination with relevant community partners (e.g., CDA, DCHA, VASH, CE, etc.)? I.e., what is the level of integration of this proposed team with each other– low, medium, high? How will these entities work together to ensure a successful development well-integrated with the immediate neighborhood and community?

While this will be the team's first iteration working together, it will not be any of the members' first time working with these populations. PUI, CEDG, and CEC have worked with service providing agencies in Minnesota to establish an

MOU and a tenant selection plan to provide supportive housing to families referred through the Coordinated Entry program. This team currently meets once a month to discuss and resolve any issues or take advantage of any opportunities. LSS has been providing service to Wisconsin and Upper Michigan for many years. They offer comprehensive programming ranging from Care Coordination, Affordable Housing Development, Skill Building, Counseling, Rapid Rehousing and Rental Assistance, and more. They serve children and families, people with disabilities, seniors, and veterans. They have participated in many pre-lease coordination efforts for their own, and third party, developments. We anticipate a high level of integration initially, with monthly meetings accelerating to weekly meetings as the property opens and begins to stabilize. As units fill with qualified residents, for both Supportive Housing and LIHTC units, we anticipate participation and integration to decline to lower levels. The development team is enthusiastic about working with LSS to increase access to opportunity for all residents.

60. Describe the affirmative marketing strategy and any other strategies to engage the target populations for this proposal. How will the Property Manager affirmatively market to populations that will be identified as least likely to apply? Detail specific partnerships that the development team, Property Manager, and/or other agencies in this proposal have had with community agencies and organizations that provide direct housing search and related assistance to households least likely to apply. Please reference successful past practices, relationships with agencies and/or marketing materials used. Specifically outline how this development's marketing will be consistent with the City of Madison's Affirmative Marketing Plan Standards (Attachment B-2 of the RFP), especially for Asian and Latinx populations which tend to be under-represented in AHF Completion Reports.

Ownership and property management will work with cultural organizations that serve these populations, such as Centro Hispano, the Ho-Chunk Nation Madison Office, and the Wisconsin Hmong Association which is headquartered in Madison, to encourage the populations to apply for housing. The owner and property management will communicate regularly with these agencies, and others, to proactively assess what steps can be taken to more effectively serve the clients looking for housing. Further ownership and property management will work with Luther Supportive Services. LSS takes referrals for the Supportive Housing Units through the Coordinated Entry process. LSS will provide services including Benefit Assistance, Financial Management/Budget, Independent Living Skills, Health Support, Safety, and Case Management with referrals should those families need more comprehensive levels of assistance. Ownership and property management will work with Dane County, and LSS, to address the needs of our People with Disability residents. Disabilities can/will/may include clients living with mental illness, a developmental disability, and/or other documented disabling conditions. People with Disabilities will be eligible for home and community-based services. Residents will have the choice of services and providers, control their schedule and personal resources, the right to privacy, dignity and respect, their own lease and support to engage in community life. The marketing efforts will be consistent with the City of Madison's Affirmative Marketing Plan Standards.

61. Please address, in detail, experience in and/or plans to implement inclusive and culturally-sensitive property management and marketing practices. Detail specific partnerships that the development team, Property Manager, and/or other agencies in this proposal have had with community agencies and organizations that provide direct housing search and related assistance to households least likely to apply, **especially including undocumented residents and/or residents without social security numbers**. Please reference successful past practices, relationships with organizations that you have partnered with in the past for marketing activities.

CEC provides Equal Opportunity Housing. As such, CEC will participate in Fair Housing Planning which seeks to eliminate segregation, and promote integration, overcome disparities in access to opportunity, maintain compliance with fair housing and civil rights requirements, and address other barriers to fair housing choice based on characteristics protected by the Fair Housing Act which include: Race, Color, National Origin, Religion, Sex (including sexual orientation and gender identity), Familial Status and Disability.

One of the tenants of the Equal Opportunity Housing Act is that all are treated equally. If one applicant is required to provide defined documentation confirming their identity, then all applicants must provide similarly defined documentation confirming their identity. Internal policy requires that all applicants will need to provide proof of U.S. citizenship, legal permanent residency, or eligible non-citizen status to qualify for housing.

CEC frequently uses Google translate to communicate quickly with those whose primary language is not English. Qualified bilingual staff will be hired particularly if the second language is used by a significant number of residents. Further CEC property managers frequently work with case managers and navigators to translate leases and other legal documents as appropriate. In cases of emergency, residents are instructed to call 911.

62. Describe your approach to successfully utilizing alternatives to eviction, both pre- and-post filing, such as payment plans, mediation, etc. to avoid evictions.

Property management frequently works with residents to create payment plans to pay off balances, or provide services in lieu of rent. Mediation is used if a resident is willing to participate. Management will even defer payments if the resident is seeking rental assistance. Eviction filing is a last resort. However, some programs require an eviction to be filed to qualify the resident for assistance. If the resident moves out with a balance due, the eviction is withdrawn. If the resident is able to pay off or pay down the balance due, the eviction is withdrawn.

