

Affordable Housing Fund Application- Schroeder Road  
RFP # 8743-2018



June 28, 2018



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## Affordable Housing Fund (AHF) Application

This application form should be used for projects seeking City of Madison AHF funds. Applications must be submitted electronically to the City of Madison Community Development Division by **12:00 pm CST (noon) on June 28, 2018**.  
Email to: [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com)

### APPLICANT INFORMATION

Proposal Title:	<u>Schroeder Road Apartments</u>		
Amount of Funds Requested:	<u>\$2,000,000</u>	Type of Project:	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Acquisition/Rehab
Name of Applicant:	<u>Stone House Development, Inc.</u>		
Mailing Address:	<u>1010 East Washington Ave., Suite 101, Madison, WI 53703</u>		
Telephone:	<u>608-251-6000</u>	Fax:	<u>608-251-6077</u>
Admin Contact:	<u>Kasie Setterlund</u>	Email Address:	<u>kasie@stonehousedevelopment.com</u>
Project Contact:	<u>Helen Bradbury</u>	Email Address:	<u>hnb@stonehousedevelopment.com</u>
Financial Contact:	<u>Richard Arnesen</u>	Email Address:	<u>rba@stonehousedevelopment.com</u>
Website:	<u>www.stonehousedevelopment.com</u>		
Legal Status:	<input checked="" type="checkbox"/> For-profit <input type="checkbox"/> Non-profit	Type of LIHTC Application:	<input type="checkbox"/> 4% <input checked="" type="checkbox"/> 9%
Federal EIN:	<u>39-1836288</u>	DUNS #:	<u>01-533-8775</u>

### AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <http://www.cityofmadison.com/dcr/aaFormsID.cfm>.

### LOBBYING REGULATED

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.

### 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 by contacting the Community Development Division at (608) 266-6520.

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: Helen H. Bradbury

By entering your initials in this box HHB you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Date: 6/26/18

## PROPOSAL DESCRIPTION

1. Please provide an overview of the proposal. Describe whether project is acquisition, rehabilitation, and/or new construction; multifamily or senior. Provide the total number of units proposed, the number and percent of affordable units proposed, and the impact of the proposed development on the community.

The Schroeder Road Apartments is a new construction, 96 unit multifamily property, of which 81 units will be reserved as affordable housing with 20 of the 81 targeted to previously homeless and veteran households with supportive services. In addition, this property will contain a 3,992 square foot commercial space which is designated as a future restaurant.

As affordable housing needs continue to rise in the City of Madison, this property will assist in the goals of the City by providing new construction, affordable apartments in an established and desirable neighborhood with almost 85% of the project designated to those earning at or below 60% of the Dane County Median Income.

2. What are the total number of units proposed to be assisted with City AHF and amount of AHF requested per affordable unit? Identify if any of the units will be supported by Section 8 project-based vouchers.

The total number of units in the project is 96 with 81 of them being affordable and assisted with the City of Madison AHF. The total requested amount is \$2,000,000, equating to \$24,691.35 per affordable unit. The CDA and DCHA do not currently have any available Section 8 project based vouchers to apply for, however, we will apply for these vouchers if they become available in the future.

3. Describe the project's organizational structure. Please attach an organizational chart detailing the roles of the applicant, all partners, and the ownership interest percentages of each party.

Stone House Development, Inc. is the developer and property manager for the Schroeder Road Apartments. The ownership entity will be formed with an affiliate of Stone House Development, Inc. as the managing member. See attached organizational chart.

## AFFORDABLE HOUSING INITIATIVE FUND GOALS & OBJECTIVES

4. Please check which of the following objectives outlined in the Request for Proposals your proposal meets:

- Increase the supply of safe, quality, affordable rental housing throughout the City.
- Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability.
- Improve the existing rental housing stock in targeted neighborhoods through acquisition/rehab to create long-term affordability and sustainability.

## AFFORDABLE HOUSING NEEDS

5. Describe your knowledge of and experience in identifying affordable housing needs of the City of Madison.

See attached: Question 5

6. Identify if a market study has been done and, if so, summarize its findings and attach a copy of the report. If a market study has not yet been completed, please describe the anticipated demand for the proposed target populations served.

A formal market study has not yet been completed and will be done by a third party during our tax credit application process. Based on our experience and familiarity with the needs of affordable housing in Madison we believe a large demand for this housing exists. Stone House Development manages 10 properties in Madison with 628 units of affordable housing. These affordable housing units have a long history of maintaining 100% occupancy with extensive waiting lists.

## INTEGRATED SUPPORTIVE HOUSING UNITS

7. Provide the number and percent of integrated supportive housing units proposed, the income category(ies) targeted for these units, and the population(s) you propose to serve (e.g. households experiencing or at risk of homelessness,

formerly homeless families residing in Permanent Supportive Housing no longer in need of intensive support services, veterans, persons with disabilities, formerly incarcerated individuals, etc.).

See attached: Questions 7, 8, 9 and 10

8. Please describe your proposed integrated supportive housing approach that will go beyond meeting WHEDA's supportive housing requirements outlined in Appendix S of the WHEDA Qualified Allocation Plan targeting veterans and/or persons with disabilities. Please elaborate on which target populations you plan on serving and what supportive service partnership approach(es) you will use.

See attached: Questions 7, 8, 9 and 10

9. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) for the supportive housing units, including service provider(s) from the Continuum of Care (see Attachment C), if applicable. Provide a detailed description of the type and level of supportive services (such as assessment and referral, on-site intensive case management, etc.) that will be provided to residents of the proposed project.

See attached: Questions 7, 8, 9 and 10

10. In order to ensure the success of the development, the partnership(s), and the tenants, describe the level of financial support that the development will provide annually to the identified supportive service agency/agencies, if applicable. Attach a letter from the service provider(s) detailing the services they intend to provide to residents of the supportive housing units, the cost of those services and how those services will be financially supported (i.e., through the development, fundraising, existing program dollars, etc.).

See attached: Questions 7, 8, 9 and 10

**TENANT SELECTION**

11. Describe your plans to incorporate flexible tenant selection criteria for households who are connected to supportive services, in order to provide housing opportunities for persons or families who would otherwise face common obstacles obtaining housing (e.g., poor credit or rental histories, criminal conviction records, etc.).

Stone House Development will implement a tenant selection criteria plan that allows the participation in supportive services in lieu of a cosigner. This means that in instances where an applicant would not qualify unless they have a cosigner, their participation in supportive services will make up for their lack of meeting the resident selection criteria, such as credit, evictions and poor rental history. This will help those that are vulnerable to housing obstacles secure housing without the necessity of a cosigner, as qualified cosigners may often be hard to obtain. In addition, there will not be an "automatic denial" for those applicants that owe a previous landlord money or have a past eviction on their record. Our tenant selection plan encompasses all areas identified in the City of Madison "Best Practices" Tenant Selection Plan (Attachement B of the RFP).

12. Describe the proposed development's minimum occupancy standards that will prevent or reduce over-housing residents in such limited affordable housing opportunities.

Minimum occupancy standards exist to ensure the benefit of affordable housing units is maximized. To ensure the maximum benefit is being obtained, we require a minimum of one person per bedroom in each affordable apartment.

**SITE INFORMATION**

13. In which of the following areas on the Affordable Housing Targeted Area Map (see Attachment A) is the site proposed located? Please check one.

Preferred Areas (New Construction Only)

- Eligible Areas (New Construction & Acquisition/Rehabilitation)
- Targeted Rehab Areas (Ineligible for New Construction, but Preferred for acquisition & rehabilitation proposals)

14. Identify the specific site address and name of neighborhood in which the site is located. Identify if applicant has site control, or if site is owned by the City of Madison or Community Development Authority.

The address of the site is 5614 Schroeder Road. Based on discussions with the City of Madison staff and Alder Clear, the location of this site does not have a designated neighborhood group or association. Applicant has site control and the site is not owned by the City of Madison or CDA.

15. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities where most needed. Describe the neighborhood and surrounding community. Provide the streets of the closest major intersection as well as known structures/activities surrounding the site that identifies where the site is located. (Attach a map indicating project location. Include one close-up map of the site and a second map to show the site in the context of the City.)

The Madison Comprehensive Plan Draft dated May 1, 2018 has a goal for Madison to have a full range of quality and affordable housing opportunities throughout the City. Some strategies to achieve this goal are: create complete neighborhoods across the city where residents have access to transportation options and resources needed for daily living; support development of a wider mix of housing types, sizes, and costs throughout the city; increase the amount of available housing; integrate lower priced housing, including subsidized housing, into complete neighborhoods.

We chose this site as it is located in a Preferred Area of the Affordable Housing Targeted Area Map and will bring a mixed range of affordable and market rate housing to a location in the city that is near many established neighborhoods with close access to transportation and daily living resources like full service grocery, schools, parks and community service centers, such as the YMCA.

The property is located at the intersection of Schroeder Road and South Whitney Way with easy on and off access to and from the beltline (Hwy 12/18). This easy beltline access is important to those that commute as it is a major transportation artery in the city.

See attached the location maps of the property.

16. Identify any existing buildings on the proposed site, noting any that are currently occupied. Describe the planned demolition of any buildings on the site.

There is currently a bar/restaurant on the proposed site. The land seller is the owner of the restaurant. The building will be demolished and a new restaurant will be built on the site.

