

GENERAL APPLICATION

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2025-14027: **Financing for Affordable Homeownership Development, Programs, and Services**.

Applications must be submitted electronically to the City of Madison Community Development Division by **noon on September 26, 2025**. Email to: cddapplications@cityofmadison.com. Any questions, contact mdavila-martinez@cityofmadison.com.

APPLICANT INFORMATION

Applicant Name: Habitat for Humanity of Dane County, Inc.	
Proposal Contact Name:	Tom Clippert
Email (Proposal Contact):	Tclippert@habitatdane.org
Financial Contact Name:	Val Kudrna
Email (Financial Contact):	vkudrna@habitatdane.org
Legal Status: ☒ Non-Profit ☐ Private/For-Profit ☐ Other	
Federal EIN:	39-1592769
Registered on SAM? ☒ Yes ☐ No	SAM/ UEI #: TGPAJDKABHL1
Community Housing Development Organization?	☐ Yes ☒ No ☐ CHDO Application Attached

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 <https://www.cityofmadison.com/civil-rights/contract-compliance/affirmative-action-plan>.

LOBBYING REGISTRATION

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF, or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000. You may register at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained 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

Name Gabriella Gerhardt

Date: 9/24/2025

By submitting this application, I affirm that the statements and representations are true to the best of my knowledge. By entering your initials in this box **GG** you are electronically signing your name as the submitter of the application and agree to the terms listed above.

ORGANIZATIONAL CAPACITY: **COMPLETE ONCE**

1. Describe your agency's experience with **current or past awards**, including challenges, successes, opportunities, and areas of improvement. If you are a **new applicant**, explain your capacity to undertake the proposed project and identify any resources, partnerships, or expertise you will rely on.

Habitat for Humanity of Dane County has been partnering with the City of Madison for more than 10 years and building in Madison since 1987. We have built and sold a total of 201 homes in the city with a total appraised value of \$30,176,900 at closing, increasing the affordable housing stock and supporting partner families who would be unable to get a traditional mortgage or find an affordable home to purchase. We have also completed 31 home repairs within Madison, preserving existing homes and ensuring homeowners can remain safely on their property. In 2026, we look forward to continuing our partnership with applications for program and development funding. Program applications are for minor home repair and homebuyer assistance through HOME funds. Development applications include a proposal to buy six Owl Creek lots and for development financing to develop those lots.

We have a long history of program support from the city. These investments have directly enabled low- and moderate-income families to own safe, stable homes and supported critical repairs for households at risk of displacement. Since 2016, 31 Habitat families have received \$960,000 in homebuyer assistance from Madison, which has helped ensure affordable mortgage payments that don't exceed 28% of family income. Since 2023, Habitat has also facilitated \$55,000 of minor home repairs to keep 11 homeowners in their homes thanks to support from the city. On top of this, for more than a decade, we have successfully administered Dane County CDBG funding for mortgage reduction and minor home repair outside the City of Madison.

We are well positioned to utilize program funding. In our 38-year history, we have sold 361 homes within Dane County to partner families and crafted a homeownership program that enables long-term success of homeowners. We have plans to build ten homes in our current fiscal year but aim to build 25 homes annually by 2030. The need is greater than ever, and we are working to scale our operations to bring more affordable homeownership opportunities to the community. Our home repair program is newer, and we have successfully completed 62 home repairs since 2015. We aim to increase our annual home repair output from fewer than ten to 20 or more per year; we now have a dedicated staff position focused on home repair.

Our success is also evident in development work in the Owl Creek neighborhood. City resources helped us acquire six lots in December 2021 and all six homes were completed and

sold to Habitat families by 2024; the appraised value for these homes ranged from \$252,000 to \$279,000. We purchased two additional lots in July 2023 that will be under construction in our 2025-2026 fiscal year. With continued support from the City, we plan to expand this success by purchasing and developing affordable homes on up to six additional Owl Creek lots.

While this is our first year applying for development financing from the city, we are well prepared to utilize it effectively. Our construction operations have improved significantly in efficiency in recent years, with streamlined project management, faster build timelines, and stronger volunteer and contractor partnerships; this is possible with the addition of a Construction Manager who comes from the for-profit single-family home building industry, implementing Builder Trend software, and a two-year process of closely looking at our practices to identify issues and continuously improve. We have always financed our home builds independently with fundraising revenue and ReStore sales, but to scale our operation to serve more families, development financing and construction loans will be a critical tool. This is especially essential because we serve as both the construction company and mortgage lender for the families we serve.

As with any funding partnership, challenges can arise—particularly the timing of resources relative to construction schedules, procurement and cost of materials, consistency of volunteer labor, and availability of subcontractors to do expert work. Access to development financing will help alleviate cash flow choke points, providing stability and flexibility for our pipeline of projects. Overall, our track record demonstrates both our capacity to manage complex funding sources and our commitment to continuous improvement in creating affordable homes, making it possible for low- and moderate-income first-time homebuyers to buy a home, and helping current homeowners stay safely in their homes.

2. Do you or any team members have outstanding legal matters or ongoing litigation? If so, provide brief details. Specifically, list:
 - a. Any foreclosure, default, or bankruptcy within the past ten years.
 - b. Any litigation related to financing or construction projects within the past five years.
 - c. Any Chronic Nuisance Abatement or Nuisance Case notifications issued by the Madison Police Department or Building Inspection within the past five years.
 - d. Any unresolved Building Inspection citations resulting in Municipal Court Complaints within the past five years.

- e. Any litigation with the City of Madison, or within the State of Wisconsin, within the past five years.

No

SUBMIT THE FOLLOWING QUESTIONS FOR EACH PROJECT PROPOSAL.

PROPOSAL #3

1. PROJECT SUMMARY

Name of Proposal:	Habitat Dane Offer to Purchase 6 Owl Creek Lots
Proposal Type:	Development - Purchase of Lots for Sale ONLY
Proposal Summary:	Habitat for Humanity of Dane County is pleased to submit this proposal to purchase six city-owned lots in the Owl Creek neighborhood to build single-family homes. The next proposal is to request development financing for any Owl Creek lots sold to us. If awarded fewer than all six lots, Habitat Dane would prefer contiguous or closely located parcels. This will allow us to better deploy staff, equipment, and volunteer groups efficiently, keeping construction costs down and maximizing the number of families served. Habitat Dane proposes constructing six homes in Owl Creek targeted at an affordable sales price of \$295,000, consistent with our history of building modest-sized homes that meet both family and community needs. We are committed to maintaining affordability for our partner families despite rising costs, and purchasing city-owned lots will further that goal. With a robust home building operation and homeownership program, Habitat Dane is ideally positioned to bring affordable single-family homeownership opportunities to Madison residents. We have a recent track record of success in this very neighborhood. Thanks to City support providing the lots, Habitat has completed six homes in Owl Creek with appraised values ranging from \$252,000 to \$279,000. As both builder and lender, Habitat constructs affordable homes and offers 0% interest mortgages to partner families; payments are capped at 28% of household income, ensuring that monthly payments remain within reach. Homes are sold to partner families at full appraised value, ensuring fair and transparent transactions that allow buyers to build equity from day one. Reducing the land acquisition costs enables Habitat to direct limited funding toward the development of more high-quality, energy-efficient homes. This investment will ensure that each family purchasing a home at Owl Creek will benefit from both a reduced mortgage burden and long-term housing stability. With 38 years of experience building affordable homes, Habitat Dane has a proven track record of creating high-quality homes and guiding first-time homebuyers to long-term success. Homes in Madison are strongly desired by many applicants to the program. Securing these lots is the first step toward extending these benefits to six more families in Madison, directly

	supporting the City’s goal of making single-family homeownership available to first-time homebuyers.
Number of households served:	6
Amount Requested from CDD:	6 Owl Creek Lots
Total Proposal Budget:	\$3,076,338

