

**City of Madison
Community Development Division**

**MSP Real Estate Response to Request for Proposals
Developers Seeking 2018 WHEDA Tax-Credits
Rental Housing Development**

The Grove Apartments

Due Date:

June 22, 2017

**Prepared by: Mark Hammond
MSP Real Estate, Inc.
1295 Northland Dr., Suite 270
Mendota Heights, MN 55120
612-868-9997**



June 22, 2017

Susan Morrison & Mary Charnitz
City of Madison Community Development Division
Room 225, Madison Municipal Building
215 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53701-2627

RE: 2018 WHEDA Tax-Credits Rental Housing Development – Affordable Housing
Fund RFP Response

Dear Susan and Mary,

MSP Real Estate Inc. is pleased to present our application to the Affordable Housing Fund RFP for our affordable housing development, The Grove Apartments, located at 204 Cottage Grove Road.

Our proposed project, The Grove Apartments, offers the following:

- Partnerships with permanent supportive housing providers Community Action Coalition, Madison-area Urban Ministry and Porchlight.
- Specifically, our partnership with Porchlight will provide an avenue for housing for their current residents that no longer require Porchlight's more intensive case management services so they can free up those units for those who do need them.
- Convenient location offers ready access to bus service, parks, schools, employment and other daily living amenities.
- The proposed site is located in a preferred area for new construction developments.
- The proposed project will provide (9) 3 bedroom units at 30% CMI and another (9) units at 50% CMI. It further provides (17) 1 bedroom units at 30% CMI.

MSP Real Estate specializes in developing and operating senior and multifamily developments in the Midwest. Over the past 25 years, MSP has developed approximately 40 projects in the Midwest and we have substantial experience using TIF, tax-exempt bond financing, tax credits, and other financing tools to reposition sites into vibrant communities. We are a long-term owner with a strong track record of getting complicated projects across the finish line and exceeding expectations in the communities in which we work.

We look forward to your response.

Sincerely,

Mark Hammond

Mark Hammond
Director of Development & General Counsel

Table of Contents

Section 1:	Application Supplemental Information to Application Project Organizational Chart Close up Map of Site Second Map Showing the Site in Context of the City
Section 2	Description of Development Team Obtaining and utilizing federal, state, city and other financing resources Participating in public/private joint ventures Developing multifamily housing for low & moderate income households Property Management Providing supportive services
Section 3	References (three for similar projects completed by the development team)
Section 4	WHEDA Self Score detail based on WHEDA's scoring criteria Appraisal – Not included Market Study – Not included Capital Needs Assessment - Not included

Section 1: Application

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 **noon on June 22, 2017**.

Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	<u>The Grove Apartments</u>		
Amount of Funds Requested:	<u>\$3,000,000</u>	Type of Project:	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Acquisition/Rehab
Name of Applicant:	<u>MSP Real Estate, Inc.</u>		
Mailing Address:	<u>1295 Northland Drive, Suite 270, Mendota Heights, MN 55120</u>		
Telephone:	<u>414-259-2108</u>	Fax:	<u>952-935-7202</u>
Admin Contact:	<u>Mark Hammond</u>	Email Address:	<u>mhammond@msphousing.com</u>
Project Contact:	<u>Mark Hammond</u>	Email Address:	<u>mhammond@msphousing.com</u>
Financial Contact:	<u>Jim Rodgers</u>	Email Address:	<u>jrodgers@msphousing.com</u>
Website:	<u>www.msprealestateinc.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>41-1630478</u>	DUNS #:	_____

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>.

LIVING WAGE ORDINANCE

If funded, applicant hereby agrees to comply with City of Madison Ordinance 4.20. The Madison Living Wage for 2017 is \$12.85 per hour and will be \$13.01 per hour for 2018. For more info, see <https://www.cityofmadison.com/finance/wage/>.

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: Mark Hammond

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

Date: June 21, 2017

PROPOSAL DESCRIPTION

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

The Grove Apartments, as proposed is a 129 unit project that contains 109 units of affordable workforce housing. Twenty Six of the units will be further segmented for individuals and families at the 30% CMI Limit. The Grove is a new construction development. The Grove will provide much needed affordable work force housing to the east side of Madison in a strategic location that complements other City objectives.

2. Describe the project organizational structure. Please attach an organizational chart detailing the role of the applicant, partners and the flow of funds.

The property will be an LLC with MSP Development Company, Inc. or its assigns as the 49% managing member. A yet to be determined non profit agency will also be a managing member with 51% majority ownership. We are currently in conversations with West Cap and initial indications are that West Cap will be our non-profit partner. The limited partner will be the investor entity who will be purchasing the Low Income Housing Tax Credits.

See Section 1, Project Organizational Chart for further details.

AFFORDABLE HOUSING INITIATIVES FUND OBJECTIVES

3. 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.
- Improve the rental housing stock in targeted neighborhoods.
- Preserve existing income and rent restricted rental housing that, without assistance, would convert to market rate housing at the end of the period of affordability.

4. Please check which of the overarching principles outlined in the Request for Proposals your proposal meets.

- Produce more quality rental housing that is affordable to lower income households and located in areas of the city that are well connected to common amenities such as public transportation, parks, schools, health care, food venues, employment, etc.
- Increase the number of affordable rental units with three or more bedrooms, especially for households with very low incomes.
- Prevent the loss, or conversion to market rate status, of quality, income- and rent- restricted rental units that are nearing the end of their period of affordability.
- Provide more housing opportunities for persons or families who face common obstacles obtaining housing, (e.g., poor credit or rental histories, arrest or conviction records, etc.) by utilizing alternative, flexible tenant screening criteria, for prospective tenants who are connected to supportive services.
- Expand the supply of housing opportunities, with supportive services, for low income persons or families who face challenges in sustaining stable housing due to issues related to, mental health, substance abuse, or recent release from prison.
- Improve the coordination between affordable housing developers/property managers and housing support agencies on efforts designed to achieve housing stability and prevent homelessness.
- Assist in the revitalization of target neighborhoods through improvement of the existing housing stock.

AFFORDABLE HOUSING NEEDS

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

MSP Real Estate has extensive experience in identifying affordable housing needs since 1991 and creating affordable housing developments throughout Wisconsin, Minnesota and Indiana (See Section 2 for attached list of our tax credit housing). While these developments are not specific to the City of Madison the expertise required to properly assess affordable housing needs is directly transferable to the City of Madison Metropolitan market. MSP Real Estate was a

successful applicant for the 2016 Affordable Housing Fund (for 2017 WHEDA Tax Credits) and earned an award of 2017 Low Income Housing Tax Credits from WHEDA for our Normandy Square 57 unit project located at 6509 Normandy Lane.

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 WHEDA required market study has not been commissioned at this time however our market study provider, Dale Mussati, Lexington Realty Services will complete a market study for submission to WHEDA in December 2017 for 2018 tax credit application process. Historic low vacancy rates and strong lease-up schedules continue to be the trend in Madison, WI. We expect to be easily, fully leased up within 4-6 months of our certificate of occupancy.

As contained in the Fair Oaks AHF application to the City of Madison last year, Stonehouse indicated the following about their affordable housing project, Pinney Lane Apartments, that opened in early 2016 at 902 & 914 Royster Oaks Drive just a few blocks east of 204 Cottage Grove Road. They said 'The lease up was extremely successful, the property has maintained a 100% occupancy since opening and has a long waiting list.'

PROPOSAL GOALS

7. Provide the total number of units proposed, the number of affordable units proposed and the number of units proposed to be assisted with City AHF. Identify if any of the units will be supported by Section 8 project vouchers.

Total # of Units Proposed: 129

Number of Affordable Housing Units Proposed: 109

Number of Affordable Units Proposed to be Assisted with City AHF: 109

No units are expected to be supported by Section 8 project vouchers. However should a new RFP be released by the Dane County Housing Authority for vouchers in 2017 we will take a hard look at providing vouchers for our 30% 3 bedroom units.

PERMANENT SUPPORTIVE HOUSING UNITS

8. Provide the number of permanent supportive housing units you will provide, the income category targeted for these units and the population you propose to serve (e.g. families, individuals, seniors, households at risk of or experiencing homelessness, veterans, persons with disabilities, etc).

Twenty percent of the units will have rents affordable to households earning below 30% of the county median income. It is anticipated that residents residing in these units will most directly benefit from available supportive services. The supportive services available to the residents of The Grove Apartments will be provided for by the following non-profit agencies: Community Action Coalition (CAC), Porchlight, & Madison-Area Urban Ministry (MUM). This doesn't preclude however other supportive agencies interfacing with the residents living at The Grove. Future residents that we anticipate receiving supportive services at The Grove are Veterans (Homeless/Nearly Homeless), Homeless/Nearly Homeless Families and Prison Re-Entry individuals.

9. Provide a detailed description of the type and level of supportive services (such as assessment and referral or on-site intensive case management) that will be provided to residents of the proposed project. Provide information on any supportive service partnerships that have been or will be formed in order to ensure the success of the development. Identify the agency/agencies or company who will provide supportive services. Identify your partnership with a service provider from the Continuum of Care (see Exhibit 1), if applicable.

MSP Real Estate has received support letters from three 'supportive services' agencies.

Community Action Coalition.

Madison-area Urban Ministry

Porchlight

See attached support letters in Question 9 Supplemental information following this application.

POPULATION SERVED

10. Describe the population/s you intend to serve (e.g., families, seniors, individuals). Detail your partnership with a Permanent Supportive Housing provider (see Exhibit 2) to prioritize formerly homeless households residing in Permanent Supportive Housing but no longer in need of intensive support services, if applicable.

The Grove will be designed and built such that no population or specific demographic is precluded from applying for housing. The unit mix, amenities, and design elements will allow us to serve singles, families, seniors, veterans, persons with disabilities, prison reentry and those who may be homeless or at a risk of homelessness. Twenty percent of the units will have rents affordable to households earning below 30% of the county median income that we anticipate receiving additional supportive services from our supportive service care agencies targeted to provide services at The Grove. In addition half of our 3 bedroom affordable units will be rented to families with income at or below 30% CMI per the preference indicated by the City.

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 otherwise would face common obstacles obtaining housing (e.g., poor credit or rental histories, arrest or conviction records, etc.).

For all of our market rate and tax credit units at or above 40% CMI MSP Management Company will be employing a criteria 'A' screening tool based on income, credit worthiness and prior housing references.

For our 30% targeted 'supportive housing' units ONLY, MSP Management will qualify those residents based on a less stringent set of criteria than what is used in our 'A' screening practices. This 'B' tenant screening tool will allow MSP Property Management to provide more housing choices for applicants in the 30% CMI level and will affirmatively market these units to the specifically targeted populations being proposed for these 30% units. The 'B' tenant screening policies allow for greater flexibility to mitigate housing barriers associated with challenged applicants.

See Question 11 Supplemental for the attached screening criteria for more details.

SITE INFORMATION

12. In which of the following areas on the Affordable Housing Targeted Area Map (see Exhibit 3) is the site proposed located? Please check one.

- Preferred Areas (New Construction Only)
 Eligible Areas (New Construction & Acquisition/Rehabilitation)
 Opportunity Areas (Ineligible for New Construction, but Preferred for acquisition & rehabilitation proposals).

13. Identify the specific site address and name of neighborhood in which the site is located. Identify if applicant has site control.

The Grove is located at 204 Cottage Grove Road (Near the northeast corner of Cottage Grove Rd and Monona Drive intersection). This site is located in the Eastmorland Community Neighborhood Association. South of Cottage Grove road (across the street) is the Lake Edge Neighborhood Association. MSP Development Company Inc. does have site control completed through an offer to purchase on June 19, 2017.

14. 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 context of the City.)

The subject site is located at 204 Cottage Grove Road near the northeast corner of the intersection of Monona Drive and Cottage Grove Road (Pinney Branch Library is currently located here). The site was chosen because of its unique mix of being transient oriented yet great connections to the stable Eastmorland Neighborhood. It is also a site that was both available for sale and was supported by staff from a zoning perspective. The site is also well located near parks and other amenities including the future Pinney Library. This year was extraordinarily difficult to find suitable land to develop affordable housing that will score high enough in the WHEDA tax credit application process to win an award of credits necessary for the project to proceed.

Eastmorland is a cohesive neighborhood of approximately 3,200 residents on the east side of Madison near Lake Monona and Olbrich Park. The neighborhood offers close proximity to grocery, public transportation, bike trails, elementary and middle schools, a public library, three houses of worship, beautiful city parks, Lussier YMCA East and quality, affordable homes make Eastmorland a very desirable neighborhood for singles, families, and seniors.

This site is located in Aldermanic District 15 on the east side of Madison. It is within 1/4 mile of bus routes 16,31,37,38 and the Monona Express. The site has a 53 walk score which is labeled as "Somewhat Walkable" and some errands can be accomplished on foot and a 87 bike score which is classified as "Very Bikeable" and has excellent bike lanes to get around the City of Madison.