17. Identify the distance the following amenities are from the proposed site.

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Hy-Vee - 0.5 miles	
Public Elementary School	Falk Elementary School - 1.0 miles	
Public Middle School	Jefferson Middle School - 2.6 miles	
Public High School	Memorial High School - 2.6 miles	
Job-Training Facility, Community College, or Continuing Education Programs	QPS Employment Group- 2.1 miles	
Childcare	La Petite Academy of Madison- 0.9 miles	
Public Library	Friends of Sequoya Library - 0.7 miles	
Neighborhood or Community Center	Lussier Family West YMCA - 0.4 miles	

Full Service Medical Clinic or Hospital	UW Health- Odana Atrium Clinic - 0.7 miles	
Pharmacy	Walgreens Pharmacy - 0.7 miles	
Public Park or Hiking/Biking Trail	Odana School Park - 0.6 miles	
Banking	Bank Mutual - 0.5 miles	
Retail	Westgate Mall - 0.7 miles	
Other (list the amenities):	West Towne Bike Path - 0.4 miles	

18. What is the distance between the proposed site and seven-day per week transit stops (i.e. weekday and weekends)? List the seven-day transit stop street intersections and describe any other transit stops (include street intersections and schedule) located near the proposed site.

See attached: Question 18, 19, 20

19. Describe the transit options for children to get to their elementary and middle schools.

See attached: Question 18, 19, 20

20. Describe the transit options for people to access amenities such as childcare, after school activities, grocery stores, the nearest library, neighborhood centers, and other amenities described above.

See attached: Question 18, 19, 20

21. Describe the impact this housing will have on the schools in this area. Please include information on school enrollment data (e.g. at capacity, above capacity, below capacity); how this housing development will impact the schools' enrollment; and approximately how many elementary and middle school children are projected to live at the proposed housing development based on your proposed unit mix and previous housing experience.

We are expecting 50-60 elementary and middle school aged children from this project to attend area schools. Based on information received from the Madison Metropolitan School District, none of the schools servicing this address are at or above capacity.

22. Describe the historical uses 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.

For the past 30 years, this site has been a bar and restaurant. A Phase I Environmental Assessment has not yet been completed, however, one will be done. We do not anticipate any out of the ordinary environmental issues on this site.

23. Identify the current zoning classification of the site. Describe any necessary zoning-related approvals (rezoning, conditional use permit, demolition, zoning variance, etc.) that must be obtained for the proposal to move forward.

The current zoning classification of the site is CC-T. The proposed housing and commercial space will only require conditional use approval. Alder Clear will assist us in obtaining a schedule to receive approvals by the end of this year.

24. Describe the proposed project's consistency with adopted planning documents, including the City of Madison Comprehensive Plan (both adopted and draft of the Comprehensive Plan update), the Neighborhood Plan(s), and any other relevant plans.

The City of Madison Comprehensive Plan indicates a desire to increase the supply of affordable rental housing. As this plan was published in 2006, the city, with revisions through Imagine Madison, released a revised Comprehensive Plan Draft on May 1, 2018. This Comprehensive Plan Draft emphasizes a need for housing for affordable to low and moderate-income households. A highlighted strategy in the plan is to create complete neighborhoods across the city by supporting development of a wider mix of housing types, sizes and costs as well as to provide housing options with social services for residents who need it most, including residents experiencing homelessness. Our development is consistent with these

objectives and will provide housing that serves moderate to the lowest income individuals and families, as well as social services for residents who need it most, including veterans and residents formerly experiencing homelessness.

25. List the name(s) of the City of Madison Planning Division staff that you met with to discuss your application and briefly summarize the results of that meeting.

Stone House Development staff met with City of Madison Planning Staff members Heather Stouder and Kevin Firchow. A description of our proposal and planned uses were provided and they were receptive to the plan and location.

26. Describe the response and level of support of the alderperson of the district in which the proposal is located. What issues or concerns with the project did s/he identify, if any?

Stone House Development staff discussed this project with Alder Clear and he is in full support of this project.

27. Describe the neighborhood input process, including notification to and input from the nearby Neighborhood Association(s), either already underway or planned. If that process has begun, please summarize its results to date.

Based on discussions with Alder Clear, this site is not part of an organized association or neighborhood group. He will be setting up neighborhood meetings starting this September to discuss the plans and goals of this proposed project with us and neighbors.

**SITE AMENITIES**

28. Describe the exterior and common area amenities that will be available to tenants and guests, including parking (and cost, if any).

The exterior of the property will be a combination of high quality materials including brick and hardy plank. This 4 story, 96 unit project will contain 3,992 square feet of commercial space which will be the home to a future restaurant. 82 underground parking stalls will be available at the rate of \$40 per month. There will be 67 surface stalls for visitor and restaurant parking. In an effort to offset parking expenses for low income residents, those living in 30% units will have parking included in their rent.

Common area amenities will include a resident community room with a kitchenette, fitness center, on-site management / leasing office, office for The Road Home social service staff and an outdoor grilling area with a tot-lot/playground.

29. Describe the interior apartment amenities, including plans for internet service (and cost, if any) and a non-smoking environment.

All apartments include vinyl plank flooring, in unit washers and dryers, energy star appliances, a patio or balcony, ample storage space and free internet. The 3 bedroom apartments will have private ground floor entrances. The project will be non-smoking in the apartments and the common areas.

**PROPOSAL TIMELINE**

30. Please list the estimated 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
Submission of Application for Zoning Change &/or Conditional Use Permit	October 2018
Plan Commission Approval for Rezoning &/or Conditional Use Permit	November 2018
Submission of Application for Urban Design Commission Approval	n/a
Urban Design Commission Approval	December 2018
Application to WHEDA	December 2018
Complete Equity & Debt Financing	September 2019
Acquisition/Real Estate Closing	September 2019



<b>Activity/Benchmark</b>	<b>Estimated Month/Year of Completion</b>
Rehab or New Construction Bid Publishing	September 2019
New Construction/Rehab Start	November 2019
Begin Lease-Up	September 2020
New Construction/Rehab Completion	December 2020
Begin Lease-Up	September 2020
Certificates(s) of Occupancy Obtained	December 2020
Complete Lease-Up	March 2021

## **PUBLIC PURPOSE AND RISK**

31. Please describe the public purpose of your proposal and the risks associated with the project.

The project will increase the needed supply of affordable housing including 10 units for formerly homeless households and 10 units for veterans in need of supportive services. The primary risk for this project is obtaining Section 42 affordable housing tax credits.

## **DEVELOPMENT TEAM**

32. Identify all key roles in your project development team, including architect, general contractor, legal counsel, property management agent, supportive services provider(s), and any other key consultants, if known.

<b>Name</b>	<b>Company</b>	<b>Role in Development</b>	<b>Contact Person</b>	<b>Phone</b>
Helen Bradbury	Stone House	Developer	Helen Bradbury	608-251-6000
Richard Arnesen	Stone House	Developer	Richard Arnesen	608-251-6000
Randy Bruce	Knothe & Bruce	Architect	Randy Bruce	608-836-3690
John Medenwald	Connery Construction	Contractor	John Medenwald	608-839-3740
Kristin Rucinski	The Road Home	Service Provider	Kristin Rucinski	608-294-7998
Kasie Setterlund	Stone House	Property Management	Kasie Setterlund	608-251-6000
Dan Connery	Dane County Veterans	Service Provider	Dan Connery	608-266-4158

33. For the following development team roles, please identify the number and/or percentage of women and persons of color employed by that company.

<b>Company</b>	<b>Role in Development</b>	<b># or % Employees who are Women</b>	<b># or % Employees who are Persons of Color</b>
Stone House Devel.	Developer	65%	17%
Connery Construction	General Contractor	6%	9%
Stone House	Property Manager	65%	17%
Knothe & Bruce	Architect	33%	7%
The Road Home	Service Provider	60%	30%

## EXPERIENCE AND CAPACITY

34. Please describe the development team's experience in obtaining LIHTC's. Be sure to:

- Address years in existence, experience with public/private joint ventures, experience developing low-income multifamily housing or other affordable housing, staff qualifications, financial capacity of organization to secure financing and complete proposed project, past performance that will contribute to the success of the proposal.
- Identify how many LIHTC and/or affordable housing units your organization has created in the past five years.
- Include specific information on the experience of the proposed property management partner, including number of years experience, number of units managed, and performance record.
- If applicable, include information on your experience developing housing that provides support services.
- If applicable, include specific information on the supportive service provider agency or company, years of experience, and relevant information.
- Please describe your past experience, including number and location of projects, using federal HOME, CDBG, EECBG, or Section 108 funds. (Attach additional information as necessary).

See attached: Question 34

35. Please list any architectural awards, service awards, or green building certifications.

See attached: Question 35

## REFERENCES

36. Please list at least three references who can speak to your work on similar developments completed by your team.

<b>Name</b>	<b>Relationship</b>	<b>Email Address</b>	<b>Phone</b>
Kevin Kilbane	Investor	kevin.kilbane@raymondjames.com	216-696-1300
Sean O'Brien	Lender	sean.obrien@wheda.com	608-267-1453
Michael Flynn	Lender	mflynn@mononabank.com	608-223-5148

**HOUSING INFORMATION & UNIT MIX**

37. 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.

<b>ADDRESS #1:</b>		<b>5614 Schroeder Road, Madison</b>					<b>Projected Monthly Unit Rents, Including Utilities</b>					
		<b># of Bedrooms</b>										
<b>% of County Median Income (CMI)</b>	<b>Total # of units</b>	<b># of Studios</b>	<b># of 1 BRs</b>	<b># of 2 BRs</b>	<b># of 3 BRs</b>	<b># of 4+ BRs</b>	<b>\$ Rent for Studios</b>	<b>\$ Rent for 1 BRs</b>	<b>\$ Rent for 2 BRs</b>	<b>\$ Rent for 3 BRs</b>	<b>\$ Rent for 4+ BRs</b>	
≤30%	20	0	7	7	6	0		420	505	600		
40%	0	0	0	0	0	0						
50%	37	0	12	16	9	0		760	915	1060		
60%	24	0	10	14	0	0		935	1125			
<b>LIHTC Sub-total</b>	<b>81</b>	<b>0</b>	<b>29</b>	<b>37</b>	<b>15</b>	<b>0</b>						
<b>Market*</b>	15	0	15	0	0	0		1150				
<b>Total Units</b>	<b>96</b>	<b>0</b>	<b>44</b>	<b>37</b>	<b>15</b>	<b>0</b>	Notes: Rents include utilities indicated in Question 38.					

