



Merchant Place Apartments
Madison Wi

Northpointe Development

Who are we?

Northpointe Development Corporation is a real estate development company created for the purpose of bringing revitalization and development to various neighborhoods in the Midwest.

Highly regarded developer and long-term owner.

Vision Statement:

Northpointe envisions vibrant communities that strengthen neighborhoods, enhance livelihoods, respond to the environment, and connect people and places.

Mission Statement:

Provide sustainable housing for communities in a collaborative, honest, and transparent manner.

Marion Road Oshkosh, WI

The Rivers- 60 Unit Senior Affordable
The Rivers II- 40 Unit Senior Affordable
Anthem Lofts- 80 Unit Market Rate



Our Team



Callan Schultz is a founder and partner of both Keystone and Northpointe Development, he has been active in the development of multi-family housing since 1999. Callan formed Keystone Development, LLC in 1999 and later started Northpointe Development with Andy Dumke in 2011. Throughout his career, he has built over 3,500 units of multi-family housing throughout the states of Wisconsin, Michigan, Ohio, and Iowa.



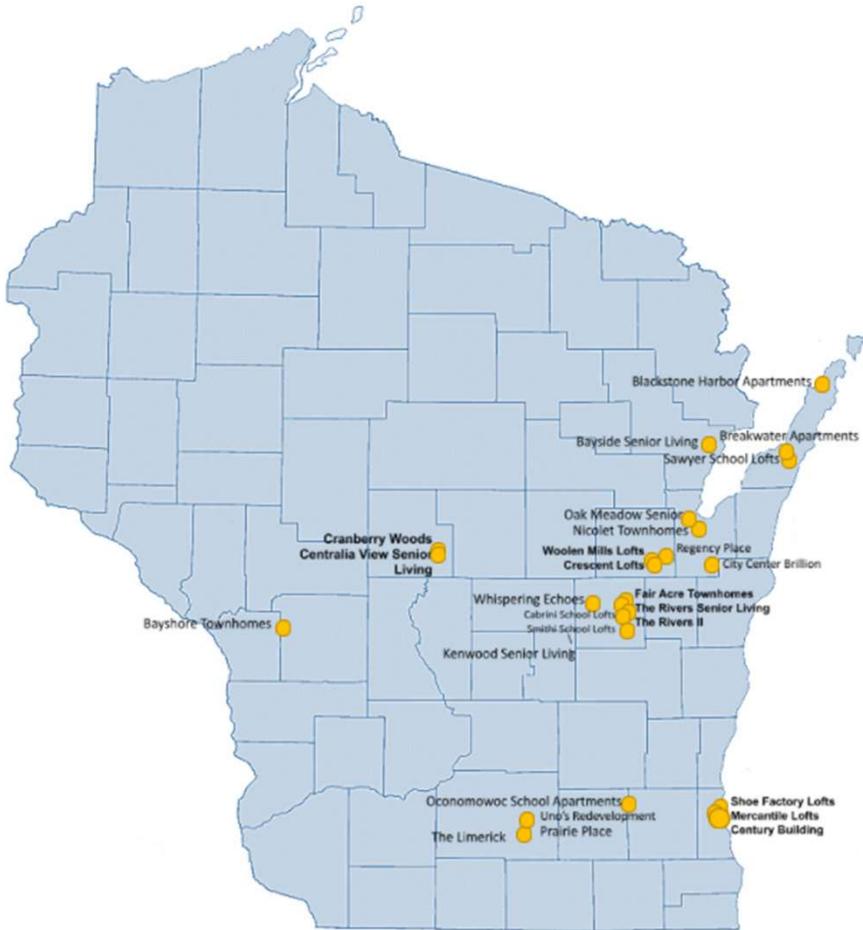
Andrew Dumke is a founder and partner of both Alliance and Northpointe Development, he has been active in many aspects of the real estate industry since 1993. Andy spent most of his career developing commercial real estate with Alliance Development – Andy expanded his portfolio to multi-family with the establishment of Northpointe Development. Andy has found great synergies between the sectors – specifically when it comes to master development planning and collaborating with municipalities. Alliance Development has developed over \$200mm in real estate.



Sean O'Brien is a partner of Northpointe Development, he has been involved with housing and community development for over 15 years. Prior to Northpointe, Sean worked at the Wisconsin Housing and Economic Development Authority (WHEDA) for 14 years. The last 6 years of which he was the Director of Commercial Lending. As Director, Sean led the development of Wisconsin's Affordable Housing Policy and allocation of the Low-Income Housing Tax Credit Program. For five years, Sean has served on the Community Investment Advisory Council for the Federal Home Loan Bank of Chicago.



