

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: | Red Pine Coop | | |
| Site Address (if known): | 212 Merry St | | |
| Amount of Funds Requested: | \$ 660,000 | Type of Project: | <input type="checkbox"/> New Construction <input checked="" type="checkbox"/> Acquisition/Rehab |
| Name of Applicant: | Sunny Side Development & Red Pine Coop, Inc. | | |
| Mailing Address: | 1231 E Dayton St, Madison WI 53703 | | |
| Telephone: | 608-239-8500 | | |
| Lead Project Contact: | Paul Schechter | Email Address: | paul@sunnysidedevelopment.org |
| Financial Contact: | Abby Davidson | Email Address: | abby@sunnysidedevelopment.org |
| Website: | www.sunnysidedevelopment.org | | |
| Legal Status: | <input type="checkbox"/> For-profit <input type="checkbox"/> Non-profit <input checked="" type="checkbox"/> Non-profit (CHDO) | | |
| Federal EIN: | | SAM/UEI #: | ZQ5JD6ZRCEX9 |
| 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:  Date: 5/31/2024

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 initials 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.

All housing is in extremely high demand on the near east side of Madison. However, affordable/cooperative housing, in particular, receives significantly higher demand, with long waiting lists for every vacancy. A single opening in February 2024 at another cooperative near Red Pine (ReJenerate Housing Cooperative), received 34 responses in three weeks. This is characteristic of our experience managing this property for over five years, and the demand only appears to be increasing. Populations that will be targeted for Red Pine include people earning 60% AMI income or less, and ideally those who do not own cars, as on-site parking is limited.

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).*

Red Pine has operated cooperatively since 1981, but has yet to become a truly member-owned co-op. Its first landlord was Common Wealth Development/Madison Mutual Housing. In 1992, two then residents of the co-op, Chris Burant and Alan Coffman, purchased the property. A year later Chris bought-out Alan's share and became the sole owner. Now three decades later, as Chris continues to age, all stakeholders would like ownership to be permanently transferred to Red Pine Co-op to ensure member control and affordable rents in perpetuity.

There are several ways this proposal would meet resident needs and positively impact the community:

- (1) The transfer of ownership to Red Pine Cooperative would enable permanent affordability and member control of the property.
- (2) The rehab would address several critical health/safety concerns found in the home inspection including hot knob and tube wiring, questionable structural integrity of the fire escape, and inadequate heating in some units.
- (3) Green renovations would greatly reduce the environmental impact of the property and improve comfort for residents. Such improvements include triple-pane windows, air-sealing, and increased insulation; replacing electric baseboard heat with a highly efficient heat pump system; replacing the gas water heater and stove with heat pump and induction units, respectively; installing a new solar carport; and building a new backyard composting facility.
- (4) The proposed two new units would add more affordable housing in a quickly gentrifying neighborhood.
- (5) For decades, Red Pine has been a shared space for the entire community. The neighborhood informally shares the backyard sauna and participates in music and art events hosted at the property. Permanent ownership by the cooperative would ensure these community functions continue to serve the neighborhood.

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: 7

Total number affordable of units (≤60% CMI): 6

Total % affordable of units (≤60% CMI): 85.7%

Total amount of CDD funds requested per affordable unit: \$110,000

Number of units supported by Section 8 project-based vouchers, if applicable: N/A PBV CMI level: N/A

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.

N/A

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.

- Sunny Side Development was founded in 2018. Here are a list of projects we have developed:
 - ReJenerate Housing Cooperative - 2020
 - Zapata Cooperative - 2022
 - Edgerton Retirement Apartments - 2022
 - Greenspire Apartments - 2022
 - Houston Access to Urban Sustainability (HAUS) Project - 2010-2013
- Please see attached developer experience resumes for Paul Schechter and Abby Davidson.
- Financing commitment will be obtained from Shared Capital Cooperative or similar lender that finances cooperatives.
- Mission Statement: "Sunny Side Development is a nonprofit organization dedicated to creating affordable, sustainable housing in Wisconsin. We use affordable housing as a vehicle to address deeper societal issues including environmental sustainability and community empowerment." This project supports Sunny Side's mission because it is both an example of affordable cooperative living and the proposed rehab will greatly improve the sustainability and energy efficiency of the property.

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.

Not applicable for this project, but Sunny Side has extensive experience with federal funding.

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 |
|-------------------|------------------------|---|---------------------------------|--------------|
| Paul Schechter | Sunny Side Development | Developer | paul@sunnysidedevelopment.org | 608-239-8500 |
| Abby Davidson | Sunny Side Development | Developer | abby@sunnysidedevelopment.org | 608-358-6951 |
| Elliott Gilfillan | Red Pine Coop | Property Manager (Membership Coordinator) | redpinecoop@gmail.com | 608-421-8876 |
| Ed Kuharski | Green Design Studio | Architect | ekuharski@aol.com | 608-469-5963 |
| Matt Dreis | Resourceful Remodeling | Contractor | resourcefulremodeling@gmail.com | 608-358-6365 |

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.

Sunny Side Development will complete all compliance forms and has a track record of successfully maintaining compliance with targeted goals and working with contractors to ensure that proper records are kept and filed with the City of Madison Department of Civil Rights. As this project is a rental cooperative, we don't anticipate using federal funds, although we do have extensive experience with compliance for various types of federal funds including LIHTC, HOME, RD, Project Based Vouchers, etc.