63. What percentage of maximum LIHTC rents are used for 50 & 60% units? Households with incomes over 30% CMI, but less than the income to rent ratio required for a 50% unit are frequently locked out of this critical housing resource. What will this proposed development do to serve this segment of the population (e.g., lower rent below 90% of the WHEDA 50% income limit, lower income to rent ratio requirements, provide 40% units to meet demand, etc.)

The 50 percent LIHTC units are positioned at the net maximum allowable amount. We would like to position half of these units at the 60 percent income limit and a 50 percent rent limit to increase the band of affordability. However, it will need to be determined if this is acceptable to WHEDA for scoring purposes. The 60 percent rents are positioned at 90 percent of the net maximum allowable rent. The unit mix does offer 40 percent units. These will be positioned similarly to the 50 percent units in that the income limit is 40 percent, but the rent limit is 30 percent. The mix also offers 70 and 80 percent units. The 70 percent units will be offered at 90 percent of the maximum net 70 percent rent limit, while the 80 percent units will be offered at 90 percent of the maximum gross 70 percent rent limit. This brings the rent to income ratio below 30 percent for many scenarios.

64. Describe the proposed development's policy toward notification of non-renewals. What is the PM's policy regarding limiting rent increases for lease renewals? How will it be ensured that prospective long-term tenants be protected from significantly and rapidly rising contract rents increases allowed under the published rent limits, even under the rent limit increase requirements in this RFP and Loan Agreement.

The recertification process usually begins three months before the lease renews. At this time the resident is made aware of any rent increases, and any necessary documentation is gathered. If a lease is not being renewed, the resident will be informed of this decision at least three months before the lease expires. Increasing rents over three percent annually causes high turn-over, increased vacancy and rent delinquency, and dissatisfaction among residents. That being said, ownership and property management are willing to memorialize a two percent per year increase for renewals in the operating agreement and underwriting for the 15 year compliance term. This should adequately protect residents from rapid increases. Further, we would ask that Madison AHF consider deferring, or waiving, a portion of the Cash Flow Note to put into a special reserve for residents who are experiencing difficulty in paying rent or are below a given income requirement.

65. Describe any staffing challenges or shortages that the Property Management (PM) company has experienced at the on-site level in the past few years? What will the PM do to address and/or cover on-site staffing challenges at the proposed development should they arise?

Generally, CEC is not facing any staffing challenges or shortages, with exception of some very small properties (between eight to 20 units) located in rural areas of the country. Property managers are compensated fairly, with an opportunity for bonuses, expectations are made clear, and communication with regional managers, the managing director, and the CEO is frequent. There is a strong sense of camaraderie among team members. Should a property lose its manager, a manager from another property in the portfolio is sent to the property to ensure it remains stable while a new manager is sought out and hired.

66. What percent of staff turnover has the PM experienced at Madison-area properties in 2023? 0.5

67. Divide the number of resignations or terminations in calendar year 2023 by total number of budgeted positions. Explain turnover rate of 20% or more within the regional Property Management staff. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

The Regional Property Management staff does not have a turn over rate above 20 percent. While the position is challenging, incentives for meeting performance targets are given, and the benefits package is comprehensive. Additionally, benefits increase as tenure is gained.

PROPOSAL TIMELINE

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

Activity/Benchmark	Estimated Month/Year of Completion
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT) [<i>Target/Actual Month/Date</i>]	08/08/2024
1 st Development Assistance Team Meeting (Due by 8/29/24) [<i>Target/Actual Month/Date</i>]	08/15/2024
1 st Neighborhood Meeting (Due by 8/29/24) [<i>Target Month/Date</i>]	08/27/2024
Submission of Land Use Application (Zoning Map Amendments Due by 10/7/24)	09/26/2024
Submission of Land Use Application (Permissively Zoned Due by 11/4/24)	10/17/2024
Plan Commission Consideration (If Rezoning, 12/2/24 Meeting for 12/10/24 Common Council)	11/14/2024
Urban Design Commission Consideration, if applicable [<i>Target Month/Date</i>]	12/19/2024
Application to WHEDA	01/15/2025
Complete Equity & Debt Financing	06/01/2026
Acquisition/Real Estate Closing	06/01/2026
Rehab or New Construction Bid Publishing	06/07/2026
New Construction/Rehab Start	06/15/2026
Begin Lease-Up/Marketing	03/28/2027
New Construction/Rehab Completion	07/01/2027
Certificates(s) of Occupancy Obtained	07/26/2027
Complete Lease-Up	05/01/2028
Request Final AHF Draw	11/15/2028

HOUSING INFORMATION & UNIT MIX

69. Provide the following information for your proposed project. List the property address along with the number of units you are proposing by size, income category, etc. If this is a scattered site proposal, list each address separately with the number of units you are proposing by income category, size, and rent for that particular address and/or phase. Attach additional pages if needed.

