

CDD Financing Application for Affordable Rental Housing Development: Non-Tax Credit

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2024-13033; Affordable Rental Housing Development: Non-Tax Credit. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on May 31, 2024**. Please format for logical page breaks. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	Madison Development Corporation Taft St "Bankston" Apartments - 17 unit		
Site Address (if known):	2107-2125 Taft St		
Amount of Funds Requested:	\$2,241,369	Type of Project:	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Acquisition/Rehab
Name of Applicant:	_____		
Mailing Address:	550 W Washington Ave, Madison WI 53703		
Telephone:	608-535-4572		
Lead Project Contact:	Lorrie Heinemann	Email Address:	Lorrie@mdcorp.org
Financial Contact:	Abbie Wallhaus	Email Address:	Abbie@mdcorp.org
Website:	www.mdcorp.org		
Legal Status:	<input type="checkbox"/> For-profit <input checked="" type="checkbox"/> Non-profit <input type="checkbox"/> Non-profit (CHDO)		
Federal EIN:	39-1277471	SAM/UEI #:	* _058076621
Registered on SAM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		* If seeking federal funds
Community Housing Development Organization:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> CHDO Application Attached		
HOME-ARP Set-Aside:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

If applying to this RFP under the HOME-ARP Set-aside, please check the box for "Yes" above. **For questions in this application that do not apply, please write "Not Applicable."**

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.** Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000. You may register at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained 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: Lorrie Keating Heinemann Date: 5/30/2024

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

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 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

2. Please describe the anticipated demand for this specific affordable rental housing development in the City of Madison. Please be specific as to which populations will be targeted, if any.

We expect the new 17-unit multi-family affordable workforce housing project will be welcomed into the South Park corridor, just as our Dane Townhomes were when we built the 11 units in 2017. The combination of one and two bedroom units in a secure, high quality building will serve low income households, which make up a large part of the neighborhood.

PROPOSAL OVERVIEW

3. 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).*

MDC proposes to construct a 3 story, 17-unit affordable housing project on our 4 parcels on Taft St - 2107, 2117, 2121 and 2125 Taft St. The project will consist of 11 one bedroom units and 6 two bedroom units. 11 of these will be rented to HH whose incomes <60% of the AMI, 3 to HH <80% and 3 at market, which we believe is a healthy mix. Note that these parcels currently have single family homes so we have included relocation costs in our budget. Because we own and manage 429 units of affordable housing throughout Madison and Middleton, we will make our other units available to any displaced residents.

SECTION A – ALL APPLICANTS MUST COMPLETE

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

Total number of units in proposed development: **17**

Total number affordable of units (≤60% CMI): **11**

Total % affordable of units (≤60% CMI): **65%**

Total amount of CDD funds requested per affordable unit: **Based on High HOME and unit configuration provided by Matt Frater on 5-29-2024, the average per unit is \$203,760 for all 11 HOME units. This is based on 7 one-bed units w/max of \$189,559 each and 4 two-bedroom units w/ max limit of \$228,614 each.**

Number of units supported by Section 8 project-based vouchers, if applicable: **0** PBV CMI level: _____

5. Please indicate acceptance of the standard loan terms for this proposal as described in Section 1.8 of the RFP.
 Yes, I confirm.

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

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

DEVELOPMENT TEAM OVERVIEW

8. 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:
- Developer’s housing development experience, including number, type and location of proposed and completed projects, affordability profile, etc. Years the organization has been in existence.
 - Leadership/key development team staff qualifications (briefly).
 - Financial capacity of the organization to secure financing and complete the proposed project.
 - For non-profit organizations, please describe the organization’s Mission Statement and explain how the proposed development supports the Mission Statement.

Lorrie Heinemann, MDC President with an MBA has 8 years development experience of affordable housing development at MDC, including the 44 unit Graaskamp Apts, the 24 unit Lillian (both HOME funds projects located in the City) and a 52-Unit CDBG-DR grant funding project in Middleton, WI. All projects are affordable workforce housing targeting households whose incomes range from <50% of the AMI to 80% of the AMI, with a few market units. All are universally designed to be accessible for all.

Abigail Wallhaus, MDC VP of Finance with an MBA has 6 years of affordable housing development experience at MDC on the same 3 projects (above) as Lorrie.

Cashton Laufenberg, MDC VP of Housing, has 10 years of experience in Property Management and Facilities Management at MDC, and has expertly keep our vacancy rate below 1% for the past 8 years.

MDC has a strong balance sheet with over \$50 million in Total Assets, \$12 million in net assets, and we have grown our housing portfolio from 207 to 377 units (soon to be 429 units) in 8 years, as well as grown our revenues from \$2.7 million in 2016 to \$6.5 million in 2023. 77% of our tenants have household incomes <60% of AMI. We truly are a workforce housing provider for "the missing middle". It's important to note that we develop, own and manage all of our properties as a non profit. We have no outside investors as we use our own equity and City funding to help make projects happen.

Our MDC mission to provide quality affordable workforce housing in the Greater Madison area. This project provides 17 new units of quality new housing in a preferred area for development for the City - close to transportation and amenities.

MDC does not do LIHTC projects and we do not have contracts with service providers, other than an agreement with Porchlight to rent units to them that they can apply to put a client of theirs in. We own, manage and maintain all of our properties with our team of 12. There simply is no room in our tight budgets to allow for paying service providers - as again, no outside investors, and we receive very small (if any) developer fees.

9. For non-profit applicants interested in federal HOME funds, please describe the development team’s experience using federal HOME or CDBG funds in detail, including a list of past projects the team has developed using such funds.

Since 2016 our team has received and successfully managed 2 HOME funded projects in the City - The 44 unit Graaskamp and the 24 unit Lillian Apts. Thank you for the awards!

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

Contact Person	Company	Role in Development	E-mail	Phone
Lorrie Heinemann	MDC	Lead Developer	Lorrie@mdcorp.org	608-535-4572
Abbie Wallhaus	MDC	Lead Finance	ABbie@mdcorp.org	608-256-2799
Cashton Laufenberg	MDC	VP Housing	Cashton@mdcorp.org	608-256-2799
Kevin Burow	Knothe-Bruce Architects	Lead Architect	kburow@knothebruce.com	608-836-3690
John Medenwald	Connery Construction	General Contractor	johnm@conneryconstruction.com	608-839-3740

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11. Who will be responsible for monitoring compliance with federal regulations and requirements during development and construction phases of the project? Describe their experience and list any past projects they have completed.

