

## 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](mailto:cddapplications@cityofmadison.com)

### APPLICANT INFORMATION

Development Name:	Volker 4% - East Washignton Avenue and 7th Avenue		
Site Address:	2434 E Washington Ave, Madison, WI 53704		
Amount of Funds Requested:	\$3,500,000	Type of Project:	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Acquisition/Rehab
Lead Applicant:	Volker Development Inc.		
Mailing Address:	729 North Washington Avenue, Suite 600, Minneapolis, MN 55401		
Telephone:	952-334-7294		
Admin Contact:	Darlene Metz	Email Address:	d.metz@volker.co
Lead Project Contact:	Travis Fauchald	Email Address:	t.fauchald@volker.co
Financial Contact:	N/A	Email Address:	N/A
Website:	<a href="https://volker.co/">https://volker.co/</a>		
Legal Status of Maj. Owner:	<input checked="" type="checkbox"/> For-profit <input type="checkbox"/> Non-profit	LIHTC Application:	<input checked="" type="checkbox"/> 4% only <input type="checkbox"/> 4+4% <input type="checkbox"/> 9%
Anticipated WHEDA Set-Aside:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Preservation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Supportive Housing		
Federal EIN:	93-2833865	SAM/UEI #:	

\* 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:  Date: 7/31/2024

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



City of Madison  
Community Development Division  
Attn: Julie Spears  
Suite 300, 215 Martin Luther King, Jr. Blvd.  
Madison, WI 53703-3348

**RFP # 13059-2024**

Affordable Housing Fund:  
Developers Seeking 2025 WHEDA Tax Credits for Rental  
Housing Development

7/31/2024

Dear Ms. Spears;

Volker Development is pleased to present this proposal for the consideration of gap financing to help develop a 4% LIHTC, new construction, affordable housing community within the City of Madison.

Responding directly to a number of Goals, Strategies and Actions set forth in Imagine Madison, the City of Madison's Comprehensive Plan, this proposal presents an opportunity to aid in the feasibility of infill redevelopment on East Washington Avenue in the City's 2024 Preferred Transit Oriented Development (TOD) Area.

The project's location was strategically picked as it's situated near amenities such as public transportation, schools, library, health facilities, parks and nearby retail, which will all compliment the number of amenities that the project

will provide for its residents and the surrounding community.

The proposed project intends to convert several abandoned single family (rental) homes and an abandoned auto shop into a well-located, sustainable, 100% affordable apartment community.

Made up of a unit mix consisting of larger unit types (2 & 3 bedrooms), the project also will reserve 25% of its units for individuals and households with incomes at or below 30% of Dane County's area median income (AMI).

The project team consists of experienced and local experts, that are committed to transforming their community by providing high quality, sustainable and equitable affordable housing. We look forward to a collaborative process with the City, County, Neighborhood, Financing Parties goals for the

Thank you in advance for your consideration. We look forward to working with you on this project and others to help bring affordable housing to the City of Madison.

Sincerely,

Travis Fauchald  
Volker Development, Inc.  
952-334-7294  
t.fauchald@volker.co

**VÖLKER**

## 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.

A project-specific market study has not yet been ordered, but preliminary conversations with Baker Tilly, and other WHEDA approved market study providers, have confirmed a need for this type and quantity of rental housing units due to number of indications: submarket vacancy rates below 5%, strong absorption rates, long wait times and large waiting lists for City of Madison residences, and acceptable demand ratios to prove continued lease up and strong occupancy.

This project's unit mix and set-asides have been tailored to the anticipated demand, utilizing data and recommendations published by the City's Housing Affordability Reports and Comprehensive Plan and the County's Housing Snapshot Report and Strategic Action Plan.

Due to the increasing cost of homeownership, a shortage of rental (especially affordable) units, an increasing number of cost-burdened households, and a widening rental gap between units available and households with incomes at or below 30% AMI and a gap at the top end of the rental market for households renting with incomes at 50-80% AMI, the anticipated demand for this project is strong and a short lease-up is expected.

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

This project will transform several under-utilized, abandoned lots into a transit-oriented, bike friendly, attractive, mixed-use development that everyone in the community can be proud of.

The benefits of the proposed project are numerous.

This project positively contributes to the existing neighborhood by proposing a high-quality, equitable and accessible affordable housing option that provides a number of amenities, transit options and whose location makes it walkable to many facilities. The selected location also provides housing to an area where a number of households have incomes below 60% of Dane County's area median income. This project will also provide the tools to ensure stable and long-term housing options for those who need it most.

Lutheran Supportive Services, Cordon Housing, and a number of other veteran-oriented service providers (Give an Hour, Hire Heroes USA) will be providing supportive services to the residents of the project. With space on-site for those providers to engage with residents and the broader community, the project is designed to provide access to experienced and trained staff that will offer intensive case management, counseling, connection to other community resources, consumer education, and much more. This project will provide the tools to ensure stable and long-term housing options for those who need it most.

The main risks associated with this particular project, that would get in the way of this project coming to life (that are in addition to the usual risks associated with a general development project), include:

1) Environmental Contamination - Due to the project's location on East Washington Avenue and due to the previous uses of the site, it is likely that some contaminated soils may be present which may be costly to remediate, may influence the project's design (adding costs), and may add costs for on-going monitoring to ensure adequate remediation and the safety of the project's residents.

2) Soft Funds - Without gap financing from the City of Madison and Dane County, this project is not financially feasible, and would prohibit a rent- and income-restricted multifamily project from coming to fruition and would threaten non-competitive nature of project, threatening likelihood of project viability.

**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).

Volker and Cordon Housing are seeking gap financing for the proposed 76-unit, non-competitive, 4% LIHTC new construction project that is located on the corner of N Seventh Street and East Washington Avenue. This redevelopment would transform an abandoned muffler and autobody shop and vacant / underutilized single family home rentals into a five-story, WHEDA mixed-income housing project.

The proposed mixed-use community will consist of 1-,2- and 3-bedroom, rent- and income-restricted units across a variety of income levels, with designated first-floor commercial space provided at no-cost (with annual leases) to LSS. LSS will provide services and on-site case management not only to the project's residents but other residents in the surrounding community and the office location will make accessibility to services convenient.

With 25% of units at 30% AMI, distributed across unit sizes and with 25% of units of units being designated as supportive housing units, the proposed project's nineteen (19) 30% AMI units will be set aside for and will prioritize housing for homeless and disabled veterans.

The proposed project will benefit future residents, provide high-quality affordable housing in an area of need, will provide services that the community and neighborhood can utilize, and will also redevelop a blighted and likely contaminated site and add a BCycle station for neighbors to utilize (12 docks, 6 bikes).

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: **76**

Total number affordable of units (≤60% CMI): **40** Total % affordable of units (≤60% CMI): **53%**

Total amount of AHF requested per affordable unit: **87,500**

Number of units supported by Section 8 project-based vouchers, if known: N/A at this time PBV CMI level: N/A at this time

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.

By committing to permanent affordability of the nineteen (19) units with rent and income restrictions at 30% AMI through a recorded Land Use Restriction Agreement (LURA), the project requests to waive the Shared Appreciation terms in the Long Term Deferred note in favor of terms that provide a zero percent, long-term deferred loan payable upon sale, transfer, or change in use of the property.

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 development team commits to making quarterly payments on the AHF Cash Flow Note subject to available cash flow after the payment of deferred developer fee.  
  
This covenant and the project's income- and rent-restrictions, will be documented in the promissory note, mortgage, LURA, subsequent loan documents and the operating agreement or partnership agreement of the project's owner.

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

No.

**SITE INFORMATION**

11. Address of Proposed Site: **2430 E Washington Avenue, 2434 E Washington Avenue, 2450 E Washington Avenue, 10 N 7<sup>th</sup> Street, 16 N 7<sup>th</sup> Street, Madison WI 53704**

12.

13. 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

14. Identify the neighborhood in which the site is located: North Street Neighborhood Association (fka as Eken Park)

15. Date Site Control Secured: 3/5/2024

16. 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.)

The project’s location was strategically selected not only to develop in line with the City’s Comprehensive Plan, in a qualified census tract (QCT) to maximize LIHTCs, in the City’s 2024 Preferred Transit Oriented Development (TOD) Area and subsequent 2024 Affordable Housing Targeted Area Map, but is also on multiple high-frequency transit lines, and is near many services and amenities for residents to enjoy. Lastly, this proposed project is a redevelopment that helps reduce blight and converts an underutilized site into a accessible, equitable, sustainable and attractive affordable housing development.

17. Current zoning of the site: TSS and TR-C4 An interactive version of the Zoning Map can be found linked [here](#).

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

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

- Certified Survey Map (CSM)
- Demolition Permit
- Rezoning approval
- Conditional Use Permit for proposed density
- Urban Design Commission Review (Informational & Initial/Final Reviews)

20. 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 City’s Comprehensive Plan recommends Community Mixed Use (CMU) development for the project site.

Generally, development in the CMU land use category is intended to support intensive development, including both commercial and residential uses. CMU areas are intended to include buildings of two to six stories in height with more residential than commercial space. Development and design within CMU areas should support walkability and be transit-oriented, well-connected to surrounding development, and surface parking should be screened from the street.

This infill development project with residential and commercial space provided to the project’s service provider, at five stories in height, is intended to promote public transportation, biking and screens parking from the adjacent streets.

The project site is located in the Emerson East Eken Park Yahara Neighborhood Plan planning area. While the project site is not located in a Focus Area, it does include general goals that speak to encouraging mixed-use development and a variety of housing opportunities.

21. 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

22. 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.