ADDRESS #1:		3555 E. Washington Avenue					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Bedrooms					\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
		# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs					
≤30%	33	0	17	12	4	0		631	685	779	
40%	0	0	0	0	0	0					
50%	18	0	9	6	3	0		1135	1252	1408	
60%	15	0	7	6	2	0		1263	1366	1534	
Affordable Sub-total	66	0	33	24	9	0					
80%	11		6	3	2	0		1488	1786	1983	
Market*	0	0	0	0	0	0					
Total Units	77	0	39	27	11	0	Notes/Utility Allowance Assumptions:				

*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

Total # of Homeless Supportive Housing Units	Total # of Veteran Supportive Housing Units	Total # of Homeless Veteran Supportive Housing Units	Total # of Disabled/Other Supportive Housing Units	Minimum # of Supportive Housing Units
19	9	[4]	18	19

ADDRESS #2:		Townhomes (address TBD)					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Bedrooms					\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
		# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs					
≤30%	4	0	0	0	4	0				779	
40%	0	0	0	0	0	0					
50%	4	0	0	0	4	0				1408	
60%	2	0	0	0	2	0				1534	
Affordable Sub-total	10	0	0	0	10	0					
80%	2	0	0	0	2	0				1982	
Market*	0	0	0	0	0	0					
Total Units	12	0	0	0	12	0	Notes/Utility Allowance Assumptions:				

*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

NOTE: For proposals contemplating project-based vouchers (PBVs), please list vouchered units under the same CMI designation that you will be representing to WHEDA (e.g. if the LIHTC application to WHEDA presents 8 PBV units as 50% CMI or 60% CMI units, please include those on the “50%” or “60%” row in the above table(s)). The City of Madison will enforce this income designation in the AHF Loan Agreement, if this proposal is awarded funds. Include a comment in the Notes, e.g., Eight (8) 50% CMI units will have PBVs.

70. Utilities/amenities included in rent: Water/Sewer Electric Gas Free Internet In-Unit
 Washer/Dryer Other: _____

71. Please list the source used for calculating utility allowance, and the total utility allowance per bedroom size:
 Utilities Allowance Used: CDA DCHA HUSM (HUD HOME)

Unit Size (Number of Bedrooms)	Total Monthly Utility Allowance (\$)
Efficiency	
1-Bedroom	\$125
2-Bedroom	\$165
3-Bedroom	\$204

72. Describe this development’s proposed approach to designing the project to maximize accessibility and visitability, including elevator accessible units meeting 100% visitable requirement. Will the proposed project meet the minimum requirements described in the RFP - at least half of the total units must be Type A units or convertible to Type A units as needed. Will the proposed project exceed WHEDA’s minimum accessibility design standards? For rehab, describe the accessibility modifications that will be incorporated into the existing development.

All elevator accessible units will meet 100% visitable requirements. At least half of the units will be convertible to Type A which is beyond WHEDA’s design requirements.

73. Describe this development’s approach and commitment to the principles of Universal Design. Will the proposed project meet the minimum requirements described in the RFP. Will the proposed project go above and beyond WHEDA’s requirements in any way? Please explain.

The development team is committed to designing a concept that is usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. The development team will work with the architect to identify design elements that will push the pointing for Universal Design to over 34 points.

ENERGY EFFICIENCY, RENEWABLE ENERGY, DECARBONIZATION & SUSTAINABLE DESIGN

74. Describe your organization’s experience developing projects that incorporate extraordinary sustainability, energy efficiency, decarbonization/electrification, and/or green building design? Please list any industry standards, third-party certifications or awards achieved on projects developed in the past five years, such as LEED®, WELL, ENERGY STAR Multifamily New Construction Certification, Passive House, etc.

Cohen-Esrey Development Group was an early adopter of energy and resource efficient design. We have two properties in our portfolio that utilize solar panels. Washington Historic is located in southeastern Kansas. This was adaptive reuse, and property management reports that electricity bills are substantially lower than other smaller buildings managed in the region. CEDG has also developed a smaller project in Jerseyville Illinois. This project utilizes solar panels, and property management reports that residents’ average utility bills in the summer are about \$20 per month. We have two project getting ready to place in service in Colorado, both of which have solar panels.

CEDG has implemented Wisconsin Green Built Standards for the projects developed in Wisconsin. Our Minnesota projects will be EnergyStar certified. We are also familiar with Enterprise Green Communities Standards. We are enthusiastic about the Inflation Reduction Act’s impact on affordable housing and its capacity to better leverage resources to provide resource and energy efficient buildings, that have often been out of reach for LIHTC developments.

75. Describe the proposed development’s energy efficiency approach, design and equipment choices. For a rehab project, please refer to Focus on Energy’s [Multifamily Program](#).

The Presley will aim for ENERGY STAR Multifamily New Construction, Wisconsin Green Built Gold Standard, Focus on Energy Design Assistance Program. 45L tax credits are also being pursued for Energy Efficient New Homes under the Zero Energy Ready Homes criteria. The development team looks forward to working with Focus on energy and Baker-Tilly consultants to best implement and leverage these resources.

76. Check all applicable third-party certifications of Energy Efficiency & Sustainability that will be sought.

Third-Party Certification	YES
Focus on Energy's Energy Design Assistance program <i>(Initial Application submittal confirmation page is attached)</i>	<input checked="" type="checkbox"/>
Wisconsin Green Built- GOLD Standard	<input checked="" type="checkbox"/>
EPA AirPLUS	<input type="checkbox"/>
LEED®	<input type="checkbox"/>
WELL	<input type="checkbox"/>
ENERGY STAR Multifamily New Construction	<input checked="" type="checkbox"/>
Passive House	<input type="checkbox"/>
Other: ZERH	<input checked="" type="checkbox"/>
Other:	<input type="checkbox"/>

77. Describe how the design of the proposed development will contribute to the City's [goal](#) of reaching 100% renewable energy and net-zero carbon emissions community-wide by 2050. Please describe below any other renewable energy systems to be included in the development, such as solar thermal, solar hot water, geothermal, etc.