Abbie Wallhaus and Lorrie Heinemann (experience above) most recent HOME Award for Lillian 24 unit

12. Are other major sources of soft funding are being sought for the proposed development (e.g., TIF, 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.

We are seeking \$700K from the FHLBC of Chicago for this project. Their RFP is due mid June and decisions are made in the Fall of 2024. We also thrilled to see the Dane Workforce Housing Fund listed in this question #12 - we're so honored to be mentioned!

13. Is your development team willing to offer a development partnership role, employment, or other role to a graduate or student of the Associates in Commercial Real Estate (ACRE) program on this project?

Not at this time. We do have two ACRE alums on our Dane Workforce Housing Fund II Technical Advisory Committee however, and they are doing a great job.

14. 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 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 contracts that meets or exceeds the City’s goals.

We hired a MBE business from the City's list of contractors to rehab our Terrace View 16 unit. The person was highly skilled in drywall, but not skilled in any other tasks his team took on. We had to bring a new contractor in to redo everything at at cost of \$45K, and we were fined because the MBE contractor removed our sidewalk without a permit. We are still working to get this resolved and the City team has been very helpful. Our GC has contracted with several MBE/WBE's for our 52-unit in Middleton, and that has gone very well. We report on that as well as Davis Bacon wages for that project due to our CDBG-DR funding we received from the City of Middleton via the DOA.

15. Beyond standard construction bidding practices, 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 meet or exceed the City’s contract labor utilization goal of 13% for persons of color working on the job site.

We have two women on the development team. Our General Contractor Connery Construction also works with MBE/WBE which includes people of color and we hope to work with them on this project as well. It is important that the City vet the list they share with developers to ensure the companies have the skillset and references to demonstrate the completion of projects, If not, it would make sense for the City to connect those companies to the excellent training programs at the Madison College, the Latino Academy and several local unions.

16. 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
		#	%	#	%	#
MDC	Developer			5	42%	12
	Co-Developer	n/a				
TBD - must bid out	General Contractor					
MDC	Property Manager	1		5	42%	12
KBA	Architect					

None	Service Provider					
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17. 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.

MDC received a FHLBC grant in 2021 and ran a one year DEED - Developing Equity for Emerging Developers Program where we paid for WHEDA developer training for 15+ BIPOC and held events and a Fall Conference for 25 BIPOC. The program was turned over to our co-partners at Forward Community Investments (FCI).

18. 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.

See Above, DEED, Black Business HUB, Loans to MBE/WBE businesses through of City of Madison Business Lending Program, etc.

19. If any team member has acted as a development partner or has any ownership interest in any project currently underway or completed, please provide the following information for the team member 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 issues by Madison Police Department and/or Building Inspection in the past five years.

we have no outside team members

PROPERTY MANAGEMENT: TENANT SELECTION & AFFIRMATIVE MARKETING

20. Confirm that you have read and agree to submit an Affirmative Marketing Plan and Tenant Selection Plan consistent with the Standards found in RFP Attachments B-1 and B-2.

Yes, I confirm.

21. Describe the affirmative marketing strategy and any other strategies to engage your intended population. How will the Property Manager affirmatively market to populations that are least likely to apply? 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 are historically under-marketed in affordable housing opportunities.

We will use our current affirmative marketing strategy that has worked for us for over a decade, including for the HOME funds awards we have received in the past. Our vacancy rate is <1.0% and 77% of our households have incomes under 60%, with the majority of those HH <50%. We know we are meeting our mission of providing quality affordable "missing middle" workforce housing.

22. Please address experience in and/or plans to implement inclusive and culturally-inclusive 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 agencies and/or marketing materials used. Include a list of organizations that you have partnered with in the past for marketing activities.

We trust our Employees. We have no agency partners, but we do partner with the agencies like Porchlight, Wayforward Resources and Journeys Mental Health when needed. WE have an agreement with Porchlight to rent them units in our Middleton properties which works well. We don't have funds to pay these agencies, as you may be aware that MDC does not receive donations from anyone - not the United Way - we produce our own income. This is key for the City to understand that we don't have the capacity to pay agencies.

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

Our team, managed by Cashton Laufenberg, our VP of Housing has been successfully managing our growing housing portfolio for over a decade. Our compliance Manager, Karen Birrenkott has over 30 years of working with leasing compliance. We work with tenants to keep them in their apartments and have often providing payment plans and worked with them to avoid evictions. All documented in our well written and used Tenant Policy Manual.

24. 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?

MDC has our own internal team of 8 people who manage our properties - 4 in leasing and 4 in facilities so we can flex to the need. We're proud of our team and their ability to maintain our properties and engage with our valued tenants.

25. What percent of staff turnover did the PM experience at Madison-area properties in 2023? 0

26. 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 Property Management staff. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

None of our property management team resigned in 2023. Our Director of Property Management has led the team for 10 years and was recently promoted to our VP of Housing. .

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

Karen Birrenkott, our compliance manager attends the WHEDA and City updates on compliance, as do ABbie Wallhaus and Cashton Laufenberg when it applies to our model

SITE INFORMATION

28. Address(es) of Proposed Site, if known: 2107-2125 Taft St, Madison WI

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

- Preferred TOD Area (New Construction Only)
 Eligible Core Transit Area (New Construction Only)
 Preservation & Rehab Area (Ineligible for New Construction; Some exceptions may apply))
 Limited Eligibility Area

30. 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.

We own the site which has 4 single family houses on it. We also own the Fisher Apartments directly behind these homes.

31. Identify the neighborhood in which the site is located: South Park

32. Site Specific or Site-Undetermined Application:

- a. Date Site Control Secured (or anticipated): we own them and have acquired them over the years
b. Site Specific application without Site Control (check if no site control)
c. Check if Site is Yet-To-Be Identified (targeted area proposal)

DEVELOPMENT TEAMS THAT SELECTED OPTION C IN QUESTION 32 (WITH AN UNDETERMINED SITE) CAN NOW SKIP TO APPLICATION SECTION B, AND DO NOT NEED TO COMPLETE QUESTIONS 33-65, AT THIS TIME

33. Current zoning of the site: TR V-1 , WP 18 An interactive version of the Zoning Map can be found linked [here](#).

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

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

We will rely on our architect Kevin Burow of Knothe Bruce to work with us on this. We have already met with Kevin Firchow of the City and he indicated it may need to be re-zoned but he did not see an issue with that.