See Question 14 Supplemental for the attached maps showing the close up of the site and another map showing where the site is located in context of the City.

15. 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 site contains a 24,356 SF building of which 11,200 SF is currently being used as the Pinney Branch Library. The other half of this building, 13,156 SF is currently vacant. The current lease for the Pinney Library ends on 12/31/2018. Demolition of this building would be expected once all the funding sources for this application have been awarded and the City of Madison along with the current capital funding campaign for the new Pinney Branch library achieves its' financial target. Demolition would also not occur until after the term of current lease unless negotiated earlier.

See Question 15 Supplemental for a close-up visual representation of the site and future building demolition.

16. Identify if the following amenities are within 1 mile of the proposed site.

Type of Amenities & Services	Check if Within 1 Mile
Full Service Grocery Store	X Woodmans Grocery Store
Public Elementary School	X Schenk Elementary School
Public Middle School	X Whitehorse Middle School
Public High School	X Monona Grove High School
Job-Training Facility, Community College or Continuing Education Programs	
Childcare	X Lussier East YMCA, Playhaven Child Care
Library	X Pinney Library
Neighborhood or Community Center	X Lussier Family East YMCA
Full Service Medical Clinic or Hospital	x SSM Urgent Care 1.05 Miles
Pharmacy	X Walgreens
Public Park or Hiking/Biking Trail	X Olbrich, Lake Edge, Acewood Parks
Banking	X Old National Bank, Associated, BMO
Retail	X Ace Hardware, Lake Edge Shopping Center
Restaurants	X Michel's Custard, Elie' Family Restaurant, Dairyland Family Restaurant, Buck's Pizza
Other (list the amenity(ies):	X Java Cat Coffee

17. What is the distance between the proposed site and seven-day a 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.

Seven Day Transit Routes: Route 16 and 31

Week Day Transit Routes: Routes 37, 38 and Monona Express

Routes 16/31/37 & Monona Express bus stops located 1 block south at Monona Drive & Davidson

Routes 16/31/37/38 bus stop located 1 block north at Atwood & Olbrich

Route 38 EB bus stop located across the street at the corner of Monona Drive and Cottage Grove

Route 38 WB bus stop located 2 blocks east of site at Cottage Grove and Drexel Ave.

Route Monona Express bus stop located at corner of Monona Drive and Cottage Grove Rd.

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

The Grove is .51 miles from Schenk Elementary School and .55 miles from Whitehorse Middle School.

Speaking to Michael LaCount at the Madison Metropolitan School District (608) 442-2898, the location of 204 Cottage Grove Road in relation to Schenk Elementary School is considered within a 'walk area' and therefore no yellow school bus service would be provided.

Middle school age kids are not eligible for District provided, yellow bus transportation and bus service would be provided by the Madison Metro Transit (bus) service. However a review of the Madison Metro Route schedule for Whitehorse Middle School shows no bus drop off occurs near 204 Cottage Grove Rd therefore the .55 miles must also be considered within a walk area.

19. 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.

The Grove residents will have multiple options of choosing how to get around as most amenities and services they need will be accessible by bike ride or within walking distance. They can also get on 4 bus routes (stops) M-F and 2 bus routes (stops) 7 days a week that are all just a few blocks from the site. Routes 16, 31, 37 & 38 can connect them to other areas of the City of Madison.

Bus Routes 16 & 31 (7 day) can be taken from 1 block north of the site to the East Transfer Point located at 3700 Milwaukee Street which is kitty corner from the Woodmans grocery store.

Lussier Family East YMCA is located just 5 blocks east of site at 711 Cottage Grove Road. This community center provides after school activities, summer programs, early childhood development programs, family programs, and whole host of different sporting activities for kids of all ages.

Lussier Family East YMCA also offers a broad range of child care options from before and after school, late start and schools out programs.

Once the new Pinney Library is built it will be located 3 blocks east of the site at approximately 530 Cottage Grove Road.

The site scored a 87 bike score which is classified as "Very Bikeable" and has excellent bike lanes for the residents to get around the City of Madison. The site also scored a 53 walk score which is labeled as "Somewhat Walkable" and most errands can be accomplished on foot. Walgreens, Ace Hardware and small variety of restaurants and coffee shop all are within a few blocks of the site.

The project will also be providing underground and surface parking, but with this location the residents will have a choice of which method they prefer to get around the City of Madison and won't have to rely on a vehicle for a majority of their daily errands if they so choose.

20. 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 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.

Staff from the Madison Metropolitan School District - Research and Program Evaluation Office provided the following information contained in the report 'K-12 Enrollment History and Projections Fall 2016'

	Enrollment/Projected Enrollment					
	16-17	17-18	18-19	19-20	20-21	21-22
Schenk Elementary	445	447	439	442	437	439
Schenk Capacity Number	492	492	492	492	492	492
Percent of Capacity	90%	91%	89%	90%	89%	89%

	Enrollment/Projected Enrollment					
	16-17	17-18	18-19	19-20	20-21	21-22
Whitehorse Middle	473	465	472	439	438	408
Whitehorse Capacity Number	522	522	522	522	522	522
Percent of Capacity	91%	89%	91%	84%	84%	78%

	Enrollment/Projected Enrollment					
	16-17	17-18	18-19	19-20	20-21	21-22
La Follette High School	1558	1542	1580	1641	1632	1671
La Follette Capacity Number	2346	2346	2346	2346	2346	2346
Percent of Capacity	66%	66%	67%	70%	70%	71%

According to the Schools Capacities Report Fall 2013 (Revised January 2014) the ideal operating capacity for schools is 90%. Based on the data provided here the elementary and middle schools are currently operating at ideal capacity. Longer term the middle school capacity is expected to decrease and the high schools is far below the ideal capacity level.

We contacted Kristian Chavira, Department of Research, Accountability & Data Usage who indicated the City was using the methodology most recently issued in the Vandewalle Student Enrollment Projections methodology. That method elicited that 7 children COULD be added to the school's enrollment calculated as follows:

MMSD Enrolled Student Generation Rates in Recent Developments (2015-2016) For Urban Residential

	Elementary	Middle	High	Total
Large 4 Story M.F.	.033	.008	.0010	.051
Size of Development	129	129	129	129
Number of Students Generated	4	1	.127	6.58

As well Kristian Chavira stated there may not be an increase in the number of students with this housing mainly due to families simply moving around within the school district boundaries and therefore not creating any net increase in need. This calculation method is only predicting the impact on the number of additional kids in the Cities schools, not the number of kids that would live at 204 Cottage Grove Road. Based on these calculations there is no expected negative effect to the addition of this housing to the schools (elementary, middle or high) capacities both current and projected.

We are projecting based on our experience, unit mix, and income levels that 50-75 school-aged children may reside at The Grove Apartments.

21. Describe the historical uses of the site. Identify if a Phase 1 Environmental Assessment has been complete and 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.

Both a Phase I and Phase II Environmental Assessment have been completed for the site. These items are forthcoming from the Seller, but we have been assured of the existence of a site closure letter and that there will be no environmental conditions that will in any way affect the development of this site.

22. Provide a legal description of the property.

Address: 204 Cottage Grove Road.

Legal Description:

Parcel A:

LOTS TWELVE (12), THIRTEEN (13), FOURTEEN (14), FIFTEEN (15), SIXTEEN (16), SIXTEEN-A (16A), SEVENTEEN (17), EIGHTEEN (18), NINETEEN (19) AND TWENTY (20), ASSESSOR'S PLAT NO. 7 OF THE TOWN OF BLOOMING GROVE, IN THE CITY OF MADISON, DANE COUNTY, WISCONSIN, TOGETHER WITH THE EAST HALF (E1/2) OF VACATED BUSSE STREET ABUTTING THE ABOVE DESCRIBED PROPERTY. EXCEPTING FROM THE ABOVE PARCELS, THOSE PARTS THEREOF CONVEYED TO THE CITY OF MADISON IN VOLUME 174 OF RECORDS, PAGE 421 AS DOCUMENT NO. 1264057 AND IN VOLUME 174 OF RECORDS, PAGE 423 AS DOCUMENT NO. 1254058. FURTHER EXCEPTING THE PARCEL DESCRIBED IN THE AWARD OF DAMAGES IN VOLUME 445 OF MISC., PAGE 232 AS DOCUMENT NO.1161721. FURTHER EXCEPTING PART OF LOTS FIFTEEN (15), SIXTEEN (16), SIXTEEN-A (16A) AND SEVENTEEN (17), ASSESSOR'S PLAT NO.7 OF THE TOWN OF BLOOMING GROVE, IN THE CITY OF MADISON, DANE COUNTY, WISCONSIN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 16, THENCE NORTH ALONG THE EAST LINE OF LOTS 16, 16A AND 15240 FEET, THENCE N 89° 09' E 140 FEET, THENCE SOUTH PARALLEL TO SAID EAST LINE 240 FEET TO THE SOUTH LINE OF LOT 16, THENCE EAST ALONG SAID LINE 140 FEET TO THE POINT OF BEGINNING.

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

Zoned - CC-T - Commercial Corridor Transitional District. Zoning allows as a conditional use a multifamily building complex.

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

Our proposed multi-family project is consistent with the City of Madison Comprehensive Plan. No neighborhood plan was noted for this address location. This address is located directly in a node the City is currently developing a plan for called the Cottage Grove Road Activity Centers Plan.

See attached documentation labeled Question 24 at the end of this application for additional references from the City of Madison Comprehensive Plan.

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.

We have discussed this project with Kevin Firchow and Rebecca Cnare. Both indicated that this project is a use they could support at this site. They indicated that a maximum of a 3-story building at the back of the site and a 5-story up towards Cottage Grove Rd. There will be a commercial requirement at the ground floor of the building towards Cottage Grove Road. At minimum, in order to receive planning staff's support, the project will be required to have commercial space at the south end of the southern building, with the commercial space fronting Cottage Grove Road. Planning staff

encourage a connection to the neighborhood bike path. Rebecca is currently leading a process to develop a “Cottage Grove Road Activity Center” Plan.

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?

This site is located in Aldermanic District 15, Alder David Ahrens is the Alder of this district. Alder Ahrens stated that he felt the density we are proposing for this project is appropriate. He further stated that he will support this project, but that we anticipate a lively discussion with the community based on recent neighborhood meetings regarding the Cottage Grove Road Activity Center planning efforts.

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.

Alder Ahrens noted the next meeting to be aware of is on July 13th. We will work with Alder Ahrens and planning staff to appropriately engage the neighborhood in the coming weeks.

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 Grove exterior amenities will include private balconies and patios for each unit, and a playground. Common area amenities will include a community room for tenants and guests that will feature a full kitchen along with a Flat screen TV. There will also be an on-site manager that will have a leasing office to assist residents at the property. There will be underground parking that will cost an additional \$40/space and free surface parking.

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

The units will feature vinyl plank flooring in the kitchen and living room, and carpet in the bedrooms. Each unit will have its own washer and dryer. All units will include stainless steel refrigerator, dishwasher, range, and microwave. The building will offer free basic internet connection to all residents. There will be no smoking in the building. There will be no difference in the finish levels between the LIHTC and market rate units.

PROPOSAL ACTIVITIES

30. Please describe activities/benchmarks and associated completion dates to illustrate how your proposal will be implemented (e.g. as acquisition, finance closing, zoning-related applications and approvals, start of construction, end of construction, available for occupancy, rent-up, etc).

Activity/Benchmark	Estimated Month/Year of Completion
Submission of Application for Zoning Change &/or Conditional Use Permit	8/2017
Plan Commission Approval for Rezoning &/or Conditional Use Permit	9/2017
Submission of Application for Urban Design Commission Approval	8/2017
Urban Design Commission Approval	10/2017
Application to WHEDA	12/2017
Complete Equity & Debt Financing	12/2018
Acquisition/Real Estate Closing	12/2018
Rehab or New Construction Bid Publishing	10/2018
New Construction/Rehab Start	1/2019
Begin Lease-Up	4/2020

Activity/Benchmark	Estimated Month/Year of Completion
New Construction/Rehab Completion	3/2020
Occupancy Permit Obtained	3/2020
Begin Lease-Up	4/2020
Complete Occupancy	6/2020

PUBLIC PURPOSE AND RISK

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

The public purpose of this project is to create new, high quality affordable workforce housing, especially for those individuals at 50% or less of the county median income. Additional public purpose is to provide 30% housing for prison reentry individuals, veterans and their families, homeless and nearly homeless individuals and families which will have greater access to other supportive services because of an affordable place to live. The risks associated with this project relate mainly to the financial structure of the sources of financing, the ability to secure an award of tax credits and pools of soft financing necessary for the project's completion. Timing as well remains a risk as there is a long lead time from concept to fruition in these types of transactions, changes in construction costs, interest rates, and tax credit equity pricing are all additional factors that could fluctuate to create a project that is no longer financially feasible.