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.

This is a relatively small project. Therefore, in the interest of keeping project management as efficient as possible, we won't be seeking any other soft funding. We do plan to utilize solar direct pay and any rebates from Focus on Energy such as energy efficient appliance rebates, as these incentives roll out and become available in 2024 and beyond.

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?

Sunny Side Development is seeking interns through the UW work study program starting Fall 2024 and would gladly hire interns from ACRE to work on this project and/or any other projects it is currently working on.

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.

With the ReJenerate and Zapata Cooperatives, we have contracted with many M/WBE subcontractors and have met or exceeded the goals set by DCR. We have used the City's registered M/WBE contractor list to proactively reach out to subcontractors who provide services that are needed on projects.

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 a list of qualifying M/WBE subcontractors who we have worked with successfully in the past and will specifically invite them to bid on the project. We will also use the City's list of M/WBE contractors to identify additional contractors who may be able to provide bids. We inform all subcontractors of our project goals upfront, so they are aware of the need to keep track of and meet these labor utilization goal requirements.

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.

| | | BIPOC | | Women | | Total Employees |
|------------------------|---------------------|-------|---|-------|----|-----------------|
| Company | Role in Development | # | % | # | % | # |
| Sunny Side Development | Developer | 0 | 0 | 1 | 50 | 2 |
| N/A | Co-Developer | | | | | |
| Matt Dreis | General Contractor | 0 | 0 | 1 | 33 | 3 |
| Red Pine Coop | Property Manager | 0 | 0 | 3 | 60 | 5 |
| Green Design Studio | Architect | 0 | 0 | 0 | 0 | 1 |
| N/A | Service Provider | | | | | |

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.

All of the co-ops Sunny Side Development has worked on have a commitment to equity embedded in the project. Zapata Cooperative is a co-op whose purpose is to support the Latine community by providing affordable, democratically run housing that is accessible to Spanish speakers, including immigrants and undocumented residents.

ReJenerate Housing Cooperative has partnered with Briarpatch Youth Services to create a hard set-aside of three units for young adults ages 18-24 experiencing homelessness. Most Briarpatch clients who would be seeking housing at ReJenerate identify as BIPOC and/or LGBTQIA+. In Madison, it is a challenge to find housing that is affordable and doesn't require a rental history or co-signer. The partnership with Briarpatch increases access to housing and upward mobility for young adults who need it most.

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.

Sunny Side Development has supported equity in multiple ways internally and within the community. For its solar grant program, Sunny Side has structured the program to proactively invite homeowners in areas of the city with very little to no solar installations, thus encouraging underrepresented populations to apply. In previous RFP's, Sunny Side has partnered with organizations whose primary mission is housing equity, such as The Road Home, who work directly with homeless children and families.

Members of Sunny Side have also attended educational workshops on equity in cooperative housing at several NASCO Institute conferences.

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:
- List any foreclosure, default, or bankruptcy within the past ten years.
 - List any litigation completed, pending, or underway in relation to any financing or construction project within the past five years.
 - List any Chronic Nuisance Abatement or Nuisance Case notifications issues by Madison Police Department and/or Building Inspection in the past five years.

None to our knowledge.

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.

Red Pine will engage in targeted outreach efforts to reach prospective members and provide additional demographic diversity especially in regards to the Spanish/Latinx and Asian communities, older residents, and residents with disabilities. To accomplish this goal, the house will translate marketing materials, application forms, and informational resources into Spanish and Hmong to ensure accessibility, and promote openings with local Hispanic/Latinx community organizations, such as Centro Hispano and the YWCA. Marketing material shall highlight age- and disability-related accessibility features, including first-floor bedroom availability, handrails, accessible parking spaces, along with the house's central location and ease of accessing local accommodations like the bus stop, restaurants, and community centers. The house will also promote openings with organizations such as The Aging and Disability Resource Center of Dane County. Prospective residents with disabilities will be provided with reasonable accommodations and assistance through the application process to ensure equal access to housing opportunities.

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.

Red Pine's current membership process is very flexible. Over the years, the current property owner has worked with incoming residents to be inclusive to applicants whose applications might otherwise be rejected by a typical landlord. The house's new draft Tenant Selection Plan complies with all applicable laws and regulations, including but not limited to Housing Forward program requirements, the Violence Against Women Act (VAWA), the Fair Housing Act, Wis. State Statutes, and Madison General Ordinances. Furthermore, the house may exercise discretion in approving an otherwise strong applicant who fails to meet one or more eligibility criteria listed in the plan.

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

Red Pine's current policies address alternatives to rent- and non-rent related evictions. If the member accrues debt, payment plans are offered first, and eviction only moves forward if a payment plan is declined by the member or if two payment plans have been broken. For other serious violations of house rules, members are given notice of a house meeting where issues are discussed with the group and efforts are taken to resolve them.

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?

The current owner and property manager, Christopher Burant, has owned the property for over 30 years. He also has 10 years of experience as the former maintenance coordinator for Madison Community Cooperative (MCC). After the change in ownership, he will continue to be available to provide guidance as co-op members take on additional property management roles. The current group of Red Pine members applying for funding have lived at the house for at least two years. During this time, the house has maintained full occupancy and has not had any other major issues.

