

Madison Development Corporation

A 501c3 non-profit established in 1977 whose mission is to provide quality affordable workforce housing in the Greater Madison area

Presenting

“The Lillian” 24-unit
@ 1959 E. Mifflin St

MDC’s Request for
11 units = \$1,210,000

of

Housing Forward

HOME Funds

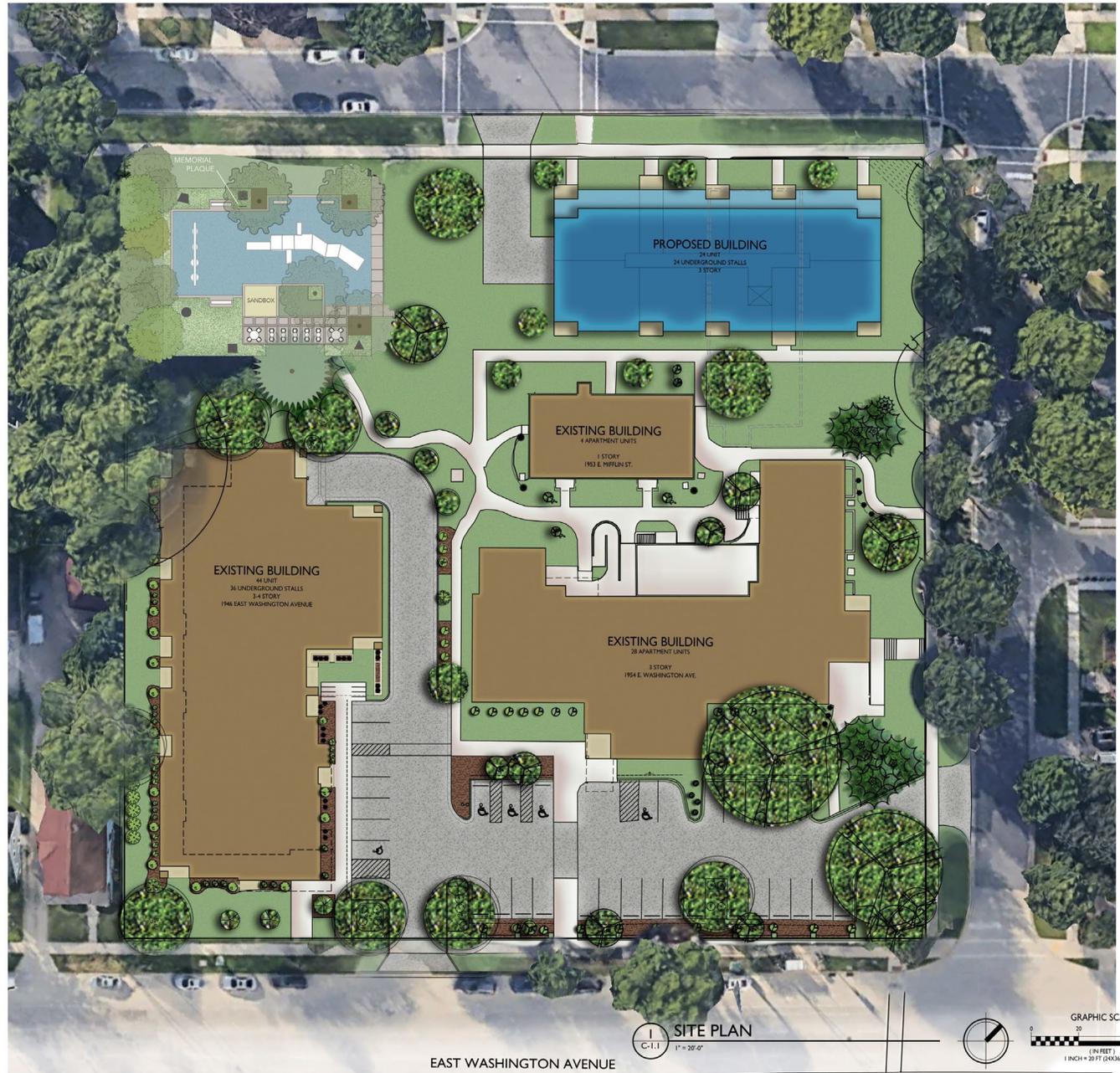
May 5, 2022

Madison Development Corporation ("MDC")

- Non-profit established 1977 by the City of Madison (45th Year in Business!)
- Owners & managers of 348 units of affordable housing in Madison & Middleton
- Dedicated to providing permanent affordable workforce housing
- Experienced Team (# Years with MDC)

Lorrie Heinemann, CEO (5+ years), Abbie Wallhaus, VP of Finance & CFO (4 yrs), Cashton Laufenberg, Director of Property Management (8 yrs), Harry Irwin, Facilities Manager (13 yrs) & Juan Gomez, VP of Lending (~1 year)

The Site – 1959 E. Mifflin Avenue, Madison, WI



MDC's 2020 project – 11 units with HOME Funds



Universally Designed: 1946 E. Washington Avenue, City of Madison, COO –August 2020