1A. DEVELOPMENT PROPOSAL ONLY

Specify the target price of project homes (estimate):	\$295,000
Will the homes be permanently affordable? [Yes/No]	No
Do you have site control? [Yes/No]	Yes. We will be developing only Owl Creek lots Madison allows us to purchase.
If yes, what is the site address:	All
Is the site currently occupied?	No
If proposing to build on Owl Creek Vacant Lots detailed above, list addresses of lots. If interested in all six lots, write “All”.	All

2. PROJECT DESIGN

List any features that make your proposal unique.

- For **Development Proposals** - Provide a detailed description of the **sustainability** and **accessibility** features incorporated into the project design, including their estimated incremental costs to construction. If any of the required sustainability or accessibility features **cannot** be met, explain why they are not feasible for this project.
 - If you are proposing **additional** sustainability or accessibility features that exceed the standard requirements, specify:
 - The specific features being added
 - How many units will include these enhancements
 - The estimated incremental cost associated with these enhancements
- For **Programs/Services** - What innovative or unique elements will your program include to enhance its impact or reach? For example, describe any targeted partnerships, culturally specific approaches, scalability features, or methods of tailoring services to meet the diverse needs of the community (e.g., income levels, racial/ethnic groups, or other demographics). How do these features set your program apart from others?

To comply with City of Madison sustainability requirements, these six homes will meet ENERGY STAR standards. All Habitat homes are currently built to Focus on Energy standards. Trinity Environmental certifies that Habitat Dane home construction meets the Focus on Energy requirements including all mechanicals and appliances. The transition to ENERGY STAR requires adjustments to our standard building practices, additional staff training, and an increase in costs,

but it aligns with our organization's commitment to sustainability. We have also started a push toward installing solar panels on as many homes as possible, thanks to the support of grants and individual donors. We have recently installed solar panels on homes in Madison, Oregon and Sun Prairie. We will continue to work with donors and supporters to fund solar panels on as many of our 2026 homes as possible, including any lots in Owl Creek.

In terms of accessibility, Habitat Dane's home construction meets the WI Uniform Dwelling Code (UDC) for one- and two-family dwellings; ADA requirements are part of the WI UDC. When necessary, we incorporate additional accessibility features based partner family needs. Homes in Owl Creek will be designed to meet required accessibility standards wherever feasible, depending on lot grade.

The incremental costs for sustainability and accessibility features are estimated at approximately 5% above base construction costs, primarily driven by construction supply increases and the additional requirements of accessibility design.

With the development of six Owl Creek lots at a target price of \$295,000, Habitat Dane directly supports the City's goals to increase the supply of affordable, owner-occupied housing in Madison. In meeting a higher standard of accessibility, Habitat ensures families will be able to live in these homes long-term no matter their ability and to age in place in the future. In meeting a higher standard of sustainability, these homes will contribute towards Madison's goal to decarbonize the housing stock.

3. PROJECT READINESS

Provide a summary of the steps already completed and those remaining to demonstrate project readiness.

- For **development proposals**, include land acquisition, financing, zoning approvals, or other pre-construction milestones. Reminder that multi-family proposals have additional requirements including pre-application meeting and DAT meeting that should be included in the timeline.
- For **programs and services**, include steps such as participant outreach plans, hiring and training staff, securing partnerships, timeline for utilizing funds, or developing program materials.

At this stage, Habitat for Humanity of Dane County has not initiated specific development steps for the six Owl Creek lots, as site control has not yet been secured. Once the lots are purchased from the City of Madison, Habitat Dane is fully prepared to move forward rapidly, leaning on our 38 years of construction experience and our proven capacity to deliver high-quality, affordable homes.

Habitat Dane has a strong record of success in Madison, having built 201 homes within the city, including several in Owl Creek, and 361 homes county-wide. We maintain a strong working relationship with the City of Madison. Over the last two years, we have strengthened our construction

practices, implemented efficiency improvements, and built strong systems for cost control and project management, including our implementation of Buildertrend software.

Our financial stability further demonstrates readiness as we continue to independently finance all of our home build projects. Habitat Dane sustains operations through a variety of funding sources, including charitable donations from individuals, consistent support from institutional funders, income from our two ReStore retail operations, and mortgage income from active homeowners. This diversified funding base ensures we can meet our financial obligations associated with these projects. To meet our goal to scale our operation to serve more families, development financing and construction loans will be a critical tool.

Upon acquisition of the lots, we will immediately begin our pre-construction process, which typically includes:

- Site survey and evaluation
- Site plan development
- Permit applications and approvals
- Bidding and procurement phases

This process has been refined over decades of building in Dane County and ensures projects advance on schedule and within budget.

Habitat Dane continually hires and trains staff to meet the growing demand for affordable homeownership and routinely evaluates internal processes to improve efficiency and outcomes. Our experience, financial capacity, and established partnerships with the City and community position us to move forward quickly and effectively once these lots are acquired.

4. PROJECT FEASIBILITY – Developer/Administrator Capacity

Identify team members / partnerships for this project, along with their relevant training, certifications, licenses, experience, and contribution to the proposed project.

Habitat for Humanity of Dane County has the internal capacity and external partnerships to manage all phases of the Owl Creek development. Our team combines experienced staff with professional certifications, volunteer leadership, and strong community partnerships to ensure compliance, efficiency, and quality.

Key Development Staff

- **Construction Manager**– Provides operational oversight of all construction projects, ensuring safety, quality, adherence to deadlines, and budget control. Supervises Site Superintendents and serves as a resource for staff, volunteers, and contractors.
- **Site Superintendents – Construction** – Coordinate daily construction operations, ensuring on-site safety, timely progress, and adherence to Habitat standards.

- **Director of Program Operations** – Oversees cross-departmental coordination, streamlines processes, and strengthens accountability and productivity across Habitat’s programs.
- **Chief Operating Officer**– Provides organizational leadership for construction, family services, volunteer engagement, and ReStore operations, ensuring Habitat’s ability to manage rapid expansion and complex development projects.
- **Director of Community Services**– Brings deep HUD program administration and municipal housing experience to ensure compliance and oversight.
- **HUD-Certified Family Education Coordinator & Housing Counselor**– Supports families from application through closing with financial literacy, homebuyer readiness, and homeowner education.
- **Partner Family Support Specialist**– Helps families fulfill sweat equity requirements, provides cultural and language support, and connects families to resources.
- **Loan Service Specialist**– Manages mortgage servicing and compliance with state and federal regulations.