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; Market = >61% CMI.

<b>ADDRESS #2:</b>		<b># of Bedrooms</b>					<b>Projected Monthly Unit Rents, Including Utilities</b>					
<b>% of County Median Income (CMI)</b>	<b>Total # of units</b>	<b># of Studios</b>	<b># of 1 BRs</b>	<b># of 2 BRs</b>	<b># of 3 BRs</b>	<b># of 4+ BRs</b>	<b>\$ Rent for Studios</b>	<b>\$ Rent for 1 BRs</b>	<b>\$ Rent for 2 BRs</b>	<b>\$ Rent for 3 BRs</b>	<b>\$ Rent for 4+ BRs</b>	
≤30%	0	0	0	0	0	0						
40%	0	0	0	0	0	0						
50%	0	0	0	0	0	0						
60%	0	0	0	0	0	0						
<b>LIHTC Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						
<b>Market*</b>	0	0	0	0	0	0						
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Notes:					

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; Market = >61% CMI.

38. Utilities included in rent:  Water/Sewer  Electric  Gas  Free Internet In-Unit  Other:

39. Describe the number and percent of accessible units proposed for each of level of accessibility. For rehab, describe the accessibility modifications that will be incorporated into the existing housing.

The project will meet or exceed all local, state and federal accessibility requirements. In addition, a percentage of the units will be fully accessible to individuals with physical disabilities, including roll in showers, ADA approved appliances, grab bars, lowered switches and outlets, etc. This project will also meet all WHEDA "Universal Design" and "Appendix M" requirements.

40. Describe the energy efficient features you plan to provide, the energy standard to be achieved, and the resulting estimated monthly utility savings for the project and for the tenant.

This project will be certified as "Green Built" according to the Wisconsin Green Built Home standards. All appliances will be energy star rated and all lighting will be either compact florescent or LED. These efficiencies will give the reidents savings on their gas and electricity bills along with a significant savings to the project for common area utilities including water/sewer, gas and electricity.

41. 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.

NA

42. Real Estate Project Data Summary

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-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	# of Units Accessible Current?	Number of Units Post-Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	5614 Schroeder Road, Madison								
	0	96	0	0	0	20+	\$955,000	\$7,500,000	\$2,000,000
Address:	Enter Address 2								
Address:	Enter Address 3								

43. Will any business or residential tenants will 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.

There are no relocation requirements because the land seller owns the existing business and desires to close it. It is expected that the seller will be financially involved in the new on-site restaurant that will be located in the commercial space of the property.

**PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION AND CHECK THE BOX WHEN ATTACHED:**

- A completed Application Budget Workbook, showing the City's proposed financial contribution and all other proposed financing.
- A project organizational structure chart, including ownership interest percentages.
- A detailed map of the site and a second map showing the site in the context of the City.
- Description of the development team's experience in:
  1. Obtaining and utilizing federal, state, city, and other financing resources.
  2. Participating in public/private joint ventures.
  3. Developing multifamily housing for low- and moderate-income households.
  4. Property management, including experience with supportive housing.
  5. Providing supportive housing units or delivering supportive services.
- Letter from Supportive Service Provider(s) detailing what services they intend to provide.
- Detailed WHEDA self-score based on the most recently published scoring criteria (include a breakdown of scoring categories where applicable, such as the Areas of Economic Opportunity scoring category).
- A current appraisal of the property and an after-rehab/construction appraisal of the property, if available at the time of application.
- A recent market study, prepared by a third-party market analyst, if available at the time of application.
- A Capital Needs Assessment report of the subject property, if the proposal is for a rehabilitation project and if the report is available at the time of application.
- A recent Phase I ESA executive summary, if available at the time of application.

NOTE: If an appraisal, market study, capital needs assessment, or Phase I ESA executive summary is not available at the time of application, and the proposal is funded through this RFP process, these items must be submitted to the City at least 10 days prior to the submittal of these items to WHEDA with the 2019 LIHTC application.

APPLICANT & PROJECT NAME:

Stone House Development, Inc.

1. 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
Permanent Loan-Lender Name:						
	\$ 6,750,000	N	6%	15	35	38,036
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan	\$ 500,000	Y	0%			
City-AHF Deferred Loan	\$ 1,000,000	Y	0%			
City-AHF Interest/Cash Flow Loan	\$ 1,000,000	N	3%	16	30	4082.41
City-TIF Loan						
Other-Specify Grantor:						
Other-Specify Grantor:						
Other-Specify Grantor:						
Tax Credit Equity	\$ 10,804,917					
Historic Tax Credit Equity						
Deferred Developer Fees	\$ 517,083					
Owner Investment						
Other-Specify:						
<b>Total Sources</b>	<b>\$ 20,572,000</b>					

<b>Construction Financing</b>			
Source of Funds	Amount	Rate	Term (monthly)
Construction Loan-Lender Name:			
To Be Determined	\$ 16,000,000	4%	24
Bridge Loan-Lender Name:			
AHP/AHF/Deferred Fee	\$ 2,895,680	0%	24
Tax Credit Equity:			
To Be Determined	\$ 1,676,320		
<b>Total</b>	<b>\$ 20,572,000</b>		

Estimated pricing on sale fo Federal Tax Credits:

\$ 0.89

Remarks Concerning Project Funding Sources:

APPLICANT:

**Stone House Development, Inc.**

2. PROJECT EXPENSES

Enter the proposed project expenses

<b>Acquisition Costs</b>	<b>Amount</b>
Acquisition	2,000,000
Title Insurance and Recording	15,000
Appraisal	5,000
Predevlpmnt/feasibility/market study	37,000
Survey	10,000
Marketing	0
Relocation	0
Other (List)	
<b>Syndication Fees</b>	<b>30,000</b>
<b>Construction:</b>	
Construction Costs	14,210,000
Demolition	40,000
Soils/Site Preparation	0
Construction Mgmt	0
Construction Interest	400,000
Permits; Print Plans/Specs	0
Landscaping, Play Lots, Signage	0
Other (List)	
<b>WHEDA Tax Credit Fees</b>	<b>125,000</b>
<b>Fees:</b>	
Architect	300,000
Engineering	50,000
Accounting	15,000
Legal	85,000
Development Fee	1,900,000
Leasing Fee	0
Park Impact Fees	25,000
Other (List)	
<b>Financing Origination Fees</b>	<b>185,000</b>
<b>Project Contingency:</b>	<b>715,000</b>
<b>Furnishings:</b>	<b>0</b>
<b>Reserves Funded from Capital:</b>	
Operating Reserve	300,000
Replacement Reserve	0
Maintenance Reserve	0
Vacancy Reserve	0
Lease Up Reserve	50,000
Other: (List)	
<b>Construction Insurance/ Real Estate Taxes</b>	<b>75,000</b>
<b>TOTAL COSTS:</b>	<b>20,572,000</b>

APPLICANT: Stone House Development, Inc.

3. 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	1,028,700	1,049,274	1,070,259	1,091,665	1,113,498	1,135,768	1,158,483	1,181,653	1,205,286	1,229,392	1,253,980	1,279,059	1,304,640	1,330,733	1,357,348	1,384,495
Less Vacancy/Bad Debt	72,009	73,449	74,918	76,417	77,945	79,504	81,094	82,716	84,370	86,057	87,779	89,534	91,325	93,151	95,014	96,915
<b>Income from Non-Residential Use*</b>	128,496	131,066	133,687	136,361	139,088	141,870	144,707	147,602	150,554	153,565	156,636	159,769	162,964	166,223	169,548	172,939
<b>Total Revenue</b>	1,085,187	1,106,891	1,129,029	1,151,609	1,174,641	1,198,134	1,222,097	1,246,539	1,271,470	1,296,899	1,322,837	1,349,294	1,376,280	1,403,805	1,431,881	1,460,519
<b>Expenses:</b>																
Office Expenses and Phone	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159
Real Estate Taxes	125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	163,097	167,990	173,029	178,220	183,567	189,074	194,746
Advertising, Accounting, Legal Fees	21,000	21,630	22,279	22,947	23,636	24,345	25,075	25,827	26,602	27,400	28,222	29,069	29,941	30,839	31,764	32,717
Payroll, Payroll Taxes and Benefits	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757	55,369	57,030	58,741	60,504	62,319
Property Insurance	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941	54,529
Mtc, Repairs and Mtc Contracts	95,000	97,850	100,786	103,809	106,923	110,131	113,435	116,838	120,343	123,953	127,672	131,502	135,447	139,511	143,696	148,007
Utilities (gas/electric/fuel/water/sewer)	87,000	89,610	92,298	95,067	97,919	100,857	103,883	106,999	110,209	113,515	116,921	120,428	124,041	127,762	131,595	135,543
Property Mgmt	54,061	55,683	57,353	59,074	60,846	62,672	64,552	66,488	68,483	70,537	72,653	74,833	77,078	79,390	81,772	84,225
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	28,800	29,664	30,554	31,471	32,415	33,387	34,389	35,420	36,483	37,577	38,705	39,866	41,062	42,294	43,563	44,869
Support Services	13,645	14,054	14,476	14,910	15,358	15,818	16,293	16,782	17,285	17,804	18,338	18,888	19,455	20,038	20,639	21,258
Other (List)																
Credit Agency Fee	2,400	2,472	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
<b>Total Operating Expenses</b>	521,906	537,563	551,144	567,678	584,709	602,250	620,317	638,927	658,095	677,837	698,173	719,118	740,691	762,912	785,799	809,373
<b>Net Operating Income</b>	563,281	569,328	577,885	583,931	589,933	595,884	601,779	607,612	613,375	619,061	624,664	630,176	635,588	640,893	646,082	651,145
<b>Debt Service:</b>																
First Mortgage	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
<b>Total Debt Service</b>	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427
<b>Total Annual Cash Expenses</b>	978,333	993,990	1,007,571	1,024,105	1,041,136	1,058,677	1,076,744	1,095,354	1,114,522	1,134,264	1,154,600	1,175,545	1,197,118	1,219,339	1,242,226	1,265,800
<b>Total Net Operating Income</b>	106,854	112,901	121,458	127,504	133,506	139,457	145,352	151,185	156,948	162,634	168,237	173,749	179,161	184,466	189,655	194,718
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	57,865	63,912	72,469	78,515	84,517	90,468	99,337	0	0	0	0	0	0	0	0	0
<b>Cash Flow</b>	48,989	48,989	48,989	48,989	48,989	48,989	76,015	151,185	156,948	162,634	168,237	173,749	179,161	184,466	189,655	194,718
AHF City Interest Loan	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989