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.

Turnover in 2023 was 0%. Sunny Side Development only had one staff member in 2023, which is the Executive Director.

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?

Red Pine members are in contact with other housing cooperatives in Madison, including Madison Community Cooperative, to learn about the affordable housing compliance they currently perform for the City of Madison. House members are also aware of Fair Housing trainings offered periodically by organizations such as the Tenant Resource Center and the Fair Housing Council of Wisconsin.

SITE INFORMATION

28. Address(es) of Proposed Site, if known: 212 Merry St
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.

Red Pine has operated as a cooperative since 1981 and is in a rapidly gentrifying area, the Marquette Neighborhood. This area has abundant amenities and access to transit, along with proximity to jobs and educational opportunities. Rents at Red Pine have been kept affordable for many years, and this is an opportunity to keep rents affordable permanently at this long standing cooperative institution through bringing the house into cooperative ownership.

31. Identify the neighborhood in which the site is located: Marquette
32. Site Specific or Site-Undetermined Application:
- a. Date Site Control Secured (or anticipated): 5/29/2024
 - 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-V1 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.

Based on a meeting on 5/23/2024 with CDD, Planning, and Zoning, it is anticipated that no CUP will be required. The proposed number of bedrooms in the cooperative is seven, which is not more than twice the number of existing legal bedrooms (four). Therefore, it meets the language in the MGO zoning code pertaining to permitted use conversion of single family housing to cooperatives. No variance, demolition, or other zoning-related approval will be required for the scope of work proposed.

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 proposed project is extremely consistent with all relevant land use plans. The Comprehensive Plan highlights eight Neighborhoods and Housing Strategies, of which this project strongly supports six, as it:

- (1) Is located in a "Complete Neighborhood",
- (2) Is an example of diverse housing types, including "Missing Middle" and cooperatives,
- (3) Modestly increases the population density of the parcel,
- (4) Preserves the affordability of current naturally occurring affordable housing,
- (6) Rehabilitates existing housing stock, and
- (8) Promotes local food production by devoting a significant portion of the property to gardening.

The Generalized Future Land Use Plan classifies the parcel as LR - Low Residential, a category which indicates <15 dwelling units per acre and 1-2 story buildings, and is inclusive of "structures that were built as or have been converted to multi-unit dwellings".

Finally, the Marquette-Schenk-Atwood Neighborhood Plan, while thirty years old, highlights top recommendations significant to this project including cooperative housing, renovation of existing housing stock, scattered site affordable housing, and support of local neighborhood organizations that own and develop affordable housing. These recommendations remain continually relevant in this older, rapidly gentrifying neighborhood.

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.?

Not applicable.

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 | Jenifer Street Market | 0.5 |
| Public Elementary School | Marquette Elementary | 0.3 |
| Public Middle School | O'Keeffe Middle | 0.2 |
| Public High School | East High | 0.9 |
| Job-Training Facility, Community College, or Continuing Education Programs | Commercial Avenue Education Center | 1.5 |
| Childcare | Big Oak Child Care Center | 0.4 |
| Public Library | Madison Public Library - Hawthorne | 1.2 |
| Neighborhood or Community Center | Wil-Mar Neighborhood Center | 0.9 |
| Full Service Medical Clinic or Hospital | UW Health Union Corners Urgent Care | 0.9 |
| Pharmacy | UW Health Union Corners Pharmacy | 0.9 |
| Public Park or Hiking/Biking Trail | Yahara River Parkway | 0.1 |
| Banking | Lake Ridge Bank | 0.3 |
| Retail | MadCat | 0.2 |

| | | |
|-----------------------------|---------------------------------|-----|
| B-cycle Station | Eastwood & Division | 0.5 |
| Other (list the amenities): | St Vincent De Paul Thrift Store | 0.4 |
| | Mickey's Tavern | 0.1 |

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)?

430 feet to Bus Stop 1472 (Westbound) and 495 feet to Bus stop 1935 (Eastbound). The C bus runs every 15 min on weekdays and every 30 min on weekends, each way.

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.

Marquette Elementary - Very walkable, 0.3 mi. There is a traffic signal crossing at Winnebago and Riverside and then the route has sidewalks the rest of the way.

O'Keeffe Middle - same as Marquette, as they are on the same parcel

East High School - Metro buses A and B pick up at E. Washington & First St, 0.3 mi away, and drop off at E. Washington & Fourth St, one stop away. There is a bus approximately every seven minutes.

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.

As mentioned previously, the C bus runs down Winnebago which stops only a few hundred feet away, along with the A and B routes which stop 0.3 mi away at E. Washington & S. First St. Collectively, these routes provide access to hundreds of amenities at points downtown, UW campus, north and east side within a 20 min ride.

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.

Not applicable.

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?

Not yet scheduled.

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.).

Not applicable.

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?

Marsha Rummel is the District 6 alder and has expressed enthusiasm about the project in an email dated 5/18/2024.

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?

Red Pine is a cooperative, and like all cooperatives it has many common amenities. As part of the rehab, some of the common spaces and amenities will be improved. The following is a list of the amenities that Red Pine offers.

