



A 501c3 non-profit established  
in 1977 by the City of Madison

## **“The Bankston Apartments”**

A 17-unit  
On Taft Street

By

Lorrie Heinemann, CEO  
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Housing

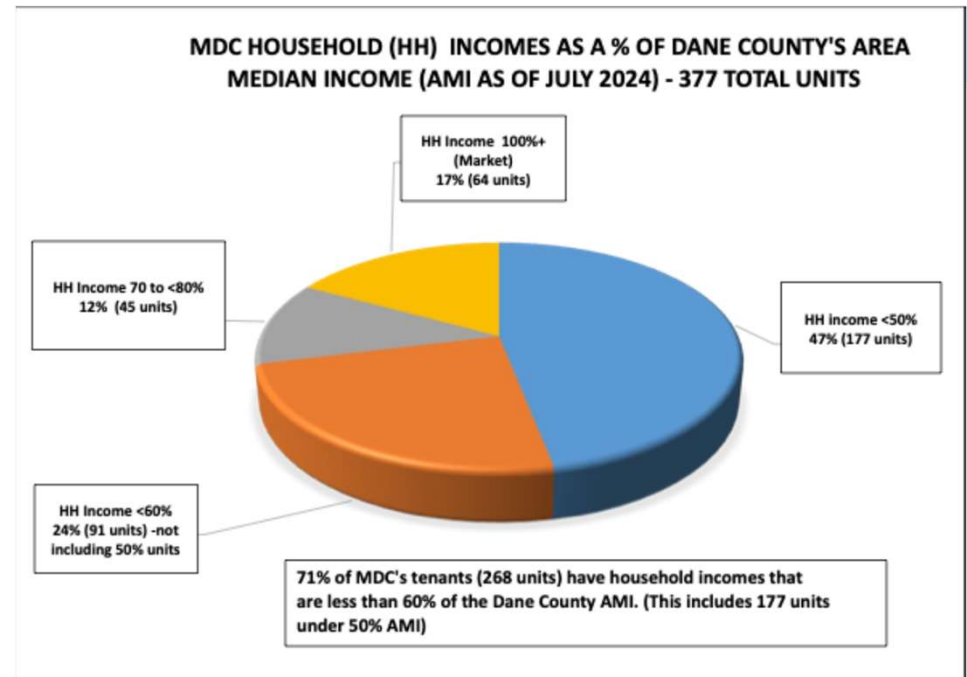
August 1, 2024

# MDC - A Strong City Partner\*

(\*MDC was founded by the City of Madison in 1977 with CDBG Funds)

- ✓ Non-profit whose mission is to provide (and finance) permanent quality affordable housing in Madison, WI
- ✓ \$52 million in Assets and \$6.2 million in Annual Revenues (rents & lending fees)
- ✓ 13 MDC team members who manage 377\* units (2 are bilingual in Spanish)
- ✓ 13-member diverse Board of Directors
- ✓ 71% of tenants (268 units) < 60% AMI
  - ✓ Of these, 177 units are to HH\* < 50% AMI
- ✓ <1% Vacancy Rate
- ✓ Record of success managing HOME funds

\*429 units as of 9/1/2024, “HH”=household

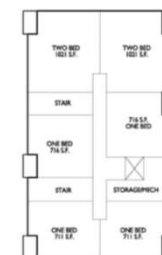


## The Bankston Apts: Location.... Location..... Location

On South Park / Dane, close to transit, MDC's Dane Town Homes (11 units with 2 & 3 bedroom units) & ULGM's Black Business Hub



The Bankston Apartments 17-unit; One & Two bedroom units, 3 floors, community room, underground & surface parking, yard space, close to Park



SECOND & THIRD FLOOR

UNIT MIX	
1 BEDROOM	11
2 BEDROOM	6
TOTAL	17

VEHICLE PARKING	
UNDERGROUND GARAGE	14
SURFACE	10
TOTAL	24



CONCEPT SITE PLAN & FLOOR PLANS

Taft Street Redevelopment  
2107-2125 Taft St., Madison





**2022 HOME Fund Award** from City

**\$1.5 million** for “Lillian Apartments”

24-unit located at 1959 E. Mifflin St.

*“tucked into a single-family  
neighborhood – universal design  
w/porches & park space”*

Opened & fully occupied in Dec. 2023



***MDC's 2019 HOME Award- \$990K –fully occupied in 2020 – and Universally Designed***



1946 E. Washington Avenue, City of Madison – 44 units, studio, one, two & three<sup>6</sup> beds



# Bankston By the Numbers

## Sources:

• Lake Ridge Bank	\$1,750,000
• MDC Equity	866,631
• City HOME	2,241,369
• FHLBC	<u>700,000</u>
Total Sources:	\$5,558,000

## Uses:

• Acquisition Cost:	\$ 132,000
• Construction:	4,623,000
• Soft Costs:	<u>803,000</u>
Total Uses:	\$5,558,000

## Estimated Value:

Net Op Income/6.0% Cap Rate =  
\$126K/.06= **\$2.1 million** versus  
MDC \$ in = **\$2.6 million** (\$866K  
equity+ \$1.75MM loan)

## Key items in place:

- ✓ Site Control
- ✓ Bank Term Sheet (Lake Ridge)
- ✓ MDC Equity

# The Bankston\* Apartments -

\*Named after Vicki Bankston, Emeritus Board Member of MDC who served for 24 years



UNIT MIX		RENTS	
Total = 17 units		11 one bedroom, 6 two-bedroom units	
Unit Size/AMI		\$ Lowest rent (Lower MDC Loan Amount of \$1.75MM)	\$ Higher (Range) \$2MM loan
1 Bed <50%- HOME	7	\$1,050	\$1,181
1 Bed/ 1 Bath <61%-<80%	2	\$1,061	\$1,182
1 Bed/1 Bath Market >80%	2	\$1,150	\$1,900
2 Bed/2 Bath <50% - HOME	4	\$1,242	\$1,372
2 Bed/2 BA <80%	1	\$1,600	\$2,201
2 Bed/ 2 Bath Market >80%	1	\$1,800	\$2,300

<50% = 11 units  
>60% = 3 units  
>80% = 3 units



## Tenant Selection Plan: MDC's current policy or City's new TSP?

MDC ***prefers*** to keep our current Tenant Selection Plan (TSP) and Affirmative Marketing Plan. Our reasons are below:

- 1) Our current plan, which we continue to operate under for all of our units (including the two recent HOME Fund projects The Graaskamp & The Lillian) is working very well with very few denials due to our flexible screening criteria.
- 2) The use of a new TSP for one property, would force MDC to follow this plan for ***all*** of our properties (429 units), thus changing our current business operations significantly. This is because we are ***local owners*** and ***managers*** of all of our properties. (Fair Housing Laws will likely require that “commonly owned” properties follow the same TSP).

Note: MDC did provide a revised version of our Current MDC Tenant Selection Plan as part of this application. This version incorporated many City's TSP components that we would be willing to discuss.

# Why MDC?

(The City of Madison's Economic Development Partner since 1977)



MDC is a non-profit **mission driven** permanent affordable housing provider based in the City of Madison with a strong track record of success in managing HOME Funds projects.



MDC builds the “missing middle” smaller projects in Madison located on public transit routes with key amenities (our Graaskamp & Liillan Apts are on the BRT on East Washington)



MDC prides itself on:  
Local ownership  
Local Management  
Superior Service to Tenants  
Sound fiscal management



Questions?

**MDC Development / Management Team**

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**Partners:**