\*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

<b>DCR Hard Debt</b>	1.23	1.25	1.27	1.28	1.29	1.31	1.32	1.33	1.34	1.36	1.37	1.38	1.39	1.40	1.42	1.43
<b>DCR Total Debt</b>	1.11	1.13	1.14	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.24	1.25	1.26	1.27	1.28	1.29

<b>Assumptions</b>	
Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	



APPLICANT:

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	1,412,185	1,440,428	1,469,237	1,498,622	1,528,594	1,559,166	1,590,349	1,622,156	1,654,599	1,687,691	1,721,445	1,755,874	1,790,992	1,826,811
Less Vacancy/Bad Debt	98,853	100,830	102,847	104,904	107,002	109,142	111,324	113,551	115,822	118,138	120,501	122,911	125,369	127,877
<b>Income from Non-Residential Use*</b>	176,397	179,925	183,524	187,194	190,938	194,757	198,652	202,625	206,678	210,811	215,028	219,328	223,715	228,189
<b>Total Revenue</b>	1,489,729	1,519,524	1,549,914	1,580,913	1,612,531	1,644,781	1,677,677	1,711,231	1,745,455	1,780,364	1,815,972	1,852,291	1,889,337	1,927,124
<b>Expenses:</b>														
Office Expenses and Phone	32,094	33,057	34,049	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131
Real Estate Taxes	200,588	206,606	212,804	219,188	225,764	232,537	239,513	246,698	254,099	261,722	269,574	277,661	285,991	294,571
Advertising, Accounting, Legal Fees	33,699	34,710	35,751	36,824	37,928	39,066	40,238	41,445	42,689	43,969	45,288	46,647	48,046	49,488
Payroll, Payroll Taxes and Benefits	64,188	66,114	68,097	70,140	72,244	74,412	76,644	78,943	81,312	83,751	86,264	88,852	91,517	94,263
Property Insurance	56,165	57,850	59,585	61,373	63,214	65,110	67,064	69,076	71,148	73,282	75,481	77,745	80,077	82,480
Mtc, Repairs and Mtc Contracts	152,447	157,021	161,731	166,583	171,581	176,728	182,030	187,491	193,115	198,909	204,876	211,022	217,353	223,874
Utilities (gas/electric/fuel/water/sewer)	139,609	143,798	148,112	152,555	157,132	161,846	166,701	171,702	176,853	182,159	187,623	193,252	199,050	205,021
Property Mgmt	86,752	89,355	92,035	94,796	97,640	100,569	103,586	106,694	109,895	113,192	116,587	120,085	123,688	127,398
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	46,216	47,602	49,030	50,501	52,016	53,576	55,184	56,839	58,544	60,301	62,110	63,973	65,892	67,869
Support Services	21,896	22,553	23,230	23,927	24,644	25,384	26,145	26,930	27,737	28,570	29,427	30,309	31,219	32,155
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
<b>Total Expenses</b>	833,655	858,664	884,424	910,957	938,286	966,434	995,427	1,025,290	1,056,049	1,087,730	1,120,362	1,153,973	1,188,592	1,224,250
<b>Net Operating Income</b>	656,075	660,860	665,490	669,956	674,245	678,347	682,250	685,941	689,406	692,634	695,609	698,318	700,745	702,874
<b>Debt Service:</b>														
First Mortgage	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
<b>Total Debt Service</b>	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427	456,427
<b>Total Annual Cash Expenses</b>	1,290,082	1,315,091	1,340,851	1,367,384	1,394,713	1,422,861	1,451,854	1,481,717	1,512,476	1,544,157	1,576,789	1,610,400	1,645,019	1,680,677
<b>Total Net Operating Income</b>	199,648	204,433	209,063	213,529	217,818	221,920	225,823	229,514	232,979	236,207	239,182	241,891	244,318	246,447
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow</b>	199,648	204,433	209,063	213,529	217,818	221,920	225,823	229,514	232,979	236,207	239,182	241,891	244,318	246,447
AHF City Interest Loan	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989	48,989

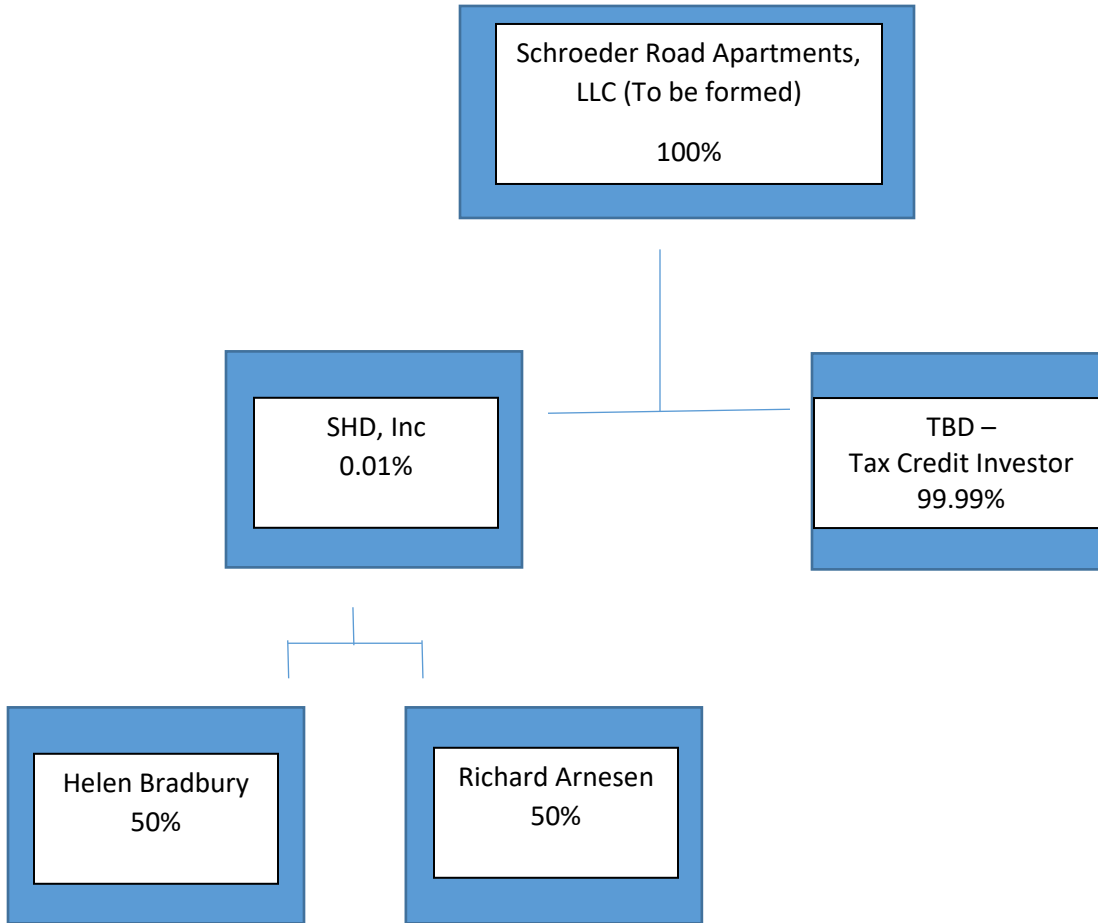
\*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

<b>DCR Hard Debt</b>	1.44	1.45	1.46	1.47	1.48	1.49	1.49	1.50	1.51	1.52	1.52	1.53	1.54	1.54
<b>DCR Total Debt</b>	1.30	1.31	1.32	1.33	1.33	1.34	1.35	1.36	1.36	1.37	1.38	1.38	1.39	1.39

**Assumptions**

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	

### Organizational Chart



## Housing Knowledge and Experience – Question 5

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The Schroeder Road Apartments will be developed, owned and managed by Stone House Development, Inc. and/or its affiliates. Stone House has developed and is currently the managing member and property manager of 17 mixed income & affordable housing projects throughout the state of Wisconsin with ten being in the Madison area. The list of current projects is below.

Stone House’s knowledge of the Madison market is a direct result of their ownership and management of these ten similar properties. All Madison affordable properties have maintained 97-100% occupancy since opening, with the affordable apartments maintaining 100% occupancy. The long waiting lists for these properties and high demand for affordable housing in the City of Madison is a testament to the strong demand for affordable housing in Madison.