<b>Type of Amenities &amp; Services</b>	<b>Name of Facility</b>	<b>Distance from Site (in miles)</b>



Full Service Grocery Store	Pick 'n Save Jennifer Street Market	.92 miles .60 miles
Public Elementary School	Emerson Elementary School	.10 miles
Public Middle School	Sherman Middle School	1.39 miles
Public High School	Madison East High School	.17 miles
Job-Training Facility, Community College, or Continuing Education Programs	Commercial Avenue Education Center / Madison Area Technical College	.51 miles
Childcare	Red Caboose Child Care Center Big Oak Child Care	.09 miles .49 miles
Public Library	Hawthorne Library	.21 miles
Neighborhood or Community Center	Goodman Community Center	.37 miles
Full Service Medical Clinic or Hospital	UW Health Union Corners Clinic	.03 miles
Pharmacy	Walgreens	.33 miles
Public Park or Hiking/Biking Trail	Hawthorne Park	.30 miles
Banking	Lake Ridge Bank	.55 miles
Retail	Madison East Shopping Center	.30 miles
B-cycle Station	Proposed on site	0 miles
Other (list the amenities):	Emerson Elementary School Playground	.11 miles

23. 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.

Nearest Bus Stop (.05 miles) - E Washington at Milwaukee (stop #1112) on SWC of Milwaukee St and E Washington  
 Route A - Service every 15 minutes  
 Route B - Service every 15 minutes

Second Nearest Bus Stop (.09 miles) - North at E Washington (stop #1301) on NEC of North Street and E Washington  
 Route D - Service every 30 minutes

24. 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.

Emerson Elementary School - Extremeley walkable, sidewalk provided and less than two blocks away. School is within 750 feet of site and is on same side of N 7<sup>th</sup> Street as the proposed project.

Sherman Middle School - Not walkable.

Madison East High School - Extremeley walkable, sidewalk provided and less than three blocks away. School is within 1000 feet of site and is on same side of East Washington Avenue as the proposed project.

25. 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.

Grocery Store -Most convenient transit option is Metro Transit Route B to Route L.  
 Library - Most convenient transit option is Metro Transit Route A.  
 Neighborhood Center - Most convenient transit option is Metro Transit Route B to Route L.  
 Education Center - Most convenient transit option is Metro Transit Route B.  
 Childcare - Most convenient transit option is Metro Transit Route B.  
 Community Center - Most convenient transit option is Metro Transit Route D.



Medical Clinic - Most convenient transit option is Metro Transit Route A or B.  
 Pharmacy - Most convenient transit option is Metro Transit Route A.  
 Park - Most convenient transit option is Metro Transit Route A or B.  
 Banking - Most convenient transit option is Metro Transit Route B.  
 Retail - Most convenient transit option is Metro Transit Route A.

26. 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](mailto:kgbrown@madison.k12.wi.us)) to obtain updated current and projected capacity for the relevant schools.

MMSD was unable to provide updated projections, but according to the 2019 MMSD enrollment projections, enrollment during year 24-25 was expected to be the following, Sherman Middle School (24-25): 497 students, Ermerson Elementatry School (24-25): 369 students, East High School (24-25): 1881 students. Each school's capacity was estimated to be the following: Sherman Middle School: 851 students, Emerson Elementary School: 416 students, East High School: 2,666 students.

The following figures were provided as by MMSD for current enrollment numbers from 22-23 school year: Sherman Middle School: 401 students, Emerson Elementatry School: +/- 351 students, East High School: 1,649 students.

Volker would expect and estimate the following children live at the project: 0.10 children per one-bedroom unit (26 units), 0.65 children per two-bedroom units (34 units), 1.25 children per three-bedroom units (16 units).

This amounts to an anticipated 45 students living at the project which can be split evenly between elementary, middle school and high school ages (15 students attending each school).

Based on the proposed project's expected children living on site compared to expected capacity and future enrollment expectations done in 2019, which need to be updated and confirmed, the project's estimated children will not contribute to any school capacity issues.

## SITE AMENITIES

27. 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.).

Outdoor amenities available to residents include but are not limited to the following: Bycle station on site, balconies and/or patios in every unit, covered and on-site surface parking stalls, a roof plaza on the second floor consisting of outdoor games, a planned fire place, grilling stations, large garden, planters, green roof, patiospace with movable tables and chairs, a roof deck on the fifth floor with green space, lounge area, planters, and games. There will also be a green roof and rain garden for residents to enjoy on the SW roof area.

28. 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?

Indoor common area amenities available to residents include but are not limited to the following: mailboxes, parcel room, community service provider on site, community room, fitness center, storage lockers, bike storage, rooftop clubroom, smoke free-enviornment, and on-site property management presence with private offices for confidentiality.

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

The proposed indoor apartment amenities include the following features within every unit: LVP flooring, ceiling fans in bedrooms, garbage disposals, dishwashers, pantry, microwave, granite or quartz counterops, balconies or patios in every unit, walk-in closets, ENERGY star appliances (range/oven, refrigerator) and window blinds.

Internet service in each unit will be made available at low cost to residents. Volker will provide media panels inside units and will have pre-installed infrastructure (modem/routers) for convenient activation, allowing the unit to be wifi-ready right away at a reduced rate as a bulk arrangement will be made with the service provider. Residents will simply call the service provider or goes to a portal for wifi and internet service. The internet service is activated with no need for any installation.

30. In regards to parking, what is the:

a. Anticipated number of total number parking spots:	68
i. Underground	--0
ii. Surface	--68
b. Ratio of parking spots to units?	.89
c. Monthly parking cost?	Free
d. Will the parking cost in this development vary by CMI level?	No

Brief further comments regarding parking fees may be added here:

N/A.

31. 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.

The first floor commercial space has been designed with the service provider, Lutheran Social Services, in mind and in accordance with their needs as it relates to the proposed service plan.

The space's location within the proposed building is not only accessible by residents from within the building, but is intended to be accessible by other residents in the community who may need any sort of assistance. The community service's office is located directly adjacent to the building's entrance, near parking and is intended to provide as much visibility as possible to those biking, driving or passing by.

As the building's design is refined and architectural drawings are put together, the service provider will be provided as much design input as possible as it relates to FFE, low voltage systems, IT equipment, interior design elements, etc. to best tailor that space to the needs of the service provider, the residents and other community members served.

**CITY AND COMMUNITY ENGAGEMENT PROCESSES**

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

During the pre-application meeting with Jacob Moskowitz and Colin Punt on April 25, 2024, Volker presented an initial fit plan for the proposed redevelopment. Staff was welcoming of the project, thought it was a great location for an affordable housing project and encouraged Volker to continue refining the initial layout.

Colin and Jacob encouraged us to reach out to Julie Spears, Matt Frater in CDD and provide an introduction to Alder Amani for feedback. Staff outlined the entitlements process, timing of necessary approvals and permits for the project to come to fruition.

The notable comments received by Staff on the project's design at that time went as follows:

- 1) Staff pointed to the section of the City's zoning ordinances required height transitions in commercial districts when adjacent to lower density residential uses.
- 2) Staff encouraged us to decrease the size of the curb cut / consolidate access on 7th Street.
- 3) Staff encouraged us to arrange the building's principal entrance and lobby on the corner of East Washington and 7<sup>th</sup>.

Upon making those revisions, Staff encouraged us to submit for a DAT meeting for more feedback and involvement from other City departments.

33. 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?

The most notable staff comments made at the May 23, 2024, City's DAT meeting regarding the proposed development included:

- 1) In TOD overlay districts, a larger % of the building's frontage need to be an active use. We were encouraged to revisit the TOD guidelines and to add back units and common amenity spaces on the ground floor of East Washington Avenue. Having only a few windows and door elements along the ground floor East Washington would be problematic when it came to UDC's review.
- 2) We were encouraged to widen the sidewalks to 6 feet on East Washington Avenue and were told to incorporate a 5 foot sidewalk on 7th Street, shrinking the building footprint and revising the design of the building's proposed footings.
- 3) Jessica Vaughn welcomed a "pre-UDC" meeting to present elevations and exteriors prior to a formal informational submission to UDC.
- 4) For simplicity sake, we were encouraged to rezone the entire site to CC-T.

34. 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?

All correspondence to date with Alder Amani has been very positive, she has communicated that she is excited about the project due to the location, need and liked the initial design. Alder Amani also encouraged continued transparency and communication with Staff, Neighbors and the Neighborhood Association to ensure feedback was heard and incorporated to ensure as much collaboration and partnership as possible. She was also excited that we were seeking feedback early as other nearby WHEDA projects have not been considerate to neighborhood concerns. Alder Amani was also relieved to hear that Volker Management was intending to manage the property once completed.

Alder Amani's one initial, specific concern, which is consistent with other projects, was regarding parking at the project. She encouraged us to provide as much parking as possible, over and above the City's recent parking

requirements (or lack thereof) in certain zoning districts, due to the potential for overflow street parking occurring on nearby streets.

The design is seeking to address her concerns by providing vehicle alternatives to prevent overparking the project by providing a parking ratio near 1:1 stalls per unit, and providing incentives for alternative modes of transportation.

On 7/15/2024 we reached out to Alder Martinez-Rutherford but have not received a response.

35. 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.).

Shortly after revising the project's initial design after the DAT meeting, we engaged the North Street Neighborhood Association via email on 5/31/2024 and took part in the July 2024 Neighborhood Association's monthly meeting on 7/11/ 2024 to introduce the project and its design, answer questions, introduce Volker and inform the Neighborhood Association of the project-specific neighborhood meeting that was scheduled for 8/5/2024.

The Neighborhood Association was also very welcoming of the project and was glad there was development interest on the subject parcels. There were no issues or concerns brought up at the time of the Neighborhood Association meeting.

If and when concerns come up at the project-specific neighborhood with Staff and Alder Amani on 8/5/24, we will address the concerns as best we can, if possible. At Volker, we believe collaboration from all stakeholders is key, to ensure all voices are heard, considered, and to obtain buy-in and partnership from the very beginning.

Volker will continue to attend monthly Neighborhood Association meetings, as the entitlements process continues, to inform the Neighborhood Association of updates and to ensure as much communication and transparency as possible.

36. 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.

Volker will continue to attend monthly Neighborhood Association meetings during construction to inform the Neighborhood Association of timing, updates and to ensure as much communication and transparency as possible.

Within six to nine months of construction completion, a website will be published that will provide updates regarding: leasing information, applications, amenities, photos, renderings, etc. to ensure prospective residents, the Neighborhood Association and project partners, are informed of move-in timing, construction completion, etc. Banners and marketing materials will also be on-site.