DEVELOPMENT TEAM

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

Name	Company	Role in Development	Contact Person	Phone
Jerry Bourquin	Dimension IV-Madison	Architect	Jerry Bourquin	608-829-4452
Katie Rist	Foley & Lardner	Attorney	Katie Rist	608-258-4317
Liz Johnson	MSP Property Management	Area Manager	Liz Johnson	(414) 477-4574
Glen Weyenberg	SVA	Consultant/Accountant	Glen Weyenberg	608-826-2005
Steve Saucke	MSP Construction Inc.	VP General Contractor	Steve Saucke	608-375-4470
Mark Hammond	MSP Development	Director of Development	Mark Hammond	414-259-2108
Jim Rodgers	MSP Property Management	Director Asset Management	Jim Rodgers	608-335-1635
Karla Thennes	Porchlight	Supportive Service Partner	Karla Thennes	608-257-2534
Linda Ketchum	MUM	Supportive Service Partner	Linda Ketchum	608-256-0906
Jim Schroeder	CAC	Supportive Service Partner	Jim Schroeder	608-246-4730

EXPERIENCE AND CAPACITY

33. 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.

(Attach additional information as necessary)

See Section 2 of this RFP application.

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

Lousiana Oaks Apartments was a 200 unit market rate development in St. Louis Park, MN. This property was recognized as the 2006 MADACS, Multi Housing Achievement in Design, Advertising, & Community Support, "Property Excellence Award-Best New Development- Market Rate" in the Twin Cities. MSP sold this property in April of 2015.

MSP has received WI Green Built Home certifications for 5 projects located in Waukesha, New Berlin, Middleton & Chippewa Falls

REFERENCES

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

Name	Relationship	Email Address	Phone
John Johannes	Banking	jjohannes@townbank.com	(262) 369-4223
Kevin Kilbane	Tax Credit Equity	Kevin.Kilbane@RaymondJames.com	216-509-1342
Abby Attoun-Tucker	Community Development	aattoun@ci.middleton.wi.us	608-821-8343

HOUSING INFORMATION & UNIT MIX

36. Provide the following information for your proposed project. List 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, rent, for that particular address &/or phase. Attach additional pages if needed.

ADDRESS #1:		204 Cottage Grove Road									
		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	26	0	17	0	9	0		479		664	
40%	0	0	0	0	0	0					
50%	51	0	32	10	9	0		799	958	1108	
60%	32	0	9	23	0	0		959	1100		
LIHTC Sub-total	109	0	58	33	18	0					
Market*	20	0	10	10	0	0		1075	1300		
Total Units	129	0	68	43	18	0	Notes: Utility Allowance for 1 BR is \$55, 2 BR \$67, and 3 BR \$79. Residents will pay for electric. The property will pay for water, sewer, trash, gas (heat), and basic in-unit internet service.				

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

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

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

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

38. Describe the level of accessibility you plan to provide. Identify the number of accessible units and the specific type of accessibility modifications that will be incorporated.

The project will have the number of units that provide a level of accessibility to ensure maximum point allocation from WHEDA under their Universal Design Criteria. Specifically the common area and the units will provide the following levels of accessibility features:

Common Area Features:

- 1) Automatic Door Openers
- 2) Accessible Signage
- 3) Accessible Public Bathroom

Unit Features. Minimum of 20% of the Units, (26 units) unless otherwise indicated

- 1) Provide a circular or T-shaped turning space per Section 304 in kitchen(s) and accessible floor level bathroom(s) . Turning space shall be outside the door swing in bathrooms unless a 30" x 48" clear floor space is provided within the room beyond the arc of the door swing per Section 603.2.3 Exception 2. Sinks/vanities shall meet the requirements of Section 1003.12.4 including a height of 34" maximum above the floor with a clear floor space for forward approach.
- 2) Provide standard roll-in type shower compartment per Section 608.2.2. A two inch (2") maximum raised curb is acceptable. Minimum 5% of total development units.
- 3) On accessible floor levels, all closet doors shall have a clear floor space of 30" x 48" minimum to allow either forward or parallel approach by wheelchair. Doors to closets that are more than 18" in depth shall provide at least 32" nominal clear opening.
- 4) Bottom edge of mirror at all accessible floor level bathroom sink/vanities to be 40" maximum above the floor. If medicine cabinet is provided in addition to a mirror, then bottom edge shelf on the cabinet to be 44" maximum above the floor.
- 5) All interior doors intended for user passage shall comply with Section 1003.5, which includes maneuvering clearances, thresholds, clear width, level hardware, etc.
- 6) Garbage disposal switch, range hood controls, and electrical receptacles shall meet the requirements of Section 309. At each section of countertop uninterrupted by a sink or appliance; as long as one accessible electrical receptacle is provided then other non- accessible receptacles may also be provided
- 7) Provide minimum one accessible work surface that meets all requirements of Section 1003.12.3 including top of counter at 34" above the floor , minimum 30" wide, and a clear floor space for forward approach.
- 8) Entrance doors to the unit shall comply with Section 404 including delayed action closers, maneuvering clearances, low profile threshold, etc. A screen door or storm door may be added in addition to the entrance door with installation method to allow for management to remove screen door or storm door at tenant request.
- 9) Where operable windows are provided, provide at least one window in each sleeping, living, and dining space complying with all of Section 309 including the following : are easily grasped with one hand without tight grasping, pinching, or twisting of the wrist; and are located no more than 48" above the floor . Provide 30" x 48" clear floor space for forward or parallel approach centered on the window. Minimum 10% of total development units.
- 10) Carpet shall have 1/2" maximum pile and meet all requirements of Section 302.2
- 11) All unit light switches shall be Rocker type light switches.

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

This project will be built to score greater than 150 points from the Wisconsin Green Built Homes Checklist. Some of the features will include all appliances being energy star rated, LED lights, 95% or higher efficiency boiler, and high efficiency air conditioner for common areas (14 Seer A/C system).

40. For proposals that include rehabilitation, have you completed a capital needs assessment for this property?
 If so, summarize and attach a copy of the capital needs assessment.

N/A. Project will be new construction.

41. 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:	204 Cottage Grove Road								
	0	129	0	0	0	26	0	0	\$2,000,000
Address:	Enter Address 2								
Address:	Enter Address 3								

42. If any business or residential tenants will be displaced temporarily or permanently, please describe relocation plan and assistance that you will implement or have started to implement.

N/A

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.
- A close-up 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 Section 42 tax credits.
 2. Participating in public/private joint ventures.
 3. Developing multifamily housing for low-income households.
 4. Property management.
 5. Providing supportive services, if the proposal includes such services
 6. Developing multifamily housing that has received architectural awards or green building certification.
- WHEDA self score detail based on WHEDA's scoring criteria.
- 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.

NOTE: If an appraisal, market study or needs assessment 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 2018 LIHTC application.

APPLICANT:

MSP Real Estate, Inc.

1. CAPITAL BUDGET

Enter the 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:						
First Mortgage	\$ 5,900,000	Y	6%	15	35	398,951
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan	\$ 750,000	N	0%	30	30	0
City-LTD Loan	\$ 1,500,000	N	0%	30	30	0
City-Interest Loan	\$ 1,500,000	Y	3%	16	30	73,484
City-TIF Loan						
Other-Specify Grantor:						
Other-Specify Grantor:						
Other-Specify Grantor:						
Tax Credit Equity	\$ 13,152,649					
Historic Tax Credit Equity						
Deferred Developer Fees	\$ 629,531					
Owner Investment						
Other-Specify:						
Total Sources	\$ 23,432,180					

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

Estimated pricing on sale fo Federal Tax Credits: **\$ 0.94**

Remarks Concerning Project Funding Sources:

APPLICANT:

MSP Real Estate, Inc.

2. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Acquisition	2,000,000
Title Insurance and Recording	20,000
Appraisal	8,000
Predevlpmnt/feasibility/market study	7,000
Survey	6,500
Marketing	125,000
Relocation	0
Other (List)	
	0
Construction:	
Construction Costs	15,200,000
Demolition	80,000
Soils/Site Preparation	8,000
Construction Mgmt	1,064,000
Construction Interest	365,000
Permits; Print Plans/Specs	0
Landscaping, Play Lots, Signage	0
Other (List)	
Taxes, Construction Insurance	97,000
Fees:	
Architect	275,750
Engineering	20,000
Accounting	21,000
Legal	127,500
Development Fee	2,041,030
Leasing Fee	77,400
Park Impact Fees	60,000
Other (List)	
Origination Fees, Tax Credit Fees, LOC Fees	229,000
Project Contingency:	840,000
Furnishings:	135,000
Reserves Funded from Capital:	
Operating Reserve	125,000
Replacement Reserve	0
Maintenance Reserve	0
Vacancy Reserve	0
Lease Up Reserve	0
Other: (List)	
Investor Reserve	500,000
TOTAL COSTS:	23,432,180

APPLICANT: MSP Real Estate, 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	1,374,539	1,402,030	1,430,070	1,458,672	1,487,845	1,517,602	1,547,954	1,578,913	1,610,492	1,642,701	1,675,555	1,709,066	1,743,248	1,778,113	1,813,675	1,849,949
Less Vacancy/Bad Debt	96,218	98,142	100,105	102,107	104,149	106,232	108,357	110,524	112,734	114,989	117,289	119,635	122,027	124,468	126,957	129,496
Income from Non-Residential Use*	56,340	57,467	58,616	59,788	60,984	62,204	63,448	64,717	66,011	67,332	68,678	70,052	71,453	72,882	74,339	75,826
Total Revenue	1,334,661	1,361,354	1,388,582	1,416,353	1,444,680	1,473,574	1,503,045	1,533,106	1,563,768	1,595,044	1,626,945	1,659,484	1,692,673	1,726,527	1,761,057	1,796,278
Expenses:																
Office Expenses and Phone	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927
Real Estate Taxes	187,050	192,662	198,441	204,395	210,526	216,842	223,347	230,048	236,949	244,058	251,380	258,921	266,689	274,689	282,930	291,418
Advertising, Accounting, Legal Fees	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739
Payroll, Payroll Taxes and Benefits	160,000	164,800	169,744	174,836	180,081	185,484	191,048	196,780	202,683	208,764	215,027	221,477	228,122	234,965	242,014	249,275
Property Insurance	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Mtc, Repairs and Mtc Contracts	105,000	108,150	111,395	114,736	118,178	121,724	125,375	129,137	133,011	137,001	141,111	145,345	149,705	154,196	158,822	163,587
Utilities (gas/electric/fuel/water/sewer)	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587	207,635	213,864	220,280	226,888	233,695
Property Mgmt	66,733	68,735	70,797	72,921	75,109	77,362	79,683	82,073	84,535	87,071	89,684	92,374	95,145	98,000	100,940	103,968
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	38,700	39,861	41,057	42,289	43,557	44,864	46,210	47,596	49,024	50,495	52,010	53,570	55,177	56,832	58,537	60,293
Support Services	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
Total Operating Expenses	803,483	827,587	852,415	877,988	904,327	931,457	959,401	988,183	1,017,828	1,048,363	1,079,814	1,112,208	1,145,575	1,179,942	1,215,340	1,251,800
Net Operating Income	531,178	533,767	536,166	538,366	540,353	542,117	543,645	544,924	545,940	546,681	547,131	547,275	547,099	546,585	545,717	544,478
Debt Service:																
First Mortgage	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
AHF City Interest Loan	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435
Total Annual Cash Expenses	1,275,918	1,300,022	1,324,850	1,350,423	1,376,762	1,403,892	1,431,836	1,460,618	1,490,263	1,520,798	1,552,249	1,584,643	1,618,010	1,652,377	1,687,775	1,724,235
Total Net Operating Income	58,743	61,332	63,731	65,931	67,918	69,682	71,210	72,489	73,505	74,246	74,696	74,840	74,664	74,150	73,282	72,043
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	58,743	61,332	63,731	65,931	67,918	69,682	71,210	72,489	73,505	74,246	74,696	74,840	74,664	74,150	73,282	72,043
Cash Flow	0	0	0	0	0	0	0	0	0	49,256	74,696	74,840	74,664	74,150	73,282	72,043
AHF City Interest Loan		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	1.33	1.34	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	1.36
DCR Total Debt	1.12	1.13	1.13	1.14	1.14	1.15	1.15	1.15	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.15

Assumptions

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

APPLICANT: MSP Real Estate, Inc.