The vast experience and proven success of Stone House Development in affordable housing, especially in the Madison market, provides a strong basis for our knowledge of the affordable housing market.

Project Name	# of Units	City	Years Managed
The Breese	65	Madison	6 Months
The Lyric	138	Madison	1 Year
Pinney Lane Apartments	70	Madison	2 Years
Arbor Crossing Apartments	80	Village of Shorewood Hills	5 Years
City Row Apartments	83	Madison	8 Years
The Madison Mark Apartments	112	Madison	13 Years
The Overlook at Hilldale Apartments	96	Madison	7 Years
The Overlook at Midtown Apartments	88	Madison	8 Years
Park Central Apartments	76	Madison	10 Years
Revival Ridge Apts	48	Madison	10 Years
Hubbard Street Apartments	51	Milwaukee	13 Years
Castings Place Apartments	55	Milwaukee	11 Years
East High Apartments	55	Wausau	13 Years
Wausau East Townhomes	24	Wausau	10 Years
Flats on the Fox	64	Green Bay	10 Years
Marshall Apartments	55	Janesville	20 Years
Mineral Point School Apartments	11	Mineral Point	19 Years
<b>TOTAL</b>	<b>1171</b>		

## Supportive Services – Questions 7, 8, 9 & 10

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### Unit Mix of Supportive Housing Units (20 Total)

- Formerly homeless households residing in permanent supportive housing units no longer in need of supportive services (10% of Project)
  - (4) Two Bedrooms – 30% CMI
  - (6) Three Bedrooms – 30% CMI
- Military Veterans (10% of Project)
  - (10) One Bedrooms – 30% CMI

### Integrated Supportive Housing Approach

The Schroeder Road Apartments will include 20 units of supportive housing (10 for formerly homeless families and 10 for military veterans). While meeting all requirements of the WHEDA tax credit application including Appendix S of the Qualified Allocation Plan, we will additionally go above and beyond these requirements.

The homeless families we will be targeting are those that are formerly homeless and currently residing in permanent supportive housing, however, no longer in need of intensive supportive services. Based on conversations with Kristin Rucinski, Executive Director of The Road Home, there are many households that are residing in permanent supportive housing units that no longer need intensive case management. The Schroeder Road Apartments would be a great location for them to move to as it is in a stable and established neighborhood, close to community amenities and transportation, has on-site case management through The Road Home, offers a less restrictive tenant screening policy than other landlords and is still affordable by offering rents restricted to 30% of the Dane County Median Income.

The creation of these 10 supportive housing units will also allow for a positive impact on housing for the homeless in Madison. By moving out families in permanent supportive housing units into our apartments, this opens up their permanent supportive housing units to those families in need of intensive case management.

In addition, we have created a Tenant Selection Plan for our formerly homeless and military veterans that is more flexible than typical landlords in Madison and allows for the participation

in supportive services in lieu of a cosigner. Based on our experience with low income households, the challenge of finding a qualified cosigner is a difficult one and is often the difference between being approved for housing and being denied for housing. By allowing the participation in supportive housing in lieu of a cosigner it gives the households the chance they need to qualify for quality and safe housing.

Stone House will also create an on-site office for The Road Home for their social worker designated to the Schroeder Road Apartments. Access to social work services is key to success for many of our families.

### Partnerships & Financial Support

- Formerly Homeless Units: Our supportive service partner is The Road Home (they are part of the Continuum of Care on Attachment C.
- Military Veterans: Our supportive service partner is the Dane County Veterans Service Office.

Please see the signed Memorandum of Understanding for both organizations. These MOU's list the details of the services provided and our approach to integrating their services into the project.

The project will pay an annual fee to The Road Home to offset the expense of the full time social worker that will be devoted to the formerly homeless families. In addition to this annual fee we will be providing an office for this social worker at no expense and will pay all the necessary utilities and internet service fees. No rent will be charged for this office.

Stone House is committed to working with The Road Home and the Dane County Veterans Office to ensure our resident screening program seeks to advance the housing needs of homeless families and veterans and ensuring this vulnerable population is able to achieve housing.

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between Dane County Veterans Service Office (Supportive Services Provider) and Stone House Development, Inc. (Management Agent) and the to be formed Schroeder Road Apartments (Owner), represents the referral and outreach agreement to connect potential Veteran residents with housing and local Veteran specific services and resources.

### TERMS & DETAILS

- 10 units of affordable housing one bedrooms at the Schroeder Road Apartments will be targeted to households that include at least one household member that is an eligible military veteran that may rely on supportive services planned, offered and delivered by Dane County Veterans Service Office.
- The Dane County Veterans Service Office, Stone House Development, Inc. and Schroeder Road Apartments commit to accommodating the delivery of supportive services for units that are rented to military veterans from the onset of pre-leasing through the duration of the Land Use Restriction Agreement (LURA).
- The Dane County Veterans Service Office understands that while it is the primary supportive services provider for veterans at the Schroeder Road Apartments, tenants will have a choice of service provider regardless of this agreement.

### SERVICES OFFERED

The Dane County Veterans Service Office will provide the following services to meet the needs of the veteran residents that rely on supportive services.

- **Housing Referrals:** The Dane County Veterans Service Office will provide referrals during the initial phases of preleasing through the duration of the project. These referrals will be made directly to the management agent. Additionally, the management agent will provide at least a 45 day notice to the Dane County Veterans Service Office when an availability occurs or will be occurring. If the apartment is not rented after 30 days of veteran outreach marketing, the unit will be opened up the general public. If rented to the general public, the unit will once again be targeted to veterans when it next becomes available.
- **Supportive Services:** The Dane County Veterans Service Office provides supportive services and outreach to veterans in Dane County, including potential veteran tenants of the Schroeder Road Apartments. The Dane County Veterans Service Office is a committed advocate for veterans, provide quality services and programs for them and their families.

These services will help veteran tenants maintain independence in their home and community, assist with housing and personal needs, locate health and housing assistance, evaluate eligibility on financial benefits and assist in coordinating caregiver rolls.

These services include, but are not limited to:

- a. VAP – Veterans Assistance Program for Homeless Veterans. This program provides free civil legal services to low-income Veterans. When veterans face legal challenges, such as eviction or an improper termination of benefits, it

dramatically increases the risk that they will spiral further into illness, become homeless, or die by suicide. The Veteran Advocacy Project intervenes *before* veterans reach the breaking point by ensuring their access to housing, health care, and income. Source: [www.veteranadvocacyprogram.org](http://www.veteranadvocacyprogram.org)

- b. Liaison for veterans with other organizations, including but not limited to, other veteran specific organizations
- c. Assistance in obtaining military records and awards
- d. Health & Disability Benefits
- e. Financial Assistance
- f. Programs and benefits for recently discharged veterans
- g. Educational Benefits
- h. Disabled veteran services and claims
- i. Death benefits and arrangements
- j. Veterans treatment court

### IMPLEMENTATION

Veteran tenants may receive self-directed, community-based supportive services from Dane County Veterans Service Office or from any provider of their choice. Existing and prospective residents will be offered a brochure and contact information to the Dane County Veterans Service Office. In addition, the landlord will contact the Dane County Veterans Office when we feel a tenant is in need of their services, or if the veteran tenant seeks this type of support through their landlord.

Dane County Veterans Service Office offers prospects and tenants a central source of information, assistance and access to community resources for veterans, as well as their families. Personalized assistance is available over the telephone or by appointment.

The management agent, Stone House Development, will also ensure that all veteran tenants have the contact information for the Dane County Veterans Service office as well as other veteran specific supportive service providers.

### ACCREDITATIONS & MEMBERSHIPS

The Dane County Veterans Service Office is accredited to represent claimants before the US Department of Veterans Affairs through the following organizations:

[American Legion](#)

[Disabled American Veterans](#)

[Military Order of the Purple Heart](#)

[National Association of County Veterans Service Officers](#)

[The Retired and Listed Association](#)

[Veterans of Foreign Wars](#)

[Vietnam Veterans of America](#)

[Wisconsin Department of Veterans Affairs](#)

[National Association of County Veterans Service Officers](#)

[County Veterans Service Officers Association of Wisconsin](#)

[WI State Association of County Veterans Service Commissions](#)

[Madison Veterans Council](#)

AGREED:

DANE COUNTY VETERANS SERVICE OFFICE

DANIEL A. CONNERY, DIRECTOR

Name, Title

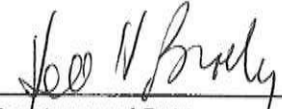
 6/27/2018

Signature and Date

STONE HOUSE DEVELOPMENT, INC.

Helen Bradbury, President

Name, Title

 6/27/2018

Signature and Date



## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between The Road Home (Supportive Services Provider) and Stone House Development, Inc. (Management Agent) and the to be formed Schroeder Road Apartments (Owner), represents the referral and outreach agreement to connect homeless residents with local and necessary supportive services and resources.

### TERMS & DETAILS

- 10 units of affordable housing two and three bedrooms at the Schroeder Road Apartments will be targeted to households that were formerly homeless and currently occupying permanent supportive housing apartments. These households (further defined in this Memorandum of Understanding as "homeless") will no longer require intensive supportive services, however, onsite supportive services through The Road Home will still be provided.
- The Road Home, Stone House Development, Inc. and Schroeder Road Apartments commit to accommodating the delivery of supportive services for units that are rented to homeless residents from the onset of pre-leasing through the duration of the Land Use Restriction Agreement (LURA).
- The Road Home understands that while it is the primary supportive services provider for homeless families at the Schroeder Road Apartments, tenants will have a choice of service provider regardless of this agreement.
- Schroeder Road Apartments will pay The Road Home \$13,645 per year in supportive service fees. This fee will cover supportive services and referral services for the homeless families at the Schroeder Road Apartments.
- The Road Home will staff an office located in the Schroeder Road Apartments that is provided by the Owner with a social worker specializing in providing services to those that are or have experienced homelessness.