What size of solar array is anticipated (in Kw)? **TBD**

What percentage of on-site electricity use is the development aiming to provide via the solar array? **TBD**

Ideally the building will be so efficient that the renewable energy system, in this case solar panels, could offset most or all of the development's annual energy use. However, it is critical to balance efficiency with cost.

78. Please indicate sustainable design features and equipment included choices in the proposed development that will help to reduce fossil fuel consumption, achieve decarbonization, and improve air quality:

Sustainability Design Features & Equipment	YES	Comments
a. Air-source or ground source heat pumps	<input type="checkbox"/>	
b. Electric or heat-pump water heaters	<input checked="" type="checkbox"/>	
c. Electric stoves	<input checked="" type="checkbox"/>	
d. EV charging infrastructure or EV ready design <i>(exceeding City ordinance requirements)</i>	<input checked="" type="checkbox"/>	
e. Battery storage	<input type="checkbox"/>	
f. Other:	<input type="checkbox"/>	
g. Other:	<input type="checkbox"/>	

79. Please *briefly* describe the Sustainable Building Design Elements and Strategies that will be incorporated into the proposed project as referenced in the [AIA Framework for Design Excellence](#), especially the following:

a. Design for Equitable Communities

The design and development team has already met with the community to address the impact of the added density on the neighborhood. The buildings' exteriors will complement the neighborhood. The facades will be comprised of contrasting materials to break up the massing of the building. The Presley's townhomes will enable transition to from the primary five-story building to the neighborhood's smaller duplex buildings and single family homes. The design team will work with the city and WISDOT to minimize the addition of the new traffic to the neighborhood, while emphasizing pedestrian and bicycle connectivity surrounding the site.

b. Design for Energy – Optimized energy use. What is the U value of windows?

Ideally the Presley will operate on electricity only. This will future proof the building against rising fossil fuel prices and better position it to take advantage of advances in energy efficiency. Energy modeling will be utilized. The buildings' orientation is good for solar panels. Glazing on the southwest side of the building will be limited, and lower U value windows (0.2) will be used on that side. Motion lighting will be used where appropriate. Appliances will be Energy Star appliances. Heat pumps and solar panels will be used. Residents will be encouraged to practice energy and resource conserving behavior. Finally, both buildings will pursue Energy Star Certifications.

c. Design for Water – Describe proposed strategies to protect and conserve water (i.e. water efficiency), reduce reliance on municipal water sources, incorporate systems to recapture and/or reuse water on-site.

The Presley will utilize a leak detection system on its units. No irrigation, rather resilient natives, will be used for landscaping. Drainage swales with rock and appropriate planting will be used to catch site run-off. Quality low flow fixtures will be installed. The plumbing design for hot water will be efficient.

d. Design for Resources – Optimize building space and material use

The building will be efficiently designed. Hallways will have natural lighting where possible. There will be very little “unprogrammed” area in the building. Almost every square foot in the building will have a use.

e. Design for Well-being – Consider physical, mental, and emotional well-being, plus trauma-informed design.

Natural lighting will be utilized in common areas, community kitchen/gathering area with booths, hallways and stair wells. A brighter color palette will be used throughout which is a tenant of trauma-informed design.

f. Design for Ecosystems – Especially indoor environmental quality (IEQ)

Units will have kitchen and bath exhaust fans. Bedrooms will have exterior windows that open and ceiling fans to improve circulation. Stoves will be electric. Air filters will be changed monthly. Finally, no smoking, or combustion, will be allowed inside the building.

g. Design for Change – Optimize operational and maintenance practices

Operational and maintenance practices will be optimized. High R-value insulation will be used in walls and ceilings. The building will be future proofed as it will not use fossil fuel. The Presley will have a smart building system, so that it can be better controlled with optimized settings.

h. Design for Integration, Economy, Change and/or Discovery – Any additional AIA Framework comments

The building will be energy and resource efficient, but balanced. Efficient features will be compared for best ROI or IRR. Energy efficiency continues to improve, and the Presley will be poised to take advantage of it.

REAL ESTATE PROJECT DATA SUMMARY

80. Enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Biz or Residential Tenants to be Displaced	# of Units Accessible Current?	Number of Units Post-Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	Enter Address 1								
	3555 E. Washington Ave.	89	0	0	0	9	N/A	\$6,000,000	\$2,200,000
Address:	Enter Address 2								
Address:	Enter Address 3								

81. Describe the historical uses of the site. Identify if a Phase I Environmental Site Assessment has been completed and briefly summarize any issues identified. Identify any environmental remediation activities planned, completed, or underway, and/or any existing conditions of environmental significance located on the proposed site.

A Phase 1 environmental site assessment has not yet been completed for the site. This assessment will be initiated immediately upon announcement of LIHTC award in January of 2025. The site is currently developed with a single-story retail array, primarily used as a restaurant. The restaurant ceased to be a going concern post pandemic. It is unclear what the site was used for prior to the current retail use.