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	1,886,947	1,924,686	1,963,180	2,002,444	2,042,493	2,083,343	2,125,009	2,167,510	2,210,860	2,255,077	2,300,178	2,346,182	2,393,106	2,440,968
Less Vacancy/Bad Debt	132,086	134,728	137,423	140,171	142,974	145,834	148,751	151,726	154,760	157,855	161,012	164,233	167,517	170,868
Income from Non-Residential Use*	77,343	78,890	80,467	82,077	83,718	85,393	87,100	88,843	90,619	92,432	94,280	96,166	98,089	100,051
Total Revenue	1,832,204	1,868,848	1,906,225	1,944,349	1,983,236	2,022,901	2,063,359	2,104,626	2,146,719	2,189,653	2,233,446	2,278,115	2,323,678	2,370,151
Expenses:														
Office Expenses and Phone	25,675	26,446	27,239	28,056	28,898	29,765	30,658	31,577	32,525	33,500	34,505	35,541	36,607	37,705
Real Estate Taxes	300,160	309,165	318,440	327,993	337,833	347,968	358,407	369,159	380,234	391,641	403,390	415,492	427,957	440,796
Advertising, Accounting, Legal Fees	48,141	49,585	51,073	52,605	54,183	55,809	57,483	59,208	60,984	62,813	64,698	66,639	68,638	70,697
Payroll, Payroll Taxes and Benefits	256,753	264,456	272,389	280,561	288,978	297,647	306,577	315,774	325,247	335,004	345,055	355,406	366,068	377,050
Property Insurance	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828
Mtc, Repairs and Mtc Contracts	168,494	173,549	178,755	184,118	189,642	195,331	201,191	207,227	213,443	219,847	226,442	233,235	240,232	247,439
Utilities (gas/electric/fuel/water/sewer)	240,706	247,927	255,365	263,026	270,917	279,044	287,416	296,038	304,919	314,067	323,489	333,193	343,189	353,485
Property Mgmt	107,087	110,299	113,608	117,017	120,527	124,143	127,867	131,703	135,654	139,724	143,916	148,233	152,680	157,261
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	62,102	63,965	65,884	67,861	69,897	71,993	74,153	76,378	78,669	81,029	83,460	85,964	88,543	91,199
Support Services	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
Total Expenses	1,289,354	1,328,035	1,367,876	1,408,912	1,451,180	1,494,715	1,539,557	1,585,743	1,633,316	1,682,315	1,732,784	1,784,768	1,838,311	1,893,460
Net Operating Income	542,850	540,813	538,349	535,437	532,057	528,186	523,803	518,883	513,403	507,338	500,662	493,347	485,367	476,691
Debt Service:														
First Mortgage	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951	398,951
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
AHF City Interest Loan	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484	73,484
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435	472,435
Total Annual Cash Expenses	1,761,789	1,800,470	1,840,311	1,881,347	1,923,615	1,967,150	2,011,992	2,058,178	2,105,751	2,154,750	2,205,219	2,257,203	2,310,746	2,365,895
Total Net Operating Income	70,415	68,378	65,914	63,002	59,622	55,751	51,368	46,448	40,968	34,903	28,227	20,912	12,932	4,256
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	70,415	68,378	65,914	63,002	59,622	55,751	51,368	46,448	40,968	34,903	28,227	20,912	12,932	4,256
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0

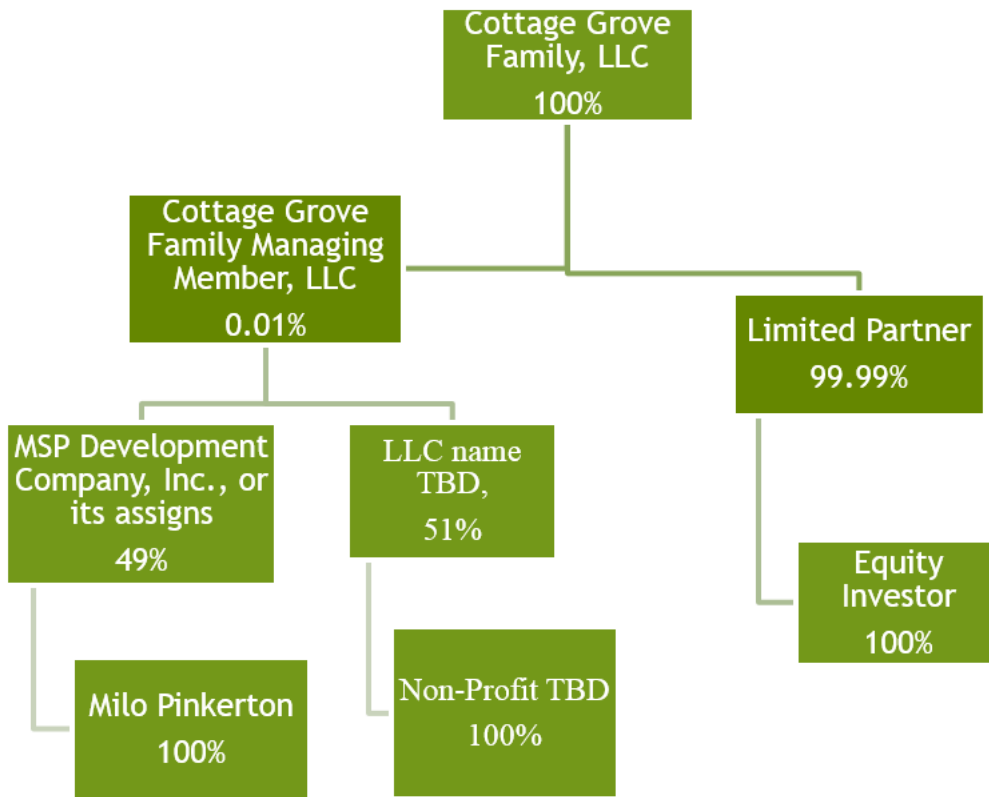
*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.36	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.27	1.25	1.24	1.22	1.19
DCR Total Debt	1.15	1.14	1.14	1.13	1.13	1.12	1.11	1.10	1.09	1.07	1.06	1.04	1.03	1.01

Assumptions

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

AHP Application Question 2: Organizational Chart



Applicant:	MSP Real Estate Inc., role as lead developer
Cottage Grove Family LLC	Owner
Cottage Grove Family Managing Member:	General Partner of Cottage Grove Family LLC. Fiduciary Duties to manage the partnership for the benefit of all partners.
Limited Partner:	Largest equity provider/stakeholder in the partnership, is not responsible for construction, lease-up or ongoing management.
MSP Development Company Inc.	Minority member of the managing member of the LLC. Will be structured that the minority member retains primary responsibility for construction, lease-up and day to day ongoing operations of the development
Non-Profit LLC (TBD)	Majority member of the managing member of the LLC. Main roles are related to supportive services and access to funding sources available to non-profit controlled entities.

Flow of Funds

We are not yet in a position to provide a more detailed flow of funds analysis than what is embedded in the organizational chart above. Negotiations are ongoing with our non-profit partner and will not start negotiating terms with our limited partner until Summer/Fall 2018. Upon request, we are happy to provide sample terms based on passed projects or answer specific questions from City staff.

AHP Application Question 9: Additional Supportive Services Information

Twenty percent of the units will have rents affordable to households earning below 30% of the county median income. It is anticipated that residents residing in these units will most directly benefit from available supportive services. The supportive services available to the residents of The Grove will be provided by the following non-profit agencies: Community Action Coalition (CAC), Madison-Area Urban Ministry (MUM) & Porchlight. This doesn't preclude however other supportive agencies interfacing with the residents at The Grove Apartments. Future residents that we anticipate receiving supportive services at The Grove are Veterans (Homeless/Nearly Homeless), Homeless/Nearly Homeless Families that meet Federal Poverty Guidelines, Prison ReEntry individuals and individuals/families that were formerly homeless that are no longer in need of intensive supportive services but continue to need a stable affordable place to live.

Veterans – Homeless/Nearly Homeless

Community Action Coalition through its own existing contracts and services will make referrals to The Grove for our 30% set-aside apartments. These referrals will be made based on a CAC assessment of the referrals needs and the current availability of housing at The Grove Apartments. The referrals we expect to receive from CAC will be for both our one and three bedroom 30% units for families qualified to receive supportive services under the Supportive Services for Veterans Families (SSVF).

Supportive Services for Veterans Families (SSVF) provides case management and temporary financial assistance to low-income veterans (single individuals and those with families) to assist homeless vets, or nearly-homeless individuals and families and/or to help them maintain stable (decent, safe) housing.

Case Management/Supportive services that can be provided to families receiving SSVF assistance can include the following:

Services include:

- Assistance locating and securing housing – referrals to prevent homelessness
- Housing Consultation
- Information and referral
- Landlord/tenant mediation
- Budget Consultation
- Family Support

Additional Services include:

- Financial Assistance. CAC helps participants acquire and improve the skills they need to increase their financial security. CAC provides assistance for individuals experiencing a short-term financial crisis and for those interested in improving their financial literacy and money-management skills.
- Housing Support. CAC has limited funds to help those who need financial assistance due to a housing crisis. Financial assistance is provided through (One) monthly drawing for the Rapid Re-Housing program (the intent of which is to keep the family in their present living situation if possible) on the 3rd Wednesday of the month. After talking to a Housing Caseworker, individuals may be eligible for financial assistance. Households selected during the monthly drawing will be contacted

immediately about selection. Households not selected will not be contacted but are welcome to inquire about selection and to enter into the next month's drawing if still eligible.

- Telephone Assistance. CAC has programs to assist with getting a new telephone installed or to help with past-due phone bills (landlines only). CAC also provides financial assistance and budget consultation to help households maintain or establish internet and phone service in a time of financial stress.

Formerly Homeless Families

Porchlight through its own existing services and outreach will make referrals to The Grove for our 30% set-aside apartments. These referrals will be made based on Porchlight's assessment of the referrals needs and the current availability of housing at The Grove. This will allow Porchlight to free-up units for perspective residents that are more in need of their services. The referrals we expect to receive from Porchlight will be both for our one and three bedroom 30% units for individuals/families.

Porchlight has case managers at the main office located at 306 N. Brooks St, Madison WI that will work with families as requested and needed to assist with transfers from a Porchlight unit to The Grove as those prospective applicants are available and will provide at least one follow-up call to ensure this transition is completed successfully.

Prison ReEntry Housing/Homeless Housing

Madison-area Urban Ministry (MUM) located at 2300 S. Park Street, Suite #2022, Madison, WI 53713 (in the Villager Mall – Atrium) offers an array of direct services programs for individuals and families impacted by the criminal justice system, including prison reentry programming (since 1999), services for children who have an incarcerated parent (since 1999), and community events designed to help people understand what it's like to walk in the shoes of someone newly released from prison, jail and prison in-reach programming. MUM provides re-entry services and referrals to assist former prisoners with transition from incarceration to community. MUM works to assist individuals/families to find affordable housing options and an end to homelessness. MUM advocates for public policies that meet basic needs for marginalized and vulnerable groups. MUM supports social and economic inclusion of all people regardless of religious belief, gender/gender identity/gender orientation, race, nationality, ability, income, ethnic background or conviction record. Through MUM's programs and advocacy they will make referrals to The Grove for our 30% set-aside apartments. These referrals will be made based on MUM's assessment of the referrals needs and the current availability of housing at The Grove. The referrals we expect to receive from MUM will be for our one bedroom 30% units for prison reentry. We will be limiting the number of prison reentry individuals to 3 maximum with consideration for more as time goes by.

MUM's delivery of services involves active referral and follow-up. MUM typically makes 3 contacts for follow-up with residents for delivery of services. There is no predetermined end date for services, so weekly contact is maintained as long as it is determined desired or necessary for the participant and then contact can be tapered off to every other week, monthly, etc. Services are provided consistent with evidence based practices in the field of criminal justice/corrections that look at the assessed level of risk (how likely someone is to commit a new crime) and then matching the intensity and dosage (total hours of service) with that assessed risk level so for someone who is medium to high risk MUM expects to connect to those individuals with 200-300 hours of services and structured activities over the course of 6-9 months. That delivery of support services can include meeting with MUM staff, support groups, volunteer or paid work, employability classes, etc., so delivery is individualized.

The specific programs and supportive services that MUM provides for potential residents at The Grove are the following:

MUM offers referral assistance to members of the general public as well as to former prisoners. The majority of MUM's clients are formerly incarcerated people. MUM can refer clients to landlords and/or to sources that may be able to help secure housing. MUM holds monthly service fairs and provides caseworkers to link formerly incarcerated people to community resources. MUM matches returnees to 'Circles of Support' conducted by volunteers who meet weekly with the former prisoner to help with transition from prison to community.