36. 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 Plan(s), Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant [plans](#).

The 4 Taft parcels are in a "Preferred Transit Oriented Development Area" on the South side of Madison and are just outside of the TID 51 border.

37. 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

38. Identify the distance the following amenities are from the proposed site. All distances should be entered as would be traveled by residents of the development (i.e. walking/driving distance, not straight-line distance). Limit to closest three and/or less than one mile per category. Please use the MMSD Find My School [link](#) as the closest school is not always assigned.

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Copps - (city working on) , Trader Joes	2.5
Public Elementary School	Lapham Elementary	4.2
Public Middle School	Wright Middle School	.9
Public High School	West High School	5.6 miles
Job-Training Facility, Community College, or Continuing Education Programs	Urban League, Madison College	.4 miles
Childcare	Pequinos Tresos Day Care	1.0
Public Library	Madison Public Library	.3 miles
Neighborhood or Community Center	Goodman Community Center	.3 miles
Full Service Medical Clinic or Hospital	Unity Point - Meriter Health on S. Park	1.9
Pharmacy	Unity Point - Meriter Health on S. Park	1.9
Public Park or Hiking/Biking Trail	Brittingham Park, Penn Park on Fisher St	.1 mile
Banking	Summit Credit union	.3 miles
Retail	Walgreens	.1 miles
B-cycle Station		
Other (list the amenities):		

39. What is the actual [walking](#) distance between the proposed site and the nearest seven-day per week [transit stops](#) (i.e. weekday and weekends)?

From 2125 Taft st to South Park at Buick St Bus stop is a 4 minute walk (.2 miles) per the City's transit site

40. 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.

Lincoln Elementary is walkable, Badger Rock High School is a yellow bus ride away

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

The best source for this information is not a small non profit developer, the Library, the Goodman Community Center and the Urban League are all a short walk and a great place to get this information for tenants new to the area

42. For non age-restricted developments over 40 units, describe the impact this housing development will have on the schools in this area. What percent are the 5-year projected capacities for the area schools? Ideal enrollment is considered 90%. Are the schools projected to be at, above, or below capacity? Approximately how many elementary and middle school children are projected to live at the proposed housing development based on the proposed unit mix and previous housing experience? See 5-year projected capacities from 2019 school capacity information found in this [Report](#) (.pdf pages 30-31). MMSD is in the process of updating this information post-pandemic. Please also e-mail Grady Brown (kgbrown@madison.k12.wi.us) to obtain updated current and projected capacity for the relevant schools.

This a 17 unit apartment building replacing 4 units, so a net of 13 units (well under the 40 units)

CITY AND COMMUNITY ENGAGEMENT PROCESSES

43. 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 you have already presented. If you've not yet presented to DAT, what is the anticipated date of the presentation?

We have met with Kevin Firchow at the City to discuss this project. We have not made a presentation to anyone at this point, including DAT.

44. For new construction proposals, describe the neighborhood and community input process, including notification to and input from the nearby Neighborhood Association(s), already underway and planned. 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.).

The funding round is here, we are putting together a project. If it is feasible, we will be delighted to engage in discussions with the neighbors about the project.

45. Describe the response of the alder in which the proposal is located, as well as the adjacent [Aldermanic District](#), if applicable. What issues or concerns with the project has been identified, if any? How will those be addressed?

We have not met with the Alder at this point. We have 5 sites we are considering in Dane County, and our small non profit simply does have the development staff to pursue projects that may not pencil out.

SITE AMENITIES

46. Describe the interior and exterior common area amenities that will be available to tenants and/or guests, and any costs for reservation (e.g., community rooms, exercise room, business center, tot lot, grill area, etc.). What parking will

be provided and at what cost? Will the cost vary by CMI level? For family developments, will there be a year-round indoor play space for children?

We will have a small exercise or community room in the building for all tenants to use. Happy to make it a play area vs. an exercise room. We will have a least 10 surface parking spots at no cost to HOME units unless we are allowed to charge. If we are, the charge would be \$25- \$35 per month.

47. 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.

All of our units will have LVP flooring, and internet service. Tenants will pay a monthly amount for internet yet TBD base on our provider. We are using TDS for our 52 unit, and we can provide internet to tenants at a price of ~\$50 per month which we believe is reasonable so we will seek out TDS for a proposal on this building. All of our buildings are non smoking and this one will be as well.

PROPOSAL TIMELINE

48. 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>]	July 2024
1 st Development Assistance Team Meeting [<i>Target/Actual Month/Date</i>]	August 2024
1 st Neighborhood Meeting [<i>Target/Actual Month/Date</i>] (if applicable)	After HOME funds award announcement
Submission of Land Use Application (if applicable)	Fall 2024
Plan Commission Consideration	Fall 2024
Urban Design Commission Consideration, if applicable [<i>Target Month/Date</i>]	Winter 2024/2025
Complete Financing	by Fall 2024
Acquisition/Real Estate Closing	completed
Rehab or New Construction Bid Publishing	after financing award
New Construction/Rehab Start	Spring 2025
Begin Lease-Up/Marketing	Spring 2026
New Construction/Rehab Completion	Summer 2026
Certificates(s) of Occupancy Obtained	Summer 2026
Complete Lease-Up	Fall 2026
Request Final Draw of CDD Funds	By Q1 2027

HOUSING INFORMATION & UNIT MIX

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

ADDRESS #1:		Taft St Apartments - Address TBD (4 parcels) one building with 17 units									
		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	2	1	0	0	1004	1181	1372		
60%	0	0	5	3	0	0	1004	1182	1372		
Affordable Sub-total	0	0	7	4	0	0					
80%	0	0	2	1	0	0	1712	1834	2201		
Market*	0	0	2	1	0	0	1712	1900	2300		
Total Units	0	0	11	6	0	0	Notes: High Home and Low Home Rents are about the same				

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

ADDRESS #2:		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 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					
Affordable Sub-total	0	0	0	0	0	0					
80%	0	0	0	0	0	0					
Market*	0	0	0	0	0	0					
Total Units	0	0	0	0	0	0	Notes:				

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

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

51. Please list the source of calculating your utility allowance, and the total utility allowance per bedroom size:
 Utilities Allowance Used: CDA DCHA HUSM

Unit Size (Number of Bedrooms)	Total Monthly Utility Allowance (\$)
Efficiency	n/a
1-Bedroom	\$103
2-Bedroom	\$132
3-Bedroom	n/a

REAL ESTATE PROJECT DATA SUMMARY

52. 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:	2017-2025 Taft								
	4	17	4	4	no	17	\$1.1 million	\$3.1 million	n/a we own
Address:	Enter Address 2								
Address:	Enter Address 3								

53. Describe the historical use(s) 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.

Single family homes on Taft St. A Phase I has not been completed. We will consult with KBA & the City to determine if it needs to be done prior to construction.