82. Identify any existing buildings on the proposed site, noting any that are currently occupied. Describe the planned demolition of any buildings on the site.

The site is currently developed with an approximately 20,000 square foot, single-story commercial building. Formerly, the building primarily housed a restaurant and smaller commercial spaces. The building is functionally obsolete, and will be razed as part of the construction process.

83. Will any business, including churches and non-profit organizations, or residential tenants (owner or rental) will be displaced temporarily or permanently? If so, please describe the relocation requirements, relocation plan and relocation assistance that you will implement or have started to implement.

The building is not currently occupied.

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

N/A

REFERENCES

85. Please list at least three municipal/financing references who can speak to your work on similar developments completed by your team.

Name	Relationship	Email Address	Phone
Erin Allen	Service Provider, SkyLine, Incc.	skylineinc2015@gmail.com	952-393-7499
Lisa Combs	Third Party Asset Manager, Vecino Group	alicia.combs@vcinogroup.com	417-631-3555
Kristin Nemmers	Vice President, PNC Bank	kristin.nemmers@pnc.com	763-343-9943

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

- 1. A completed Application Budget Workbook, showing the City's proposed financial contribution and all other proposed financing.
- 2. Description of the Development Team's Experience and Capacity per Section 2.5, Item 2 of the RFP. This may be attached or including in the application. Please do NOT duplicate information attached and included in line.
- 3. Letter(s) from Supportive Service Provider(s) affirming in detail what services are necessary to be adequate for the number of supportive housing units and target population as well as what level of services they intend to provide (such as assessment and referral, on-site intensive case management, etc.), % FTE, hours on site, etc.
- 4.a. A detailed map of the site.
- 4.b. A map using the AHF Affordable Housing Targeted Area Map, indicating the site in the context of the City.
- 4.c. A preliminary site plan and one to two renderings, if available.
- 5. 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.
- 6. A confirmation page demonstrating that an Initial Application for Energy Design Assistance was submitted to Focus on Energy. If the Bundle Report is available, please attach it now as well.
- 7a. Tenant Selection Plan consistent with the City's Standards outlined in Attachment B-1.

If the following items are not available at the time of initial application, submittal will be required at the following future date:

Application Item	Due Date
Preliminary Site Plan	A week prior to Development Assistance Team (DAT)
Capital Needs Assessment	Supplemental Application
Market Study/Analysis – may be informal <i>(Required for new construction proposals seeking HOME funds)</i>	Supplemental Application

APPLICANT: **PRRFI**

3. PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

Table with 30 columns (Year 1-30) and rows for Gross Income, Less Vacancy/Bad Debt, Income from Non-Residential Use, Total Revenue, Expenses (Office, Real Estate, Advertising, Payroll, Property Insurance, etc.), Total Operating Expenses, Net Operating Income, Debt Service (First Mortgage, Second Mortgage), Other (List), Compliance, Total Annual Cash Expenses, Total Net Operating Income, Debt Service Reserve, Deferred Developer Fee, Cash Flow, and AHF City Interest Loan.

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

Summary table for DCR Hard Debt and DCR Total Debt with values for years 1, 2, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 2.0, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 3.0.

Assumptions table with rows for Vacancy Rate (7.0%), Annual Increase Income (2.0%), Annual Increase Expenses (3.0%), and Other.

APPLICANT: **PreservingUs, Inc. for The Presely**

3. PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

Table with 30 columns (Year 17-30) and rows for Gross Income, Less Vacancy/Bad Debt, Income from Non-Residential Use, Total Revenue, Expenses (Office, Real Estate, Advertising, Payroll, Property Insurance, etc.), Total Operating Expenses, Net Operating Income, Debt Service (First Mortgage, Second Mortgage), Other (List), Compliance, Total Annual Cash Expenses, Total Net Operating Income, Debt Service Reserve, Deferred Developer Fee, Cash Flow, and AHF City Interest Loan.

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

Summary table for DCR Hard Debt and DCR Total Debt with values for years 1, 2, 1.6, 1.7, 1.8, 1.9, 2.0, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 3.0.

Assumptions table with rows for Vacancy Rate (7.0%), Annual Increase Income (2.0%), Annual Increase Expenses (3.0%), and Other.

APPLICANT & PROJECT NAME:

PreservingUS, Inc. : The Presley

1. CAPITAL BUDGET

Enter ALL proposed project funding sources.

FUNDING SOURCES

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
TBD	\$ 4,680,000	N	6.25%	16	40	\$294,186
Subordinate Loan 1-Lender Name:						
Dane WF Housing Fund	\$ 1,000,000	N	4.50%	16	35	\$57,270
Subordinate Loan 2-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
WHEDA	\$ 21,000,000					
City Request (AHF, HOME, TIF)						
Madison AHF	\$ 3,000,000	N	2.75%	16	30	\$74,077
Subordinate TIF Loan-Lender Name:						
AHP Loan (List FHLB):						
FHLB Chicago	\$ 1,000,000					\$0
Dane County AHDF:						
Dane County AHDF:	\$ 2,500,000	N	2.00%	16	30	\$50,000
Other-Specify Lender/Grantor:						
45L Credit Equity	\$ 360,000					
Other-Specify Lender/Grantor:						
GP Contribution	\$ 100					
Tax Credit Equity	\$ 12,690,000					
Historic Tax Credit Equity (Fed and/or State)						
Deferred Developer Fees	\$ 1,861,500					
Owner Investment						
Other-Specify:						
WI State Credit Equity	\$ 5,004,000					
Total Sources	\$ 53,095,600					

Do you plan on submitting an application for TIF?