### SERVICES OFFERED

The Road Home will provide the following services to meet the needs of the homeless families that rely on supportive services.

- **Housing Referrals:** As a local Homeless Services Consortium service provider, The Road Home will provide referrals during the initial phases of preleasing through the duration of the project. These referrals will be made directly to the management agent and will be for households that have formerly been homeless and have previously lived in permanent supportive housing. Additionally, the management agent will provide at least a 45 day notice to The Road Home when an availability occurs or will be occurring. If the apartment is not rented after 30 days of homeless household outreach marketing, the unit may be opened up to the general public and/or will be rented to families currently experiencing homelessness. If rented to the general public, the unit will once again be targeted to formerly homeless households when it next becomes available.
- **Supportive Services:** The Road Home provides supportive services and outreach to homeless households in Dane County, including potential and future tenants of the Schroeder Road Apartments. The Road Home is committed to advocate for homeless individuals and families and provides them with case management services.

These services include, but are not limited to:

- a. Identify the housing needs of those occupying permanent supportive housing and referring them to the Schroeder Road Apartments.
- b. Assist applicants with the housing application process.
- c. Provide financial guidance (and assistance when possible) with the financial needs of the tenants/applicants for rent, security deposit, etc.
- d. Provide ongoing and onsite case management services for the needs of the families to assist with their success in obtaining and maintaining housing.
- e. Act as a support liaison between tenant(s) and landlord if the need arises.
- f. Assist with access to community and educational resources.

### IMPLEMENTATION

The Road Home is committed to developing long-term relationships with those that are homeless or have experienced homelessness. They work with individuals and families, not only to relieve the immediate crisis of homelessness, but also to build skills, resources and relationships that set the stage for long-term success.

Each family works closely with a professional case manager to secure housing, employment and other resources such as childcare, health/mental health care, and children's educational and recreational programs. These services will be provided in a provided on-site office at the Schroeder Road Apartments and will also be available at The Road Home central office in Madison, WI.

Please note that referrals from other social service and supportive service agencies will be taken and marketing outreach will be done with numerous agencies specializing in the placement of those that are homeless and/or have previously been homeless. Residents will have their choice of supportive service providers.

AGREED:

THE ROAD HOME

Kristin Rucinski, Executive Director  
Name, Title

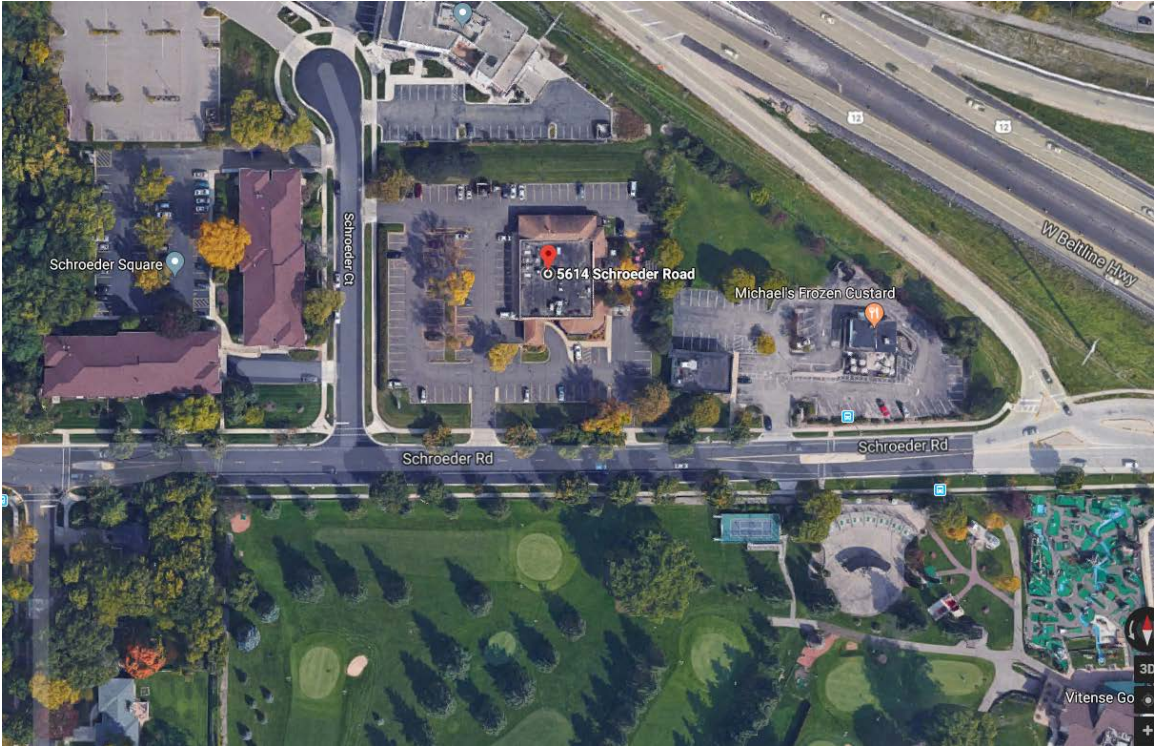
 6/26/18  
Signature and Date

STONE HOUSE DEVELOPMENT, Inc.

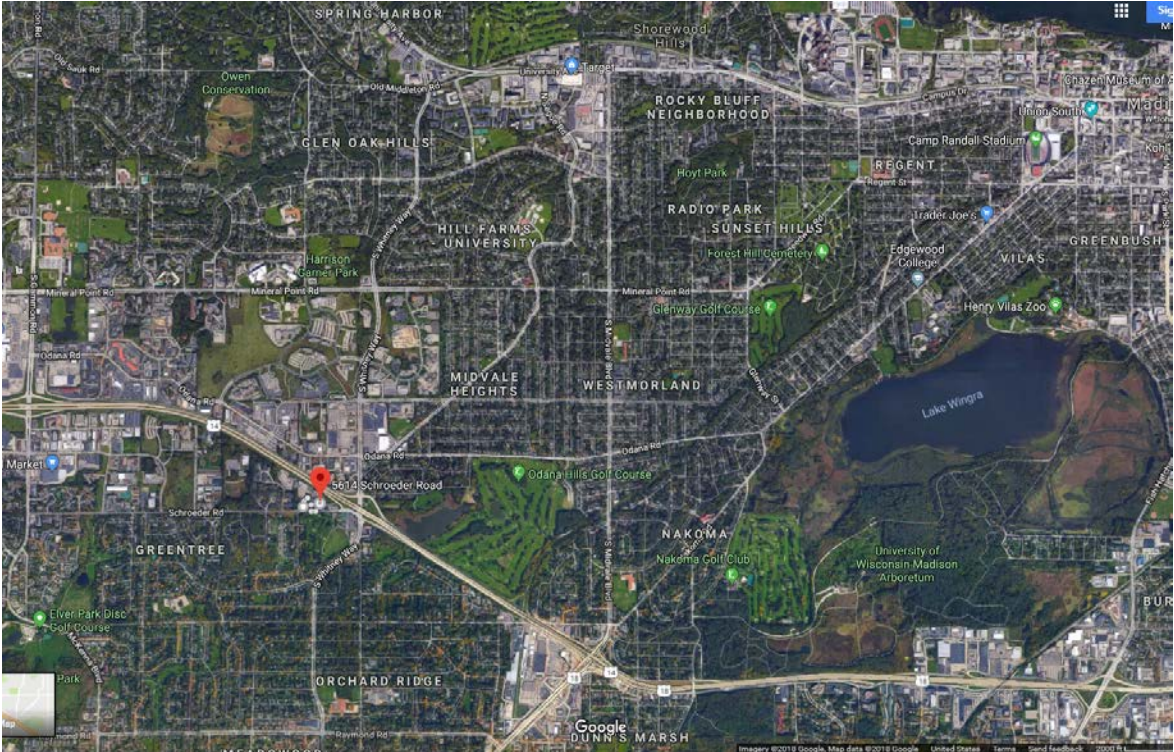
John H. Bradbury, President  
Name, Title

 6/26/18  
Signature and Date

Project Location Map



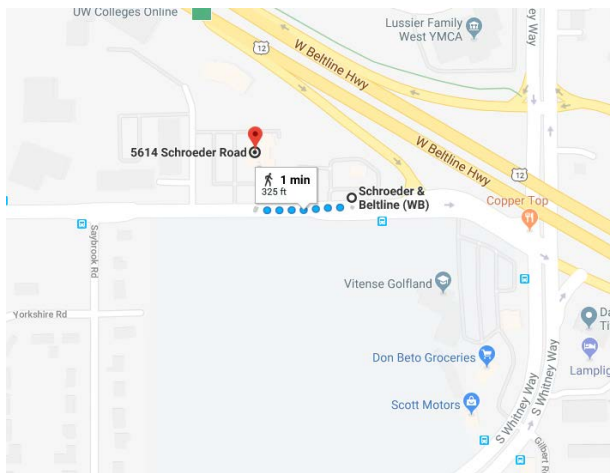
City of Madison – Context Map



## Transit – Question 18, 19, 20

5614 Schroeder Road is 325 feet or a 1 minute walk from the Schroeder and Beltline Bus Stop. This is a seven-day per week transit stop with bi-hourly weekday pick-ups for the West Transfer point. This stop also has frequent weekday morning and afternoon pickups routed toward the Capitol Square. Both routes provide enough times necessary to gain access to local business and amenities including: transit to schools, grocery, day-care, parks, restaurants, entertainment as well as to historical, cultural and educational event centers and locations around Madison.