After completion, Volker's property management team and service provider will be made available for another Neighborhood Association meeting for introductions, to ensure the Neighborhood Association has multiple points of contact for discussing any ongoing concerns, to report issues, etc.

**DEVELOPMENT TEAM**

37. 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
Travis Fauchald	Volker Development Inc.	Developer	t.fauchald@volker.co	952-334-7294
Chris Bailey	Cordon Development Group Inc.:	VP of Co-Developer	Chris@CordonHousing.com	719-208-9041

Jorjio Hopkins	Cordon Development Group Inc.:	President of Co-Developer	jorjio@CordonHousing.com	608-445-4282
Mary Wangerin	Volker Management LLC	VP of Property Management Agent	m.wangerin@volker.co	920-579-4706
Kevin Burow	Knothe & Bruce Architects	Managing Partner of Architect	kburow@knothebruce.com	608-836-3690
Aliso Gorham	McShane Construction Company	VP of GC	agorham@mcsbane.com	608-518-3435
John Stern	Winthrop & Weinstine	Legal Counsel	JStern@winthrop.com	(612) 604-6588
Bill Cummings	Reinhart Boerner Van Deuren s.c.	Legal Counsel	wcummings@reinhartlaw.com	414-298-8330
Dennis Hanson	LUTHERAN SOCIAL SERVICES OF WISCONSIN AND UPPER MICHIGAN, INC.	Vice President of Residential Services	Dennis.Hanson@lsswis.org	

38. 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.

Please see attached "Org Chart" for organizational structure of the proposed project.

Please see attached MOU between Cordon and Volker which outlines roles and responsibilities of joint-venture.

39. 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.

While Volker has not yet completed an affordable housing project in the City of Madison, it has developed more than 50+ LIHTC communities nationwide, with a majority of projects being in Wisconsin and financed by WHEDA.

Please see Volker Formation for more information on how and when Volker was formed and for it's history.

See attached for Volker and Cordon Resumes and Mission Statements.

See attached for Volker financial statements, demonstrating capacity of organization to secure financing and complete project.

See attached for Volker Development Experience - Project List for number of projects closed to date. This list includes the unit count, location, financing type, along with the soft funds utilized, supportive housing set-asides, supportive service providers, joint ventures (if applicable).

Please see Volker Bios, for key individuals working on project.

- 40. 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.

Cordon Housing, assuming the role of BIPOC Co-Developer and Co-Owner on the proposed project, is an established, not-for-profit organization, committed to providing stable, affordable housing for low-income and homeless veterans across the Country.

In 2021, Cordon Housing was conceived through the collaboration of Jorjio Hopkins, a veteran Marine officer, and Chris Bailey, a veteran of the 173rd Airborne Brigade. The founders connected at the Wisconsin Veterans Chamber of Commerce, where they discussed the housing disparities faced by low-income veterans. Motivated by their own experiences and the challenges encountered by peers, Chris and Jorjio established a nonprofit focused on creating stable housing solutions for veterans. In 2022, they applied for 501 (c)(3) status and received official nonprofit status in May 2023. With expertise gained from working at national real estate investment firms, state housing finance authorities, and top-tier development firms, our founders are equipped to help make a difference for veterans in need of stable and affordable housing.

Cordon Housing connects veteran tenants with specialized peer organizations, affordable housing projects and service providers who work tirelessly to solve veteran's issues. We use our relationships with these organizations to ensure veterans receive support in securing benefits, accessing VA healthcare, receiving guidance on educational opportunities, career paths, and career mentorship opportunities. With a focus on long-term stability, we also connect veterans with resources to help in developing savings plans and connecting with VA loan underwriters to achieve homeownership over time. Through comprehensive support and affordable housing, we empower veterans, enhancing their quality of life and facilitating their journey towards a rewarding future.

Cordon's involvement in the project will remain throughout the compliance period, actively participating in all aspects of the project's development activities to ensure homeless and disabled veterans are safely housed, including but not limited to design, financing, lease-up, stabilization.

Cordon, as co-owner and co-developer will help coordinate with the property management and compliance team, on-site service provider and organizations such as the Veterans Service Organizations (VSO), United States Department of Veterans Affairs, Supportive Services for Veteran Families (SSVF) to aid in coordinated entry, obtaining referrals and VASH vouchers, connect veterans to other veteran's oriented programs (Veterans' Smile, Team Red White and Blue, Outward Bound, and others) and is there to provide resources where available and to ensure the needs of the project's residents are met.

Cordon will be a 1% owner of the project, will receive 1% of the developer fee, will receive \$50,000 at closing and will receive an annual management fee of \$1,200.

41. 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.

N/A

42. 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 responsibility of ensuring compliance with all federal, state and local requirements and regulations during the pre-construction and construction phases will be shared by the entire design and development team, including but not limited to the Developer, Civil Engineer, Architect, General Contractor, Energy Consultant, Accessibility and ADA Consultants.

The design has a demonstrated track record of designing, permitting and building similar LIHTC projects, different multifamily projects (workforce, market rate, condos, single-family) and different project types altogether (retail, hospitality, etc.) throughout Dane County.

Combined with an experienced development team that has developed a number of different affordable housing projects of differing types (acquisition rehabilitations, new construction, historic, adaptive-reuse, townhomes) across the Country that carry differing regulations from differing financing sources, the project team has been assembled to ensure compliance and will make sure all rules are followed through the development process.(please see attached project list showing completed projects with similar compliance requirements)

Additionally, Volker's in-house general counsel, president, chief development officer, developer, development manager, property management team, and to-be hired director of construction will be involved every step of the way including weekly construction update meetings and will be on-site monthly during the construction phase to ensure compliance with all rules and regulations and an on-time completion that stays on budget.

43. 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.

Once built, Volker's Property Management, Compliance and Asset Management teams, alongside Cordon Housing and LSS will be responsible for maintaining compliance with all requirements, procedures and regulations.

These groups have all been intimately involved on this project to date, and will continue to be intimately involved throughout construction and will be ready once the project is completed to ensure the covenants and obligations made with every project partner (City, County, WHEDA, Financing Parties, Neighborhood Association, Service Providers, etc.) are fulfilled.

Whether it be Volker's staff obtaining certifications as Housing Credit Certified Professionals (HCCP), Tax Credit Specialists (TCS), Certified Occupancy Specialists (COS) and HOME Compliance Specialists (HCS) or having completed the required Fair Housing Trainings, training in-WHEDA specific requirements, each team and team member will be fully trained in all operational aspects of their role. Volker can provide trainings / certifications for each individual if requested.

They will possess excellent communication and interpersonal skills, along with being detail oriented with critical thinking and problem-solving skills. They will also be trained in Tax Credit compliance with the ability and knowledge to fully process applications, renewals, as well as understanding income/rent limits and Utility Allowances.

We will be utilizing Volker's internal compliance team, who will hosts quarterly trainings regarding program eligibility and IRS guideline updates. These trainings are administered live, either in-person or via virtual platform. Additional annual training through Yardi Aspire, including fair housing, sexual harassment, soft skills management and leasing courses, etc. Aspire training is offered online, via webinar.

44. 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.

See below for a list of financing sources being applied for:

- WHEDA subordinate financing - Commitment Date Q4 2024
- Dane Workforce Housing Fund - Commitment Date Q1 2025
- Dane County Affordable Housing Development Fund (AHDF) - November/December 2024
- Federal Home Loan Bank's Affordable Housing Program
- HUD-VASH Vouchers and other grants, subsidies and loans to help provide affordable housing for Veterans - Ongoing

Please see the attached Volker Development Experience - Project List for similar soft funds used on previous developments, to demonstrate ability to seek, secure and combine soft funding opportunities to reduce financial gaps.

45. 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.

Cordon Housing, Co-Developer and Co-Owner on the proposed project, will have ownership in the development which will be memorialized in the project's organizational documents.

Cordon will be a 1% owner of the project, will receive 1% of the developer fee, will receive \$50,000 at closing and will receive an annual management fee of \$1,200.

46. 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?

Volker is currently in discussions with Denise Anderson-Alexander, the Chief Financial Officer and Director of Real Estate Development at Movin' Out, an ACRE graduate, regarding a partnership on another LIHTC new construction project in Wisconsin.

47. 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.

McShane, a WBE business itself, has extensive experience meeting and exceeding MBE & WBE hiring goals for projects. McShane has compiled a list of all MBE & WBE subcontractors and suppliers certified within the State of Wisconsin, and will include all subcontractors on the initial Invitation to Bid for the project. All of Invitation to Bid documents will promote the MBE/WBE hiring goals on the project as well.

In the past, McShane has been successful in encouraging and assisting minority and women owned businesses through the process to obtain the formal Minority or Women Owned Business certification.

At the start of the bid out process, McShane will send out letters to 50+ local community organizations notifying them of upcoming job opportunities associated with this project. Their subcontractors are encouraged to contact these local organizations to promote any job openings they may have.

48. 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.

With the goal of exceeding the City's goal for people of color working on the job site, the development team will partner with a workforce diversity consultant to help with engagement, monitoring, review bid and recruitment process, review bids, encourage partnership amongst bidders, contemplate internship and apprenticeships, etc.

We are committed to meeting and exceeding hiring goals on the projects we are engaged on for the betterment of our community.

49. 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
		#	%	#	%	#
Volker Development Inc.	Developer	0	0%	2	25%	8
Cordon Development Group Inc.:	Co-Developer	1	50%	0	0%	2
N/A	Co-Developer					
McShane Construction Company	General Contractor	39	20.3%	39	20.3%	192
Volker Management LLC	Property Manager	7	13.5%	29	55.8%	52
Knothe & Bruce Architects	Architect	2	6.3%	8	25%	32
LSS	Service Provider	145	18.4%	635	80.8%	786

50. 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.

Volker intends to provide as much community-centered engagement as possible, especially by engaging local Black, Indigenous, and other People of Color (BIPOC) communities to seek feedback, identify potential project partners, collaborate with local BIPOC-led nonprofits, community groups and leaders, and advocacy organizations to bring forth projects in a way that allows them to be effective, desired and successful on the front-end but also successful once built and managed.