Key Partnerships

- **Vierbicher** – Licensed engineering firm providing surveying, site planning, and bid preparation for development projects.
- **Professional Subcontractors** – Licensed electricians, plumbers, HVAC technicians, and other skilled trades ensure quality and code compliance.
- **Focus on Energy Consultant** – Trinity Environmental certifies that Habitat Dane home construction meets the Focus on Energy requirements including all mechanicals and appliances.
- **Volunteer Workforce** – Each year, Habitat mobilizes more than 800 volunteers contributing more than 13,000 hours on construction sites, reducing costs while engaging the community in affordable housing.
- **Education Partners** – Partnerships with Madison College, the Sun Prairie School District, and Operation Fresh Start expand workforce development opportunities while supporting Habitat builds.
- **Legal Partners** – Attorneys (both pro bono and paid) assist with HOA and common law agreements; **Knight Barry Title** provides title services with partial in-kind contributions.
- **In-Kind Donors** – Contributions of labor and materials, such as roofing, to reduce construction costs.

5. PROJECT FEASIBILITY – Financial Capacity

Explain your approach to fulfilling financial obligations for the proposal, including any secured funding:

- For **development proposals**: Address developer equity, construction financing, other funding sources you are leveraging, and subsidy needs.
- For **programs/services proposals**: Address management of program costs, staff compensation, other sources of funding you are leveraging, and operational sustainability.

Our financial model is unique in that Habitat sells homes at full appraised value but provides below-market-rate mortgages, creating a cash flow deficit that must be offset by other funding sources. Habitat Dane bridges this gap through generous community support, fundraising, and earned revenue. These combined sources ensure ongoing program sustainability despite the deficit model. We have also consistently secured down payment assistance from the Federal Home Loan Bank of Chicago on every home closed over the past five years, and we frequently provide homebuyer assistance through HOME funds administered by the City of Madison and Dane County, ensuring additional subsidies for our partner families.

To run the entire organization, current annual revenue sources include, but are not limited to:

1. \$1,627,800—Monetary contributions from the community
2. \$61,600—United Way donations
3. \$245,000—Community Development Financial Institution Grant income
4. \$2,650,000—Combined income from Habitat’s two ReStore retail operations, generating approximately \$465,000 in net revenue each year.
5. \$650,000—Annual mortgage payment revenue from current Habitat homeowners
6. \$1,060,000—Other income, primarily mortgage sales and deferred mortgage payments
7. \$446,600—Gift-in-kind donations, primarily volunteer labor to construct the homes

Our financial operations are supported by a dedicated finance team, annual audits, and strong internal controls to maintain compliance and accountability. All staff are compensated at fair-market rates aligned with regional nonprofit and construction benchmarks, ensuring long-term organizational stability.

We are committed to the long-term viability of the homeownership program. Sustainability strategies include ongoing fundraising and outcome tracking and reporting to demonstrate community impact and maintain funder confidence.

6. PROJECT FEASIBILITY – Project Management and Timeline

Provide a project timeline for the contract term, including key milestones:

- For **development proposals**: real estate acquisition, bid process, construction start/end, marketing, and unit sale completion, etc. (2 year-max timeline)
- For **programs/services proposals**: marketing, outreach, service delivery, completions, etc. (annual timeline)

Habitat for Humanity of Dane County moves projects into development as quickly as possible to meet the urgent need for affordable housing. With six Owl Creek lots, we plan to develop all 6 homes simultaneously if feasible, though we foresee the possibility of proceeding in two phases starting with 3-4 homes. All six Owl Creek homes will be completed within the contract period.

The process follows a standard sequence, with estimated durations noted below:

Homeowner Selection Process

- Information Meetings – 30 days
- Application Intake and Review – 60 days
- Final Selection of Families – 45 days
- Homeowner Education and Sweat Equity – 120+ days (runs concurrent with pre-construction and construction)

Pre-Construction (60–90 days)

- Acquisition (per City timeline)
- Zoning approvals
- Site planning
- Permitting
- Bid process

Construction (7–8 months)

Depending on sequencing, 3–6 homes may be under construction at once. This phase includes framing, mechanicals, finishes, inspections, and final punch lists.

Closing and Family Move-In (within 30 days of construction completion and receipt of occupancy permit)

Habitat coordinates closing, mortgage documentation, and homeowner move-in.

This timeline provides a clear roadmap for project delivery while allowing flexibility for external factors such as City lot transfer, permitting, subcontractor availability, and family readiness. All six homes will be fully constructed, closed, and occupied within the contract term.

7. COMMUNITY NEED

Alignment: Explain how your project aligns with the City's goals for affordable housing and community development and identify the target population served for your project (including income levels and demographic factors). Note if your proposal aligns with any of the preferences identified in the RFP.

By providing land at a reduced cost of \$1, the City of Madison enables Habitat Dane to provide affordable homes attainable to low- and moderate-income first-time homebuyers. At a target price point of \$295,000 and a unique mortgage financing model, those reduced costs will be passed on to future Madison homeowners in Owl Creek and allows Habitat to deploy limited land acquisition funds towards buying market rate lots for additional home development.

Habitat for Humanity of Dane County focuses home construction in neighborhoods with the greatest need for affordable housing, particularly those with concentrations of low- and moderate-income residents and long-standing racial and economic disparities. Developing six lots in the Owl Creek neighborhood, a low-to-moderate income neighborhood, aligns with these priorities, creating safe, stable, and affordable homes for families historically excluded from Madison's housing market. This effort advances the City's goals of expanding affordable housing, affirmatively furthering fair housing, and reducing disparities in homeownership, particularly for communities of color.

For 38 years, Habitat Dane has served households underrepresented in the traditional homebuyer market. Habitat exclusively serves households earning 30%–60% of area median income (AMI). In 2024, the average partner family earned 47.18% of AMI, and 15% of households served included a family member with a disability. Over the past five years, 41% of Habitat mortgage holders identified as Black or African American, 21% as Asian, 4% as Hispanic, and 29% as White—demonstrating success in serving diverse households.

Through broad community outreach, Habitat Dane recruits a diverse applicant pool reflecting Madison's demographics. Applications are available online and on paper, information sessions are held in bus-accessible locations, and interpretation services are provided in multiple languages. Families are selected through a careful, transparent review process led by Habitat staff and trained community volunteers.

Habitat Dane's program advances the Housing Forward Agenda, supports Regional Housing Strategy priorities around equity and accessibility, and aligns with the City of Madison's goal to expand access to affordable homeownership. The six Owl Creek homes will extend this impact, offering not only affordable housing but also long-term stability and opportunity for families who might otherwise be displaced by rising housing costs.

Economic Mobility: How will your proposal help participants or residents achieve economic mobility, particularly in underserved communities?

- For **development proposals**, explain how the project aligns with the income levels of the area (describe what the median income of the census tract where the development will be located) and promotes generational wealth-building and well-being.
- For **programs/services proposals**, describe how your program fosters financial empowerment and economic mobility through education, support, or direct assistance.