- Kitchen - energy efficient appliances will be added such as an induction stove and new, larger refrigerator, since the second fridge in the piano room will need to be removed to add a bedroom. Additional counter space and/or storage will be added when the dining table is moved to the sunroom.
- Sunroom - this room in the front of the house lets abundant sunlight into the living room. Currently it is an unconditioned three-season porch. With the addition of insulation, energy efficient windows and a heating/cooling duct, it will become a fully conditioned four-season space that can accommodate the new dining table and the piano that will be displaced during the addition of the new bedroom.
- Basement - There is a washer and dryer in the basement available to the residents at no charge, along with a chest freezer for additional food storage. The back basement porch also has ample bike parking.
- Backyard - This creative area has been the home of many musical and art events for decades. It also has a fire pit and sauna, which is a gathering space for members, friends, and the neighborhood.
- Gardening - The garden grows vegetables for house meals. The house also has a partnership with Troy Farm to host composting, with a group of volunteers working to deliver and process kitchen scraps from several local restaurants.
- Yahara River - This natural water feature that serves as the outermost boundary of Red Pine's long, deep parcel. The house has a few human powered watercraft which are available for use by all members.
- Parking - There are five off-street parking stalls for use by members and guests along Ramsey Ct. As part of the rehab, a solar carport will be added to provide an unshaded space for the solar array along with some protection from snow to members' cars.

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.

Internet is included in rent at no additional charge. Smoking is not permitted inside the house and the entire interior is a non-smoking environment.

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>] | 6/15/2024 |
| 1 st Development Assistance Team Meeting [<i>Target/Actual Month/Date</i>] | 6/15/2024 |
| 1 st Neighborhood Meeting [<i>Target/Actual Month/Date</i>] (if applicable) | n/a |
| Submission of Land Use Application (if applicable) | n/a |
| Plan Commission Consideration | n/a |
| Urban Design Commission Consideration, if applicable [<i>Target Month/Date</i>] | n/a |
| Complete Financing | 10/1/2024 |
| Acquisition/Real Estate Closing | 3/1/2025 |
| Rehab or New Construction Bid Publishing | 10/1/2024 |
| New Construction/Rehab Start | 3/1/2025 |
| Begin Lease-Up/Marketing | 5/1/2025 |
| New Construction/Rehab Completion | 7/15/2025 |
| Certificates(s) of Occupancy Obtained | 8/1/2025 |
| Complete Lease-Up | 8/15/2025 |
| Request Final Draw of CDD Funds | 9/1/2025 |

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: | | 212 Merry St, Madison WI 53703 | | | | | | | | | |
|---------------------------------|------------------|--------------------------------|------------|------------|------------|-------------|---|-------------------|-------------------|-------------------|--------------------|
| | | # of Bedrooms | | | | | Projected Monthly Unit Rents, Including Utilities | | | | |
| % of County Median Income (CMI) | Total # of units | # of SRO | # of 1 BRs | # of 2 BRs | # of 3 BRs | # of 4+ BRs | \$ Rent for SRO | \$ 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% | 6 | 6 | 0 | 0 | 0 | 0 | \$515 | | | | |
| Affordable Sub-total | 0 | 0 | 0 | 0 | 0 | 0 | | | | | |
| 80% | 0 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Market* | 1 | 1 | 0 | 0 | 0 | 0 | \$515 | | | | |
| 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 | n/a |
| 2-Bedroom | n/a |
| 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-Proje ct | # Units Occupied at Time of Purchase | # Biz or Residential Tenants to be Displaced | # of Units Accessible Current? | Number of Units Post-Projec t Accessible? | Appraised Value Current (Or Estimated) | Appraised Value After Project Completion (Or Estimated) | Purchase Price |
|--|--------------------------------|---|--|--------------------------------------|---|---|---|-------------------|
| Address: 212 Merry St, Madison, WI 53703 | | | | | | | | |
| 4 | 7 | 5 | 0 | 0 | 0 | \$468,600 | ??? | \$410,000 |

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.

The site has always been for residential use and we have no reason to believe there are any environmental concerns. Therefore, unless needed due to a federal funding requirement, we do not anticipate needing to order an ESA Phase I, and do not currently have such costs included in the budget.

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.

The project site contains two primary structures: the main house (occupied) and the backyard sauna (non-residential). In addition there are several, non-residential art structures in the backyard. The project will not require any building demolition, although there will be modest demolition occurring inside the main house for window replacements and slight floor plan adjustments.

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.

The developers have been meeting regularly with the members of Red Pine Cooperative for the last six months and have collaboratively and iteratively developed the project scope of work. The majority of the work will occur in common spaces (front room, piano room, and kitchen) with minor improvements occurring in personal dwelling units. The members are fully aware of the planned disruption and are fine living in the property during construction. Therefore, the project will not require any temporary or permanent displacement or relocation.

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.

A property inspection was completed 2/7/2024, which identified a few health and safety concerns including knob and tube wiring and a third floor fire escape in need of structural improvement. The developers also solicited bids from several local contractors to help identify costs. Please see the attached bids, scope of work, and inspection reports for a more detailed review of needed physical improvements and their costs.

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.