Volker is partnering with a BIPOC developer on this project and has historically been awarded several 9% projects and is under construction on a project with local, experienced, BIPOC co-developers, to ensure diverse and different perspectives are included. This collaboration ensures an equitable and accessible development that meets the needs, preferences and desires of all communities.

51. 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.

Volker also seeks feedback from all stakeholders, its residents and partners to ensure best practices are followed and that accountability is provided.

Volker has revisited policies on both a site-level and corporate level, but revising and requiring: ongoing DEI training, the objective hiring process (candidate pools, bias-free selections), clear promotion criteria, transparent pay structures, anonymous feedback mechanisms and surveys, employee support, etc.

52. 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**

53. 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 supportive housing units will be distributed as follows with the target population being veterans, and their families, meeting the definition of homelessness or at-risk of homelessness along with disabled veterans.

One Bedroom - One Bathroom

- 4 units - 30% AMI - Disabled Veterans and their families
- 4 units - 30% AMI - Veterans and their families experiencing or at-risk of homelessness

Two Bedroom - Two Bathroom

- 4 units - 30% AMI - Disabled Veterans and their families
- 4 units - 30% AMI - Veterans and their families experiencing or at-risk of homelessness

Three Bedrooms - Two Bathrooms

- 2 units - 30% AMI - Disabled Veterans and their families
- 1 unit - 30% AMI - Veterans and their families experiencing or at-risk of homelessness

54. 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?

All of the nineteen (19) Integrated Supportive Housing units, (25% of total units) will be set aside for homeless / at-risk of homelessness and disabled Veterans.

Cordon Housing, Volker, and LSS will coordinate and engage with not only with the VA, the HUD VASH program, but with the VSO, HMIS and SSVF providers for veteran specific referarals.

The supportive housing units will be distributed as follows:

**One Bedroom - One Bathroom**

- 4 units - 30% AMI - Disabled Veterans and their families
- 4 units - 30% AMI - Veterans and their families experiencing or at-risk of homelessness

**Two Bedroom - Two Bathroom**

- 4 units - 30% AMI - Disabled Veterans and their families
- 4 units - 30% AMI - Veterans and their families experiencing or at-risk of homelessness

**Three Bedrooms - Two Bathrooms**

- 2 units - 30% AMI - Disabled Veterans and their families
- 1 unit - 30% AMI - Veterans and their families experiencing or at-risk of homelessness

55. 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.

On-site services will be provided by Lutheran Social Services of Wisconsin & Upper Michigan, Inc. (LSS), Give an hour and Hire Heroes USA, allowing for a multifaceted and sustainable approach to supportive services.

LSS will coordinate directly with all referral agencies to obtain information of individuals currently listed on the homelessness prioritization list. From this list of referrals, LSS will engage with individuals to identify potential tenants interested in residency at this proposed project and make associated referral to the Project's management team. After identification, prospective residents are assisted through the application process, move-in and then offered a wide variety of ongoing services will be offered that will meet the needs of veterans and their families.

A designated Service Coordinator will be responsible for linking the target population at the site with supportive, medical or advocacy services in the general community for which they are entitled, with a desired outcome of keeping them independent in their units.

LSS will have one service coordinator and an associated supervisor on-site between 16-24 hours a week (.4-.6 FTE) with virtual availability outside of on-site office hours. LSS will establish a regular schedule of on- or off-site plans to meet with tenants to ensure introduction to, on-going management of, and completion of supportive services programs. Residents will be made aware of the array of services available to them upon move in, or during their new resident orientation. Residents will also be reminded of service opportunities through resident newsletters, calendars, and flyers posted at mailboxes and near entry doors.

Services provided by LSS is able to provide a multitude of services including but not limited to the following:

- Quality mental health services for people of all ages.
- Innovative services for families, children, older adults and their caregivers.
- Comprehensive addiction and recovery services.
- Services for persons with disabilities, including support and supervision within more independent living situations and support to learn skills in order to remain independent.
- Services aimed at organizing communities to better provide individuals with their most basic needs of shelter, food, clothing, hope and connection with the ultimate goal to alleviate the conditions associated with poverty, homelessness, disaster and isolation.
- Connecting residents to organizations and programs like: HUD Housing and HUD and Tax Credit Housing Service Coordination, Off the Square Club, Rapid Rehousing and Housing First, Veterans Housing and Recovery Programming, Outpatient Treatment Services and Mental Health clinics and services.

Currently, LSS has 1,698 residents enrolled in service coordination across 161 apartment communities. In the past 12 months, LSS has provided 54,031 units of direct service to 3,172 individual residents. Residents enrolled in service coordination maintain their residency at the participating property for an average of 5.1 years.

Cordon Housing, as co-developer and co-owner, will be servicing residents by connecting LSS and the property management team with veteran-related service providers and organizations to ensure veterans receive needed support and understand available resources geared towards serving veterans, including but not limited to: The Veterans' Smile, Team Red White and Blue, Outward Bound, and others). Cordon will not be on-site but will be available and in communication on an ongoing basis with all teams to ensure needs of residents are met.

Hire Heroes USA has also committed to providing services on-site. Hire Heroes USA is one the most effective veteran employment nonprofit in the country. To date, Hire Heroes USA has secured employment for nearly 100,000 veterans, and helped an additional 1,450 veterans find meaningful volunteering opportunities. Hire Heroes USA has graciously agreed to work with LSS and the property management team to provide free resume building, benefits coordination and job search assistance to the veterans on-site, which will help them find jobs or get higher paying jobs. Hire Heroes USA's services will be free for residents.

Give an Hour® has also committed to provide innovative multimodal solutions to accessing equitable mental health services and resources for veterans, individuals and families. Give an Hour® will be providing a breadth of evidence based, consumer informed therapeutic strategies to those who have experienced human-made trauma. Give an Hour has committed to providing services to residents and the greater community on-site for those with significant barrier to mental health services for free.

56. 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.

This project will go beyond WHEDA's supportive housing by providing on-site space for the service provider to utilize free of charge, to provide better service, to provide an on-site presence and to serve the project's homeless and disabled veterans and to allow others in the community to utilize LSS' services.

LSS and Volker have worked together on multiple projects in Wisconsin with the same set asides for veterans and have connected multiple times on this project's design, service plan, level of service, lease-up steps, level of planned coordination amongst teams, etc.

The set asides and unit mix, target populations were strategically put together due to other projects in Madison experiencing problems with a larger concentration of just homeless units.

57. 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.

Volker plans to compensate LSS for services provided on site. Volker will be paying LSS as part of the project's direct operating expenses (above the line) and will be reserving for 4-6 years worth of operations.

Please see attached for MOU between Volker and LSS, along with LSS' SSP.

## PROPERTY MANAGEMENT: TENANT SELECTION & AFFIRMATIVE MARKETING

58. 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.

59. 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.

See attached for list of properties managed.

Please also see Volker Development Experience - Project List, with a list of all properties currently managed with the integrated supportive services program. Volker has developed and manages many projects in Wisconsin with similar programs (with LSS as the service provider).

Volker ensures that all marketing and property management practices are in compliance with all federal, state and local fair housing laws and procedures, including but not limited to the Fair Housing Act and Americans with Disabilities Act. Volker's developments and property management processes aim to create a welcoming and



equitable environment of all people. Volker does this by providing ongoing trainings to staff on cultural competence, avoiding and preventing bias, anti-discrimination laws, providing accessible spaces, providing inclusive advertising and marketing materials and signage in different languages and formats.

60. 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?

The approach for coordination between property management, service provider, community providers of housing waiting lists and the development team will go as follows:

Initial coordination meeting 6-9 months pre-CO to discuss lease-up process, identify general and target population waitlists, discuss referral and coordinate entry process, needed outreach to any organizations and community partners that haven't already been made.

During lease-up, the property management team, service provider and development team will have weekly meetings to discuss referrals and potential applicants that have been requested and provided from the coordinated entry housing priority list, rapid rehousing programs and other community based housing programs.

Once prospective applicants are identified, the teams will collaborate on the status of the steps to ensure applications are completed, processed and approved in a timely manner until the supportive service units are filled with the target population.

Once the units are leased, the calls will be tailored towards maintaining a successful service program, and to ensure the needs of the tenants are satisfied once moved-in (mental health services, addiction and recovery services, services for persons with disabilities, etc.).

As experienced developers and service providers who have all going through similar lease-ups and coordinated entry referral process, we know that the more integration the better.

61. 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.

Volker's property management team, in conjunction with LSS and Cordon, will engage the target populations in a number of ways to ensure referrals are collected and applications and marketing materials are provided to the target population and other potential residents that may be unlikely to apply.

Volker Management will stay in touch with community partners and HMIS agencies that maintain waiting lists and have contact information of homeless and disabled veterans, individuals and families that are looking to reside in an affordable development and needing services. This ensures the potential applicants are contacted and the property is being marketed to everyone. Those organizations including but not limited to: Homeless Services Consortium of Dane County, City of Madison Housing Authority, Dane County Housing Authority, VA, etc.

The team will also be in touch with other organizations that provide temporary housing that can provide connections and introduction to permanent housing options to the projects targeted populations. Those organizations include: Off the Square Club, Tenant Resource Center, Salvation Army Dane County, Catholic Charities Diocese of Madison, YMCA Madison, and other shelters.

Contact will be made with all groups at least bi-weekly by coordinating in-person meetings, making contact via phone, email and mail with printed materials. In addition to this outreach, social media will be utilized, and the Volker's team will utilize craigslist, facebook marketplace, local community radio to compliment postings on local affordable housing websites and local media outlets which will print notice materials.

When marketing the project, providing application materials, etc., materials will be provided in other languages for limited English proficient individuals, in certain locations in which alternative formats for persons with disabilities.

Advocap and LSS have been successful utilizing these measures to engage target populations on other projects in WI.

62. 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.

The Regional Manager, Community Manager, Assistant Manager and Leasing Agent are responsible for affirmative marketing and will be provided the project's AFHMP, Fair Housing training along with revisiting of non-discrimination policies and sessions on cultural sensitivity, implicit bias, and inclusive practices.

Training videos and written policies are what is used to train all corporate (including Senior Regional Manager, Area Manager) as well as site staff (Community Manager, Assistant Manager, Leasing Agent and Maintenance Supervisor).