The six proposed homes will be built in the Owl Creek neighborhood, which is within a low-and moderate-income (LMI) census tract. This location aligns directly with the City of Madison's priorities for increasing affordable housing opportunities for LMI individuals and families, ensuring that new development is responsive to the income levels of the area.

Homeownership is proven to be one of the most effective means of building wealth and breaking the cycle of generational poverty. Habitat Dane's mortgages provide economic opportunity by design. Homes are sold at appraised value, with partner families earning instant equity upon closing. Mortgage

payments, including insurance and taxes, are capped at 28% of a family's monthly gross income at initial calculation; this is transformational for families that are frequently cost-burdened and facing annual rising rents. With a 0% interest mortgage, Habitat partner families save hundreds of thousands of dollars over the life of their 25- to 30-year loan. With firm roots in stable housing, homeowners are more likely to save for college, retirement, and emergency funds. By lowering financial barriers and coupling affordable financing with immediate equity, Habitat Dane not only opens the door to homeownership but also ensures families gain long-term stability and a stronger economic future in neighborhoods where affordable options are otherwise scarce.

Habitat Dane's homeownership program equips families with the tools to achieve long-term economic mobility through a robust series of education courses. Families learn how to budget, build credit, and avoid predatory lending; manage the costs of homeownership compared to renting; and protect their investment through insurance, estate planning, and responsible maintenance. Courses also provide financial coaching, home maintenance skills, and strategies for building strong neighborhood connections. Together, these trainings ensure families not only become homeowners but also develop the financial stability and knowledge to preserve their homes, build wealth, and create lasting opportunity for future generations.

Expand: Explain how your project will expand opportunities for first-time homebuyers and reduce existing disparities in rates of homeownership between different segments of the Madison population.

Habitat for Humanity of Dane County's Homeownership Program directly expands opportunities for homebuyers in Madison by serving first-time homebuyers earning between 30% and 60% of area median income, households most often excluded from homeownership due to high housing costs and lack of access to conventional financing. By building six additional lots in the Owl Creek Neighborhood, we are giving six new, first-time homebuyers an opportunity for homeownership.

Increasing the number of units attainable to low- and moderate-income (LMI) households is the first housing priority identified in the Dane County Regional Housing Strategy. Habitat is not only building homes that LMI households can afford, with recently sold homes appraising around \$280,000, but we ensure through our program that those homes are only sold to families that meet LMI criteria.

The program is designed to eliminate common barriers to ownership. Homes are sold at appraised market value, but Habitat provides a 0% interest mortgage with payments capped at 28% of household income and require a minimal family contribution to the down payment of about 1%, payable during the time they are in the program. This model ensures that families who would otherwise remain renters are able to purchase a home and begin building wealth.

By combining affordable financing with education, financial coaching, and support, Habitat equips first-time buyers with the tools to succeed and remain stable homeowners. This approach not only opens the door to homeownership for families who have been excluded, but also creates lasting equity, stability, and opportunity, helping to close racial and economic gaps in Madison's housing landscape.

PROPOSAL #4

8. PROJECT SUMMARY

Name of Proposal:	Habitat Dane Homeownership Program
Proposal Type:	Development - New Construction
Proposal Summary:	Habitat for Humanity of Dane County is pleased to submit this proposal for \$1,200,000 in City of Madison development funds to support the new construction of six affordable, single-family homes in the Owl Creek neighborhood, on property currently owned by City of Madison. We plan to pass \$40,000 of the loan to each homeowner upon close, to align with the amount of homebuyer assistance provided to other City of Madison Habitat homeowners. As mentioned in the homebuyer assistance application, for any Owl Creek lots sold to Habitat Dane that do not get development financing, we request consideration of homebuyer assistance through HOME funds. Owl Creek homes will be sold at full appraised value to low- and moderate-income, first-time homebuyers at a target price of \$295,000, significantly below the full budgeted cost of \$512,723 per home. This ensures long-term affordability while allowing families to build equity and stability from day one. As both builder and lender, Habitat also offers 0% interest mortgages to partner families; payments are capped at 28% of household income, ensuring that monthly payments remain within reach. Since 1987, Habitat Dane has sold 361 homes in Dane County—including 201 within the City of Madison—with appraised values at closing totaling more than \$30 million. In the Owl Creek neighborhood alone, we have recently completed six homes with appraised values ranging from \$252,000 to \$279,000 and have begun preparing two additional lots for construction in 2025-2026. This demonstrates both strong demand and our capacity to deliver high-quality single-family homes that strengthen neighborhoods and expand access to homeownership. To date, Habitat Dane has fully self-financed all home builds, leveraging a mix of community donations, ReStore revenue, in-kind contributions, and grants. This strong financial foundation ensures we have the matching funds and operational stability needed to maximize the impact of City development financing. Access to City development funds will amplify our efforts, providing immediate capital for labor, materials, and subcontractors while construction is underway. This enables faster project completion, allows multiple homes to be built in parallel, improves budget management, and helps secure materials at favorable prices, keeping homes at the \$295,000 target price despite rising construction costs.

	This financing also directly supports Habitat Dane’s goal to scale operations and serve more families each year. By moving beyond a strict pay-as-you-raise model, we can increase the number of homes under construction simultaneously, improving efficiency in staffing, volunteer coordination, and subcontractor management. With 38 years of experience, a proven homeownership model, and the capacity to manage complex funding streams, Habitat Dane is uniquely positioned to leverage City development funds to expand affordable homeownership opportunities in Madison, making a measurable impact on families and neighborhoods alike.	
Number of households served:	6	
Amount Requested from CDD:	\$1,200,000	
Total Proposal Budget:	\$3,076,338	

1A. DEVELOPMENT PROPOSAL ONLY

Specify the target price of project homes (estimate):	\$295,000
Will the homes be permanently affordable? [Yes/No]	<u>No</u>
Do you have site control? [Yes/No]	<u>Yes. We will be developing only Owl Creek lots Madison allows us to purchase.</u>
If yes, what is the site address:	<u>All</u>
Is the site currently occupied?	<u>No</u>
If proposing to build on Owl Creek Vacant Lots detailed above, list addresses of lots. If interested in all six lots, write “All”.	<u>All</u>

9. PROJECT DESIGN

List any features that make your proposal unique.

- For **Development Proposals** - Provide a detailed description of the **sustainability** and **accessibility** features incorporated into the project design, including their estimated incremental costs to construction. If any of the required sustainability or accessibility features **cannot** be met, explain why they are not feasible for this project.
 - If you are proposing **additional** sustainability or accessibility features that exceed the standard requirements, specify:
 - The specific features being added
 - How many units will include these enhancements
 - The estimated incremental cost associated with these enhancements

- For **Programs/Services** - What innovative or unique elements will your program include to enhance its impact or reach? For example, describe any targeted partnerships, culturally specific approaches, scalability features, or methods of tailoring services to meet the diverse needs of the community (e.g., income levels, racial/ethnic groups, or other demographics). How do these features set your program apart from others?