Sustainability is at the heart of Sunny Side Development's mission and we strive to achieve 100% net zero carbon on every project we develop. Current projects include numerous sustainability features including 816kW of planned/installed solar across 4 projects. The 92-unit Stoughton Housing Authority project is on track to receive International Living Future Institute Zero Energy Certification. The 24-unit Edgerton project will receive new heat pump HVAC for every unit, replacing inefficient electric strip heating and window unit AC. ReJenerate Cooperative, also on Madison's east side, is pioneering carsharing of 3 electric vehicles between 25 people. Finally Zapata Cooperative received a \$65,000 building envelope upgrade, heat pump HVAC, solar, and triple pane windows.

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](#).

The energy efficiency approach for this project is to reduce energy consumption, convert as many utilities and appliances as possible from gas to electric, while offsetting as much electrical consumption as possible through PV solar generation. We have reached out to solar contractors about installation of a solar carport over the parking area. Though the house itself is shaded by trees, the parking area is able to host an 10.9kW solar array. A EV Level 2 charging station will be installed at the carport, allowing on-site charging at the house, making it easier for residents to switch from gas to electric vehicles, which is a known challenge at many rental properties. Inside the house, the HVAC will be upgraded to utilize air source heat pumps. The aging gas water heater will be replaced with a new electric heat pump water heater. Two smaller refrigerators will be replaced with one larger one that will use less energy. The gas stove will be replaced with an electric induction stove.

In general, we are attempting to devote as many resources as possible to the rehab itself rather than obtaining certifications. However, we are evaluating the possibility of obtaining a third-party certification compatible with rehabilitation projects, such as Enterprise Green Communities or Wisconsin Green Built Home Remodeling.

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 (Initial Application submittal confirmation page is attached) | <input 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: Enterprise Green Communities | <input checked="" type="checkbox"/> |
| Other: Wisconsin Green Built Home Remodeling | <input checked="" 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)? 10.9kw

What percentage of on-site electricity use is the development aiming to provide via the solar array? 59%

Like all projects developed by Sunny Side Development, we are fully committed to environmental sustainability. Numerous sustainability features will be integrated if the project is awarded. The roof is shaded but parking spots behind the house would work well for a solar carport. An estimate from Arch Solar suggests a 10.9kW array is possible, which would offset approximately 59% of the property's pre-rehab energy consumption. Currently the front room has 9 leaky windows, which will be reduced to 5 high performance triple pane windows. The property will be weatherized to stop air infiltration and new insulation will be added to the attic and walls. The basement water heater will be replaced with a heat pump water heater. The HVAC system will also be replaced with a heat pump and new ducts will be run to the 1st and 3rd floor back bedrooms, which are currently heated with electric resistive baseboard. The gas stove will be replaced with an induction oven. Finally, by increasing the unit count by 40%, the property will provide more affordable housing in the same footprint, thereby decreasing per capita emissions.

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 checked="" type="checkbox"/> | |
| b. Electric or heat-pump water heaters | <input checked="" type="checkbox"/> | |
| c. Electric stoves | <input checked="" type="checkbox"/> | Induction, not electric resistive |
| d. EV charging infrastructure or EV ready design (<i>exceeding City ordinance requirements</i>) | <input checked="" type="checkbox"/> | |
| e. Battery storage | <input type="checkbox"/> | |
| f. Other: large compost facility and rain barrels | <input checked="" type="checkbox"/> | |
| g. Other: carport solar array | <input checked="" 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

N/A

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

N/A

- 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.

N/A

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

N/A

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

N/A

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

N/A

g. Design for Change – Optimize operational and maintenance practices

N/A

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

N/A

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.

Because this is an older house with most bedrooms on the second and third floor, retrofitting units to be ADA accessible is unfortunately infeasible, both physically and due to building code requirements. We would like to include accessibility modifications to make at least the backyard gathering areas physically accessible, by improving access from the parking lot area on Ramsey Ct to the backyard garden area.

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?

The principles of Universal Design will be incorporated where budget and physical constraints allow. Because this is an existing, non-ADA property with most rooms on upper floors, as mentioned, full ADA accessibility is not feasible. However, if contingency funds remain, efforts will be taken to improve visitability. For example, a diagonal lift will be installed on the front porch steps allowing two units to be visitable. In addition, the pathways in the back garden area could be made more wheelchair friendly with pavers and a ramp between the parking area and the garden. Neither of these items are in the current project budget, but could be implemented if funds allow.

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 |
|----------------|--------------|--------------------------------------|--------------|
| Matt Rosenthal | Funder | mrosenthal@dupaco.com | 608-282-6000 |
| Mark Fick | Funder | mark@sharedcapital.coop | 612-767-2100 |
| Julie Spitzack | Funder | julie.spitzack@summitcreditunion.com | 608-243-5000 |