No

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan 1-Lender Name:			
WHEDA	\$ 19,106,000	7.00%	24
Construction Loan 2-Lender Name:			
Construction Loan 3-Lender Name:			
Construction Loan 4-Lender Name:			
Bridge Loan-Lender Name:			
Housing Tax Credit Equity:			

Historic Tax Credit Equity:			
Other-Specify:			
Total	\$	19,106,000	

Estimated pricing on sale of Federal Tax Credits: \$ 0.89

Estimated pricing on sale of State Tax Credits: \$ 0.78
(if applicable)

Remarks Concerning Project Funding Sources:

APPLICANT:

PreservingUS, Inc: The Presley

2. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$2,200,000
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

Construction:	
Construction/Rehab Costs	\$16,640,000
E - Equipment & Furnishings	\$0
F - Special Construction & Demolition	\$400,000
Accessory Buildings	\$0
Personal Property/FF&E	\$320,000
Site Work Costs (on-site & off-site)	\$750,000
Landscaping	\$75,000

<---

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

Contractor Fees:	
General Requirements	\$900,900
Construction Overhead	\$360,360
Construction Profit	\$900,900
Construction Supervision	\$0

Contingency Funds:	
Construction Contingency	\$900,900
Other Contingency	\$0

Construction Period Expenses/Soft Costs:	
Construction Loan Origination Fee	\$97,900
Construction Loan Credit Enhancement/LOC	\$0
Cost of Bond Issuance	\$270,000
Bridge Loan Fees and Expenses	\$10,000
Construction Loan Interest	\$1,750,000
Construction Loan Origination Fee	\$0
Construction Period Real Estate Taxes	\$15,000
Title and Recording	\$105,000
Builder's Risk/Property Insurance	\$92,000
Temporary Relocation Assistance	\$0
Permanent Relocation Assistance	\$0
Other Interim/Construction Costs (list)	

Permanent Financing Expenses:	
Permanent Loan Origination Fee	\$33,469
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0
Legal Fees - Real Estate	\$50,000

Architectural & Engineering:	
Architect - Design	\$440,000

Architect - Supervision	\$110,000
Engineering	\$150,000
Survey	\$15,000
Other Architect/Engineering (list)	
	\$0

Syndication Fees & Expenses:

Organizational Fees	\$180,000
Other Syndication Costs (list)	
WHEDA Sub-Debt	\$15,000

Capitalized Reserves:

Operating Reserve	\$558,160
Replacement Reserve	\$0
Lease-Up Reserve	\$133,500
Debt Service Reserve	\$0
Capital Needs Reserve	\$0
Other Reserves	\$0
Escrows	\$0
Other Capitalized Reserves (list)	
	\$0

Reports, Studies & Related Work:

Appraisal	\$15,000
Market Study	\$7,000
Environmental Reports	\$35,000
Capital Needs Assessment Report	\$0
Other (list)	
GeoTech	\$20,000

Other Soft Costs:

Tax Credit Fees - Application	\$2,000
Tax Credit Fees - Compliance	\$0
Tax Credit Fees - Allocation	\$190,850
Permits & impact fees - water, sewer, etc.	\$315,000
Cost Certification/Accounting fees	\$30,000
Lease-Up Period Marketing	\$10,000
Title Insurance and Recording	\$45,000
Capital Needs Assessment (rehab only)	\$0
Legal	\$225,000
Other (list)	
Soft Cost Contingency	\$164,160

Developer Earned Fees & Expenses:

Developer's Fee	\$3,495,000
Developer Overhead	\$0
Consultant Fees	\$65,000
Other fees (list)	
	\$0

Total Costs:	\$32,092,099

2024 Affordable Housing Fund-Tax Credit RFP

Supplemental Application Questions

PreservingUS, Inc. (Cohen-Esrey)
The Presley

Response Submission Due Date: September 5, 2024 NOON

Instructions to Applicants:

Please respond ***briefly and succinctly*** to the questions below in-line, unless otherwise specified (e.g. additional documentation requested). Maximum 1/3 a page per question. Please use this Word document to record your answers and return this completed document to cddapplications@cityofmadison.com. Please cc: jspears@cityofmadison.com. We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Questions:

A. Energy Efficiency/Sustainability

- 1. The AHF-TC RFP requires awardees to continue working with Focus on Energy's New Construction Energy Design Assistance throughout the building design process. Bundle commitments will be incorporated into the term sheet.**

- a. **Please attach the Preliminary Bundle Requirements Document (BRD).**

If the Report is not yet available, please provide an update on the status at the Staff Team (9/9-10) and CDBG Committee Presentation (9/12); and send ASAP no later than NOON on October 15, 2024.