Application assistance with target populations, including undocumented residents and/or residents without social security numbers will be provided by LSS once applicants are identified and contacted.

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

On the front end, at application, lease-signing and move-in, Volker will clearly communicate expectations, terms of the lease, payment due dates, available payment plans and grace period, available rent assistance programs or financial counseling services, etc.

After several missed payments and before any discussions of filing evictions occur, property management will be in communication with the resident to address issues as soon as they occur. The property management team will reach out promptly to discuss the situation and solutions and will be understanding of temporary hardships and flexible on solutions such as reducing rent, providing payment plans, waiving late fees, guiding residents to financial assistance programs and available community organizations that can help, to get ahead of any potential issues.

If it does come to an eviction filing, management will provide to the tenant a pre-eviction notice, in advance of the filing, alongside all rights that the residents have. Legal assistance and mediation services will be made available alongside the available City and County programs. Communication will be clear throughout the process. Post filing, unpaid rent or damages will be considered for forgiveness thereafter.

64. 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 project intends on renting at an estimated 90-100% of maximum LIHTC rents for the proposed 50% AMI units but will consider renting at lower rents on an ongoing basis during lease up, if needed.

Additionally, the project is proposing 40% and 50% units to avoid cost burdening 30% AMI households that may have incomes over 30% AMI thresholds and/or are overqualified if any applicants have VASH vouchers. This variety of income levels also allows residents to grow within the community and have familiar housing options once their incomes grow.

Volker will also consider lowering income to rent ratio requirements to ensure adequate and attainable rent levels are available for residents.

65. 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.

Volker Management's policy regarding non-renewals emphasizes flexibility, documentation, communication and transparency. Prior to any conversations surrounding non-renewals, there needs to be: 1) an understanding of the local, state and federal rights of the tenant and landlord, 2) up-front communication to residents and ongoing documentation regarding any late rent payments and lease violations that may have occurred and 3) provided plans for resolution and payment and 4) being reasonable and flexible to provide options for it's residents.

If multiple violations and/or late rent payments have occurred and if court ordered payment plans have been missed, a 90 day notification of a non-renewal with documentation and reasons for the non-renewal will be provided to the resident.

To ensure long-term tenants are able to remain in their homes and to prevent any sort of displacement or unnecessary financial burden, Volker historically will actively avoid mid-lease rent increases and rent increases at renewal of more than 5% year over year, unless there are extenuating other circumstances.

66. 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?

Similar to other property management companies, Volker Management has experienced some staffing challenges as it relates on-site maintenance staff. On more rural projects, there have been some vacant positions which have required the utilization of temporary staffing positions and the hiring of local contractors to perform necessary work.

Fortunately, these staffing challenges have been and will continue to be overcome by having a large management and operational presence in the Midwest, especially in Wisconsin, (where a majority of our projects reside), where management and maintenance staffing can cover operational and staffing gaps if and when needed. Additionally, Volker has hired a number of roving maintenance technicians, property managers, assistant property managers and leasing consultants that are able to cater to the specific needs of each project.

67. What percent of staff turnover has the PM experienced at Madison-area properties in 2023? 0% (no projects in Madison).

68. 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.

Property Management turnover in 2023 was 48.7%. This was in part due to the Commonwealth -> Volker transition and reshuffling of property assignments.

There have been recent employee retention initiatives to prevent staffing challenges in the future at Volker by increasing pay rates, increasing interaction with corporate staff and company leadership, revising recruiting techniques, increasing company wide-recognition of employees and their alignment with core values, revising the hiring, onboarding and training procedures aimed at employee retention. Additionally, there has been an emphasis on modifying the property management team to include more roving staff members, rather than individuals hired for a specific project.

All of this has been done to better alignment with our mission and to ensure a positive on-site experience for our staff and our residents.

**PROPOSAL TIMELINE**

69. 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> ]	May 17, 2024
1 <sup>st</sup> Development Assistance Team Meeting (Due by 8/29/24) [ <i>Target/Actual Month/Date</i> ]	May 23, 2024
1 <sup>st</sup> Neighborhood Meeting (Due by 8/29/24) [ <i>Target Month/Date</i> ]	July 11, 2024 -
Submission of Land Use Application (Zoning Map Amendments Due by 10/7/24)	September 2024
Submission of Land Use Application (Permissively Zoned Due by 11/4/24)	September 2024
Plan Commission Consideration (If Rezoning, 12/2/24 Meeting for 12/10/24 Common Council)	October 2024
Urban Design Commission Consideration, if applicable [ <i>Target Month/Date</i> ]	October 2024
Application to WHEDA	November 2024
Complete Equity & Debt Financing	February 2025
Acquisition/Real Estate Closing	April 2025
Rehab or New Construction Bid Publishing	January 2025
New Construction/Rehab Start	April 2025
Begin Lease-Up/Marketing	June 2026

<b>Activity/Benchmark</b>	<b>Estimated Month/Year of Completion</b>
New Construction/Rehab Completion	January 2027
Certificates(s) of Occupancy Obtained	January 2027
Complete Lease-Up	July 2027
Request Final AHF Draw	January 2027

**HOUSING INFORMATION & UNIT MIX**

70. 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.

<b>ADDRESS #1:</b>		2434, 2430, 2450 E Washington Ave and 10,16 N 7th Street, Madison, WI 53704					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of Bedrooms				\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
			# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs					
≤30%	19	0	8	8	3	0		655	781	898	
40%	10	0	4	2	4	0		891	1064	1225	
50%	11	0	0	10	1	0			1348	1553	
60%	0	0	0	0	0	0					
<b>Affordable Sub-total</b>	<b>40</b>	<b>0</b>	<b>12</b>	<b>20</b>	<b>8</b>	<b>0</b>					
80%	36	0	14	14	8	0		1835	2198	2535	
Market*	0	0	0	0	0	0					
<b>Total Units</b>	<b>76</b>	<b>0</b>	<b>26</b>	<b>34</b>	<b>16</b>	<b>0</b>	Notes/Utility Allowance Assumptions: 1 BR - 53 2 BR - 60 3 BR - 84				

\*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	19	[19]	19	19

<b>ADDRESS #2:</b>							Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of Bedrooms				\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
			# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs					
≤30%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
<b>Affordable Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
80%	0	0	0	0	0	0					
Market*	0	0	0	0	0	0					
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	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.

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

72. 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 (\$)
<b>Efficiency</b>	<u>N/A</u>
<b>1-Bedroom</b>	<u>53</u>
<b>2-Bedroom</b>	<u>69</u>
<b>3-Bedroom</b>	<u>84</u>

73. 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.

The project is designed to maximize accessibility and visitability for all units and will greatly exceed WHEDA's minimum accessibility design standards. This approach will ensure inclusivity, safety, marketability, adaptivity and is intended to improve the quality of life and functionality of the units for each resident.

Half the units will be convertible to Type A units as needed, elevator accessible units will be 100% visitable, 50% of the units will be designed to align with WHEDA’s Universal Design requirements and 100% of first floor units will incorporate WHEDA Universal Design Components.

74. 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.

This project is intended to allow everyone reside at the property and enjoy the project's amenities and features, if desired.

The project intends to go above and beyond the City's and WHEDA's universal design requirements. For example, design will utilize roll-in type showers in 15% of units, 100% of first floor units will incorporate WHEDA Universal Design Components and 50% of the units will be designed to align with WHEDA’s Universal Design requirements.

The chosen universal design elements shall be: circular / T-shaped turning spaces in kitchens and bathrooms, roll-in showers in 15% of units, closet doors with 30" x 48" clear floor space. bottom edge of mirror bathroom sink/vanities at 40" (or lower) above floor, entrance doors in compliance with Section 404, interior doors in compliance with Section 1103.5, garbage disposal switches, range hood controls and electrical receptacles meeting requirements of Section 309, providing minimum work surface in each unit that meets requirements of Section 1103.12.3, operable windows in compliance with Section 309 in 15% units, carpet shall have .5" maximum pile and meet all requirements of Section 302.2 and all unit light switches shall be rocker type switches.

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



75. 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.

Volker has a long history of incorporating sustainable elements into each project and is actively taking part in a greener future by cost effectively, implementing sustainable features into its projects. Whether it be all-electric building MEP systems, energy efficient appliances, NGBS and Green Building certifications, please see Volker Development Experience - Project List, for a list of projects and their associated green building certifications.

76. 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](#).

Volker's approach as it relates to energy efficiency considers and seeks to maximize resident experience, comply with all applicable design requirements, ensure both practicality and ongoing durability, and maintain cost-effectiveness and financial viability.

Volker's approach is one that includes a variety of disciplines (architect, general contractor, civil and MEP engineers, energy consultant) to provide not only affordable housing, but affordable housing that stewards a more sustainable built environment.

The project will include the following features:

- Wisconsin Green Built Home Standard (score of 200 or more)
- Certify all buildings with residential units in the project through the ENERGY STAR Residential New Construction Program using ENERGY STAR Multifamily New Construction (MFNC),
- Locally sourced materials (where applicable), with preference for recycled materials if possible.
- ENERGY STAR appliances
- Enlarged Solar (PV) system on roof
- Water-conserving fixtures in all units and in common areas
- ION meters in all units and in common areas (to monitor water consumption, detect leaks and generate automated work orders to stop water loss)
- Green roof system to reduce runoff
- LED light fixtures and light controls by occupancy sensors in common areas
- Infrastructure to incentivize biking mobility and car share services
- EV parking stalls and EV ready parking stalls

77. 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 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: Wisconsin Green Built - score of 200	<input checked="" type="checkbox"/>
Other:	<input type="checkbox"/>

78. 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)? **107**

What percentage of on-site electricity use is the development aiming to provide via the solar array? **75%**

Project will utilize the following features to help further the City's goal by having at least 250 solar panels (at least 5,500 square feet worth of coverage) on top of roof to produce as much clean and renewable energy as possible. With an associated storage system and with plans to offset as much electricity consumption as possible, depending on solar production and the finalization of the electrical system, the project may potentially eliminate electrical utilities expenses from tenants and sell energy back to the grid.