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

4 single family homes owned by MDC and rented to tenants. We plan to demo the buildings in 2025 after giving tenants a 1 year notice and offering them other MDC sites to rent (we have townhomes on South Park St and at 641 W Main - both relatively close to Taft St.)

55. Will any business, including churches and non-profit organizations, or residential tenants (owner or rental) 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.

no businesses will be relocated

56. For proposals that include rehabilitation, have you completed a capital needs assessment for this property? If so, summarize the scope and cost; attach a copy of the capital needs assessment if available. If proposal includes rehabilitation of occupied properties will be phased over more than a year, please describe the assessment and phasing plan in detail.

n/a

ENERGY EFFICIENCY, RENEWABLE ENERGY, SUSTAINABLE DESIGN & ACCESSIBILITY

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

We plan to use Energy Star appliances as we always do, and if feasible add solar to the roof like we did for the Lillian to keep energy costs low. We put solar on our 24-unit Lillian in 2023.

58. Describe the proposed project’s energy efficiency approach, design and equipment choices. For new construction proposals, please attach a copy of the confirmation page demonstrating that your organization has submitted an [Initial Application](#) for Focus on Energy’s Energy Design Assistance program once available. For rehabilitation proposals, please attach documentation confirming that your organization has reached out to Focus on Energy’s [multifamily program, once available](#).

We worked with Focus on Energy for the Lillian 24 unit in Madison and our Mill Apartments in Middleton and will plan to do so again if we receive City and FHLBC funding.

59. 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 type="checkbox"/>
Passive House	<input type="checkbox"/>
Other:	<input type="checkbox"/>
Other:	<input type="checkbox"/>

60. Please describe how this proposed development will contribute to the City’s goal of 100% renewable energy and net-zero carbon emissions community-wide by 2050. For more information, see [100% Renewable Madison Report](#). 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)? _____

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

Solar panels as recommended by Focus on Energy if we receive grants like we did for Lillian (Solar for Good and others)We are not energy experts so we will reach out to MGE and Focus on Energy to determine what needs to be included to make this project dovetail nicely into the City’s renewable energy plans.

61. 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 type="checkbox"/>	
d. EV charging infrastructure or EV ready design (<i>exceeding City ordinance requirements</i>)	<input type="checkbox"/>	
e. Battery storage	<input type="checkbox"/>	
f. Other:	<input checked="" type="checkbox"/>	work with KBA and FOE for their recommendations
g. Other:	<input type="checkbox"/>	

62. New Construction Proposals Only: 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

We will work with FOE to develop a plan.

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

We did energy efficiency windows on Lillian and Mill and will do so again.

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.

work with FOE

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

We work with KBA

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

We believe in a common area and exercise space, like all other buildings, plus patios on every unit

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

will work with KBA and FOE

g. Design for Change – Optimize operational and maintenance practices

will work with KBA and FOE and our VP of Housing - since we have our own maintenance team, we want to be efficient!

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

will work with KBA and FOE

63. Describe this development’s approach to accessibility. Indicate the number and percent of ADA accessible units as well as the number and percent of proposed Type A accessible units and/or convertible to Type A units as needed.

Will this development exceed the minimum requirements to the greatest extent feasible? For rehab, describe the accessibility modifications that will be incorporated into the existing development.

MDC has been focused on providing full accessible buildings for past 8 years, with all first floor units "universally designed" to be accessible by all, plus the require full ADA units. Lillian 24-unit and Graaskamp 44 unit are excellent examples. No barrier entries (no steps), roll in showers or low lip shower entries, auto doors for entry so wheel chair bound tenants can get in without assistance, etc.

64. Describe this development's level of commitment to the principles of Universal Design. Explain the extent to which the development team will incorporate the greatest feasible levels of Universal Design in residential units, commercial spaces, and in common areas. What percentage or number of units in the proposed development will incorporate Universal Design principles? What percent of units will be visitable?

You beat me to it - we are ALL in - 100%. All first floor units will be universally designed. The second floor will be similar-but with no elevator, they will not be accessible to a wheel chair bound tenant.

REFERENCES

65. 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
Vincent Rice	Summit Credit Union	vincent.rice@summitcreditunion.com	608-368-6335
Linette Rhodes	City of Madison CDD	lrhodes@cityofmadison.com	608-261-9240
Mike Flynn	LakeRidge Banker	mflynn@lakeridge.bank	608-238-5148

DEVELOPMENT TEAMS WITH AN IDENTIFIED SITE (AND HAVE COMPLETED QUESTIONS 32-65) DO NOT NEED TO COMPLETE SECTION B.

SECTION B – TARGETED AREA ONLY (No Identified Site)

SITE INFORMATION

1. General Area of Proposed Sites: _____
2. If applicable, please identify in which of the following areas on the Affordable Housing Targeted Area Map your proposal is generally located in, or that you anticipate you will target. If the area targeted for your proposal is larger or consists of multiple areas, please select one of the following that comprises the majority of your target area.
 - Preferred Area (New Construction Only)
 - Super-Preferred Area (New Construction Only)
 - Eligible Area (New Construction & Acquisition/Rehabilitation)
 - Targeted Rehab Area (Ineligible for New Construction, but preferred for acquisition & rehabilitation)

3. Explain why this area was chosen. How does it help the City to expand affordable housing opportunities in areas of greatest impact? How will this area assist in providing neighborhood-serving benefits?

4. Describe the type of housing project you propose to develop (i.e. new construction, preservation or acquisition and rehab)?

5. Number of units you anticipate developing in the targeted area: _____

6. Identify the following amenities that exist in the area which you have identified. If an amenity/service does not exist within the area, determine and list the next closest location.