The report is not yet available. The CEDG team will be meeting with FOE on September 9, 2024.

- b. **What percentage of projected Energy Use Intensity (EUI) savings calculated over the baseline energy code is anticipated? (Note: Min. 20% required)**
__%

The percentage of projected Energy Use Intensity (EUI) savings are not yet available. The CEDG team will be meeting with FOE on September 9, 2024. The minimum of 20 percent savings will be sought if not exceeded.

- c. **What is the highest feasible Bundle Level to which this project anticipates committing?**

The development team will work with FOE to determine the highest feasible bundle level that can be underwritten in today's current economic climate.

- d. **If the Bundle election is less than the highest, which options and/or components were not chosen and why?**

The development team will work with FOE to determine the highest feasible bundle level that can be underwritten in today's current economic climate.

2. Please provide an update on plans for Solar energy:

- a. **Solar PV size anticipated (Note: Min 30 kW required):** ___
Percent of common areas for which electricity will be provided: ___%

The development team will meet with FOE to determine appropriate sizing of the solar panels.

100% of the common areas will have electricity provided.

3. How and when will ZERH feasibility be determined?

The development team is scheduled to meet with Focus on Energy and will request to score the project using an Energy Rating Index (ERI). Ideally, the measures selected will overlap with the Bundle Level that we are working with FOE to determine.

B. Property Management (PM)

1. Please answer the following regarding on-site PM staffing:

- i. **What percent FTE and number of hours are budgeted for the PM to be on-site? E.g., .50 FTE, 9a-1p – M-F?**

1 FTE%, scheduled for 40 hours a week. The manager will be on site Monday through Friday, with occasional evenings and weekends scheduled as necessary. This will be a 40 hour week, at 5 days per week.

- ii. **How many hours per week of additional regional &/or floating support is anticipated to assist &/or cover for on-site PM, vacancies, sick days, etc.? Please elaborate briefly on backup coverage.**

Floating support will be provided for a minimum of three weeks, or 15 workdays, per year. This can be supplemented with additional staff as needed.

- iii. **What percent FTE and number of hours are budgeted for the Maintenance staff to be on-site? ___% and ___**

1 FTE%, scheduled for 40 hours a week. The maintenance staff will be on site Monday through Friday, with occasional evenings and weekends scheduled as necessary. with occasional evenings and weekends scheduled as necessary. This will be a 40 hour week, at 5 days per week.

- 2. It is a goal of the City to ensure that residents who require ADA units are able to obtain appropriately accessible units and/or accommodations. Please answer the following:**

i. In the Dane County market, how many fully ADA accessible units does the PM manage?

There are five Type A units at The Landing at 818 and one at Village on Main. However, Village on Main offers 10 units with features such as roll-in showers and compliance with WHEDA's additional accessibility requirements.

ii. What percent of those units are currently leased by residents who require the relevant accessibility accommodations?

100%

iii. Briefly describe your property management strategies to ensure these units are available for residents that require accessibility features.

When a resident in an ADA unit gives notice, if there is not a waitlist for the unit, property management reaches out to the local senior supportive agencies to let them know about the vacancy.

iv. Briefly describe outreach, marketing, and direct referral partnerships you have with organizations to ensure these units are appropriately filled.

Property management reaches out to the Colonial Club, a senior care program in Sun Prairie, Dane County Aging and Disability Resources, and Dane County Veterans Service Office regularly to communicate availabilities and waitlist status.

C. Land Use and Community Engagement

1. Planning staff have recommended coming back to DAT. Please send an email updating this application after DAT on 9/5/24.

Due to conflicts with the Iowa Housing Conference this week, members of the development team are not available. The DAT meeting has been moved back to next week.

2. Please provide any further updates from WisDOT's preferred route for the Stoughton Rd. Interchange for Stoughton Rd and access at East Washington Ave, if any.

There are no updates currently. When the team meets with DAT, an update will be pursued.

D. Ownership Structure/Development Team

1. The answer to Q. 37 refers to an attached Organization Chart, however, it does not appear to be attached. Please do so here.

Please find The Presley Organization Chart included with this submission as an attachment to the email.

- 2. Please re-submit Q. 45 describing this development team’s experience in or articulated plans to offer a development partnership role, employment or meaningful internship opportunity to a graduate or student of the Associates in Commercial Real Estate (ACRE) program on this or another local project.**

While Cohen-Esrey Development Group (CEDG) does not have experience with the ACRE program in Madison, we work with programs local to Kansas City with similar missions. CEDG staff have participated in, and have hired from, the Urban Land Institute’s Real Estate Diversity Initiative, held in Kansas City. CEDG has offered internship programs through local colleges and universities in the past. The selected interns have been BIPOC. Creating access to the real estate industry for women and people of color is important to CEDG, however, this type of position and training benefits greatly from person-to-person interaction. It would be difficult to provide a meaningful experience remotely.