Habitat Dane proposes constructing six homes in Owl Creek targeted at an affordable sales price of \$295,000, consistent with our history of building modest-sized homes that meet both family and community needs. We are committed to maintaining affordability for our partner families despite rising costs, and development financing and city-provided lots will further that goal.

To comply with City of Madison sustainability requirements, these six homes will meet ENERGY STAR standards. All Habitat homes are currently built to Focus on Energy standards. Trinity Environmental certifies that Habitat Dane home construction meets the Focus on Energy requirements including all mechanicals and appliances. The transition to ENERGY STAR requires adjustments to our standard building practices, additional staff training, and an increase in costs, but it aligns with our organization's commitment to sustainability. We have also started a push toward installing solar panels on as many homes as possible, thanks to the support of grants and individual donors. We have recently installed solar panels on homes in Madison, Oregon and Sun Prairie. We will continue to work with donors and supporters to fund solar panels on as many of our 2026 homes as possible, including any lots in Owl Creek.

In terms of accessibility, Habitat Dane's home construction meets the WI Uniform Dwelling Code (UDC) for one- and two-family dwellings; ADA requirements are part of the WI UDC. When necessary, we incorporate additional accessibility features based partner family needs. Homes in Owl Creek will be designed to meet required accessibility standards wherever feasible, depending on lot grade.

The incremental costs for sustainability and accessibility features are estimated at approximately 5% above base construction costs, primarily driven by construction supply increases and the additional requirements of accessibility design.

With the development of six Owl Creek lots at a target price of \$295,000, Habitat Dane directly supports the City's goals to increase the supply of affordable, owner-occupied housing in Madison. In meeting a higher standard of accessibility, Habitat ensures families will be able to live in these homes long-term no matter their ability and to age in place in the future. In meeting a higher standard of sustainability, these homes will contribute towards Madison's goal to decarbonize the housing stock.

Provide a summary of the steps already completed and those remaining to demonstrate project readiness.

- For **development proposals**, include land acquisition, financing, zoning approvals, or other pre-construction milestones. Reminder that multi-family proposals have additional requirements including pre-application meeting and DAT meeting that should be included in the timeline.
- For **programs and services**, include steps such as participant outreach plans, hiring and training staff, securing partnerships, timeline for utilizing funds, or developing program materials.

At this stage, Habitat for Humanity of Dane County has not initiated specific development steps for the six Owl Creek lots, as site control has not yet been secured. Once the lots are purchased from the City of Madison, Habitat Dane is fully prepared to move forward rapidly, leaning on our 38 years of construction experience and our proven capacity to deliver high-quality, affordable homes.

Habitat Dane has a strong record of success in Madison, having built 201 homes within the city, including several in Owl Creek, and 361 homes county-wide. We maintain a strong working relationship with the City of Madison. Over the last two years, we have strengthened our construction practices, implemented efficiency improvements, and built strong systems for cost control and project management, including our implementation of Buildertrend software.

Our financial stability further demonstrates readiness as we continue to independently finance all of our home build projects. Habitat Dane sustains operations through a variety of funding sources, including charitable donations from individuals, consistent support from institutional funders, income from our two ReStore retail operations, and mortgage income from active homeowners. This diversified funding base ensures we can meet our financial obligations associated with these projects. To meet our goal to scale our operation to serve more families, development financing and construction loans will be a critical tool.

Upon acquisition of the lots, we will immediately begin our pre-construction process, which typically includes:

- Site survey and evaluation
- Site plan development
- Permit applications and approvals
- Bidding and procurement phases

This process has been refined over decades of building in Dane County and ensures projects advance on schedule and within budget.

Habitat Dane continually hires and trains staff to meet the growing demand for affordable homeownership and routinely evaluates internal processes to improve efficiency and outcomes. Our experience, financial capacity, and established partnerships with the City and community position us to move forward quickly and effectively once these lots are acquired.

11. PROJECT FEASIBILITY – Developer/Administrator Capacity

Identify team members / partnerships for this project, along with their relevant training, certifications, licenses, experience, and contribution to the proposed project.

Habitat for Humanity of Dane County has the internal capacity and external partnerships to manage all phases of the Owl Creek development. Our team combines experienced staff with professional certifications, volunteer leadership, and strong community partnerships to ensure compliance, efficiency, and quality.

Key Development Staff

- **Construction Manager**– Provides operational oversight of all construction projects, ensuring safety, quality, adherence to deadlines, and budget control. Supervises Site Superintendents and serves as a resource for staff, volunteers, and contractors.
- **Site Superintendents – Construction** – Coordinate daily construction operations, ensuring on-site safety, timely progress, and adherence to Habitat standards.
- **Director of Program Operations** – Oversees cross-departmental coordination, streamlines processes, and strengthens accountability and productivity across Habitat’s programs.
- **Chief Operating Officer**– Provides organizational leadership for construction, family services, volunteer engagement, and ReStore operations, ensuring Habitat’s ability to manage rapid expansion and complex development projects.
- **Director of Community Services**– Brings deep HUD program administration and municipal housing experience to ensure compliance and oversight.
- **HUD-Certified Family Education Coordinator & Housing Counselor**– Supports families from application through closing with financial literacy, homebuyer readiness, and homeowner education.
- **Partner Family Support Specialist**– Helps families fulfill sweat equity requirements, provides cultural and language support, and connects families to resources.
- **Loan Service Specialist**– Manages mortgage servicing and compliance with state and federal regulations.

Key Partnerships

- **Vierbicher** – Licensed engineering firm providing surveying, site planning, and bid preparation for development projects.
- **Professional Subcontractors** – Licensed electricians, plumbers, HVAC technicians, and other skilled trades ensure quality and code compliance.
- **Focus on Energy Consultant** – Trinity Environmental certifies that Habitat Dane home construction meets the Focus on Energy requirements including all mechanicals and appliances.
- **Volunteer Workforce** – Each year, Habitat mobilizes more than 800 volunteers contributing more than 13,000 hours on construction sites, reducing costs while engaging the community in affordable housing.

- **Education Partners** – Partnerships with Madison College, the Sun Prairie School District, and Operation Fresh Start expand workforce development opportunities while supporting Habitat builds.
- **Legal Partners** – Attorneys (both pro bono and paid) assist with HOA and common law agreements; **Knight Barry Title** provides title services with partial in-kind contributions.
- **In-Kind Donors** – Contributions of labor and materials, such as roofing, to reduce construction costs.

12. PROJECT FEASIBILITY – Financial Capacity

Explain your approach to fulfilling financial obligations for the proposal, including any secured funding:

- For **development proposals**: Address developer equity, construction financing, other funding sources you are leveraging, and subsidy needs.
- For **programs/services proposals**: Address management of program costs, staff compensation, other sources of funding you are leveraging, and operational sustainability.

Habitat for Humanity of Dane County has a proven track record of successfully financing and completing affordable homeownership developments. While we have fully self-financed projects in the past, we seek to leverage City of Madison development funds to expand our impact and scale operations, ultimately serving more families who are otherwise excluded from homeownership.