Type of Amenities & Services	Name of Facility	In Targeted Area? (yes/no)
Full Service Grocery Store		
Public Elementary School		
Public Middle School		
Public High School		
Job-Training Facility, Community College, or Continuing Education Programs		
Childcare		
Public Library		
Neighborhood or Community Center		
Full Service Medical Clinic or Hospital		
Pharmacy		
Public Park or Hiking/Biking Trail		
Banking		
Retail		
Other (list the amenities):		

7. Are there seven-day per week transit stops (i.e. weekday and weekends) in or adjacent to your targeted area?

- 8. Describe your experience in gaining necessary planning and zoning-related approvals (rezoning, conditional use permit, demolition, etc.) that have been obtained for other developments. Are there adequate sites available in this targeted area that can feasibly identify and develop within the timeframe listed in the RFP? Please explain how you anticipate selecting a site(s).

- 9. Describe the your anticipated project and targeted area's consistency with adopted [plans](#), including the City of Madison Comprehensive Plan (adopted 2018), Neighborhood Plan(s), Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant [plans](#).

CITY AND COMMUNITY ENGAGEMENT PROCESSES

- 10. Describe your familiarity with this neighborhood and community. Have you previously worked with this Neighborhood Association(s) or Alder? Describe the response of the alderperson in which the proposal is located, as well as the adjacent alderperson(s), if applicable. What issues or concerns with your anticipated project have been identified, if any? How will those be addressed? Please note new Aldermanic Districts that went into effect January 1, 2022.

SITE AMENITIES

Specific details of site amenities will be asked in a supplemental application submittal once a site(s) has been identified, as a component of City approvals before funding allocated.

ENERGY EFFICIENCY, RENEWABLE ENERGY & SUSTAINABLE DESIGN

- 11. What is your organization's experience in developing projects that incorporate extraordinary sustainable, energy efficient, and/or green building design techniques? Please list any awards, industry standards or third-party certifications achieved on projects developed in the past ten years, LEED®, WELL, Passive House, etc.

- 12. Please describe how proposed developments will contribute to the City's goal of 100% renewable energy and zero-net carbon emissions (originally adopted March 21, 2017). For more information, see [100% Renewable Madison Report](#).

- 13. Describe this development team's past approach to accessibility. Will any proposed development meet or exceed the minimum requirements? For rehab, describe the accessibility modifications that will be incorporated into existing developments.

14. Describe this your agency's commitment to the principles of Universal Design. Elaborate on how your agency has incorporated Universal Design components in residential units, any commercial space, and in common areas. Do you anticipate that your agency will exceed building code standards for Type A units? Once a site is identified, what percentage or number of units in any proposed developments will incorporate Universal Design principles?

ONLY DEVELOPMENT TEAMS APPLYING FOR HOME-ARP FUNDS MUST COMPLETE SECTION C. ALL OTHER APPLICANTS MAY PROCEED TO PAGE 21.

SECTION C – HOME-ARP FUNDS – HOMELESSNESS & HOUSING STABILITY

Applicants seeking HOME-ARP funds, must also complete the following questions.

1. Please confirm that the development team, including property management and supportive service coordinator, have read and understand Attachment E which outlines the requirements of the HOME-ARP program.
 Yes, I confirm.
2. Please describe the proposed development's integrated supportive housing approach to serve the target populations. Provide the number and percent of Integrated Supportive Housing Units proposed utilizing HOME-ARP and adhering to its requirements. Describe how the HOME-ARP units created in this project will serve the following HUD required Qualifying Populations:
 - a. Those who are homeless as defined under 24 CFR 91.5
 - b. Those who are at imminent risk of homelessness as defined in 24 CFR 91.5
 - c. Those who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD.
 - d. Other populations where assistance would prevent the family's homelessness or serve those with the greatest risk of housing instability.

3. Please identify the per-unit cost of the HOME-ARP units in your project: _____
4. 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.

5. 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.)? How will these entities work together to ensure a successful development well-integrated with the immediate neighborhood and community?

6. Describe the planned approach that the development team will utilize to engage with and center the voices of the Qualifying Populations in the design of the proposed development using trauma-informed design?

7. Describe the development team's experience using a Housing First approach to supportive housing?

8. Please submit a Support Service Plan with your application. This plan should highlight the following elements:

a. Operations Plan

- i. Affirmative Marketing Plan (must meet Affirmative Marketing Plan Standards).
- ii. Tenant Selection Plan (must meet Tenant Selection Plan Standards and HOME-ARP guidelines, including a Housing First approach).
- iii. Staffing needs (i.e. %FTE and ratio of staff per household, etc.).
- iv. Lease up Coordination – detail how property management will work with the support service provider and partner agencies to seek referrals for vacant units.
 - 1. Describe the process for using Coordinated Entry to seek referrals of the prioritized qualifying population (households experiencing homelessness).
 - 2. Describe how property management will ensure that households who are unserved by Coordinated Entry but otherwise meet the HUD definition of the Qualifying Population will have access to HOME-ARP units through a waitlist.
 - 3. Describe the process to lease non-HOME-ARP units, if applicable.
- v. Outreach Strategies – how the property will engage its residents in the supportive services offered.
- vi. Resident Assessment – how will case managers assess the supportive service needs of individual residents.
- vii. Support Service Coordination
 - 1. Description of the type(s) and level of supportive services offered.
 - 2. Describe what services are provided on-site.
 - 3. Identify partnerships, if any, with supportive service agencies that have been or will be formed to serve the target population. How will external services be accessed.

b. Budget and Spending Plan:

- i. 5-year budget projection on support service costs and sources.
- ii. Resource Management:
 - 1. How will funding required for providing services outlined in the plan will remain available over time.
 - 2. Identify how HOME-ARP service funds will be budgeted over-time.
- iii. Spending Plan: a detailed explanation of how the supportive services funds will be spent and how that fits into the property's Supportive Services Plan.
 - 1. Specifically identify how HOME-ARP service funds will be spent.

The following attachments are included with this application:

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 via Worksheets 1-4 (Agency Overview, Capital, and Expenses, Proforma).
- 2. A detailed map of the site, for development proposals with an identified site,
- 3. A map using the AHF Affordable Housing Targeted Area Map, indicating the site in the context of the City.
- 4. A preliminary site plan and one to two renderings, if available.