In addition to the project's solar system, the project will implement several green roofs and green spaces (amounting to about 6,500 square feet) throughout site to reduce and eliminate runoff, filter and absorb pollutants and airborne particles, protect roofing materials from temperature extremes and the Urban Heat Island Effect, increase biodiversity, etc.

Project will provide EV parking stalls and EV ready infrastructure to add more EV parking stalls in the future and also incentivizes public transit by providing 12 BCycle docks, 6 BCycle bikes and by its proximity to several high frequency MetroTransit lines.

79. 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 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"/>	

80. 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 project's design focuses creating gathering spaces, gathering areas and welcoming amenities around the building to encourage connection and community amongst residents.

The project's design is intended to provide mobility for all residents and the greater community by it's proximity to public transportation, it's BCycle bike sharing program (12 docks, 6 bikes), the location, visibility and accessibility of the community service facility to ensure access and engagement with the broader community.

The project has sought to engage as many stakeholders as possible (Staff, UDC, DAT, district and adjacent district's Alder, subject and adjacent Neighborhood Association, etc.) early for design feedback.

The project thinks into the future, ensuring permanent affordability of 30% AMI units.

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

The project's design utilizes an optimum building orientation for the project. (The building on the site to take advantage of the way the sun moves across the sky; the longest façade of the building is exposed to north and south, and shortest, east and west). Additionally, the project's primary glazing is on south façade to collect beneficial solar radiation.

Project will implement a number of efficiency measures and specifications, including but not limited to the following: ENERGY STAR appliances, induction cooktops and stoves, LED light fixtures and light controls by occupancy sensors in common areas.

Volker has engaged Plummer and Focus on Energy for energy modeling for energy assessments and recommendations.

Project commits to obtaining the Wisconsin Green Built Home Standard (score of 200 or more) and will certify all buildings with residential units in the project through the ENERGY STAR Residential New Construction Program using ENERGY STAR Multifamily New Construction (MFNC),

Windows will be operable for all occupants to benefit from outdoor air, allow for natural heating and cooling and aid in ventilation.

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.

Project will implement a number of water conservation measures, including but not limited to the following: including water-conserving and low-flow fixtures in all units and in common areas and installing ION meters in all units and in common areas (to monitor water consumption, detect leaks and generate automated work orders to stop water loss).

Project will have multiple green / vegetated roof systems to reduce runoff.

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

Project utilizes a very compact design, with simple exteriors and locally sourced building materials (where possible), with preference for recycled materials if possible.

The project's general contractor will abide by a waste management plan that reduces non-hazardous construction and demolition waste through recycling, salvaging, or diversion strategies.

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

Project promotes common space, encouraging interaction amongst residents and relationship building amongst residents, property management team and supportive service provider.

Project's design includes multiple green spaces, landscaping throughout, gardens and planters for resident enjoyment.

Explore opportunities to provide the community with healthy spaces that support well-being and promote social interaction.

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

Project will investigate & address contaminated site in order to create the best long-term economic value for the community and future generations.

Project will maintain buffers surrounding site to eliminate or minimize runoff.

Project developed in consideration of neighbors to north, with footprint pushed as far south as possible, provides buffers and includes height transition away from single family homes.

g. Design for Change – Optimize operational and maintenance practices

Project is flexible and adaptable for future modifications, infrastructure improvements, changes in energy sources and technologies, and lends itself well for rehabilitations down the road.

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

All elements of project will be revisited post occupancy, will seek and consider feedback on project from all stakeholders on every process and procedure utilized, to ensure goals are met and to ensure improvement on next projects.

**REAL ESTATE PROJECT DATA SUMMARY**

81. 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:	2434, 2430, 2450 E Washington Ave and 10,16 N 7 <sup>th</sup> Street, Madison, WI 53704								
	4	76	4	4	0	76	1,727,000	\$15,000,000	2,400,000
Address:									
Address:									

82. 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.

Historical uses of the site have been residential and a portion of the site was converted to an automobile related commercial use in the 1950s-1960s.

A Phase I ESA has not yet been completed, though on and off-site historic land uses have resulted in releases that have or likely have impacted soil, groundwater, and/or soil vapor at parts of the site/subject property.

The development plan currently holds a contingency for some soil remediation and a vapor mitigation system to be included in the design, once a Phase I and Phase II are completed (in addition to other normal environmental related construction items such as demolition and hazardous building material removals).

Quarterly groundwater monitoring is also planned, along with the installation and testing of a vapor mitigation system.

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

Existing buildings on the subject site include one single family residence, three multi-family buildings (duplexes) and one abandoned commercial structure that is a former Speedy Muffler & Auto Sales facility.

The project will propose that the existing buildings be razed and removed once entirely vacant and will be submitting a Demolition Permit application. At this time, we believe that the demolition and removal is consistent with the statement of purpose of the demolition permits section of the City of Madison and do not believe any of these buildings have any historic value.

We believe all of the City's demolition standards can be met, and a re-use and recycling plan will be submitted prior to the Demolition Permit application and the deconstruction of the existing commercial structures.

84. 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.

There will be four renters that will be permanently displaced as part of this redevelopment.

Please see attached relocation plan that will comply with all federal and URA requirements.

85. 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**

86. 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
Ryan Hughes	Lender - First Business Bank	rhughes@firstbusiness.bank	608-232-5759
Jay Shambeau	City Administrator - West Bend	shambeauj@ci.west-bend.wi.us	262-335-5171
Chris Murray	LIHTC investor - Redstone Equity	chris.murray@redstoneequity.com	(212) 225-8299

**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 included 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:

<b>Application Item</b>	<b>Due Date</b>
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 & PROJECT NAME:

Volker 4% - E. Wash. & 7th.

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	Financing Approval Anticipated (Mo/Yr)
Permanent Loan-Lender Name:							
WHEDA First Mortgage	\$ 8,500,000	N	6.50%	17	35	\$616,237	1/2025
Subordinate Loan 1-Lender Name:							
Subordinate WHEDA Financing	\$ 1,062,500	N	3.50%	17	35	\$37,188	1/2025
Subordinate Loan 2-Lender Name:							
Tax Exempt Loan-Bond Issuer:							
City Request (AHF, HOME, TIF)							
City of Madison - Affordable Housing Fund	\$ 3,500,000	Y	2.75%	16	30	\$85,731	
Subordinate TIF Loan-Lender Name:							
AHP Loan (List FHLB):							
Dane County AHDF:							
Dane County - Affordable Housing Development	\$ 4,000,000	Y	2.00%	30	30	\$80,000	
Other-Specify Lender/Grantor:							
Dane Workforce Housing Fund	\$ 250,000	N	4.50%	15	30	\$15,201	
Other-Specify Lender/Grantor:							
Tax Credit Equity	\$ 11,111,533						
Historic Tax Credit Equity (Fed and/or State)							
Deferred Developer Fees	\$ 1,962,184						
Owner Investment	\$ 100						
Other-Specify:							
Solar Tax Credit Equity	\$ 125,987						
<b>Total Sources</b>	<b>\$ 30,512,304</b>						

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 Tax Exempt Construction Loan	\$ 16,500,000	6.50%	36
Construction Loan 2-Lender Name:			
Taxable Construction Loan	\$ 414,038	7.50%	36
Construction Loan 3-Lender Name:			
Construction Loan 4-Lender Name:			
Bridge Loan-Lender Name:			
Housing Tax Credit Equity:			
Historic Tax Credit Equity:			
Other-Specify:			
<b>Total</b>	<b>\$ 16,914,038</b>		

Estimated pricing on sale of Federal Tax Credits:

\$ 0.84

Estimated pricing on sale of State Tax Credits:

N/A

(if applicable)

Remarks Concerning Project Funding Sources:

APPLICANT: **Volker**

**2. PROJECT EXPENSES**

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$1,116,000
Existing Buildings/Improvements	\$1,284,000
Other (List)	
	\$0

Construction:	Amount
Construction/Rehab Costs	\$15,964,852
E - Equipment & Furnishings	
F - Special Construction & Demolition	\$100,000
Accessory Buildings	
Personal Property/FF&E	\$100,000
Site Work Costs (on-site & off-site)	\$600,500
Landscaping	\$100,000

Contractor Fees:	Amount
General Requirements	\$797,324
Construction Overhead	\$318,930
Construction Profit	\$478,395
Construction Supervision	

Contingency Funds:	Amount
Construction Contingency	\$918,000
Other Contingency	\$0

Construction Period Expenses/Soft Costs:	Amount
Construction Loan Origination Fee	\$4,140
Construction Loan Credit Enhancement/LOC	\$0
Cost of Bond Issuance	\$405,500
Bridge Loan Fees and Expenses	\$25,000
Construction Loan Interest	\$1,179,682
Construction Loan Origination Fee	\$0
Construction Period Real Estate Taxes	\$75,000
Title and Recording	\$100,000
Builder's Risk/Property Insurance	\$178,600
Temporary Relocation Assistance	\$0
Permanent Relocation Assistance	\$188,000
Other Interim/Construction Costs (list)	

Closing Costs	\$92,000
---------------	----------

Permanent Financing Expenses:	Amount
Permanent Loan Origination Fee	\$100,938
Credit Enhancement	\$0
Other Permanent Loan Fees	\$88,000
Legal Fees - Real Estate	\$75,000

Architectural & Engineering:	Amount
Architect - Design	\$242,000
Architect - Supervision	\$85,000
Engineering	\$135,000
Survey	\$25,000
Other Architect/Engineering (list)	\$245,418

Syndication Fees & Expenses:	Amount
Organizational Fees	\$0
Other Syndication Costs (list)	
	\$0

Capitalized Reserves:	Amount
Operating Reserve	\$281,495
Replacement Reserve	\$57,000
Lease-Up Reserve	\$75,000
Debt Service Reserve	\$589,614
Capital Needs Reserve	\$0
Other Reserves	\$76,000
Escrows	\$0
Other Capitalized Reserves (list)	

Supportive Service Reserve	\$250,000
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Reports, Studies & Related Work:	Amount
Appraisal	\$15,000
Market Study	\$7,500
Environmental Reports	\$37,500
Capital Needs Assessment Report	\$0
Other (list)	\$7,500
	\$0