Jake Victor is Vice President of Development for Northpointe Development, he began his career at WHEDA. Jake was tasked with allocating the state's Housing Tax Credit programs, originating multifamily loans, and overseeing Wisconsin's National Housing Trust Fund Program. Jake successfully originated over \$140mm in lending activity (14 developments) for affordable housing and was deeply involved with more than 30 LIHTC transactions.



MERCANTILE LOFTS-
 36 Units Market Rate/Office/Commercial
 611 West National Avenue, Milwaukee, WI

About Selassie Development

- Co-Developer and Co-Owner of Merchant Place Apartments with Northpointe Development
- An emerging real estate development company started by Samuel Haile in 2020.
- Our current focus is to develop affordable housing for Wisconsin residents with moderate to low income.
- We are working to Gain knowledge and experience while working side by side with highly regarded developers in the affordable housing industry.

About ACC Management Group, Inc.

Commitment, trust, and reliability is the foundation of our relationships with residents, employees, and partners. Our team works hard to earn the loyalty needed to develop and retain the long-term relationships associated with our shared success.

ACC currently manages a portfolio of affordable housing that includes more than 175 properties and 8500 apartments throughout Wisconsin and Northern Illinois. We have worked with Northpointe Development since 2011 by leasing and managing 27 properties and 1278 apartments.

ACC's experience includes:

- Section 42:
 - 4%, 9%, New Construction, Adaptive Reuse, Veterans, PBV's, AHP, HOME
- Section 8, RAD
- Section 515, Rural Housing
- Working with service partners to provide added benefits to properties

ACC Management Group has established a long history of extraordinary program compliance proven by superior ratings with state and federal agencies, such as WHEDA, IHDA, and HUD.

About Way Forward Resources

Mission: Way Forward brings our community together to create food and housing Security through action and advocacy

Vision: A community where everyone has the stability to thrive

Because what we eat, where we live and our connection to community are key determinants of well-being and health, Way Forward focuses on providing access to these resources for people in our community. Way Forward hosts one of the **largest food pantries in Dane County and provides case management, referrals, and privately-fundraised housing stability assistance** to all low-income residents of the West Madison, Middleton, and Cross Plains communities. Way Forward (previously Middleton Outreach Ministry) has provided services to the west side community for 40 years

Way Forward Resources at Merchant Place Apartments

Service Coordination: A Service Coordinator will be provided by Way Forward and general supportive services will be offered to all tenants including the targeted 30% units and households referred by the Dane County VA and Community-Wide Priority List

Case Management : Way Forward currently has capacity to provide case management to 4-8 households and will provide staff as needed for appropriate case management.

Community Service Facility: Way Forward and Northpointe have agreed to lease approximately 1,000 square feet of first floor office space for \$1 annually. Way Forward will use this space for meeting with tenants and other members of the community for case management services as well as provide food pantry services



**PIZZERIA UNOS
SITE REDEVELOPMENT**

7601 Mineral Pt Rd
Madison, WI 53719





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NORTHPOINTE DEVELOPMENT
WEST VERONA AVE. VERONA, WISCONSIN
RENDERED PERSPECTIVE
NOVEMBER 03, 2020







LOOKING NORTH





LOOKING NORTH-EAST





LOOKING SOUTH-EAST





Merchant Place Apartments

Project details

- Overall Unit mix
 - 14 Studio units
 - 64 one-bedroom/one bath units
 - 20 two-bedroom/two bath units
 - 26 three-bedroom/two bath units
 - Rents ranging from \$596-1995/ month
- Major Changes from 2022
 - Increased affordability
 - 90 units at 60% CMI or below vs 75
- Retail Commercial Space Available
 - Approximately 1000 Sq Ft Community Service Facility which will be leased to Way Forward Resources
 - 3400-4000 Sq Ft available for local business
 - Targeted towards existing tenants that have all shown varying interest in staying on at new location
- Significant Green Space
 - On-site stormwater management
 - Mitigate future heavy rain events
 - On-site amenities including playground area, patio and picnic area, Grill Station and fire pit.
- Parking
 - 110 underground
 - 44 surface
 - 154 total
 - Access to public transportation (Metro & Proposed BRT)
- Green building
 - Focus on Energy Design Assistance Program
 - Bundle 3 Selected
 - Energy Star New Construction
 - Roof top solar panels on apartment building
 - Bike parking on-site and in the underground parking garage
 - BCycle Stations and E-Bike Memberships for Tenants
- Building Amenities
 - On-site management/ controlled entry
 - Community room/ fitness room/ parcel room
 - Large outdoor patio any play area
 - In unit washer/ dryer/ dishwasher included
 - Internet, heat, water & sewer included
- Total Development Cost estimated \$43 million