In addition, there are multiple other convenient bus stops less than 1 mile from the site. S. Whitney and Schroeder bus stop with many southbound buses is located 0.4 miles from the site. The S. Whitney and Gilbert bus stop with many westbound routes is located 0.6 miles from the site. The S. Whitney and Gilbert stop is the most convenient bus stop for transit to Jefferson Middle School.



### East Bound Schedule

STOP ID <b>8241</b>	Stop facing <b>EB</b>	On street <b>5599 SCHROEDER RD</b>	Located at <b>BELTLINE RAMP</b>	Schedules Effective: <b>AUGUST 27, 2017</b>
<b>Route 50 towards Raymond-West Tfr Pt</b>				<u>Weekday schedule</u>
6:21 6:51 7:21 7:51 8:21 8:51 9:21 9:51 10:21 10:51 11:21 11:51 12:21 12:51 1:21 1:51 2:21 2:51 3:21 3:51 4:21 4:51 5:21 5:51 6:21 6:51				
7:21 7:51 8:21 8:51 9:21 9:51 10:21 11:21 12:17				
<b>Route 58 towards Capitol Square</b>				
5:59 6:20 7:01 7:31 8:01 8:26 3:40 4:10 4:40				
<b>Route 50 towards Raymond-West Tfr Pt</b>				<u>Saturday schedule</u>
7:21 8:21 9:21 10:21 11:21 12:21 1:21 2:21 3:21 4:21 5:21 6:21 7:21 8:21 9:21 10:21				
<b>Route 50 towards Raymond-West Tfr Pt</b>				<u>Sunday schedule</u>
8:21 9:21 10:21 11:21 12:21 1:21 2:21 3:21 4:21 5:21 6:21 7:21 8:21 9:21 10:21				
<b>Route 50 towards Raymond-West Tfr Pt</b>				<u>Holiday schedule</u>
8:21 9:21 10:21 11:21 12:21 1:21 2:21 3:21 4:21 5:21 6:21 7:21				

## Elementary and Middle School Transit

The Schroeder Road Apartments site is located one mile from Falk Elementary School. Children can conveniently walk or bike to Falk through the Greentree Neighborhood.



There are multiple public bus routes to Jefferson Middle School which is located 2.6 miles from the site. The bus route from the Schroeder and Beltline bus stop across the street from the site, requires 9 minutes total walk time and one transfer at the West Transfer Point. There is also a route every 20 minutes from the S. Whitney and Gilbert stop; this route requires 13 minutes of total walk time.

Obtaining and Utilizing LIHTC- Section 42 Tax Credits

Twenty of the twenty-two Stone House developed properties utilize highly competitive Section 42 tax credits through the state allocating agency, WHEDA, while the other two properties provide a portion of affordability through WHEDA financing. Stone House is a leading developer of affordable tax credit properties in Madison. The latest Stone House Development, the Fair Oaks Apartments, which will open in 2019, applied for and received an allocation of LIHTC (low income housing tax credits), one of the largest hurdles in affordable housing developments.

Utilizing Federal Home and CDBG

Beyond Section 42 and LIHTC, Stone House has four properties that utilize HOME funds, and one that utilizes CDBG funds. The East High Apartments in Wausau, the Marshall Apartments in Janesville, as well as the Park Central Apartments and the Pinney Lane Apartments, both in Madison, have HOME units. The Park Central also utilizes CDBG financing.

Public / Private Joint Ventures

Stone House will be the managing member of the Schroeder Road Apartments ownership entity, as well as the property manager. As such, Stone House will provide construction and operating guarantees, as it has in all past projects. Maintaining long term relationships with investors, partners, lenders and WHEDA is a high priority at Stone House.

The Park Central Apartments was financed with tax exempt bonds in 2008. It is an excellent example of a public/private partnership in that Stone House partnered with Commonwealth Development to obtain CDBG financing.

The Pinney Lane Apartments, also located in Madison, successfully partnered with Movin Out in 2016. Movin Out is not only a partner in the development but is also the supportive service provider for the disabled residents.

### Developing Multi-Family Properties for Low-Income Households

Stone House Development, Inc. is a Madison based real estate developer and property management firm specializing in the infill development of affordable rental housing. Stone House is wholly owned by Helen Bradbury and Richard Arnesen and was founded in 1996. Since 1996 we have completed twenty-two affordable housing developments throughout the state of Wisconsin with the most recent LIHTC property being The Breese Apartments in Madison. Our vast history with low income housing tax credit properties shows our experience and capacity to successfully develop affordable housing properties.

### Development of Permanent Supportive Housing with Supportive Services

Stone House began developing properties with supportive housing services in 2016 with the Pinney Lane Apartments by providing supportive services through Movin Out for disabled residents and through the Madison based Veterans Service Office for military veterans.

Additionally, Stone House Development partnered with The Road Home as the supportive service provider for homeless families at the recently opened the Breese Apartments as well as the Dane County Veterans Service Office for military veterans. These two most recent supportive housing partnerships will again be used at the Fair Oaks Apartments, opening next year, where The Road Home will be provided with an on-site office to allow them to provide their services on a daily basis.

### Supportive Service Providers

The service providers we will continue to partner with at the Schroeder Road Apartments are The Road Home Dane County and The Dane County Veterans Service Office.

The Road Home Dane County has been a service provider for homeless families in Dane County since 1999. The Road Home provides programs and services that assist families to move to stable housing as well as overcome barriers and gain skills needed to maintain stable housing successfully.

The Dane County Veterans Service Office has been servicing veterans of Dane County and their families for over 70 years. The Dane County Veterans Office advocates for veterans and helps veterans obtain local and federal benefits.

### Property Management

Stone House Development has been providing property management services to affordable multi-family properties since its inception in 1996. In addition to providing full management services to properties we own and develop, we also provide property management to third party affordable housing owners. Stone House has, for example, leased up and manages Revival Ridge Apartments for the Madison CDA since its opening in 2009. Successful management of LIHTC apartments is key in the long-term success of these properties. We provide full service management that includes accounting, tenant relations, marketing, maintenance, Section 42 compliance and facilities management. Stone House will be the long-term property management provider for the Schroeder Road Apartments.

Stone House's owners are Helen Bradbury, President, and Richard Arnesen, Vice President. Helen and Rich have a combined experience of over 60 years in property development and management. Key management staff members include, Kasie Setterlund, Director of Operations, and David Michlig, in-house CPA and Controller. Kasie and Dave have each been with Stone House for over 18 and 20 years respectively.



## Development Project Portfolio

Stone House Development, Inc. Portfolio				
Project Name	# of Units	City	Type of Project	Year Opened
The Breese Apartments	65	Madison	WHEDA Financed, Mixed Income	2018
The Lyric Apartments	138	Madison	WHEDA Financed, Mixed Income	2017
Pinney Lane Apartments	70	Madison	Tax Credit, Mixed Income, HOME	2016
Arbor Crossing Apartments	80	Village of Shorewood Hills	WHEDA Financed, Mixed Income	2013
City Row Apartments	83	Madison	Tax Credit, 100% Affordable	2010
The Madison Mark Apartments	112	Madison	Tax Credit, Mixed Income	2005
The Overlook at Hilldale Apartments	96	Madison	Tax Credit, 100% Affordable	2011
The Overlook at Midtown Apartments	88	Madison	Tax Credit, 100% Affordable	2010
Park Central Apartments	76	Madison	Tax Credit, 100% Affordable, HOME, CDBG	2008
Prairie Park Apartments	96	Madison	Tax Credit, Mixed Income	2003
Hanover Square Apartments	65	Madison	Tax Credit, Mixed Income	2002
Hubbard Street Apartments	51	Milwaukee	Tax Credit, Mixed Income	2005
Castings Place Apartments	55	Milwaukee	Tax Credit, Mixed Income	2007
East High Apartments	55	Wausau	Tax Credit, Mixed Income, HOME	2005
Wausau East Townhomes	24	Wausau	Tax Credit, Mixed Income	2008
Flats on the Fox	64	Green Bay	Tax Credit, Mixed Income	2008
Jefferson School Apartments	36	Jefferson	Tax Credit, Mixed Income	2001
Marshall Apartments	55	Janesville	Tax Credit, Mixed Income, HOME	1998
Mineral Point School Apartments	11	Mineral Point	Tax Credit, Mixed Income	1999
Shoe Factory Apartments	50	Beaver Dam	Tax Credit, Mixed Income	2000
New Glarus School Apartments		New Glarus	Tax Credit, Mixed Income	1997
Amity Apartments	36	West Bend	Tax Credit, Mixed Income	2002
<b>TOTAL</b>	<b>1341</b>			

## Awards and Certifications – Question 35

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### Awards and Certifications

Name	Location	Award / Certification	Date
Lyric Apts	Madison, WI	The Daily Reporter - Top Project Award	2017
Lyric Apts	Madison, WI	ABC of Wisconsin - Silver Project of Distinction	2017
Pinney Lane Apts	Madison, WI	Green Built Home Certification	2016
City Row Apartments	Madison, WI	Energy Star Certification (1st Multi-Family in WI), Radiant Professional's Alliance 1st Place & Green Built Home Certification	2011
Overlook At Hilldale	Madison, WI	Energy Star Certification & Green Built Home Certification	2011
Overlook at Midtown	Madison, WI	Green Built Home Certification	2010
Park Central Apts	Madison, WI	First Certified Green Built Multi-Family Property in Wisconsin	2008
Prairie Park Apts	Madison, WI	NCOSH (National Council on Senior Housing) Gold Achievement Award	2004
Arbor Crossing	Shorewood Hills, WI	Green Built Home Certification	2013
UW Platteville Dorms	Platteville, WI	Education Design Showcase Award for 2007-2008	2008
East High Apts	Wausau, WI	Wisconsin Historic Restoration Award	2006
Amity Apartments	West Bend, WI	Wisconsin Historical Society - Historic Preservation Award	2004
Shoe Factory Apts.	Beaver Dam, WI	Dane County Historical Society - Preservation Award	2001
Jefferson School Apts	Jefferson, WI	Wisconsin Main Street Award for Best Adaptive Reuse Project	2000
Mineral Point School Apts	Mineral Point, WI	Mineral Point Chamber/Main Street Preservation Award	2000
Marshall Apts.	Janesville, WI	Wisconsin Downtown Action Council - Best Private Downtown Development	1999