The Journey Home Program

The Journey Home program works to reduce recidivism (return to prison), creating a stronger, safer community. Focusing on the areas of residency, employment, support and treatment, as well as transportation and education, program staff assesses the needs, potential barriers and strengths facing individuals newly released from prison (returning citizens). Since 2005 the Journey Home, a re-entry initiative, has built a network of services and support to immediately assist people returning to Dane County from prison, helping them to navigate the often complex (and at times inaccessible) network of services in Dane County. MUM Resource Specialists work with individuals to assess their needs and goals, look at their challenges and areas of strength, and then work with them to set goals, enhance their support network, and provide support, linkage and referral and case management services. MUM reentry staff work to assist individuals to enroll in benefit programs like Food Share, to participate in employability soft skills training and get employment assistance. Resource Specialists also spend time building relationships with area employers and landlords to increase the opportunities for housing and employment for returning citizens. Our program staff conducts in-reach visits to area prisons to connect with individuals prior to their release and to build a more seamless return to the community.

In addition, MUM's Re-entry Service Fair is a monthly "one-stop-shop" where information about a host of issues and resources is made available. Each month the Service Fair has a theme built around Residency, Employment, Support and Treatment. Community based organizations and groups provide information about their services, including training, education, transportation, housing, treatment and support networks. Each Service Fair includes a welcome home, an inspirational speaker and in keeping with the tradition across faiths to offer hospitality, a light meal.

Circles of Support

Circles of Support match returning citizens with volunteers in the community who are there to listen, encourage and share what they know about local activities and resources, and to help the returnee stay accountable for, and focused on, their goals. Circles provide a safe place where the Core Team Member can be heard, encouraged, and respected while they discuss the challenges they may be experiencing as they transition back into the community. Each Circle is comprised of four or five trained volunteers (Circle Members) who meet regularly with a formerly incarcerated person (the Core Member). The volunteers are able to provide them with alternative solutions to problems and mentoring as they work through the challenges. A circle of caring and supportive people surrounding the newly released individual makes success more likely. The Circles of Support offer an environment that is positive, supportive and respectful but that also holds them accountable for achieving and succeeding in their weekly goals. In other words, the Circle offers the support individuals often need to be successful in their return to the community.

Just Bakery Program

Just Bakery Program is a 16 week educational and vocational training program. The program works with individuals who are experiencing significant barriers to employment (homelessness, criminal conviction history, lack of education, and/or a lack of work history or skills) and have an interest in baking or culinary arts as a career pathway.

Just Bakery utilizes a curriculum developed in collaboration with faculty from Madison College's Baking and Culinary Arts programs. Just Bakery offers Life Skills education, baking math and tutoring, food science, food safety and ServSafe Certification, and teaches commercial baking skills in a commercial grade kitchen with students actually helping to produce a line of bakery products for sale in the community. Students also gain sales and marketing experience by working side by side with program staff in a variety of sales venues, learning customer service skills and becoming comfortable answering questions about the product. All proceeds from Just Bakery sales are reinvested in the program. Program graduates can also take an exam to earn a Certificate of Training from the WI Baker's Association and through an agreement with Madison College, students can earn college credit. In addition to their coursework, students also receive case management and assistance with job placement and retention, and job coaching.

Micro-Loan Fund

A small micro-loan program is set up through private donations for active program participants to help them access assistance with security deposits, work clothes, school supplies, etc. Individuals participating in MUM's re-entry programs are eligible to apply for our Micro-Loan program. The Micro-Loan Fund was developed in 2006 with a donation from First Baptist Church. The fund was MUM's response to the need they saw for access to credit among newly released individuals. MUM's goal is to offer an alternative to predatory "payday" lending businesses in the community. Borrowers make small weekly payments toward their loan and then are able to use MUM as a credit reference as long as their payments are current. Since 2007, loans have been made to assist with educational needs, clothing for a new job, fees to reinstate a license or vehicle tags, assistance with first month's rent or security deposit, and with materials to begin a business.

In 2015, MUM also focused on housing issues through our partnership with the UW Law School. Law students go to the Dane County Jail to teach a modified version of the Rent Smart curriculum, called "Ready to Rent", at the Dane County Jail. The Rent Smart curriculum focuses on obtaining and maintaining housing, understanding a lease, being a good tenant, budgeting, tenant rights, and communicating with your landlord. MUM staff offers the Rent Smart program within the community and offers a modified version called "Ready to Rent" at the Dane County Jail.

On a weekly basis MUM's re-entry team receives 5-10 letters from inmates all around the state and even from Wisconsinites imprisoned out of state. These individuals are looking for help in preparing for their release. All letters are responded to, even if the individual is not returning to Dane County, MUM staff do their best to provide resource information specific to the area the person will be residing in after their release.

Bus Passes

A limited supply of bus passes is available only to clients who are actively enrolled in a MUM program.

June 21, 2017

Mr. Mark Hammond
Director of Development MSP Real Estate
7901 W. National Ave.
West Allis WI 53214

RE: 2018 WHEDA Tax-Credit Rental Housing Development – 204 Cottage Grove Rd

Dear Mr. Hammond,

Community Action Coalition for South Central Wisconsin (CAC) is a nonprofit organization that provides services to Dane, Jefferson, and Waukesha County. The mission is to develop economic and social capacities of individuals, families, and communities to reduce poverty in the counties mentioned. The services CAC provides in Dane County include financial assistance (housing support), homelessness prevention services, housing case management, food security programs, and a clothing center. Included in these services are supportive services to veteran individuals and families. The location of your proposed project located at 204 Cottage Grove Road does fall within our targeted service area for providing supportive services.

It is understood that 204 Cottage Grove Road will be an affordable rental development that will create approximately 17 – one bedroom and 9 – 3 three bedroom units for individuals/families who are at 30% of the Dane County median income.

As discussed with you and Jim Rodgers last week CAC will include 204 Cottage Grove Road on the weekly housing vacancy listing of housing options that are appropriate for the participants within the CAC service area. CAC will make referrals to 204 Cottage Grove Road as a housing option when appropriate. CAC operates a supportive services program specifically for veterans. If the veterans are accepted into housing at 204 Cottage Grove Road CAC will be able to extend its resources and support to these individuals/ families should MSP become a successful applicant to the 2018 Low Income Tax Program at WHEDA.

CAC strongly supports the proposed apartment community that MSP intends to build as a new affordable housing option that does not currently exist in the community.

If you have any questions feel free to call me at (608) 246-4730 x217.

Sincerely,



Jim Schroeder
Executive Director
Community Action Coalition for South Central Wisconsin

June 21, 2017



Mr. Mark Hammond
Director of Development MSP Real Estate
7901 W. National Ave.
West Allis WI 53214

RE: 2018 WHEDA Tax-Credits Rental Housing Development – 204 Cottage Grove Rd

Dear Mr. Hammond,

Madison-area Urban Ministry (MUM) is a nonprofit interfaith social justice organization. MUM promotes interfaith cooperation and collaboration, convenes and links people of faith communities to engage in social action and advocates for low income people. Current MUM programs include several prisoner re-entry initiatives (Circles of Support, The Journey Home, Returning Prisoner Simulation and Voices Beyond Bars) which provides the basis for the 'support services' that MUM would provide to prison reentry individuals residing at 204 Cottage Grove Road.

My understanding is that 204 Cottage Grove Road will be an affordable rental development that will create approximately 17 – one bedroom and 9 – three bedroom units for individuals/families who are at 30% of the Dane county median income limit.

MUM will extend its resources and support to individuals/families that are anticipated to live at 204 Cottage Grove Rd should it become a successful applicant as part of 'prison reentry' outreach initiative of the City of Madison's 2018 Rental Housing Development RFP.

MUM strongly supports the proposed apartment community that MSP intends to build as a new affordable housing option that does not currently exist in the community that will provide necessary additional prison reentry housing options in the City of Madison.

If you have any questions feel free to call me at (608) 836-7338.

Sincerely

A handwritten signature in black ink, appearing to read "Linda Ketcham", with a stylized flourish at the end.

Linda Ketcham
Executive Director
Madison-area Urban Ministry



June 21, 2017

Mr. Mark Hammond
Director of Development MSP Real Estate
7901 W. National Ave.
West Allis WI 53214

RE: 2018 WHEDA Tax-Credit Rental Housing Development – 204 Cottage Grove Rd

Dear Mr. Hammond,

PORCHLIGHT, INC.

306 N. BROOKS STREET
MADISON, WI 53715
608.257.2534
FAX 608.257.2507

Porchlight is a nonprofit organization that strives to decrease homelessness by providing shelter, housing and other supportive services throughout the Dane County area. The services Porchlight provides in Dane County include emergency shelter, food, employment services, counseling and affordable transitional and permanent housing to homeless individuals in the Dane County area. The location of your proposed project, located at 204 Cottage Grove Road, does fall within our targeted service area for providing supportive services.

It is understood that 204 Cottage Grove Road will be an affordable rental development that will create approximately 17 – one bedroom and 9 – three bedroom units for individuals/families who are at 30% of the Dane county median income should MSP Real Estate become a successful applicant to the 2018 Low Income Housing Tax Program at WHEDA.

As discussed with you and Jim Rodgers last week Porchlight will make referrals to 204 Cottage Grove Road as a housing option when appropriate that will include at least one supportive services follow-up call. Porchlight operates supportive services for men and women with serious mental illness issues, veterans and adults in recovery from drug and alcohol addictions. Porchlight owns and manages its own affordable housing units and places the majority of residents who are in need of housing in a Porchlight owned and operated building. Porchlight will refer our longer term housing residents that no longer require Porchlight's more intensive case management services into this new housing option which in turn will free up Porchlight units for those in need of more intensive services offered by Porchlight.

Porchlight strongly supports the proposed apartment community that MSP intends to build as a new affordable housing option that does not currently exist in the community.

If you have any questions feel free to call me at (608) 257-2534.

Sincerely,
Karla Thennes

Karla Thennes
Executive Director
Porchlight



AHP Application Question 11: Screening Criteria

MSPPM Property Management LLC has extensive knowledge in qualifying and making sure residents are eligible for tax credit or market rate units they are applying for. MSPPM has over 10 years of experience providing management services in the state of Wisconsin and the Midwest. MSPPM will find eligible tenants through various advertising and outreach efforts. For all of our market rate and tax credit units at or above 40% CMI MSPPM will be employing a criteria 'A' screening tool based on income, credit worthiness and prior housing references.

For our 30% targeted 'supportive housing' units ONLY MSPPM will qualify those residents based on a less stringent set of criteria than what is used in our 'A' screening practices. This 'B' tenant screening tool will allow MSPPM to provide more housing choices for applicants in the 30% CMI level and will affirmatively market these units to the specifically targeted populations being proposed for these 30% units. The 'B' screening policies allow greater flexibility to mitigate housing barriers associated with challenged applicants.

Proposed Alternative 'B' Tenant Screening Tool for The Grove Apartments. (Madison WI)

Income

Test Monthly Income > 2 Times Rental Amount

If No, other considerations:

- Co-signor
- Ability to provide proof of past ability to pay amount of rent
- Verification of ability to pay through case manager or program source acceptable to landlord

Prior Tenant History

Test – Less than 3 eviction filings in the last 5 years

Test – Only 1 eviction judgement in the last 5 years accepted if has the following:

- Co-signor
- Written payment plan with landlord owed money and proof of 1st payment made

Behaviorial Evictions – Denial if within the last 5 years. No Co-signor opportunity is available to applicants denied for this reason.

Landlord References

Test – Need 1 year of satisfactory landlord reference or 3 years of satisfactory reference in the last 5 years.