Other Soft Costs:	Amount
Tax Credit Fees - Application	\$130,737
Tax Credit Fees - Compliance	\$4,680
Tax Credit Fees - Allocation	\$2,500
Permits & impact fees - water, sewer, etc.	\$350,000
Cost Certification/Accounting fees	\$15,000
Lease-Up Period Marketing	\$0
Title Insurance and Recording	\$0
Capital Needs Assessment (rehab only)	\$0
Legal	\$100,000
Other (list)	\$200,500
Property Management Start Up Costs	\$200,000

Developer Earned Fees & Expenses:	Amount
Developer's Fee	\$3,040,000
Developer Overhead	\$0
Consultant Fees	\$50,000
Other fees (list)	
	\$0

<b>Total Costs:</b>	<b>\$30,512,304</b>
---------------------	---------------------

Total Cost:

\$500,000

<<< Includes solar panels and Installation <<<

<<< Includes sitework and environmental remediation

<<< Construction Draw Administration  
Mortgage Registration

<<< Interior Design Fees  
Plan and Cost Review  
Geotech  
Bicycle station and membership  
Special Materials Testing

<<< Marketing Reserve

<<< Traffic Study

<<< Reservation Fee and Tier One Agreement

<<< TC investor DD and up front AM fees  
Soft Cost Contingency





# 2024 Affordable Housing Fund-Tax Credit RFP

## Supplemental Application Questions

**Volker Development**  
**East Washington & 7th Ave**

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**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](mailto:cddapplications@cityofmadison.com). Please cc: [jspears@cityofmadison.com](mailto:jspears@cityofmadison.com). We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

### **Message to 4% Non-Competitive Applicants:**

*Although this RFP allows applications for 4% non-competitive tax credit projects, CDD's focus remains firmly on producing 30% AMI units, Supportive Housing Units for individuals, families and veterans experiencing homelessness, Sustainability, Design, Universal Design, etc. Proposals for non-competitive 4% LITHC's will not likely be competitive in the City's AHF-TC RFP without addressing meeting those requirements and/or preferences. Please re-submit answers to the relevant questions accordingly.*

### **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.

Focus on Energy has not yet provided Preliminary Bundle Requirements Documents as of 9/5. The Development Team will circulate the Preliminary Bundle Requirements Documents to Staff on 9/9/2024 upon receipt.

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

\_\_%

TBD.

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

—  
TBD. Focus on Energy has not yet provided Preliminary Bundle Requirements Documents as of 9/5. The Development Team will circulate the elected Bundle Level upon review and selection.

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

The Development Team will circulate the elected Bundle Level upon review and selection and will respond to this question accordingly.

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

- a. **Solar PV size anticipated (Note: Min 30 kW required):** A 107 kW solar PV system is planned.

**Percent of common areas for which electricity will be provided:** 75-100% and in the event more electricity is generated than is consumed on site, there will be the infrastructure in place to contribute excess energy back into the grid.

- 3. Will this project be able to compatibly install both the minimum solar PV requirement and a green roof?** Yes. Please see PDF for roof plan which has been submitted as part of the project's submitted land use application

After submission of the initial AHF-TC application, the project removed several parking stalls, has increased pervious surface area, green space, and has reduced size of green roof. Please see submitted land use application and updated UDC submittal for slightly updated design.

**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?**

100% (or 1 FTE) and 9 am-5pm M-F

Anticipated Days/week (1-7): 5

In addition to the above property manager's time on site, during lease up (six months from C.O and to 100% qualified occupancy), Volker Management also intends to utilize and employ a full-time (1-FTE), project specific leasing agent to promote and advertise the project, meet with prospective residents, conduct tours, assist with and process applications, conduct background checks, credit checks, verify employment and income, distribute and finalize lease agreements, distribute keys and key fobs and monitor and report occupancy.

- 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.**

Hours/week: While there are several property managers, assistant property managers and regional managers that are able and ready to assist when needed, it is not anticipated to be frequent. This backup coverage can be expected to occur 8-16 hours per month.

Given Volker Management's local presence, there are many candidates within an hour drive (both roving and on-site) that can reasonably cover on short notice.

- iii. **What percent FTE and number of hours are budgeted for the Maintenance staff to be on-site? 100% (or 1 FTE) % and 9 am-5pm M-F (and be available on weekneds if emergencies or urgent maintence requests are submitted.)**

2. **Please explain how the late fees and early lease break fees are consistent with Wis. Statue 704.**

Late Fees have been reduced to \$20 to comply with Wis. Statue 704. See attached for updated proforma.

The early lease termination fee will be spelled out in each signed lease agreement that will allow a tenant to terminate the lease early in exchange for a fee or can be negotiated between both the resident and Volker Management. There will be no fee for termination for reasons under Wis. Statue 704.16(1) or 704.165. Any fees charged to a resident will comply with the provisions of Wis. Statue 704 and will be clearly communicated to residents at lease signing.

Volker will continue to investigate this fee's expected likelihood and applicability and will also revisit and potentially remove this fee from the lease template. The update proforma has removed any early lease termination fees.

3. **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? Volker Management does not currently manage any properties in Dane County. Outside of Dane County, Volker Management manages about 95 total ADA accessible units.**
- ii. **What percent of those units are currently leased by residents who require the relevant accessibility accommodations? About 71 ADA units are utilized by residents who require accessibility accommodations.**
- iii. **Briefly describe your property management strategies to ensure these units are available for residents that require accessibility features.**

Volker Management ensures ADA policies are accessible and available to all prospects and residents and will make sure accessible / convertible units are available for residents that might require accessibility features by making sure all staff members understand and act in compliance with the guidelines set forth by the Americans with Disabilities Act (ADA) and Fair Housing Act (FHA). The property management team will be trained in applicable ADA procedures, the property manager's legal obligations as it relates to accommodations, the rights of residents and the importance of creating a welcoming, inclusive home for all.

PM staff will also commission accessibility audits at construction completion and on an ongoing basis. The team will collect and maintain documentation from residents in accommodation requests and in each application. Additionally, during the application process, Volker will have all residents sign lease addendums which require relocating from an ADA unit to another like-kind, non-ADA unit if needed, to make a sure ADA units are always available for another resident with a disability and maintenance will promptly make quick accommodations as necessary.

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

Volker has found that early and frequent outreach to community organizations, health care providers, housing authorities, advocacy groups, disability service agencies and other non-profits serving individuals with disabilities (prior to closing and during construction) not only helps residents find accessible and accommodating homes, but also aids in the lease-up process. Volker has found that providing organizations with the ADA unit counts, ADA unit mix, rent levels goes a long way for identifying referrals that might be on existing waiting lists seeking accessible housing.

For example, on similar projects in WI and IN, Volker has referral agreements with community groups like the Aging and Disability Resource Center of Southwest Wisconsin, Wisconsin Department of Health Services and LifeStream Services in Indiana.

Lastly, all marketing and advertising platforms will be accessible and provided across multiple formats and will be sure to note the project is ADA compliant and that ADA units can be made available if requested.

**C. Land Use and Community Engagement**

- 1. Provide a brief overview of the feedback and comments that were received from the neighborhood meeting on 8/5/24.**

The project was generally well-received at the neighborhood meeting that occurred on 8/5/2024. There was a welcoming of affordable housing units, compliments on the design and many neighbors were encouraged by the potential elimination of the blighted, abandoned and underutilized properties in their neighborhood.

There were slight concerns regarding access, parking, traffic and noise. (Some members of the neighborhood requested multiple access points off E Wash., some neighbors requested more parking, and some requested fewer parking stalls, a few neighbors were concerned with traffic counts and potential street parking issues).

Volker did address a few comments directly with the updated design that can be seen in the land use applications that were submitted, including the following:

1. Height and length of fence on north boundary were both increased
2. Parking was further reduced by a few stalls
3. Added the ability to park large bikes and e-bikes
4. Added clear visitor / temporary parking stalls to prevent off street parking

Volker will also do everything possible to preserve as many mature trees as possible and is in the process of commissioning a tree survey to understand tree count and quality to better guide the project's landscaping plan.

Please see submitted land use application and updated UDC submittal for updated design that incorporates as much feedback as possible from the neighborhood meeting.

#### **D. Supportive Housing Units/Supportive Housing Partnerships**

1. **Currently, there are only 15 single veterans experiencing homelessness on the local Coordinated Entry List and even fewer families on the list. Would the development team consider a prioritization to move to non-veteran individuals and families experiencing homelessness once veteran referrals have been exhausted?**

Yes, the project would consider the prioritization of non-veteran individuals and families experiencing homelessness over others on the waiting list once veteran referrals have been exhausted after 30 days.

The development team believes there are more homeless veterans in need of housing than those that are on the Coordinated Entry List, but the development does understand while the number of homeless veterans is declining, there's still a significant need for affordable housing options for veterans, including those in transitional housing or facing rent burdens. Outside of providing the 19 designated supportive housing units, the project is intending to create a supportive and connective community for veterans, complete with supportive services, that helps them transition from temporary housing, group homes, SROs or homelessness and improve their overall well-being.

This project will go beyond simply providing housing; but will create a supportive environment where veterans can thrive and connect with others who understand their experiences.

#### **E. Financing**

- 1. The Debt Coverage Ratio is 1.38 in Year 1 which signifies to us that a higher amount of first mortgage debt could be achieved and/or a 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 that demonstrates a justification for the funding request. The sizing of the first mortgage is intended to defer as much developer fee as reasonably possible while still allowing interest be paid on the anticipated soft funds and while allowing deferred developer fee to be paid during the first 15 years to minimize any contributions from the GP that may be required by the tax credit investor. Additionally, the reason the debt service coverage ratio is higher than 1.15 is due to two years of interest only periods, which aid in paying off deferred developer fee in 15 years.**

Please see updated pro forma which increases first mortgage proceeds (and modifies the City's gap financing requested amount).