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:**Red Pine Coop****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 | Financing Approval Anticipated (Mo/Yr) |
|--|-------------------|----------------------|----------|--------------|-----------------------|---------------------|--|
| Permanent Loan-Lender Name: | | | | | | | |
| Shared Capital Cooperative | \$ 157,249 | N | 5.75% | 30 | 30 | \$11,876 | 9/2024 |
| Subordinate Loan-Lender Name: | | | | | | | |
| Subordinate Loan-Lender Name: | | | | | | | |
| Tax Exempt Loan-Bond Issuer: | | | | | | | |
| FHLB-AHP Loan | | | | | | | |
| City Loan Request (AHF/HOME) | \$ 660,000 | | | | | | |
| City-Loan HOME-ARP (Development Funds) | | | | | | | |
| City-Loan Request (TIF) | | | | | | | |
| Other-Specify Lender/Grantor: | | | | | | | |
| Solar - Direct Pay | \$ 12,333 | | | | | | |
| Other-Specify Lender/Grantor: | | | | | | | |
| Other-Specify Lender/Grantor: | | | | | | | |
| Historic Tax Credit Equity | | | | | | | |
| Deferred Developer Fees | | | | | | | |
| Owner Investment | | | | | | | |
| Other-Specify: | | | | | | | |
| Total Sources | \$ 829,582 | | | | | | |

| Construction Financing | | | |
|--------------------------------|-------------|------|---------------|
| Source of Funds | Amount | Rate | Term (Months) |
| Construction Loan-Lender Name: | | | |
| Bridge Loan-Lender Name: | | | |
| Historic Tax Credit Equity: | | | |
| Total | \$ - | | |

Remarks Concerning Project Funding Sources:

| |
|--|
| |
|--|

APPLICANT:

Red Pine Coop

3. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs**Amount**

| | |
|---------------------------------|-----------|
| Land | \$154,100 |
| Existing Buildings/Improvements | \$255,900 |
| Other (List) | |
| | \$0 |

Construction:

| | |
|---------------------------|-----------|
| Construction/Rehab Costs | \$267,800 |
| Construction Profit | \$0 |
| Construction Overhead | \$0 |
| General Requirements | \$2,500 |
| Construction Supervision | \$0 |
| FF&E/Personal Property | \$3,000 |
| Demolition | \$0 |
| Site Work | \$0 |
| Landscaping | \$0 |
| Letter of Credit/P&P Bond | \$0 |
| Construction Contingency | \$26,780 |
| Other (List) | |
| | \$0 |

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

Total Cost:

| | |
|-------------------------------------|-----------|
| Solar Carport | \$141,110 |
| Heat pump water heater | |
| Heat pump HVAC | |
| Insulation and air sealing | |
| Energy efficient kitchen appliances | |

Architectural & Engineering

| | |
|-------------------------|---------|
| Architect - Design | \$2,500 |
| Architect - Supervision | \$0 |
| Engineering | \$2,500 |
| Other (List) | |
| | \$0 |

Interim/Construction Costs

| | |
|-----------------------------------|---------|
| Builder's Risk/Property Insurance | \$2,000 |
| Construction Loan Interest | \$6,000 |
| Construction Loan Origination Fee | \$0 |
| Real Estate Taxes | \$8,088 |
| Park Impact Fees | \$0 |
| Other Impact Fees | \$0 |
| Other (List) | |
| | \$0 |

Financing Fees

| | |
|--------------------------------|---------|
| Cost of Bond Issuance | \$0 |
| Permanent Loan Origination Fee | \$3,392 |
| Credit Enhancement | \$0 |
| Other Permanent Loan Fees | \$0 |

Soft Costs

| | |
|--------------|-------|
| Appraisal | \$600 |
| Market Study | \$0 |

| | | |
|--------------------------------------|------------------|----------|
| Environmental Reports | \$0 | |
| Survey | \$0 | |
| Permits | \$600 | |
| Lease-Up Period Marketing | \$0 | |
| Accounting/Cost Certification | \$0 | |
| Title Insurance and Recording | \$900 | |
| Relocation | \$0 | |
| FF&E | \$0 | |
| Capital Needs Assessment (if rehab) | \$600 | |
| Legal | \$3,000 | |
| Other (List) | | |
| | | |
| Fees: | | |
| Bridge Loan Fees | \$0 | |
| Organizational Fees | \$0 | |
| Syndication Fees | \$0 | |
| Total Development Fee | \$82,958 | |
| Developer Overhead | \$0 | |
| Other Consultant Fees | \$0 | |
| Other (List) | | |
| Municipal Fees | \$600 | |
| Reserves Funded from Capital: | | |
| Lease-Up Reserve | \$0 | |
| Operating Reserve | \$5,764 | 3 months |
| Replacement Reserve | \$0 | |
| Capital Needs Reserve | \$0 | |
| Debt Service Reserve | \$0 | |
| Escrows | \$0 | |
| Other: (List) | | |
| | \$0 | |
| TOTAL COSTS: | \$829,582 | |