For the Owl Creek homes, with \$200,000 development financing per home provided through the City of Madison, Habitat Dane will contribute the remaining cost per home through a mix of reliable revenue streams. This diversified and proven approach reduces financial risk for the City and ensures the viability of each project.

Our financial model is unique in that Habitat sells homes at full appraised value but provides below-market-rate mortgages, creating a cash flow deficit that must be offset by other funding sources. Habitat Dane bridges this gap through generous community support, fundraising, and earned revenue. These combined sources ensure ongoing program sustainability despite the deficit model. We have also consistently secured down payment assistance from the Federal Home Loan Bank of Chicago on every home closed over the past five years, and we frequently provide homebuyer assistance through HOME funds administered by the City of Madison and Dane County, ensuring additional subsidies for our partner families.

To run the entire organization, current annual revenue sources include, but are not limited to:

1. \$1,627,800—Monetary contributions from the community
2. \$61,600—United Way donations
3. \$245,000—Community Development Financial Institution Grant income
4. \$2,650,000—Combined income from Habitat's two ReStore retail operations, generating approximately \$465,000 in net revenue each year.
5. \$650,000—Annual mortgage payment revenue from current Habitat homeowners

6. \$1,060,000—Other income, primarily mortgage sales and deferred mortgage payments
7. \$446,600—Gift-in-kind donations, primarily volunteer labor to construct the homes

Our financial operations are supported by a dedicated finance team, annual audits, and strong internal controls to maintain compliance and accountability. All staff are compensated at fair-market rates aligned with regional nonprofit and construction benchmarks, ensuring long-term organizational stability.

We are committed to the long-term viability of the homeownership program. Sustainability strategies include ongoing fundraising and outcome tracking and reporting to demonstrate community impact and maintain funder confidence.

13. PROJECT FEASIBILITY – Project Management and Timeline

Provide a project timeline for the contract term, including key milestones:

- For **development proposals**: real estate acquisition, bid process, construction start/end, marketing, and unit sale completion, etc. (2 year-max timeline)
- For **programs/services proposals**: marketing, outreach, service delivery, completions, etc. (annual timeline)

Habitat for Humanity of Dane County moves projects into development as quickly as possible to meet the urgent need for affordable housing. With six Owl Creek lots, we plan to develop all 6 homes simultaneously if feasible, though we foresee the possibility of proceeding in two phases starting with 3-4 homes. All six Owl Creek homes will be completed within the contract period.

The process follows a standard sequence, with estimated durations noted below:

Homeowner Selection Process

- Information Meetings – 30 days
- Application Intake and Review – 60 days
- Final Selection of Families – 45 days
- Homeowner Education and Sweat Equity – 120+ days (runs concurrent with pre-construction and construction)

Pre-Construction (60–90 days)

- Acquisition (per City timeline)
- Zoning approvals
- Site planning
- Permitting
- Bid process

Construction (7–8 months)

Depending on sequencing, 3–6 homes may be under construction at once. This phase includes framing, mechanicals, finishes, inspections, and final punch lists.

Closing and Family Move-In (within 30 days of construction completion and receipt of occupancy permit)

Habitat coordinates closing, mortgage documentation, and homeowner move-in.

This timeline provides a clear roadmap for project delivery while allowing flexibility for external factors such as City lot transfer, permitting, subcontractor availability, and family readiness. All six homes will be fully constructed, closed, and occupied within the contract term.

14. COMMUNITY NEED

Alignment: Explain how your project aligns with the City’s goals for affordable housing and community development and identify the target population served for your project (including income levels and demographic factors). Note if your proposal aligns with any of the preferences identified in the RFP.

By providing development financing and Owl Creek properties, the City of Madison will enable Habitat Dane to provide affordable homes attainable to low- and moderate-income first-time homebuyers. With a target price point of \$295,000 per home and a unique mortgage financing model, those reduced costs will be passed on to future Madison homeowners. It also allows Habitat to deploy limited land acquisition funds towards buying market rate lots for additional home development. Development financing provided by the city will make more homes in Madison and Dane County possible.

Habitat for Humanity of Dane County focuses home construction in neighborhoods with the greatest need for affordable housing, particularly those with concentrations of low- and moderate-income residents and long-standing racial and economic disparities. Developing six lots in the Owl Creek neighborhood, a low-to-moderate income neighborhood, aligns with these priorities, creating safe, stable, and affordable homes for families historically excluded from Madison’s housing market. This effort advances the City’s goals of expanding affordable housing, affirmatively furthering fair housing, and reducing disparities in homeownership, particularly for communities of color.

For 38 years, Habitat Dane has served households underrepresented in the traditional homebuyer market. Habitat exclusively serves households earning 30%–60% of area median income (AMI). In 2024, the average partner family earned 47.18% of AMI, and 15% of households served included a family member with a disability. Over the past five years, 41% of Habitat mortgage holders identified as Black or African American, 21% as Asian, 4% as Hispanic, and 29% as White—demonstrating success in serving diverse households.

Through broad community outreach, Habitat Dane recruits a diverse applicant pool reflecting Madison’s demographics. Applications are available online and on paper, information sessions are held in bus-accessible locations, and interpretation services are provided in multiple languages. Families are selected through a careful, transparent review process led by Habitat staff and trained community volunteers.

Habitat Dane's program advances the Housing Forward Agenda, supports Regional Housing Strategy priorities around equity and accessibility, and aligns with the City of Madison's goal to expand access to affordable homeownership. The six Owl Creek homes will extend this impact, offering not only affordable housing but also long-term stability and opportunity for families who might otherwise be displaced by rising housing costs.

Economic Mobility: How will your proposal help participants or residents achieve economic mobility, particularly in underserved communities?

- For **development proposals**, explain how the project aligns with the income levels of the area (describe what the median income of the census tract where the development will be located) and promotes generational wealth-building and well-being.
- For **programs/services proposals**, describe how your program fosters financial empowerment and economic mobility through education, support, or direct assistance.

Habitat Dane sells homes to partner families at full appraised value. This structure gives families instant equity at the time of purchase, creating wealth-building opportunities and a pathway to economic mobility. By lowering financial barriers and coupling affordable financing with immediate equity, Habitat Dane not only opens the door to homeownership but also ensures families gain long-term stability and a stronger economic future in neighborhoods where affordable options are otherwise scarce. City of Madison will help facilitate this unique and powerful model in Owl Creek with the purchase of six lots for \$1 and development financing.

The six proposed homes will be built in the Owl Creek neighborhood, which is within a low-and moderate-income (LMI) census tract. This location aligns directly with the City of Madison's priorities for increasing affordable housing opportunities for LMI individuals and families, ensuring that new development is responsive to the income levels of the area.

Homeownership is proven to be one of the most effective means of building wealth and breaking the cycle of generational poverty. With firm roots in stable housing, homeowners are more likely to save for the future like college education for their children, retirement, and emergency funds. Habitat Dane's homeownership program equips families with the tools to achieve long-term economic mobility through a robust series of education courses. Families learn how to budget, build credit, and avoid predatory lending; manage the costs of homeownership compared to renting; and protect their investment through insurance, estate planning, and responsible maintenance. Courses also provide financial coaching, home maintenance skills, and strategies for building strong neighborhood connections. Together, these trainings ensure families not only become homeowners but also develop the financial stability and knowledge to preserve their homes, build wealth, and create lasting opportunity for future generations.