- 5. A Capital Needs Assessment report of the subject property, or similarly detailed rehab phasing and cost report, if the proposal is for a rehabilitation project and if the report is available at the time of application.
- 6. A recent market study or informal analysis, if available at the time of application.
- 7. For rental development proposals with more than one owner, a Project Organizational Chart, including ownership interest percentages.
- 8.a. Tenant Selection Plan consistent with the City’s Standards outlined in Attachment B-1, if one is available at time of application.
- 8.b. Affirmative Marketing Plan consistent with the CDD’s AMP Standards outlined in Attachment B-2, if one is available at time of application.

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

Application Item	Due Date
Preliminary Site Plan	A week prior to Development Assistance Team (DAT)
Capital Needs Assessment	Supplemental Application
Market study/Analysis <i>(Required for new construction proposals seeking HOME funds)</i>	Supplemental Application
Proposals with an Undetermined Site, Questions 33-65	Supplemental Application

APPLICANT & PROJECT NAME:

Madison Development Corporation -Taft Street "Bankston" Apartments

2. CAPITAL BUDGET

Enter ALL proposed project funding sources.

FUNDING SOURCES

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
Lake Ridge Bank	\$ 2,000,000	N	6.00%	10	35	\$164,238
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
WHEFA						
FHLB-AHP Loan	\$ 700,000					
City Loan Request (AHF/HOME)	\$ 2,241,369					
City-Loan HOME-ARP (Development Funds)						
City-Loan Request (TIF)						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Historic Tax Credit Equity						
Deferred Developer Fees	\$ -					
Owner Investment	\$ 557,631					
Other-Specify:						
Total Sources	\$ 5,499,000					

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
Lake Ridge Bank	\$ 4,000,000	6.00%	12
Bridge Loan-Lender Name:			
MDC loan to project until all funds come in	\$ 1,499,000		
Historic Tax Credit Equity:	\$ -		
Total	\$ 5,499,000		

Remarks Concerning Project Funding Sources:

MDC is applying for both City HOME Funds and FHLBC AH Funds for this small infill project in the City of Madison on 4 properties (lots) we own on Taft street, 2107, 2117, 2121 and 2105 Taft St. We have met with Lake Ridge Bank and are confident we can secure a Term Sheet once we apply.

APPLICANT:

Madison Development Corporation Taft St "Bankston" Apts - 17 ur

3. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$132,000
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

Construction:	Amount
Construction/Rehab Costs	\$4,080,000
Construction Profit	included
Construction Overhead	included
General Requirements	included
Construction Supervision	\$204,000
FF&E/Personal Property	\$10,000
Demolition	\$50,000
Site Work	\$15,000
Landscaping	\$25,000
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$204,000
Other (List)	
Solar on Roof	\$35,000

<--- If applicable, please list the costs attributable to "above and beyond" green building/Net Zero construction components included in the Construction Costs line item:

Solar on Roof -net of grant

Total Cost: **\$35,000**

Architectural & Engineering	Amount
Architect - Design	\$150,000
Architect - Supervision	\$0
Engineering	\$10,000
Other (List)	
	\$0

Interim/Construction Costs	Amount
Builder's Risk/Property Insurance	\$40,000
Construction Loan Interest	\$120,000
Construction Loan Origination Fee	\$20,000
Real Estate Taxes	\$0
Park Impact Fees	\$10,500
Other Impact Fees	\$0
Other (List)	
	\$0

Financing Fees	Amount
Cost of Bond Issuance	\$30,000
Permanent Loan Origination Fee	\$0
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0

Soft Costs	Amount
Appraisal	\$4,500
Market Study	\$7,500

Environmental Reports	\$4,500
Survey	\$25,000
Permits	\$80,000
Lease-Up Period Marketing	\$0
Accounting/Cost Certification	\$7,500
Title Insurance and Recording	\$1,000
Relocation	\$200,000
FF&E	\$10,000
Capital Needs Assessment (if rehab)	\$0
Legal	\$15,000
Other (List)	
	\$0
Fees:	
Bridge Loan Fees	\$0
Organizational Fees	\$0
Syndication Fees	\$0
Total Development Fee	\$0
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
Reserves Funded from Capital:	
Lease-Up Reserve	\$0
Operating Reserve	\$4,250
Replacement Reserve	\$4,250
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
Other: (List)	
	\$0
TOTAL COSTS:	\$5,499,000

APPLICANT:

Madison Development Corporation Taft St "Bankston" Apts - 17 unit

4. PROJECT PROFORMA

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	311,172	317,395	323,743	330,218	336,823	343,559	350,430	357,439	364,588	371,879	379,317	386,903	394,641	402,534	410,585	418,797
Less Vacancy/Bad Debt	15,559	15,870	16,187	16,511	16,841	17,178	17,522	17,872	18,229	18,594	18,966	19,345	19,732	20,127	20,529	20,940
Income from Non-Residential Use*	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230
Total Revenue	298,013	303,974	310,053	316,254	322,579	329,031	335,611	342,324	349,170	356,154	363,277	370,542	377,953	385,512	393,222	401,087
Expenses:																
Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493	7,681	7,873	8,069	8,271	8,478	8,690
Advertising, Accounting, Legal Fees	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	2,498	2,560	2,624	2,690	2,757	2,826	2,897
Payroll, Payroll Taxes and Benefits	22,000	22,550	23,114	23,692	24,284	24,891	25,513	26,151	26,805	27,475	28,162	28,866	29,588	30,327	31,085	31,863
Property Insurance	30,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	38,403	39,363	40,347	41,355	42,389	43,449
Mtc, Repairs and Mtc Contracts	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489	12,801	13,121	13,449	13,785	14,130	14,483
Utilities (gas/electric/fuel/water/sewer)	24,000	24,600	25,215	25,845	26,492	27,154	27,833	28,528	29,242	29,973	30,722	31,490	32,277	33,084	33,911	34,759
Property Mgmt	14,877	15,249	15,630	16,021	16,421	16,832	17,253	17,684	18,126	18,579	19,044	19,520	20,008	20,508	21,021	21,546
Operating Reserve Pmt	4,250	4,356	4,465	4,577	4,691	4,808	4,929	5,052	5,178	5,308	5,440	5,576	5,716	5,859	6,005	6,155
Replacement Reserve Pmt	4,250	4,356	4,465	4,577	4,691	4,808	4,929	5,052	5,178	5,308	5,440	5,576	5,716	5,859	6,005	6,155
Support Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	117,377	120,311	123,319	126,402	129,562	132,801	136,121	139,524	143,012	146,588	150,252	154,009	157,859	161,805	165,851	169,997
Net Operating Income	180,636	183,662	186,734	189,852	193,017	196,230	199,490	202,799	206,158	209,566	213,024	216,533	220,094	223,707	227,372	231,090
Debt Service:																
First Mortgage	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238
Second Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238
Total Annual Cash Expenses	281,615	284,549	287,557	290,640	293,800	297,039	300,359	303,762	307,250	310,826	314,490	318,247	322,097	326,043	330,089	334,235
Total Net Operating Income	16,398	19,424	22,496	25,614	28,779	31,992	35,252	38,561	41,920	45,328	48,786	52,295	55,856	59,469	63,134	66,852
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	16,398	19,424	22,496	25,614	28,779	31,992	35,252	38,561	41,920	45,328	48,786	52,295	55,856	59,469	63,134	66,852
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