3. Proforma

APPLICANT: **Red Pine Coop**

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 | 43,260 | 44,125 | 45,008 | 45,908 | 46,826 | 47,763 | 48,718 | 49,692 | 50,686 | 51,700 | 52,734 | 53,788 | 54,864 | 55,961 | 57,081 | 58,222 |
| Less Vacancy/Bad Debt | 2,163 | 2,206 | 2,250 | 2,295 | 2,341 | 2,388 | 2,436 | 2,485 | 2,534 | 2,585 | 2,637 | 2,689 | 2,743 | 2,798 | 2,854 | 2,911 |
| Income from Non-Residential Use* | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 41,097 | 41,919 | 42,757 | 43,612 | 44,485 | 45,374 | 46,282 | 47,208 | 48,152 | 49,115 | 50,097 | 51,099 | 52,121 | 53,163 | 54,227 | 55,311 |
| Expenses: | | | | | | | | | | | | | | | | |
| Office Expenses and Phone | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Real Estate Taxes | 8,506 | 8,761 | 9,024 | 9,295 | 9,574 | 9,861 | 10,157 | 10,461 | 10,775 | 11,098 | 11,431 | 11,774 | 12,128 | 12,491 | 12,866 | 13,252 |
| Advertising, Accounting, Legal Fees | 1,200 | 1,236 | 1,273 | 1,311 | 1,351 | 1,391 | 1,433 | 1,476 | 1,520 | 1,566 | 1,613 | 1,661 | 1,711 | 1,762 | 1,815 | 1,870 |
| Payroll, Payroll Taxes and Benefits | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property Insurance | 2,000 | 2,060 | 2,122 | 2,185 | 2,251 | 2,319 | 2,388 | 2,460 | 2,534 | 2,610 | 2,688 | 2,768 | 2,852 | 2,937 | 3,025 | 3,116 |
| Mtc, Repairs and Mtc Contracts | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 | 7,790 |
| Utilities (gas/electric/fuel/water/sewer) | 5,148 | 5,302 | 5,462 | 5,625 | 5,794 | 5,968 | 6,147 | 6,331 | 6,521 | 6,717 | 6,918 | 7,126 | 7,340 | 7,560 | 7,787 | 8,020 |
| Property Mgmt | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Reserve Pmt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Replacement Reserve Pmt | 2,100 | 2,163 | 2,228 | 2,295 | 2,364 | 2,434 | 2,508 | 2,583 | 2,660 | 2,740 | 2,822 | 2,907 | 2,994 | 3,084 | 3,176 | 3,272 |
| Support Services | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other (List) | | | | | | | | | | | | | | | | |
| Supplies | 1,200 | 1,236 | 1,273 | 1,311 | 1,351 | 1,391 | 1,433 | 1,476 | 1,520 | 1,566 | 1,613 | 1,661 | 1,711 | 1,762 | 1,815 | 1,870 |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Expenses | 25,154 | 25,909 | 26,686 | 27,486 | 28,311 | 29,160 | 30,035 | 30,936 | 31,864 | 32,820 | 33,805 | 34,819 | 35,864 | 36,939 | 38,048 | 39,189 |
| Net Operating Income | 15,943 | 16,010 | 16,071 | 16,126 | 16,174 | 16,214 | 16,247 | 16,271 | 16,287 | 16,294 | 16,292 | 16,280 | 16,257 | 16,224 | 16,179 | 16,122 |
| Debt Service: | | | | | | | | | | | | | | | | |
| First Mortgage | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 |
| Second Mortgage | | | | | | | | | | | | | | | | |
| 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 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 |
| Total Annual Cash Expenses | 37,030 | 37,785 | 38,562 | 39,362 | 40,187 | 41,036 | 41,911 | 42,812 | 43,740 | 44,696 | 45,681 | 46,695 | 47,740 | 48,815 | 49,924 | 51,065 |
| Total Net Operating Income | 4,067 | 4,134 | 4,195 | 4,250 | 4,298 | 4,338 | 4,371 | 4,395 | 4,411 | 4,418 | 4,416 | 4,404 | 4,381 | 4,348 | 4,303 | 4,246 |
| 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 | 4,067 | 4,134 | 4,195 | 4,250 | 4,298 | 4,338 | 4,371 | 4,395 | 4,411 | 4,418 | 4,416 | 4,404 | 4,381 | 4,348 | 4,303 | 4,246 |
| 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 | 1.34 | 1.35 | 1.35 | 1.36 | 1.36 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.36 | 1.36 |
| DCR Total Debt | 1.34 | 1.35 | 1.35 | 1.36 | 1.36 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.37 | 1.36 | 1.36 |

Assumptions

| | |
|--------------------------|------|
| Vacancy Rate | 5.0% |
| Annual Increase Income | 2.0% |
| Annual Increase Expenses | 3.0% |

Other

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

APPLICANT:

Red Pine Coop

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 | 59,387 | 60,574 | 61,786 | 63,022 | 64,282 | 65,568 | 66,879 | 68,217 | 69,581 | 70,973 | 72,392 | 73,840 | 75,317 | 76,823 |
| Less Vacancy/Bad Debt | 2,969 | 3,029 | 3,089 | 3,151 | 3,214 | 3,278 | 3,344 | 3,411 | 3,479 | 3,549 | 3,620 | 3,692 | 3,766 | 3,841 |
| Income from Non-Residential Use* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 56,417 | 57,546 | 58,697 | 59,871 | 61,068 | 62,289 | 63,535 | 64,806 | 66,102 | 67,424 | 68,772 | 70,148 | 71,551 | 72,982 |
| Expenses: | | | | | | | | | | | | | | |
| Office Expenses and Phone | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Real Estate Taxes | 13,650 | 14,059 | 14,481 | 14,915 | 15,363 | 15,824 | 16,298 | 16,787 | 17,291 | 17,810 | 18,344 | 18,894 | 19,461 | 20,045 |
| Advertising, Accounting, Legal Fees | 1,926 | 1,983 | 2,043 | 2,104 | 2,167 | 2,232 | 2,299 | 2,368 | 2,439 | 2,513 | 2,588 | 2,666 | 2,746 | 2,828 |
| Payroll, Payroll Taxes and Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property Insurance | 3,209 | 3,306 | 3,405 | 3,507 | 3,612 | 3,721 | 3,832 | 3,947 | 4,066 | 4,188 | 4,313 | 4,443 | 4,576 | 4,713 |
| Mtc, Repairs and Mtc Contracts | 8,024 | 8,264 | 8,512 | 8,768 | 9,031 | 9,301 | 9,581 | 9,868 | 10,164 | 10,469 | 10,783 | 11,106 | 11,440 | 11,783 |
| Utilities (gas/electric/fuel/water/sewer) | 8,261 | 8,509 | 8,764 | 9,027 | 9,298 | 9,577 | 9,864 | 10,160 | 10,465 | 10,779 | 11,102 | 11,435 | 11,778 | 12,132 |
| Property Mgmt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Reserve Pmt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Replacement Reserve Pmt | 3,370 | 3,471 | 3,575 | 3,682 | 3,793 | 3,907 | 4,024 | 4,145 | 4,269 | 4,397 | 4,529 | 4,665 | 4,805 | 4,949 |
| Support Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other (List) | | | | | | | | | | | | | | |
| | 1,926 | 1,983 | 2,043 | 2,104 | 2,167 | 2,232 | 2,299 | 2,368 | 2,439 | 2,513 | 2,588 | 2,666 | 2,746 | 2,828 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenses | 40,365 | 41,576 | 42,823 | 44,108 | 45,431 | 46,794 | 48,198 | 49,644 | 51,133 | 52,667 | 54,247 | 55,874 | 57,551 | 59,277 |
| Net Operating Income | 16,053 | 15,970 | 15,874 | 15,763 | 15,637 | 15,495 | 15,337 | 15,162 | 14,969 | 14,757 | 14,526 | 14,274 | 14,000 | 13,705 |
| Debt Service: | | | | | | | | | | | | | | |
| First Mortgage | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 |
| Second Mortgage | | | | | | | | | | | | | | |
| 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 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 | 11,876 |
| Total Annual Cash Expenses | 52,241 | 53,452 | 54,699 | 55,984 | 57,307 | 58,670 | 60,074 | 61,520 | 63,009 | 64,543 | 66,123 | 67,750 | 69,427 | 71,153 |
| Total Net Operating Income | 4,177 | 4,094 | 3,998 | 3,887 | 3,761 | 3,619 | 3,461 | 3,286 | 3,093 | 2,881 | 2,650 | 2,398 | 2,124 | 1,829 |
| 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 | 4,177 | 4,094 | 3,998 | 3,887 | 3,761 | 3,619 | 3,461 | 3,286 | 3,093 | 2,881 | 2,650 | 2,398 | 2,124 | 1,829 |
| 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 | 1.35 | 1.34 | 1.34 | 1.33 | 1.32 | 1.30 | 1.29 | 1.28 | 1.26 | 1.24 | 1.22 | 1.20 | 1.18 | 1.15 |
| DCR Total Debt | 1.35 | 1.34 | 1.34 | 1.33 | 1.32 | 1.30 | 1.29 | 1.28 | 1.26 | 1.24 | 1.22 | 1.20 | 1.18 | 1.15 |

Assumptions

| | |
|--------------------------|------|
| Vacancy Rate | 5.0% |
| Annual Increase Income | 2.0% |
| Annual Increase Expenses | 3.0% |
| Other | |

2024 Affordable Housing Non-Tax Credit RFP

Supplemental Application Questions

Sunny Side Development

Red Pine Coop

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. Describe any intentionality in ensuring membership captures a diverse and representative member base, aside from marketing. Please ensure to list potential residents with additional barriers to traditional rental housing as described in the RFP.

Beyond marketing efforts, our cooperative employs intentional strategies to ensure a diverse and representative membership base. We engage diverse communities through partnerships with local organizations and events, such as musical gatherings, composting initiatives and saunaing, which help us connect with potential members from various backgrounds.

Our membership application process strictly adheres to our house bylaws and tenant selection plan, which are regularly assessed to promote diversity and inclusion. We emphasize giving opportunities to individuals who demonstrate a commitment to cooperative principles, reflecting our belief in providing second chances and supporting people through their life struggles. For over 30 years, Red Pine Cooperative has fostered a culture promoting conflict resolution, non-violent communication to maintain a supportive and inclusive environment for all members. This culture has been developed, stewarded and transmitted by Christopher Burant, who has been a member of the cooperative for most of its existence, who as a teacher, holds us all accountable to these standards.

We actively seek educational opportunities and engage third-party accountability measures, such as NASCO's yearly health assessment. House jobs are tailored to accommodate people with disabilities, valuing diverse abilities and perspectives from different cultural and economic backgrounds. Our membership process includes an open application window and video options for those unable to visit in person. We prioritize housing opportunities for individuals facing barriers like disabilities, low income, lack of internet access, ensuring inclusivity across varied backgrounds.