- 2. The WHEDA subordinate debt has an interest rate of 3.50%. Other applications list this interest rate closer to 3.0%. Please provide a justification or resubmit your proforma with a revised interest rate. According to WHEDA (<https://www.wheda.com/developers-and-property-managers/financing>), subordinate debt financing interest rates range from 3-4%, subject to underwriting. After meeting with WHEDA and Baker Tilly, it was recommended we hold an interest 3.50% to err on the side of caution. That said, please see revised proforma utilizing 3.0% subordinate debt interest rate.**
- 3. The request on a per unit basis is double the largest award AHF has made. What justification can you provide for this?**

The need for this amount of subsidy is due to:

- A significant increase in property and casualty insurance over recent years
- High construction costs due to the 66% of total units being two- and three-bedroom units
- A number of units with deep set asides at 30% AMI units and electing to income average with 80% AMI units (which are obviously not-considered affordable) to offer a mix of income levels, providing resident upward mobility, economic diversity and community stability
- Costs of tenant relocation, environmental investigation and remediation, demolition, ongoing groundwater monitoring

- An above average supportive service plan as part of ongoing operations

4. **The Dane Workforce Housing Fund funding request appears low at \$250,000 in our experience. Please elaborate on this leveraging approach in conjunction with such a high per unit request of the City.** Volker had a conversation with Lorrie Heinemann in April to discuss timing, expected loan sizing, structure and the availability of Dane Workforce Housing Funds.

The rationale for the lower funding request from that source is during that conversation Volker was told that while the Fund did provide loans to LIHTC projects, its hope moving forward was to provide loans specifically for units at or around 60-80% AMI, with preference for unrestricted, workforce (and market rate) units. Volker was told the Workforce Housing Fund would consider all units but would lend on the basis of helping subsidize the cost of the project's 80% AMI units.

Additionally, a larger subordinate, interest-only, funding request from the Dane Workforce Housing Fund hurts the chances the deferred developer fee (which is the priority) be able to be paid off during the initial 15 year compliance period.

Volker has modified the Dane Workforce Housing Fund request (and the City's gap financing requested amount), please see updated proforma.

5. **The proposal elects permanent affordability for the 30% units. The RFP states that all affordable housing units would need to be permanently affordable in exchange of more favorable financing terms. Would you prefer to commit to permanent affordability on all of the affordable units at or below 60% AMI or request that the City consider an alternative to the standard terms?** The project is willing to commit to permanent affordability on all of the affordable units at or below 60% AMI.
6. **If this proposal does not obtain an adequate award from the City in AHF and/or TIF during this RFP cycle, would a competitive 4%+4% application be considered, especially given the significant number of 30% units proposed? Please explain relevant considerations and restraints.** Yes, if unable to obtain an adequate award from the City in AHF during this RFP cycle, a competitive 4%+4% application will be submitted to WHEDA.

The hesitation with depending on a state LIHTC award is that though all of the 2025-2026 QAP's appendices have not yet been published, the project and the census tract it is located in does not currently score as well. The fear is that if a state LIHTC award may be needed, that the project may not be selected, and the affordable housing will not come to fruition.

Obviously, the project's scope would likely need to be modified in a way that presents a better opportunity for WHEDA scoring but it is believed that gap financing from the City provides the highest likelihood that this affordable housing be developed.



APPLICANT & PROJECT NAME:

**Volker 4% - E. Wash. & 7th.**

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	Financing Approval Anticipated (Mo/Yr)
Permanent Loan-Lender Name:							
WHEDA First Mortgage	\$ 9,100,000	N	6.30%	17	35	\$644,801	1/2025
Subordinate Loan 1-Lender Name:							
Subordinate WHEDA Financing	\$ 1,137,500	N	3.00%	17	35	\$34,125	1/2025
Subordinate Loan 2-Lender Name:							
Tax Exempt Loan-Bond Issuer:							
City Request (AHF, HOME, TIF)							
City of Madison - Affordable Housing Fund	\$ 2,500,000	Y	2.75%	16	30	\$61,236	
Subordinate TIF Loan-Lender Name:							
AHP Loan (List FHLB):							
Dane County AHDF:							
Dane County - Affordable Housing Development Fund	\$ 4,000,000	Y	2.00%	30	30	\$80,000	
Other-Specify Lender/Grantor:							
Dane Workforce Housing Fund	\$ 800,000	N	4.50%	15	30	\$48,642	
Other-Specify Lender/Grantor:							
Tax Credit Equity	\$ 11,124,221						
Historic Tax Credit Equity (Fed and/or State)							
Deferred Developer Fees	\$ 1,762,600						
Owner Investment	\$ 100						
Other-Specify:							
Solar Tax Credit Equity	\$ 125,987						
<b>Total Sources</b>	<b>\$ 30,550,408</b>						

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 Tax Exempt Construction Loan	\$ 16,500,000	6.30%	36
Construction Loan 2-Lender Name:			
Taxable Construction Loan - Merchants	\$ 923,268	7.50%	36
Construction Loan 3-Lender Name:			
Construction Loan 4-Lender Name:			
Bridge Loan-Lender Name:			
Housing Tax Credit Equity:			
Historic Tax Credit Equity:			

Other-Specify:			
<b>Total</b>	<b>\$</b>	<b>17,423,268</b>	

Estimated pricing on sale of Federal Tax Credits: \$ 0.84

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

Remarks Concerning Project Funding Sources:

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APPLICANT:

Volker

**2. PROJECT EXPENSES**

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$1,116,000
Existing Buildings/Improvements	\$1,284,000
Other (List)	
	\$0

Construction:	Amount
Construction/Rehab Costs	\$15,964,852
E - Equipment & Furnishings	
F - Special Construction & Demolition	\$100,000
Accessory Buildings	
Personal Property/FF&E	\$100,000
Site Work Costs (on-site & off-site)	\$600,500
Landscaping	\$100,000

Contractor Fees:	Amount
General Requirements	\$797,324
Construction Overhead	\$318,930
Construction Profit	\$478,395
Construction Supervision	

Contingency Funds:	Amount
Construction Contingency	\$918,000
Other Contingency	\$0

Construction Period Expenses/Soft Costs:	Amount
Construction Loan Origination Fee	\$9,233
Construction Loan Credit Enhancement/LOC	\$0
Cost of Bond Issuance	\$405,500
Bridge Loan Fees and Expenses	\$25,000
Construction Loan Interest	\$1,203,511
Construction Loan Origination Fee	\$0
Construction Period Real Estate Taxes	\$75,000
Title and Recording	\$100,000
Builder's Risk/Property Insurance	\$178,600
Temporary Relocation Assistance	\$0
Permanent Relocation Assistance	\$188,000
Other Interim/Construction Costs (list)	

Closing Costs	\$92,000
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Permanent Financing Expenses:	Amount
Permanent Loan Origination Fee	\$108,063
Credit Enhancement	\$0
Other Permanent Loan Fees	\$88,000
Legal Fees - Real Estate	\$75,000

Architectural & Engineering:	Amount
Architect - Design	\$242,000
Architect - Supervision	\$85,000
Engineering	\$135,000
Survey	\$25,000
Other Architect/Engineering (list)	\$245,418

Syndication Fees & Expenses:	Amount
Organizational Fees	\$0
Other Syndication Costs (list)	
	\$0

Capitalized Reserves:	Amount
Operating Reserve	\$277,809
Replacement Reserve	\$57,000
Lease-Up Reserve	\$75,000
Debt Service Reserve	\$600,209
Capital Needs Reserve	\$0
Other Reserves	\$76,000

<<<

Includes solar panels and Installation

<<<

Total Cost:

\$500,000

<<<

Includes sitework and enviornmental remediation

<<<

Construction Draw Administration  
Mortgage Registration

<<<

Interior Design Fees  
Plan and Cost Review  
Geotech  
Bycycle station and membership  
Special Materials Testing

<<<

Marketing Reserve

Escrows	\$0
Other Capitalized Reserves (list)	
Supportive Service Reserve	\$250,000
<b>Reports, Studies &amp; Related Work:</b>	
Appraisal	\$15,000
Market Study	\$7,500
Environmental Reports	\$37,500
Capital Needs Assessment Report	\$0
Other (list)	\$7,500
	\$0
<b>Other Soft Costs:</b>	
Tax Credit Fees - Application	\$130,886
Tax Credit Fees - Compliance	\$4,680
Tax Credit Fees - Allocation	\$2,500
Permits & impact fees - water, sewer, etc.	\$350,000
Cost Certification/Accounting fees	\$15,000
Lease-Up Period Marketing	\$0
Title Insurance and Recording	\$0
Capital Needs Assessment (rehab only)	\$0
Legal	\$100,000
Other (list)	\$200,500
Property Management Start Up Costs	\$200,000
<b>Developer Earned Fees &amp; Expenses:</b>	
Developer's Fee	\$3,040,000
Developer Overhead	\$0
Consultant Fees	\$50,000
Other fees (list)	\$0
<b>Total Costs:</b>	<b>\$30,555,408</b>

<<<

Traffic Study

<<<

Reservation Fee and Tier One Agreement

<<<

<<<

TC investor DD and up front AM fees

Soft Cost Contingency

APPLICANT: **Volker**

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.), Debt Service (First Mortgage, Second Mortgage, etc.), Total Debt Service, Total Annual Cash Expenses, Total Net Operating Income, Debt Service Reserve, Deferred Developer Fee, Cash Flow, and AHF Principal Repayment.

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

Summary table for DCR Hard Debt and DCR Total Debt, showing values for Years 1-30.

Assumptions table with 2 columns: Assumption (Vacancy Rate, Annual Increase Income, Annual Increase Expenses) and Value (5.0%, 2.2%, 3.0%).

Other Income table with 4 columns: Charge, Monthly Charge, Annual Charge, Tenant Utilization. Rows include Late Fees, Application Fee, Pet Fee Income, Pet Rent, Deposit Forfeits, NSF Fees, Early Termination, Lease Violator, Residential Dam, Tenant Move-out, and Misc. Income.

APPLICANT: **Volker**

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.), Debt Service (Second Mortgage, etc.), Total Debt Service, 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, showing values for Years 17-30.

Assumptions table with 2 columns: Assumption (Vacancy Rate, Annual Increase Income, Annual Increase Expenses) and Value (5.0%, 2.2%, 3.0%).