DCR Hard Debt	1.10	1.12	1.14	1.16	1.18	1.19	1.21	1.23	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.41
DCR Total Debt	1.10	1.12	1.14	1.16	1.18	1.19	1.21	1.23	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.41

Assumptions

Vacancy Rate	5.0%
Annual Increase Income	2.0%
Annual Increase Expenses	2.5%
Other	

*Please list all fees (per unit per month) and non-residential income:

Pet Fees \$25 per month, Parking surface \$30 for non-HQ

3. PROJECT PROFORMA (cont.)

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

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	427,172	435,716	444,430	453,319	462,385	471,633	481,066	490,687	500,501	510,511	520,721	531,135	541,758	552,593
Less Vacancy/Bad Debt	21,359	21,786	22,222	22,666	23,119	23,582	24,053	24,534	25,025	25,526	26,036	26,557	27,088	27,630
Income from Non-Residential Use*	3,295	3,361	3,428	3,496	3,566	3,638	3,710	3,785	3,860	3,937	4,016	4,097	4,178	4,262
Total Revenue	409,109	417,291	425,637	434,149	442,832	451,689	460,723	469,937	479,336	488,923	498,701	508,675	518,849	529,226
Expenses:														
Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	8,907	9,130	9,358	9,592	9,832	10,077	10,329	10,588	10,852	11,124	11,402	11,687	11,979	12,278
Advertising, Accounting, Legal Fees	2,969	3,043	3,119	3,197	3,277	3,359	3,443	3,529	3,617	3,708	3,801	3,896	3,993	4,093
Payroll, Payroll Taxes and Benefits	32,659	33,476	34,312	35,170	36,050	36,951	37,875	38,821	39,792	40,787	41,806	42,852	43,923	45,021
Property Insurance	44,535	45,649	46,790	47,960	49,158	50,387	51,647	52,938	54,262	55,618	57,009	58,434	59,895	61,392
Mtc, Repairs and Mtc Contracts	14,845	15,216	15,597	15,987	16,386	16,796	17,216	17,646	18,087	18,539	19,003	19,478	19,965	20,464
Utilities (gas/electric/fuel/water/sewer)	35,628	36,519	37,432	38,368	39,327	40,310	41,318	42,351	43,409	44,495	45,607	46,747	47,916	49,114
Property Mgmt	22,085	22,637	23,203	23,783	24,378	24,987	25,612	26,252	26,908	27,581	28,271	28,977	29,702	30,444
Operating Reserve Pmt	6,309	6,467	6,629	6,794	6,964	7,138	7,317	7,500	7,687	7,879	8,076	8,278	8,485	8,697
Replacement Reserve Pmt	6,309	6,467	6,629	6,794	6,964	7,138	7,317	7,500	7,687	7,879	8,076	8,278	8,485	8,697
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	174,247	178,603	183,068	187,645	192,336	197,144	202,073	207,125	212,303	217,610	223,051	228,627	234,343	240,201
Net Operating Income	234,862	238,688	242,568	246,504	250,496	254,545	258,650	262,812	267,033	271,312	275,650	280,048	284,506	289,024
Debt Service:														
First Mortgage	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238	164,238
Total Annual Cash Expenses	338,485	342,841	347,306	351,883	356,574	361,382	366,311	371,363	376,541	381,848	387,289	392,865	398,581	404,439
Total Net Operating Income	70,624	74,450	78,330	82,266	86,258	90,307	94,412	98,574	102,795	107,074	111,412	115,810	120,268	124,786
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	70,624	74,450	78,330	82,266	86,258	90,307	94,412	98,574	102,795	107,074	111,412	115,810	120,268	124,786
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

DCR Hard Debt	1.43	1.45	1.48	1.50	1.53	1.55	1.57	1.60	1.63	1.65	1.68	1.71	1.73	1.76
DCR Total Debt	1.43	1.45	1.48	1.50	1.53	1.55	1.57	1.60	1.63	1.65	1.68	1.71	1.73	1.76

Assumptions

Vacancy Rate	5.0%
Annual Increase Income	2.0%
Annual Increase Expenses	2.5%
Other	

**2024 Affordable Housing Non-Tax Credit RFP
Supplemental Application Questions - Final
(CONFIDENTIALITY REQUESTED)**

**Madison Development Corporation 17-unit Development
a/k/a The Bankston Apartments, LLC**

Response Submission Due Date: July 22, 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 mfrater@cityofmadison.com. We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Questions:

1. Please submit a draft relocation plan, and answer the following question: With vacancy less than 1% across your portfolio, how will your proposed relocation be accommodated? How do you intend to work with residents who wish to stay in South Madison, considering the goals of the South Madison Plan to prevent displacement from the neighborhood?

As of Sept. 2024 MDC will own and manage 429 units of quality affordable workforce housing in Madison & Middleton. As our portfolio grows with assistance from the City CDBG HOME funds, even with our low vacancy rate, we anticipate being able to accommodate 4 households if they choose to stay within our portfolio. There may be one or more households who desire to stay within a single-family home, in which case, we will work with them to find comparable, quality, affordable housing. If they wish to stay in the South Park neighborhood, we have the 11 MDC Dane Townhomes (with 3 bedroom units) off of South Park & Taft, and 641 W. Main St, which has 60 units, including 3-bedroom townhome units. We also have 5 units on Fisher St., adjacent to the Taft St. properties.