- If no history will need co-signor
- Multiple adult member households with only one member references acceptable application may be approved
- 5 day notices for rent can be disregarded with applicant if they have HUD-VASH Voucher
- 5 day for drugs/alcohol or other behavior acceptable with written verification of case management support

Criminal Background Check

Test – Deny for violent felony convictions within the last 99 years but allow for appeals and consideration for extenuating circumstances

Test – Deny for non-violent felony convictions within the last 99 years but allow for appeals and consideration for extenuating circumstances

Test – Use in-house Yardi criteria for misdemeanor convictions that require a 7 year lookback.
Test – All registered Sex Offenders/Sex Crimes will be denied

Yardi Resident Screening CRIMINAL SCORING POLICY

PRODUCT: Premium National Criminal & Premium Eviction

ACTIVATION DATE:

POLICY REVISION DATE:

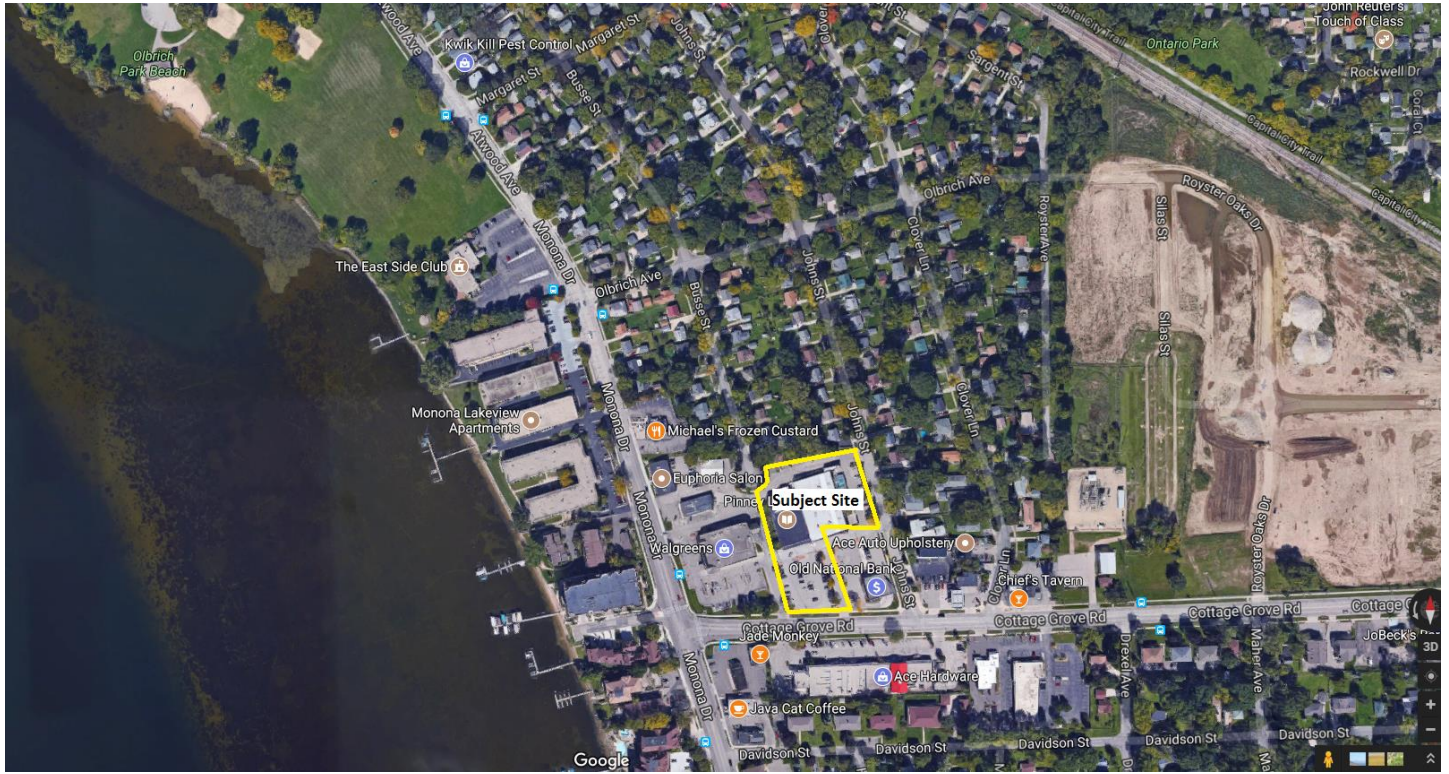
SPECIAL PROCESSING INSTRUCTIONS

Setup to never process a county or state supplemental criminal search.

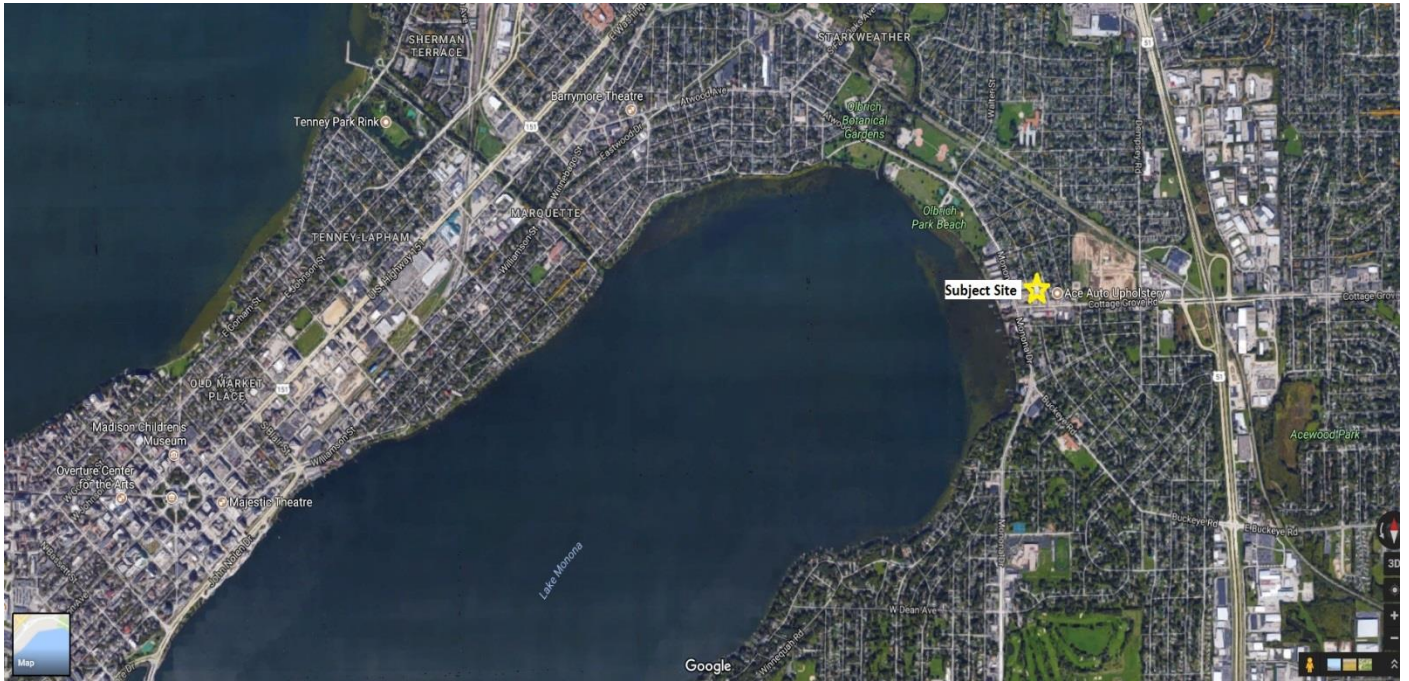
Offenses	Felony	Misdemeanor	Misdemeanor Anti Social - Anti-Social Convictions are a combination of any of the misdemeanor offenses included in this anti-social category below.	Return
1) Alcohol Related	0 years	0		
2) Arson	99 years	7 years		
3) Assault &/or Battery	99 years	7 years		
4) Bad Checks	0 years	0		
5) Burglary	99 years	0		
6) Crimes Against Animals	5 years	2years		
7) Crimes Against Children	99 years	7 years		
8) Crimes against Gov't or Gov't Officials	99 years	0		
9) Crimes involving computers (cybercrime)	0 years	0		
10) Destruction/Damage/Vandalism of property	99 years	7 years		
11) Disturbance to Peace & Order	99 years	0		
12) Domestic Crimes	99 years	0		
13) Drug	15 years	7 years		
14) Drug - Sale, Manufacture, Distribution	20 years	7 years		
15) Embezzlement	0 years	0		
16) Fraud	0 years	0		
17) Gambling	0 years	0		
18) Harassment	5 years	0		
19) Homicide	99 years	7 years		
20) Kidnapping	99 years	7 years		
21) Organized Crime/Conspiracy	99 years	0		
22) OUI, OVI, DWI	0 years	0		
23) Petit Theft	0 years	0		
24) Purposefully obstructs, impairs or perverts the law	99 years	0		
25) Registered Sex Offender	99 years	99 years		
28) Robbery	20 years	0		
29) Sex Crimes - Other	99 years	99 years		
30) Sex Crimes against a person	99 years	99 years		
31) Theft/Larceny	5 years	0		
32) Traffic Violations	0years	0		
33) Trespassing	5 years	0		
34) Weapons	20 years	7 years		
35) Incarceration Due to Conviction.	See chart	0	Release date within the # of years stated to the left.	
36) Any offense not listed above	99 years	0		

AHF Application Question 14: Maps, Close-up and in relation to the city.

Close Up Map of Site 204 Cottage Grove Road, Madison, WI 53714



Second Map Showing the Site in Context to the City



AHF Application Question 15: Close-up of site to highlight demolition.



Future demolition of the Pinney Branch Library and the Vacant labeled portion of this building will be required as part of making the site ready for new construction.

AHF Application Question 24: Additional Preferences from the City of Madison Comprehensive Plan

Summary of Housing Issues:

INCREASE HOUSING AFFORDABILITY WITHOUT SACRIFICING LONG-TERM QUALITY OF LIFE

Housing Goal, Objectives, and Policies

Objective 1: Promote housing development and reinvestment that encourages a range of housing choices for all residents and that helps physical dwellings contribute to the development of safe, comfortable, and viable neighborhoods, and a community for all residents.

Policy 7: Promote a variety of programs and services to help stabilize housing for other lower income or special need groups.

Policy 10: Promote workforce housing and walk to work programs that can contribute to a level of integration at the neighborhood level that will promote a higher sense of the community and involvement across the entire City.

Policy 13: Foster the involvement of neighborhood associations, business groups, and non-profits in the decision processes related to housing and land use in ways that balance the goals of participation and production.

Policy 14: Conduct advanced planning with stakeholder housing groups and enunciate expectations regarding the type and scale of development.

Policy 15: Streamline decision processes that focus on central issues like affordability, functionality, design, and neighborhood fit to help achieve some sort of effective balance of objectives within City processes.

Policy 16: Continue to explore ways to support non-profit and private-public partnerships to ensure that Madison citizens have quality, affordable housing.

Objective 2: Increase housing affordability without sacrificing long-term quality of life.

Policy 7: The City shall direct growth of new housing toward areas that are already planned for urban services and toward infill and redevelopment of existing areas in a way that harmonizes with existing housing and neighborhoods.

Policy 8: The City shall also work within its own financial assistance programs, such as the Affordable Housing Trust Fund, the Community Development program, or the TIF program, and with private lenders and non-profits to leverage public and private resources to promote long term arrangements for affordable housing.

Policy 14: Promote the use or re-use of those sites suitable for affordable housing development to help assure an adequate level of sites for development as housing affordable to persons or households at key income ranges.

AHF Application Question 33 See Section 2

AHF Application Question 38: Additional information

Additional accessibility features to be incorporated into The Grove Apartments project include those indicated in Appendix M of the WHEDA tax credit application criteria that include the following:

1. Lever-style handles on all interior doors being replaced or initially installed
2. Bath/kitchen faucets being replaced or initially installed must be single-lever type.
3. Bathtub/shower compartment permanently lined with non-skid surface or pattern covering 75% of floor
4. All Non-Elderly Housing (Family, General population or Supportive Housing). In all bathrooms of each unit, provide reinforcement for the future installation of grab bars at toilets, bathtubs, and shower compartments per Section 1004.11.2. (if grab bars not already installed in the unit)
5. Provide all bathtubs/showers with offset controls and a 30" x 48" clear floor space for parallel approach. Where the centerline of the controls is between 18" and 9" from the open face of the bathtub/shower compartment, the clear floor space in front of the fixture shall extend at least 9" beyond the control wall. Where the centerline of the controls is between 9" and 0" from the open face of the bathtub/shower compartment, the clear floor space in front of the fixture shall extend at least 5" beyond the control wall.
6. At least one toilet in each dwelling unit shall have clearances that meet the requirements of Section 1004.11.3.1.2.1, 1004.11.3.1.2.2, or 1004.11.3.1.2.3
7. 100% visitable units. (Only 20% visitable units required for single family or duplex or townhome style construction). Projects should be designed and graded to allow an accessible route from parking or street level to all dwelling units. Accessible routes shall meet all the requirements of Section 402 including Section 404 for accessible doors. The living room, kitchen and minimum of one bathroom (with a minimum of a toilet and sink) must be on the accessible route from the unit entry. Bathroom shall meet the requirements of Sections 1004.11 minimum.
8. Lighting controls, electrical switches, and receptacle outlets, environmental controls, and user controls for security or intercom systems shall comply with Section 1004.9 minimum.
9. Electrical outlets and cable/data outputs set to a minimum height of 18" above the floor.

Section 2

A. Development Team Experience in obtaining Section 42 Tax Credits

As our Tax Credit project lists demonstrate on the following pages, since 1991, MSP Real Estate has secured awards for tax credits for 22 total projects in the Midwest:

- 17 projects in Wisconsin that have provided over 900 units of senior housing and 212 units of family housing
- 5 projects in the Midwest outside of Wisconsin, totaling 83 units of senior and 260 units of family housing.

Since 1991, MSP Development has been applying for and securing awards for Low Income Housing Tax Credits allocated by the Wisconsin Housing and Economic Development Authority (WHEDA). MSP Development is consistently rated as one of the top scoring developers within WHEDA's scoring matrix.