“The Lillian” 24-unit – Mix and Rents by %AMI

MDC's "The Lillian" UNIT MIX		As of 5/2/2022 – Rents	Will be based on current HOME charts	
Unit Size/AMI	# of Units	\$ Lowest rent	\$ Highest (Range)	
Studio <50% (2) & <60% (3)	5 (HOME)	\$790*	\$791*	
1 Bed/1 Ba <50% (1) & <60% (4)	5 (HOME)	\$857*	\$930*	
1 Bed/ 1 Bath 61% to <80%	3	\$1,110	\$1,140	
1 Bed/1 Bath Market >80%	1	\$1,200	\$1,200	
2 Bed/2 Bath <60% (1)	1 (HOME)	\$1,080*	\$1,084*	
2 Bed/2 Bath 61% to <80%	4	\$1,550	\$1,680	
2 Bed/2 BA Market >80%	5	\$1,700	\$1,750	
Total Units	24	* HOME UNITS:	11	

APPLICANT:	Madison Development Corporation: The Avenue 24-unit "The Lillian"															
Updates	Dated 4-20-22															
4. PROJECT PROFORMA				interest only yrs 1 and 2	30 yr amortization	4.00%										
Enter total Revenue and Expense information for the proposed project for a 30 year period.															fixed ends	
		Year 1-2023	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
Gross Income	2.00%	351,960	358,999	366,179	373,503	380,973	388,592	396,364	404,291	412,377	420,625	429,037	437,618	446,370	455,298	464,404
Less Vacancy/Bad Debt	5.00%	17,598	17,950	18,309	18,675	19,049	19,430	19,818	20,215	20,619	21,031	21,452	21,881	22,319	22,765	23,220
Income from Non-Residential Use*		25,140	25,643	26,156	26,679	27,212	27,757	28,312	28,878	29,456	30,045	30,646	31,258	31,884	32,521	33,172
Total Revenue		359,502	366,692	374,026	381,506	389,137	396,919	404,858	412,955	421,214	429,638	438,231	446,996	455,935	465,054	474,355
Expenses:	2.50%															
Office Expenses and Phone	Included w/ rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	5 units	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195
Advertising, Accounting, Legal Fees	x	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
Payroll, Payroll Taxes and Benefits	x	23,594	24,184	24,788	25,408	26,043	26,694	27,362	28,046	28,747	29,466	30,202	30,957	31,731	32,525	33,338
Property Insurance		12,000	12,300	12,608	12,923	13,246	13,577	13,916	14,264	14,621	14,986	15,361	15,745	16,139	16,542	16,956
Mtc, Repairs and Mtc Contracts	MDC owns several blds on site	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
Utilities (gas/electric/fuel/water/sewer)	x	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
Property Mgmt	MDC does internally	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Reserves	MDC has op reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance Reserves		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
Support Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
Total Operating Expenses		92,594	94,909	97,282	99,714	102,206	104,762	107,381	110,065	112,817	115,637	118,528	121,491	124,529	127,642	130,833
Net Operating Income	NOI	266,908	271,783	276,744	281,793	286,930	292,158	297,477	302,890	308,397	314,001	319,703	325,504	331,407	337,412	343,522
Debt Service:		Interest only	interest only	full P&I												
First Mortgage	\$4.35MM 4% i/o 2 years	174,000	174,000	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211
Subordinate debt (United Way)	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	Full p&i payment \$249,211	174,000	174,000	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211	249,211
Total Annual Cash Expenses	(with Total Debt Svc in yr 3)	266,594	268,909	346,492	348,924	351,417	353,972	356,591	359,276	362,028	364,848	367,739	370,702	373,739	376,853	380,044
Cash Flow (Net Income after Debt Service)	(Cash flow)	92,908	97,783	27,533	32,582	37,719	42,947	48,266	53,679	59,186	64,790	70,492	76,293	82,196	88,201	94,312
DCR - Hard Debt	NOI/Debt Service	1.53	1.56	1.11	1.13	1.15	1.17	1.19	1.22	1.24	1.26	1.28	1.31	1.33	1.35	1.38
DCR Total Debt		1.53	1.56	1.11	1.13	1.15	1.17	1.19	1.22	1.24	1.26	1.28	1.31	1.33	1.35	1.38

Energy Efficiency, Renewable Energy, and Sustainable Design

- I. Energy Efficiency:
 - Working with Focus on Energy – Targeting Bundle 2:
 - 95% of Building LED Lighting
 - 95% Efficient HVAC systems in all units
 - Energy Star Appliances
 - High Efficiency Water Heaters
 - Low Flow Faucets

- II. Renewable Energy: Solar Panels
 - Working with Spectrum Solar to apply for grants MadiSun, Solar for Good and other grants to help cover costs

- III. Sustainable Design
 - MDC is working with Knothe-Bruce Architects and our General Contractor to incorporate design techniques described in the AIA Framework for Design Excellence



“The Lillian” Project Highlights - Ready to Go!

- I. Meets City’s Housing Forward Plan– New Rental Development
- II. Sustainable & Energy Efficient – Focus on Energy’s “Bundle 2”
- III. Innovative – Universally designed for people of all mobility levels
- IV. In Unit Laundry – ALL 24 Units
- V. Located in a Preferred Area per the City’s Comprehensive Plan
- VI. Financially Feasible, Permanently Affordable
- VII. Experienced Development & Management Team at MDC
- VIII. Close to amenities – on a major bus line, close to schools & shopping
- IX. Shovel Ready – approvals in place, primary financing committed