By creating more units in South Madison, we are encouraging households to continue to live on the south side. Also, the displaced households will be welcome back onto the Taft St property in the new development.

2. Attach a copy of the proposed Tenant Selection Plan for this development, ensuring that it meets the TSP Standards outlined in Attachment B-1 of the RFP.

The Bankston Apartments, LLC Tenant Selection Plan for the Bankston Apartments, LLC is attached.

3. Attach a copy of the proposed Affirmative Marketing Plan for this development, ensuring that it meets the AMP Standards as outlined in Attachment B-2 of the RFP.

The Affirmative Marketing Plan for the Bankston Apartments, LLC is attached.

Please note that MDC may need to hire an outside Property Management firm to manage this project due to the additional requirements from the City's new TSP guidelines. We are aware of The Alexander Company possibly being a PM willing to manage to the City's TSP.

4. The application states that you arrived at a financial assistance request of \$2,241,369 by maximizing the full allowable request under HUD guidelines. This amount would make the City the senior lender, with a larger loan amount than permanent lender Lake Ridge Bank. Describe the sizing of the City financial request compared to other debt sources, considering this RFP is intended for gap financing.

First, the project cannot support a larger loan due to the low rents and the number of units to spread the costs against are low.

We have included the updated Rent Charts for your reference in a separate PDF file. Please let us know if you need them in a different format.

Note that this project satisfies many national and local objectives for affordable, workforce housing as it brings quality, new units to Madison's South Side. It is a much-needed, desirable, missing-middle development with 17-units. The FHLBC gives preference to any development under 24 units. Without significant support from the City of Madison HOME funds and the FHLBC, the feasibility of this project would not be possible. Gap financing, although, yes, significant in this case, would be the difference between this project happening or it not happening.

5. What are the current-year monthly rental rates for the four single-family homes proposed to be demolished as part of this project?

2107 Taft St: \$2000

2117 Taft St: \$1325

2121 Taft St: \$1650

2125 Taft St: \$850

6. The South Madison Plan identified a need/community desire for more rentals with 3+ bedrooms. Have you explored options which would maintain or create larger-bedroom units, considering the potential demolition of three larger-bedroom properties?

When weighing the pros and cons of possible unit sizes, MDC looked at our current offerings on the south side: Fisher Street (5-units) and Dane Townhomes (11-units with 3-bedroom units) as well as the current demands from prospective tenants. The 17 units are proposed to be 11 one-bedroom units and 6 two-bedroom units. Although smaller than 3 bedrooms, we find this unit mix would result in a successful project with high demand, especially since we have 3-

bedroom units just one block away. This bedroom configuration would also make future homeownership more affordable if the property was ever converted to condos. Note: the multi-family project plan includes a community room, parking, storage and a yard space for families to enjoy and the location is less than a block from a City Park.

7. The City has an existing LURA on 2125 Taft Street for financing given to MDC for property acquisition. Describe if, or whether, this has impacted your approach to potential redevelopment of the property.

The house at 2125 Taft Street was part of the City of Madison's Neighborhood Stabilization Plan. Per our auditors (Wegner CPAs), and their communications with the City, the City does not have this financing on its balance sheet as a receivable (nor does MDC have this financing on its balance sheet as a liability). Compliance for this property ends next year. This property is not included on the Schedule of Federal Awards. If the property is sold, that would be considered program income to MDC. However, the plan is to redevelop, and keep the equivalent unit rented to an LMI household. If the HOME funds are not received, we will sell the 4 houses (properties).

8. At the City's Development Assistance Team (DAT) meeting, your team acknowledged the potential to move forward on this development as a condo redevelopment. Considering the South Madison Plan's focus on working with nonprofits to create new homeownership opportunities and/or preserve single-family homes, are you still considering redeveloping these parcels as an ownership development, or partnering with another agency to do so?

MDC plans to develop this property as a multi-family affordable workforce housing project, which is our business model. We also plan to own the property long term, unless an opportunity arises that would make it viable for MDC to sell at a reasonable price or to potential non-profit partner.

MDC recognizes the City's goals for long-term, quality, affordable rental housing and for home ownership. Pending the terms of HOME financing, and only after completion of the multi-family 17-unit being built and fully stabilized, MDC may be open to transition this rental development into condo-ownership opportunities down the road (3-20 years depending on the City and FHLBC LURAs) with another non-profit partner such as the Urban League of Greater Madison (ULGM) and the help of a licensed realtor.

However, several things would need to be in place before MDC would transfer ownership:

- 1) The HOME Funds Award would transfer to the Buyer (ULGM) without penalty or a payback requirement to MDC, and would release MDC from the LURA.
- 2) Upon Sale to the ULGM, the City would agree to transfer the HOME funds and LURA to the ULGM (for 1 day or less) and the ULGM would transfer the HOME Fund awards to individual Condo Owners on the same day. In other words, the sale of the condos would be conterminous with the sale of the 17-unit to ULGM.

- 3) The City of Madison would agree to revise the HOME funds award to individual HOME ownership grants, and release the building owner's HOME Funds Award LURA for this purpose and without penalty. The Condos would then separately be under the HOME ownership LURAs. The City would also agree that this does not trigger relocation benefits if some of the 17 households choose not to purchase their unit.

As it relates to the new condo owners:

- 1) All future condo owners would be qualified and ready to purchase the day of closing (MDC's sale to the non-profit partner). We would work with both the ULGM and Summit Credit Union to ensure this.
- 2) Current MDC tenants would have the first right to purchase a condo in the building.
- 3) A licensed local realtor would handle the condo purchases (vs. the non-profit partner)

This strategy will not make financial sense if the HOME funds are required to be paid back prior to or after converting the development into an ownership-opportunity.

9. It is a strategy of the South Madison Plan to preference current and former south Madison residents in affordable housing options in the area as they become available. Describe your approach to marketing units to the surrounding neighborhood, to ensure that as units become available South Madison residents will have access to remain in the neighborhood.

Rental: MDC will follow our current Affirmative Marketing Plan and continue to advertise with our current methods. We are also happy to provide information on the Bankston Apartments to the Madison College and the ULGM 3-4 months prior to the opening of the building as well as to Vicki Bankston, our MDC Emeritus Board Member who is well networked in the South Park neighborhood.

MDC Contacts:

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