Merchant Place Apartments

Tax Credits and Timeline

- Workforce Housing- meaning housing priced affordably to the workforce in an area
- Northpointe intends to compete for 4% Fed and State Housing Tax Credits from WHEDA
 - Credits are sold to an investor which generates equity for the project.
 - In return for the credits, a portion of the units have income and rent caps
 - Northpointe Development will be the long-term owner
- Units targeted to households earning 30-80% of county median
 - \$27,690-\$73,840 two-person households
 - \$34,590-\$92,240 four-person households
- Approximately 20% of the units will set aside at 30% CMI and 20% of the Affordable units will be three bedrooms. Additionally, 20% of the units will be targeted to veterans and households in need of supportive services.
 - MOU with Way Forward Resources

- Timeline
 - **August 2022**- Neighborhood meeting
 - **November 2023**- Madison Affordable Housing Fund selections
 - **January 2024**- Apply for WHEDA Tax Credits
 - **May 2024**- WHEDA Announcements
 - **May 2025** - Acquire site and Construction begins
 - **February 2026**- Lease up
 - **July 2026**- Occupancy/ move-in

Merchant Place Apartments

Unit Mix & Sources and Uses

<u>INCOME</u>	<u>Unit Type</u>	<u>Units</u>	<u>Rent</u>
<i>30% CMI</i>			
	Studio	6	\$596
	1 Bedroom	10	\$636
	2 Bedroom	6	\$760
	3 Bedroom	3	\$874
<i>50% CMI</i>			
	Studio	6	\$1,023
	1 Bedroom	23	\$1,094
	2 Bedroom	3	\$1,309
	3 Bedroom	17	\$1,509
<i>60% CMI</i>			
	Studio	1	\$1,175
	1 Bedroom	12	\$1,257
	2 Bedroom	2	\$1,505
	3 Bedroom	1	\$1,736
<i>80% CMI</i>			
	Studio	1	\$1,200
	1 Bedroom	19	\$1,295
	2 Bedroom	9	\$1,650
	3 Bedroom	5	\$1,995
Gross Rental		<u>124</u>	

Sources and Uses	
Merchant Place Apartments	
First Mortgage	\$12,870,000
FED LIHTC Equity	\$16,500,403
State LIHTC Equity	\$5,255,474
City of Madison AHF	\$3,250,000
Dane County AHDF	\$2,500,000
Deferred Developer Fee	\$2,684,009
TOTAL SOURCES OF FUNDS	<u>\$43,059,887</u>
Construction & Acquisition	\$33,298,368
Construction Contingency	\$1,492,418
Architectural & Engineering	\$313,400
Interim Construction Costs	\$1,606,700
Financing Fees & Expenses	\$132,500
Soft Costs	\$5,366,500
Operating Reserves	\$850,000
TOTAL USES OF FUNDS	<u>\$43,059,887</u>

Merchant Place Apartments

Summary of Benefits and City Priorities

- **Mixed Use Building in newly published Odana Area Plan**
 - Community Service Facility
 - Way Forward Resources will have a long-term lease for \$1 annually
 - Space will be used for case management and food pantry services
 - Small Local Retailers
- **Permanent affordability**
- **Excellent Proximity to Amenities**
 - Near BRT and multiple bus lines
 - Grocery, retail, health care
 - Close to Elementary, Middle, & High school
- **Large Family affordable units**
 - 20% of the units 3-BR
 - 76% of the 3-BR at or below 50% CMI
- **Significant Sustainability Features**
 - PV Solar
 - Energy Efficient Design and Materials
- **Over 20% of the units at 30% of CMI**
- **Experienced Property Manager**
- **Integrated Supportive Housing**
 - Partnership with Way Forward to provide service coordination and services
 - Housing individuals and families currently on the Coordinated Entry List
- **Co-development and co-ownership by an emerging developer**
- **Highly competitive score under QAP with flexibility to respond to any changes made prior to new round**

Questions?

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