MSP Real Estate has assembled a team of seasoned professionals and consultants to augment our in-house team. We have consistently worked with this team on past projects and intend to continue these working relationships in order to ensure project success. Our team includes the following:

-Outside Legal Counsel:

Foley & Lardner (Madison, WI) - Wayman Lawrence & Katie Rist

-Accounting:

SVA (Madison, WI) – Glen Weyenberg & Mike Kendhammer

-Architecture:

Dimension IV (Madison, WI) – Jerry Bourquin

-Engineering:

CJ Engineering (Milwaukee, WI) – Chris Jackson

Finally, our long term relationships with our accounting partners, SVA, tax credit equity syndicators, our banking partners and City leaders has also allowed us to consistently score well in the WHEDA scoring criteria and put all the pieces cohesively together which is necessary to move a tax credit award from concept to product delivery. We have partnered with a total of six different tax credit syndicators on our past tax credit awards.

Again, as our project lists demonstrate on the following pages, MSP Development has been and remains a prolific development company. Most recently MSP Development secured an award of tax credits (2015) that was for a 40 unit family deal in Chippewa, WI that is now fully leased up and we were awarded (2017) tax credits for a 57 unit 55+ senior development on the west side of Madison, called Normandy Square. For the 2017 award we just completed our submission of the Federal Home Loan Bank application (June 16th) and those awards are expected to be announced

by December 1, 2017. Construction for Normandy Square is expected to begin March 2018.

On our assisted living side of our business model we just completed the construction with a Grand Opening on March 30, 2017 for another senior campus in Delafield WI. Our Delafield project contains 45 units of independent senior market rate apartments, 43 assisted living units and 36 memory care units. And we have another senior campus currently in the final stages of construction located in Kimberly (Appleton) WI. This senior campus project will contain 45 independent senior market rate apartments, 47 assisted living and 44 memory care units. This project is scheduled to be completed in late June of 2017. Mark Hammond, our Development Director, continues to look for new opportunities for MSP Development's continued growth which includes WHEDA tax credit application sites for the 2018 low income tax credit round.

Please review our complete list of developments completed on the following pages:

TAX CREDIT Elderly (Section 42) APARTMENTS

<u>Project Names/ Locations</u>	<u>Number of Units</u>	<u>Financing</u>	<u>Completion Date</u>
<u>Middleton Senior Apartments</u> Middleton, WI	56	US Bank	October 2012
<u>New Berlin Senior II</u> New Berlin, WI	34	JP Morgan	December 2012
<u>Chippewa Senior Apartments II</u> Chippewa Falls, WI	24	HOME	October 2011
<u>West Allis Senior Apartments</u> West Allis, WI	122	WHEDA Bond	April 2009
<u>Monona Senior Apartments</u> Monona, WI	88	WHEDA Bond	September 2009
<u>Lincoln Village</u> Port Washington, WI	49	BankMutual Conventional	December 2002
<u>Homestead Village</u> Chippewa Falls, WI	48	WPS Conventional	February 2000
<u>Deer Creek Village</u> New Berlin, WI	145	US Bank Conventional	October 2001
<u>Silver Creek Village</u> Glendale, WI	65	WHEDA Bond	August 2000
<u>Lexington Village</u> Greenfield, WI	120	Wells Fargo Conventional	December 1998
<u>Silver Lake Pointe</u> Mounds View, MN	83	Wells Fargo Conventional	September 1995
<u>Courtyard</u> West Allis, WI	63	Wells Fargo Conventional	September 1995
<u>Mill View</u> Kiel, WI	24	Rural Development	March 1995
<u>Station House</u> Antigo, WI	40	Rural Development	1991
<u>Village Plaza</u> Paddock Lake, WI	<u>24</u>	Rural Development	1991
Total	985		

MSP REAL ESTATE, INC.
TAX CREDIT FAMILY (SECTION 42) APARTMENTS

<u>Project Names/ Locations</u>	<u>Number of Units</u>	<u>Financing</u>	<u>Completion Date</u>
<u>The Landing Apartments</u> Chippewa Falls, WI	40	Conventional	June 2016
<u>Meadow Ridge Apartments</u> Waukesha, WI	70	Conventional Town Bank	October 2014
<u>New Berlin City Center</u> New Berlin, WI	102	Enterprise	December 2012
<u>Silverlake Commons</u> Mounds View, MN	50	MHFA	February 1999
<u>Cityside Townhomes</u> Marshall, MN	50	MHFA	April 1997
<u>Parkside Townhomes</u> Redwood Falls, MN	30	FNMA	February 1997 (Sold May 2017)
<u>Valley Farms Apartments</u> Westfield IN	92	Rural Development	May 1996
<u>Lincoln Square Apartments</u> Chisholm, MN	38	Conventional	August 1995 Sold 2013
TOTAL	472		

HERITAGE SENIOR LIVING, LLC
ASSISTED/MEMORY CARE FACILITIES

<u>Project Names/Location</u>	<u>Number of Units</u>	<u>Number of Beds</u>	<u>Financing</u>	<u>Completion Date</u>
<u>Heritage Kimberly</u> (45 Independent, 47 Assisted Living/ 44 Memory Care) Kimberly, WI	136	136	Conventional	Estimated June 2017
<u>Heritage Lake Country</u> (45 Independent, 43 Assisted Living/ 36 Memory Care) Delafield, WI	124	124	Conventional	March 2017
<u>Heritage Port Washington</u> (45 Assisted Living/ 20 Memory Care) Port Washington, WI	65	69	Conventional	November 2015
<u>Heritage Court Waukesha</u> (Memory Care) Waukesha, WI	36	38	Conventional	October 2014
<u>Heritage Elm Grove</u> (61 Assisted Care/ 36 Memory Care) Elm Grove, WI	97	106	10-Year WHEDA	June 2014
<u>Heritage Monona Phase II</u> (28 Assisted Care/ 40 Memory Care) Monona, WI	68	75	10-Year WHEDA	November 2012
<u>Heritage Middleton</u> (43 Assisted Care/ 36 Memory Care) Monona, WI	79	85	10-Year WHEDA	December 2012
<u>Heritage Monona</u> (37 Assisted Care/ 38 Memory Care) Monona, WI	75	86	WHEDA Bond	September 2009
<u>Heritage Court West Allis</u> (Memory Care) West Allis, WI	38	40	MSP	September 2009
<u>Heritage West Allis</u> (Assisted Care) West Allis, WI	40	46	WHEDA Bond	August 2009
<u>Heritage Court</u> (Memory Care) Eau Claire, WI	34	36	MSP	October 2007
<u>Heritage Court</u> (Memory Care) Menomonee Falls, WI	34	36	Conventional	November 2004
<u>Heritage at Deer Creek</u> (43 Assisted Care/ 33 Memory Care) New Berlin, WI	76	82	HUD	January 2004
<u>Heritage at Oakwood Hills</u> Eau Claire, WI	39	49	Conventional	December 2002
<u>Lexington Heritage</u> Greenfield, WI	20	24	Conventional	February 2000
TOTAL	961	1032		

MSP Real Estate Development has experience developing properties using both 9% tax credits and 4% tax credits with tax exempt bond financing. As the following section will demonstrate MSP Real Estate Development also has experience with public/private development projects utilizing TIF, HOME Funds, CDBG, Brownfield Grants and Federal Home Loan Bank funding.

B. Team Experience in Public/Private Partnerships

West Allis Tax Credit Independent and Heritage West Allis Assisted Living and Memory Care

2008-Heritage West Allis, a 200 unit senior housing campus developed at the former Laidlaw Bus depot. MSP was selected by the City based on their response to an RFP and conveyed the land for \$1. Milo Pinkerton and the City obtained a Brownfield Grant to help offset costs related to building demolition and removing an underground leaking fuel tank. MSP also financed this development with tax credits and tax exempt bonds from WHEDA. The \$25,000,000 development consists of a 4 story 122 unit independent tax credit senior building interconnected to a 2 story 40 unit assisted living and single story 38 unit memory care community. Construction took nearly 16 months and the project leased up ahead of schedule in just under 18 months.

Contact Information: John Stibal- Director of Community Development (414)302-8462



(Picture of our West Allis Senior Tax Credit Independent Building)

Monona Tax Credit Independent and Assisted Living/Memory Care and Phase II Assisted Living

In 2008 and 2012 Heritage Monona a two phase senior housing campus was developed at the former garden circle apartments in Monona, WI. MSP was selected by the City based on their response to an RFP and conveyed the land for \$1 and provided \$2,400,000 in tax increment financing. MSP also financed this development with tax credits and tax exempt bonds from WHEDA. The \$28,000,000 development consists of a 4 story 88 unit independent tax credit senior building interconnected to a 2 story 75 unit assisted living/memory care building and a Phase Two, 2 story 68 unit assisted living and memory care community. Construction took 12 months and the project leased up at a record pace ahead of schedule in just under 9 months (Phase 1) and 12 months respectively (Phase II).

Contact Information: Sonja Reichertz- Monona Economic Development Director
(608)222-2525



(Main Entrance to Monona Senior Campus)

Middleton Independent Tax Credit and Heritage Assisted Living and Memory Care

2012- Heritage Middleton a 135 unit senior housing campus developed at a vacant sentry store in Middleton, WI. MSP put the site under contract in 2011 and worked with the City to help remove an eyesore on the gateway to Madison through Middleton. The site required excavation and haul off of approximately 10 feet of soil and replacing that soil with engineered fill. This was due to the site previously sitting at the edge of a lake bed. The City provided \$2,100,000 in tax increment financing and Dane County provided a low interest loan in the amount of \$460,000. MSP also financed this development with tax credits and a 7/10 loan from WHEDA. The \$18,000,000 development consists of a 4 story 56 unit independent tax credit senior building interconnected to a 2 story 79 unit assisted living memory care community. The project is extremely dense on a site of only 2.2 acres, but fits the urban design standards encouraged by the City. Construction took 12 months and the project has been full with a long waiting list on the affordable independent side since almost day one of certificate of occupancy.

Contact Information: Mike Davis-City Administrator 608-821-8358



(View of Senior Independent Tax Credit building at Middleton Campus)

Heritage Elm Grove – Assisted Living/Memory Care

Built in 2014, Heritage Elm Grove is a 97 unit Assisted Living and Memory Care community that replaced the former Tapco manufacturing facility in Elm Grove, WI. This project represents another successful public/private partnership between MSP and a municipality. Despite its urban location as a second ring suburb of Milwaukee, the Village of Elm Grove for decades had maintained its independence from obtaining municipal water and serves its water needs through wells. MSP worked with the Village and the neighboring City of Brookfield to run a water line to MSP's property which was paid for through TIF for the project in the amount of \$900,000. This allowed MSP to install the fire suppression system necessary to service the building and is sized to service the needs of most of the Village allowing other users to connect to the system which will help the redevelopment of the downtown business district in the years to come. The Village provided an additional \$600,000 in TIF to offset demolition costs and provide for remediation of substandard soils.

Contact Information- David DeAngelis- Village of Elm Grove Administrator- 262-782-6700



(Main Entrance Heritage Elm Grove)

City Center New Berlin consisting of City at Deer Creek, Heritage at City Center and City Center at Deer Creek Phase II. City Center Phase I consists of 3 (34) mixed income apartment buildings. The \$22,000,000 first phase is 85% tax credit affordable and 15% market rate. The project opened 100% pre-leased. Heritage at City Center was also constructed in 2012 and features 34 units for seniors. The project has a similar affordable component and like the general occupancy apartments opened 100% pre-leased. The great success of our first phase led us to start construction of a second phase of 75 apartments in December 2013. This project is 80% market rate and 20% affordable and features 1, 2 and 3 bedroom units.

Contact Information: Greg Kessler- Director of Community Development 262-797-2445



Meadowridge, (photo not available) is a 70 unit family tax credit development located in Waukesha WI. This project received an award of 2013 tax credits and subsequently applied for Federal Home Loan Bank Grant. This project was awarded in December of 2013 a \$420,000 Federal Home Loan Bank Grant.

C. Team Experience in developing multifamily housing for low & moderate income households

As indicated in our staff profiles (below) our current team has a unique blend of experience and educational background with low income multifamily and senior housing developments:

- Milo Pinkerton has long term expertise and success with this unique development program. Over the past 25 years, Milo has developed a reputation for high integrity and delivering results to partners and other stakeholders.

MSP Real Estate has a team of seasoned real estate development professionals with a combined 58 years of direct housing and/or real estate development experience. This means that we not only bring deep knowledge and experience, but also have ample staffing to provide dedicated project management to each new project under development.

