



October 30, 2023

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Electronic Submission

Dear Community Development Staff,

Wisconsin Housing Preservation Corp. (WHPC) is writing in response to financial challenges faced by the new construction 245-unit Affordable Housing Development project, Rise Madison. WHPC recently learned that the project would be subject to a City of Madison Special Assessment of \$360,000 for sewer improvements located in the public right of way on East Washington Avenue. This pending new charge was introduced in the final hour and is introducing an undue financial burden to the project at a time of increased lending interest rates.

WHPC worked with our local lender to receive an updated rate quote on the permanent debt at the project. The current rate indication is set to 5.68% and the outcome on the loan is a loss of available proceeds which is also contributing to the current financial gap condition of approximately \$885,000.

Pursuant to recent discussions with City Staff, WHPC is requesting that an additional \$500,000 of City of Madison Affordable Housing Funds be made available to cover the unforeseen Sewer Special Assessment and to assist in solving the financial gap condition. In support of the request, please find a financial proforma in evidence of the gap condition.

Your investment on this impactful project is greatly appreciated.

Sincerely,

Mary Wright
President

Attachment: Financial Proforma

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