Expand: Explain how your project will expand opportunities for first-time homebuyers and reduce existing disparities in rates of homeownership between different segments of the Madison population.

Habitat for Humanity of Dane County's Homeownership Program directly expands opportunities for homebuyers in Madison by serving first-time homebuyers earning between 30% and 60% of area median income, households most often excluded from homeownership due to high housing costs and lack of access to conventional financing. By building six additional lots in the Owl Creek Neighborhood, we are giving six new, first-time homebuyers an opportunity for homeownership.

Increasing the number of units attainable to low- and moderate-income (LMI) households is the first housing priority identified in the Dane County Regional Housing Strategy. Habitat is not only building homes that LMI households can afford, with recently sold homes appraising around \$280,000, but we ensure through our program that those homes are only sold to families that meet LMI criteria.

The program is designed to eliminate common barriers to ownership. Homes are sold at appraised market value, but Habitat provides a 0% interest mortgage with payments capped at 28% of household income and require a minimal family contribution to the down payment of about 1%, payable during the time they are in the program. This model ensures that families who would otherwise remain renters are able to purchase a home and begin building wealth.

By combining affordable financing with education, financial coaching, and support, Habitat equips first-time buyers with the tools to succeed and remain stable homeowners. This approach not only opens the door to homeownership for families who have been excluded, but also creates lasting equity, stability, and opportunity, helping to close racial and economic gaps in Madison's housing landscape.

Lead Applicant:

Habitat for Humanity of Dane County

1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2023 Actual.

Account Description	2023 Actual	2024 Budget	2025 Proposed
A. PERSONNEL			
Salary (including benefits)	2,723,948	2,960,268	3,209,852
Taxes	183,323	192,612	217,438
Subtotal A	2,907,271	3,152,880	3,427,290
B. OPERATING			
All "Operating" Costs	915,417	881,390	869,310
Subtotal B	915,417	881,390	869,310
C. SPACE			
Rent/Utilities/Maintenance	565,271	369,080	418,120
Mortgage/Depreciation/Taxes	208,254	214,170	219,680
Subtotal C	773,525	583,250	637,800
D. SPECIAL COSTS			
Subcontracts	-	-	-
Deposits to Reserves	-	-	-
Debt Service (Excl Mortgage)	-	-	-
Other: (Specify)			
Home Costs/Mortgage Discount	7,355,230	6,387,300	5,174,400
Subtotal D	7,355,230	6,387,300	5,174,400
Total Operating Expenses:	11,951,443	11,004,820	10,108,800
REVENUE			
Direct Public Grants	63,900	-	245,000
Direct Public Support	3,780,246	2,925,400	2,682,600
Indirect Public Support	-	-	-
Miscellaneous Revenue	105,112	67,800	63,200
Restricted Funds Released	167,226	-	-
Program Income	9,511,029	8,118,920	7,377,200
Total Income	13,627,513	11,112,120	10,368,000
Net Income	1,676,070	107,300	259,200

Lead Applicant:	Habitat for Humanity of Dane County		
Summary			
Total Units	0		
Total Gross SF	0		

Committed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
Permanent Financing - 1st Lien		\$ -		
Permanent Financing - 2nd Lien		\$ -		
Other		\$ -		
Other		\$ -		
Total Committed Sources of Funds		\$ -		

Pending/Proposed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
City of Madison CDO Funds		\$ 200,000		
Other		\$ 10,000		
Other		\$ 802,723		
Total Pending/Proposed Sources of Funds		\$ 512,723		
Total Sources of Funds		\$ 512,723		

Uses of Funds

Acquisition	Detail	Total	Per Unit	Per Sq Ft
Purchase Price		\$ 1		
Earnest Money		\$ -		
Appraisal Costs		\$ -		
Closing Fees		\$ 280		
Title Insurance		\$ -		
Title Search		\$ -		
Transfer Taxes		\$ -		
Financing Fees		\$ -		
Other		\$ -		
Other		\$ -		
Total Acquisition		\$ 281		

Hard Costs	Detail	Total	Per Unit	Per Sq Ft
General Requirements		\$ -		
Demolition		\$ -		
Site Work		\$ 22,000		
Office Improvements		\$ -		
Environmental Remediation		\$ -		
Construction		\$ 256,000		
Builder's Overhead		\$ 150,000		
Bond Premium		\$ -		
Building Permits		\$ -		
Other		\$ -		
Other		\$ -		
Hard Cost Contingency (%) of Hard Costs		\$ -		
Total Hard Costs		\$ 408,000		

Fees	Detail	Total	Per Unit	Per Sq Ft
Developer Fee		\$ 22,292		
Architectural Fee (Design & Admin)		\$ 1,500		
Legal		\$ -		
Civil Engineering & Survey		\$ 3,700		
Design & Permitting		\$ 2,000		
Soils/Structural Report		\$ -		
Environmental Reports		\$ -		
Energy & Green Audits/Consulting		\$ 1,500		
Capital Needs Assessment		\$ -		
Bridge Loan Fee		\$ -		
Organizational Fee		\$ -		
Syndication Fee		\$ -		
Appraisal		\$ 350		
Market Study		\$ -		
Cost Certification		\$ -		
Other		\$ 15,000		
Other		\$ -		
Total Fees		\$ 46,342		

Miscellaneous Development Expenses	Detail	Total	Per Unit	Per Sq Ft
Utility Tap, Hook Up, Municipal Fees		\$ 500		
Lease Up Reserve (If lease component in Project)		\$ -		
Relocation		\$ -		
Other: Sustainability Features		\$ 44,000		
Other: Accessibility Features		\$ 13,000		
Total Miscellaneous Development Expense		\$ 58,500		

Construction & Permanent Loan Financing Charges	Detail	Total	Per Unit	Per Sq Ft
Construction Loan Interest		\$ -		
Construction Loan Fees (Origination, Credit Enhancements, App)		\$ -		
Taxes During Construction		\$ -		
Insurance During Construction		\$ -		
Title Insurance		\$ -		
Recording		\$ -		
Construction Monitoring Fee		\$ -		
Permanent Loan Fees		\$ -		
Other		\$ -		
Other		\$ -		
Soft Costs Contingency (incl. Dev Fee)		\$ -		
Total Construction & Financing Charges		\$ -		

Total Development Costs	\$ 512,723			
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Transaction Fees	Detail	Total	Per Unit	Per Sq Ft
Real Estate Agent Fee		\$ -		
Marketing Fee		\$ -		
Other		\$ -		
Other		\$ -		
Total Transaction Fee		\$ -		

Total Uses of Funds	\$ 512,723			
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Co-Applicant:	Habitat for Humanity of Dane County		
Address:	Diel Creek		
Project 1:			
Total Units		Bedrooms	
Total Gross SF		Baths	