**Stone House Development, Inc.  
Schroeder Road Apartments**

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**Response Submission Due Date: August 8, 2018 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 [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com). Please cc: [jspears@cityofmadison.com](mailto:jspears@cityofmadison.com) and [etabakin@cityofmadison.com](mailto:etabakin@cityofmadison.com). We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

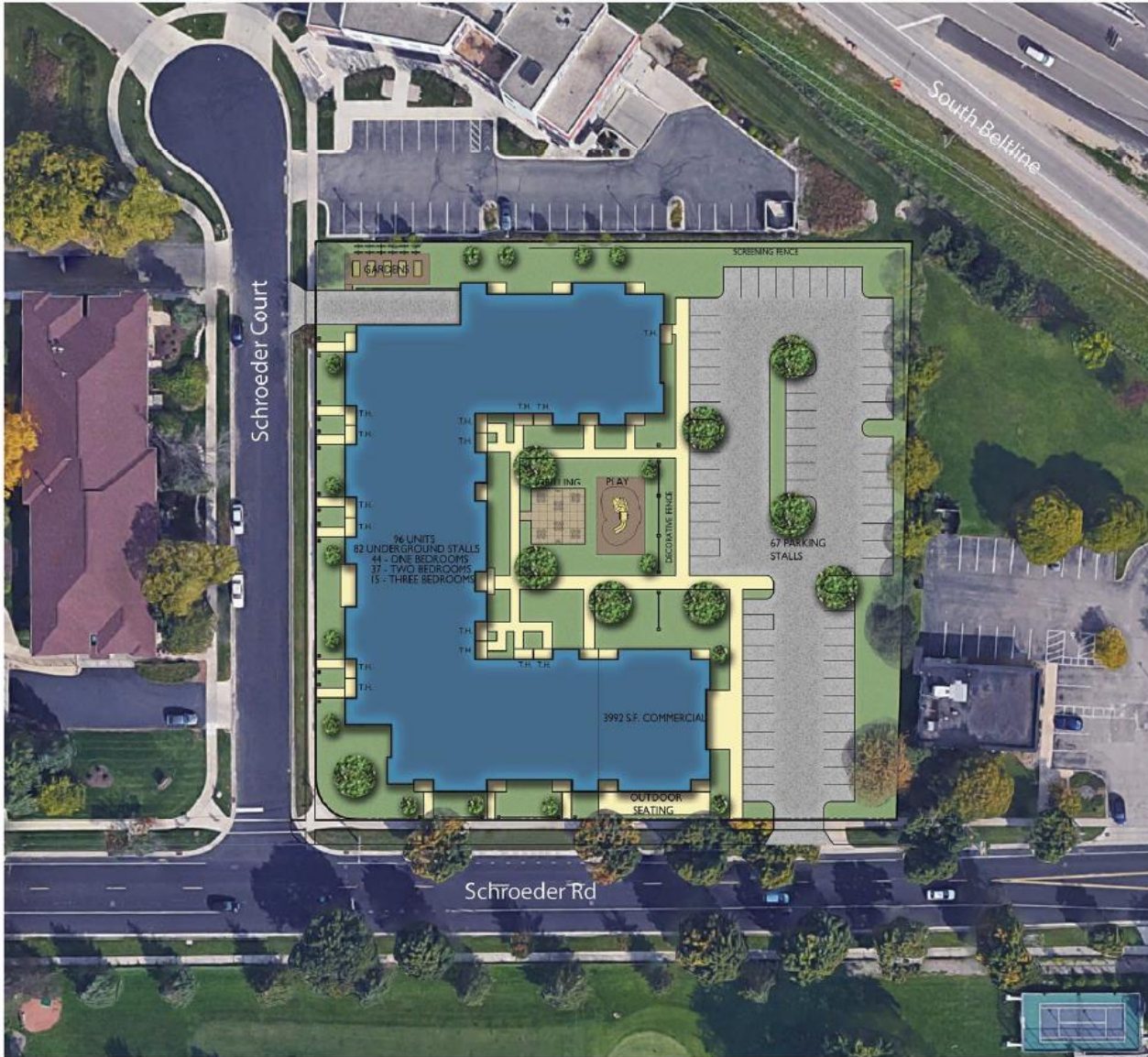
**Questions:**

1. Will the 82 resident parking stalls be enough to accommodate the 96 units? Will residents be able to Park in the surface spaces?  
- Yes, 82 stalls is sufficient for 96 units and residents will be able to park on a portion of the surface stalls.
2. Is the proposed parking fee in the submarket \$40 per month consistent with the market for that neighborhood? Please elaborate on the necessity of and market for this rate of parking fees at this location.  
-The Lincoln Ridge Apartments charge \$45 per month for covered parking and The Overlook at Hilldale charges \$50 per month for covered parking. These properties are located 2 miles from the subject location. The immediate surrounding area has older housing complexes that don't offer covered parking, and/or they are Section 42 properties that don't charge as the cost for their parking structure was included in their eligible basis which prohibits them from charging (such as the Prairie Park Apartments located .5 miles from the subject location). The income from parking is a necessity for operating expenses.
3. Please break out your GC fees in your development budget.  
- We are not able to break out the GC fees as we haven't picked a general contractor. The GC fee and general conditions will all be within WHEDA guidelines. Typical GC fee is 3.5%.
4. Why are you not budgeting for replacement reserves in your development budget?  
- We have never budgeted for replacement reserves in the development budget. The replacement reserves will be funded monthly during operations.
5. Will you be pursuing an application for Dane County Affordable Housing Development Funds this project in 2019?  
- Yes, we will likely be applying for these funds in 2019.
6. The development site is located in close proximity to the Beltline. What efforts will be utilized to minimize noise and other impacts for both the building and any outdoor recreation areas?  
- We will explore the use of a landscape berm and plantings as well as a number of approaches to increasing the acoustical performance of the building envelope. The following can be used to achieve reduced interior noise levels:
  1. Spray foam insulation in the exterior walls. This reduces the gaps and voids that typical fiberglass batt wall insulation provides and will allow for better acoustical separation.

2. Continuous exterior insulation. This is a rigid insulation applied to the exterior and similar to above, helps eliminate gaps and introduces another layer of material for sound to have to pass through.
  3. Dense exterior wall finish (masonry veneer). Dense materials help absorb or deflect noise.
  4. Upgraded glazing in windows and patio doors which enhances acoustical performance. Glass of different thicknesses are used to reduce sound transfer, for instance, in a double-glazed window there could be 3/16" thick glass on the inside and 1/8" thick glass on the outside of the window, which reduce sound transfer. There are also windows that have ¼" annealed glass, or 1/8" laminated glass. The different types of glass provide different acoustical performances.
7. Please provide a conceptual site plan showing general building location and the location of any outdoor amenity spaces?  
-See page 4
  8. Have you connected with the new alder in District 19 yet or are there plans to meet with new alder when one is in place? Please update on the status with planned neighborhood meetings.  
-Yes, when a new Alder for District 19 is in place we will meet with him/her. We anticipate neighborhood meetings to begin this September.
  9. How will veterans in need of housing be notified of the housing availability and provided a referral? Does Dane County Veteran Services keep records of veterans with housing insecurity? Is Dane County Veteran Services prioritizing homeless Vets? What is the relationship with Dane County Veteran Services and HUD-VASH, which department makes the housing referral to Stone House?  
- The Dane County Veterans Office will use their available marketing and outreach tools to inform veterans of the housing availability. Since the DCVO provides a variety of services and outreach to Veterans, they are also able to provide housing referrals. Additionally, we will work with the Madison VA Homeless Program and HUD-VASH program for further Veteran housing referrals. The combination of the Dane County Veterans Office and the VA Homeless program will provide a thorough referral system. Both agencies are run separately, and Stone House will receive referrals from both agencies.
  10. How will "graduates" of permanent supportive housing for homeless families be identified? From which properties will they be drawn?  
- The Road Home, in collaboration with the City of Madison's CDA and funded by the City of Madison CDD, will be starting the community's first "Moving Up" program later this year. Families would qualify if they have been in a permanent supportive housing (PSH) unit for at least two years, do not owe their current landlord any money, have not had any major behavioral incidents in the past year, and most importantly, the household decides if they are ready for less intensive support services. Case managers would then discuss the opportunity with eligible families and if the family was interested, the application process would begin.

Much of the current Permanent Supportive Housing (PSH) tenants are in scattered-sites, therefore, identifying which properties they would be drawn from is difficult. What can be

better identified is programs/agencies they'll be drawn from. For example, the YWCA'S House-ability program, The Road Home's Housing & Hope program, etc. Porchlight and Community Action Coalition also have smaller PSH programs for families. Essentially, these vacancies would be discussed at bi-monthly placement meetings that the family providers of the Homeless Services Consortium hold.



Site Aerial  
 5614 Schroeder Rd  
 Madison, WI  
 August 8, 2018