- 3. Please re-submit Q. 48 detailing the race and gender diversity of the Development Team.**

Company	Role in Development	BIPOC		Women		Total Employees
		#	%	#	%	
Cohen-Esrey Development Group	Developer	1	6%	6	33%	18
PreservingUS, Inc.	Co-Developer	0	0	1	100%	1
Horizon Construction	General Contractor	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Cohen-Esrey Communities	Property Manager	120	40%	180	60%	300
KnotheBruce	Architect	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

E. Unit Mix

- 1. Is there WHEDA approval regarding the income and rent structure for 50% and 60% units? Please further explain with a real example of a household income level and related rent that would allow a 50% AMI household with a 40% AMI rent. How does this structure address the income barrier for a 35% AMI household?**

While explicit WHEDA approval has not been obtained yet, structuring a higher income limit with a lower rent limit is compliant with Section 42 as it does not burden the renter. This structure is used in Minnesota Housing supported projects, of which CEDG has two. Sinclair Flats in Mankato offers 50 percent rent units to 60 percent income households. This was underwritten in the application and will be codified in the LURA.

Offering 30 percent max rent limit units to 40 percent income limit households is another iteration of this. It will benefit 35 percent AMI households directly.

F. Supportive Housing Units/Supportive Housing Partnerships

- 1. Nineteen (19) supportive housing units from CE seems high from our experience with similar sized and capitalized projects. With 19 SHU’s, how would LSS provide only an .5 FTE at 16 hours per week and be able to provide adequate lease up and ongoing support for this high number of higher-needs households?**

For scoring purposes, WHEDA has required that 20 percent of units are set aside for supportive housing. Hence, an 89 unit development should offer at least 18 units of supportive housing to meet this scoring threshold. Underwriting resident, or supportive, services for these units is not required as these individuals and families are provided case management. Hence Lutheran Social Services would be providing supportive services to five households coming through the Coordinated Entry program, while ownership and property management would be responsible for lease-up and maintaining communications with case managers for the veteran and ADA units. LSS may provide case management for some of these other households as well.

- 2. Resubmit the Supportive Housing Unit breakdown and please clarify the targets with a narrative below what the project will strive for (i.e. 19 from CE, 9 for Vets, 4 for HUD VASH, etc.).**

Total # of Homeless Supportive Housing Units	Total # of Veteran Supportive Housing Units	Total # of Homeless Veteran Supportive Housing Units	Total # of Disabled/Other Supportive Housing Units	Minimum # of Supportive Housing Units
5	5	[4 – HUD VASH]	5	19 (in total)

It is anticipated that the Presley will have nine units set aside for veterans. Of these, four would be permanently set aside for HUD VASH. The remaining five units would have a soft set aside in the 30 percent units, per WHEDA guidelines. If qualified veterans cannot be found within six weeks of placing in service, property management will work with LSS, Dane County ADRC, and other agencies as appropriate, to identify qualified households, such as those who are disabled or are using HCVs. Five units will be set aside for households referred to LSS through the Coordinated Entry program. Five units will be set aside for disabled households.

G. Design

- 1. Please answer question #27 about a year-round space indoor play space.**

The community room will offer a dedicated space that hosts a small library. It will include books, board games, tables and chairs, and generally comfortable seating. A table tennis set, Wii, or other indoor type games will also be provided. It will be open to residents, including youth, year round.

H. Financing

- 1. What's the rationale for seeking only \$1M from FHLB-Chicago instead of the recently increased maximum amount of \$2M?**

If awarded funding by Madison AHF, The Presley will pursue an FHLB award in spring of 2025. It is not known if this level of funding will be available at the time of application. Hence a conservative approach was taken.

- 2. The Debt Coverage Ratio is 1.88 in Year 1 (and increasing) which signifies that a higher amount of first mortgage could be achieved and/or lower amount of City gap funding would be necessary. Please explain the hard vs. soft debt financing approach and constraints and/or resubmit the financial proforma demonstrating justifying the funding request.**

Cohen-Esrey and PreservingUS, Inc. (PUI) considered the Dane County Workforce Housing Fund to be hard debt. This source is in place on another project in the portfolio in Waunakee WI. It is subordinate to the permanent debt for that development. Further, development staff incorporated the debt service, per the instructed terms, for the City's Affordable Housing Fund and the Dane County Affordable Housing Fund. It was understood these are non-recourse loans to the project. However, the permanent loan was sized to accommodate the servicing of these funds. Additionally, the deferred development fee does not pay off until year 12 in the submitted proforma. It is the guarantors' preference to see the 50 percent deferred fee, as required by WHEDA, paid off by year 10.

If the development only needs to service its permanent loan, the Dane County Workforce Housing loan, and the Dane County Affordable Housing loan, then a larger permanent loan can be sought and smaller requests can be made. Cohen-Esrey and PUI would welcome the opportunity to discuss terms with the development staff.

Page 30 shows project costs of \$32M, but page 27 shows \$53M in sources. Please explain.

The \$21,000,000 in bond allocation was included, in error, as a permanent source. This has been removed as a permanent source of financing.

- 3. Please explain the projected low WHEDA self-score for Development Team at only 2 out of 8 possible points.**

The development team elected not to pursue partnering with an emerging developer for the 2024 application cycle, hence no points were awarded for that. Additionally, the partner non-profit PreservingUS, Inc. did not enter into the ownership structure until after application submission. Pointing in this category for Madison's AHF application should have listed four possible points, rather than only two.

Project: The Presley

DRAFT