<u>Team Member</u>	<u>Years of Tax Credit / Housing Experience</u>
Milo Pinkerton	26
Jim Rodgers	23
Mark Hammond	6
Danny DiFrancesco	5

As previously stated, MSP Real Estate has assembled a team of seasoned professionals and consultants to augment our in-house team. We have consistently worked with this team on past projects and intend to continue these working relationships in order to ensure project success. Our team includes the following:

- Outside Legal Counsel:
Foley & Lardner (Madison, WI) - Wayman Lawrence & Katie Rist
- Accounting:
SVA (Madison, WI) – Glen Weyenberg & Mike Kendhammer
- Architecture:
Dimension IV (Madison, WI) – Jerry Bourquin
- Engineering:
CJ Engineering (Milwaukee, WI) – Chris Jackson

We have partnered with a total of six different tax credit syndicators on our past tax credit awards.

Milo Pinkerton – President

Milo has developed more than 2500 units spanning over 30 years. Milo’s unique background of architecture, finance, real estate and construction has enabled MSP projects to be of consistent high quality, on time and on budget.

Heritage Senior Living was formed in 2000, as a health care housing company for independent, assisted and memory care seniors and has since grown to the country’s 55th largest operation. Every year Heritage is constructing over \$30 Million in purpose-built housing, primarily in Wisconsin.

Milo is primarily responsible for overseeing and directing all aspects of the MSP Family of Companies, ensuring steady growth, consistent profitability and increasing cash flows annually. Milo works hands on with the development and construction company and coordinates management and direction of Heritage and MSPPM through its various staff directors.

Prior to forming MSP Real Estate, Inc. Milo was vice president and manager of special projects for ITT Real Estate Services, where he was in charge of the disposition of \$50 Million of troubled real estate nationwide. Milo was also project director with a regional

development/construction company, Orville E. Madsen and sons, based in Madison, Wisconsin, in charge of developing over 450 units.

Milo has a Master's of Science in Business, Real Estate Investment from the University of Wisconsin and a Master of Architecture Degree from the University of Minnesota. He is licensed in Minnesota and Wisconsin as a real estate broker.

Mark Hammond – Director of Development & General Counsel

Mark Hammond, as Director of Development & General Counsel, leads all real estate development activities and assists the company in identifying and overseeing legal issues in other core business units.

Mark's primary responsibility is the identification and management of new development opportunities in senior housing campuses, MSP's core business category. His secondary focus is identifying market-rate multifamily and tax credit affordable housing opportunities. Mark actively manages all aspects of the development process, including site acquisition and approval, financing, design and value engineering, construction, and lease-up.

Prior to joining MSP, Mark worked at Weber Holdings, where he co-led the development of a \$50M mixed-use, full-block redevelopment project, and a \$30M adaptive reuse conversion of an 1898-built chocolate factory into a 67-room boutique hotel. During these two development projects, Mark simultaneously asset managed a 300,000 square foot Class A office campus and a 150,000 square foot industrial portfolio. Prior to his time at Weber Holdings, Mark interned with the Acquisitions group of a leading institutional real estate advisor Bentall Kennedy, where he assisted a small team that placed approximately \$500M in equity in 2011.

Mark has served on numerous boards that promote economic development and revitalization. He is also active with the University of Wisconsin Real Estate Alumni Association and is a member of the State of Wisconsin Bar Association.

Mark holds a Bachelor's Degree in Economics, an MBA in Real Estate, and a Juris Doctor, all from the University of Wisconsin-Madison.

Jim Rodgers - Director of Asset Management

Jim Rodgers is responsible for the asset management of a portfolio of properties under ownership of the MSP / Heritage Companies. Responsibilities include but are not limited to, production of property budgets and budgetary oversight, capital improvements, refinancing and analysis of future acquisitions for both MSP and Heritage owned real estate. This analysis includes the identification of vacant land for purchase and application to WHEDA for low income housing tax credits.

Prior to his role with MSP/Heritage, he was employed at the Wisconsin Housing and

Economic Development Authority for 21 years as an Asset Manager, Loan Officer and Low Income Housing Tax Credit Underwriter. During his time there, Jim was an integral part of a team that administered the Low Income Housing Tax Credit program which produced over 20,000 units of affordable housing across the State of Wisconsin. He also underwrote and closed over \$120 million in affordable multifamily housing loans which included lending for the production of assisted living facilities.

Jim has a Master’s of Science in Business, Real Estate Investment, and a Masters Business Administration, Finance from the University of Wisconsin-Madison.

D. Property Management

MSP Property Management



1295 Northland Drive Ste 270
Mendota Heights MN 55120

952-351-4540
952-935-7202
www.msphousing.com

6234 Maywood Avenue
Middleton WI 53562

608-858-1088
608-831-7429

List of MSP Property Managed Properties: 6 Senior and 7 Family projects.

Project Name	Location	Number of Units	Senior/Family	Tax Credit Yes/No
New Berlin Senior II	New Berlin WI	34	Senior	Yes
Chippewa Senior II	Chippewa Falls WI	24	Senior	Yes
Homestead Village	Chippewa Falls WI	48	Senior	Yes
Silver Creek Village	Glendale WI	65	Senior	Yes
Lexington Village	Greenfield WI	120	Senior	Yes
Courtyard	West Allis WI	63	Senior	Yes
Meadow Ridge	Waukesha WI	70	Family	Yes
New Berlin City Center	New Berlin WI	102	Family	Yes
Silver Lake Commons	Mounds View MN	50	Family	Yes
Cityside Townhomes	Marshall MN	50	Family	Yes
Parkside Townhomes	Redwood Falls MN	30	Family	Yes
Central Pointe	New Berlin WI	75	Family	No
The Landing	Chippewa Falls WI	40	Family	Yes
Total		771		

MSP Property Management, LLC (MSPPM) was formed in 2006 to provide professional property management services to its affordable housing and market-rate housing portfolio in Minnesota and Wisconsin. MSPPM currently manages over 770 units in 13 locations throughout Wisconsin and Minnesota.

MSP Property Management has their accounting staff located at offices located in Mendota Heights, MN with property management staff located in offices in Madison and West Allis, WI.

Since 2006 MSP property management has managed the complexities of Low Income Housing Tax Credit Compliance.

Staff knowledge of program requirements –

All team members are kept up to date on any State or Federal Policy changes and Compliance Department attends Training on a regular basis according to the needs of the State Agency and their recommendations. Property management staff do attend WHEDA compliance seminars on an as needed basis.

Processing certifications and recertifications –

All Certs and Recerts are completed in a timely manner according to the regulations set by the State Agency and/or Funding Program. Compliance Resources (Becky Haag) provides additional third party quality assurance (compliance) oversight.

Tenant files completeness and organization –

All tenant files are third-party audited for accuracy by Compliance Resources (Becky Haag) and MSP management outlines all file set-up so organization and completeness is the same no matter which property you walk onto.

Responsiveness to federal and state housing compliance issues including AG 134, Equal Opportunity, affirmative fair marketing practices, 504 and LIHTC.–

All Federal and State Housing Audits or Issue Responses are handled according to the time limit provided per notification. Our goal at MSP Property Management is to turn around any audit items prior to or earlier than the deadlines provided.

Compliance History-Number and quality of 8823's issued –

MSP Property Management has been managing affordable housing since 2006. **In the past 5 years there have only been a few minor tenant file issues that required resolution related to missing documentation only. No substantial reportable recapture of credit issues has ever been reported on these managed properties to the IRS.** Each state has their own standards of practice on when/why to issue an 8823's but we have experienced the same results with our Minnesota based properties that interface with the Minnesota Housing Authority.

Liz Johnson, our area property manager has multiple years' experience with tax credit compliance. She continually monitors the site staff for tax credit compliance and reporting issues to both the Wisconsin Housing Economic Development Authority and the Minnesota Housing Finance Agency.

Our third party consultant, Becky Haag, Compliance Specialists (20 years' experience) reviews ALL tenant files for tax credit compliance as well as recertification compliance.

MSP Property Management provides all property management functions including Tax Credit certification, recertification, ongoing compliance, all accounting functions, day to day management and maintenance. MSP Property management has grown in size and oversight starting with 66 units in 2 projects in 2006 to over 770 units in 13 projects in Wisconsin in 2017.

Susan Stepka, our Chief Financial Officer, heads up an accounting staff that employs 6 full time accountants with over 100 years combined of accounting experience.

Jim Rodgers and Liz Johnson have over 25 years combined Asset Management and Property management experience. They monitor monthly reports related to rent collection, occupancy, budget to actual costs, leasing status, work orders and tax credit compliance, along with addressing ongoing inspections and reporting for state and lender requirements. Most of our sites are then staffed with on-site managers and maintenance staff dependent on needs of individual properties.

We have within the MSP Property Management and Heritage Senior Living management umbrella 18 full time maintenance staff to take care of the day to day physical plant operations for all our properties.

Finally, our tax credit compliance quality control is provided by Becky Haag from Compliance Specialists. Becky has been providing compliance monitoring services for tax credit properties for over 20 years.

E. Providing supportive housing units or delivering supportive services

MSP is committed to identifying the right services provider to the meet the objectives of the funding source whether it be city, county or federal tax credits funding that requires a supportive housing component to the development.

Some past examples of supportive housing MSP has provided include, in 2013 MSP partnered with Movin' Out on our successful 70 unit family tax credit project, Meadow Ridge Apartments, located in Waukesha, WI. The project reserved six (6) units for residents who are seniors or adults with physical and/or development disabilities that rely on supportive services that are planned and delivered by Movin' Out. MSP worked

with both Movin' Out and Care Wisconsin to provide the following supportive services to the residents of Meadow Ridge:

- Maintain independence in the home and the community
- Home maintenance
- Meal planning/groceries
- Assist individuals with future housing and personal care needs
- Locate health and housing assistance

Another illustrative past example is MSP's 2015 tax credit application, The Landing Apartments. For this project in Chippewa, WI, MSP partnered with West Central Wisconsin Community Action Agency, Inc., (WestCap) and Veterans Assistance Foundation, Inc. to provide the following supportive services to the residents:

- Housing Assistance Programs
- Food Access and Resources Program
- Energy Assistance
- Jumpstart Transportation
- Adult Education
- Literacy
- Skills Enhancement

Veteran's Assistance Foundation will provide the following services:

- Staff support to ensure safety and supervision as needed
- Community involvement/relationships
- Organization, communication, coordinating transportation
- Medication assistance and medical advocacy
- Financial support (assist each tenant with personal checking account as needed)

With our 2017 tax credit application, Normandy Square, we have partnered with Community Action Coalition (CAC), Middleton Outreach Ministry (MOM) and Madison Urban Ministry (MUM).

MUM has agreed to provide monthly direct on-site case management visits as a condition of Normandy Square Senior accepting their referrals for prison reentry individuals. This will be provided at no additional cost. MUM's services already include a lengthy follow-up period, typically ranging from 6 months to a year and sometimes up to 2 years for prison reentry individuals.

MOM has agreed to a minimum of one proactive follow-up call for every referral within the first three months of their tenancy at Normandy Square Senior as a condition of Normandy Square Senior accepting their referrals for Homeless/Nearly Homeless families.

CAC supportive services includes only the coordination of existing services that CAC already provides in the community. CAC will be able to refer prospective residents to

Normandy Square Senior Apartments and offer case management services through its Supportive Services for Veterans Families (SSVF) program. Other services from CAC may include referrals to community partners for job training, or employment, and assistance for applying for VA programs and services.

Section 3 References (three for similar projects completed by the development team)

COMMUNITIES/FINANCIAL

John F. Stibal
Director of Development
City of West Allis
7525 West Greenfield
Ave. West Allis, WI
53214 414.302.8462

Abby Attoun-Tucker
Director of Community
Development
City of Middleton
7426 Hubbard Avenue
Middleton, WI 53562
608.821.8343

John Johannes
EVP, Commercial Banking
Wintrust Commercial
Banking at Town Bank
262.369.4223

Kevin Kilbane
Raymond James
Funds Cleveland
383 South Island Drive Rocky
River OH 44116 216-509-1342

Section 4 WHEDA Self Score based WHEDA scoring criteria

	Maximum Points	The Grove Apartments
1. Lower Income Areas	5	0
2. Energy Efficiency and Sustainability	32	30
3. Mixed Income Incentive	12	12
4. Serves Large Families	5	5
5. Serves Lowest-Income Residents	60	60
6. Supportive Housing	20	20
7. Rehab/Neighborhood Stabilization	25	0
8. Universal Design	18	18
9. Financial Participation	25	14
10. Eventual Resident Ownership	3	0
11. Project Team	12	10
12. Readiness to Proceed	12	12
13. Credit Usage	30	30
14. Opportunity Zones	25	9
Total	284	220

Grove Apartments Unit Mix

	Total # of Units	# of Bedrooms		
		1 BR	2 BR	3 BR
30%	26	17	0	9
40%	0	0	0	0
50%	52	36	7	9
60%	31	7	24	0
Market Rate	20	4	16	0
	<u>129</u>	<u>64</u>	<u>47</u>	<u>18</u>