Committed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
Permanent Financing - 1st Lien				
Permanent Financing - 2nd Lien				
Other				
Other				
Total Committed Sources of Funds		\$ -		

Pending/Proposed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
City of Madison CDO Funds		\$ 200,000		
Other: PHILBC		\$ 10,000		
Other: PHILBC Fundraising, ReStore, Volunteer Gift		\$ 802,723		
Total Pending/Proposed Sources of Funds		\$ 512,723		
Total Sources of Funds		\$ 512,723		

Uses of Funds

Acquisition	Detail	Total	Per Unit	Per Sq Ft
Purchase Price		\$ 1		
Earnest Money		\$ -		
Appraisal Costs		\$ -		
Closing Fees		\$ 280		
Title Insurance		\$ -		
Title Search		\$ -		
Transfer Taxes		\$ -		
Financing Fees		\$ -		
Other		\$ -		
Other		\$ -		
Total Acquisition		\$ 281		

Hard Costs	Detail	Total	Per Unit	Per Sq Ft
General Requirements		\$ -		
Demolition		\$ -		
Site Work		\$ 22,000		
Office Improvements		\$ -		
Environmental Remediation		\$ -		
Construction		\$ 256,000		
Builder's Overhead		\$ 150,000		
Bond Premium		\$ -		
Building Permits		\$ -		
Other		\$ -		
Other		\$ -		
Hard Cost Contingency (%) of Hard Costs		\$ -		
Total Hard Costs		\$ 408,000		

Fees	Detail	Total	Per Unit	Per Sq Ft
Developer Fee		\$ 22,292		
Architectural Fee (Design & Admin)		\$ 1,500		
Legal		\$ -		
Civil Engineering & Survey		\$ 3,700		
Design & Permitting		\$ 2,000		
Soils/Structural Report		\$ -		
Environmental Reports		\$ -		
Energy & Green Audits/Consulting		\$ 1,500		
Capital Needs Assessment		\$ -		
Bridge Loan Fee		\$ -		
Organizational Fee		\$ -		
Syndication Fee		\$ -		
Appraisal		\$ 350		
Market Study		\$ -		
Cost Certification		\$ -		
Other: Park Impact Fees		\$ 15,000		
Other		\$ -		
Total Fees		\$ 46,342		

Miscellaneous Development Expenses	Detail	Total	Per Unit	Per Sq Ft
Utility Tap, Hook Up, Municipal Fees		\$ 500		
Lease Up Reserve (If lease component in Project)		\$ -		
Relocation		\$ -		
Other: Volunteer Labor Gift-in-Kind		\$ 44,000		
Other: Sustainability & Accessibility Increased Costs		\$ 13,000		
Total Miscellaneous Development Expense		\$ 58,500		

Construction & Permanent Loan Financing Charges	Detail	Total	Per Unit	Per Sq Ft
Construction Loan Interest (const. period: months)				
Construction Loan Fees (Origination, Credit Enhancements, App)				
Taxes During Construction				
Insurance During Construction				
Title Insurance				
Recording				
Construction Monitoring Fee				
Permanent Loan Fees				
Other				
Other				
Soft Costs Contingency (incl. Dev Fee)				
Total Construction & Financing Charges		\$ -		

Total Development Costs	\$ 512,723			
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Transaction Fees	Detail	Total	Per Unit	Per Sq Ft
Real Estate Agent Fee				
Marketing Fee				
Other				
Other				
Total Transaction Fee		\$ -		

Total Uses of Funds	\$ 512,723			
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Total Sources of Funds	\$ 512,723			
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Co-Applicant:			
Address:			
Project 2:			
Total Units		Bedrooms	
Total Gross SF		Baths	

Committed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
Permanent Financing - 1st Lien				
Permanent Financing - 2nd Lien				
Other				
Other				
Total Committed Sources of Funds		\$ -		

Pending/Proposed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
City of Madison CDO Funds				
Other:				
Other:				
Total Pending/Proposed Sources of Funds		\$ -		
Total Sources of Funds		\$ -		

Uses of Funds

Acquisition	Detail	Total	Per Unit	Per Sq Ft
Purchase Price				
Earnest Money				
Appraisal Costs				
Closing Fees				
Title Insurance				
Title Search				
Transfer Taxes				
Financing Fees				
Other				
Other				
Total Acquisition		\$ -		

Hard Costs	Detail	Total	Per Unit	Per Sq Ft
General Requirements				
Demolition				
Site Work				
Office Improvements				
Environmental Remediation				
Construction				
Builder's Overhead				
Bond Premium				
Building Permits				
Other				
Other				
Hard Cost Contingency (%) of Hard Costs				
Total Hard Costs		\$ -		

Fees	Detail	Total	Per Unit	Per Sq Ft
Developer Fee				
Architectural Fee (Design & Admin)				
Legal				
Civil Engineering & Survey				
Design & Permitting				
Soils/Structural Report				
Environmental Reports				
Energy & Green Audits/Consulting				
Capital Needs Assessment				
Bridge Loan Fee				
Organizational Fee				
Syndication Fee				
Appraisal				
Market Study				
Cost Certification				
Other				
Other				
Total Fees		\$ -		

Miscellaneous Development Expenses	Detail	Total	Per Unit	Per Sq Ft
Utility Tap, Hook Up, Municipal Fees				
Lease Up Reserve (If lease component in Project)				
Relocation				
Other: Sustainability Features				
Other: Accessibility Features				
Total Miscellaneous Development Expense		\$ -		

Construction & Permanent Loan Financing Charges	Detail	Total	Per Unit	Per Sq Ft
Construction Loan Interest (const. period: months)				
Construction Loan Fees (Origination, Credit Enhancements, App)				
Taxes During Construction				
Insurance During Construction				
Title Insurance				
Recording				
Construction Monitoring Fee				
Permanent Loan Fees				
Other				
Other				
Soft Costs Contingency (incl. Dev Fee)				
Total Construction & Financing Charges		\$ -		

Total Development Costs	\$ -			
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Transaction Fees	Detail	Total	Per Unit	Per Sq Ft
Real Estate Agent Fee				
Marketing Fee				
Other				
Other				
Total Transaction Fee		\$ -		

Total Uses of Funds	\$ -			
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Total Sources of Funds	\$ -			
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Co-Applicant:			
Address:			
Project 3:			
Total Units		Bedrooms	
Total Gross SF		Baths	

Committed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
Permanent Financing - 1st Lien				
Permanent Financing - 2nd Lien				
Other				
Other				
Total Committed Sources of Funds		\$ -		

Pending/Proposed Sources of Funds	Detail	Total	Per Unit	Per Sq Ft
City of Madison CDO Funds				
Other:				
Other:				
Total Pending/Proposed Sources of Funds		\$ -		
Total Sources of Funds		\$ -		

Uses of Funds

Acquisition	Detail	Total	Per Unit	Per Sq Ft
Purchase Price				
Earnest Money				
Appraisal Costs				
Closing Fees				
Title Insurance				
Title Search				
Transfer Taxes				
Financing Fees				
Other				
Other				
Total Acquisition		\$ -		

Hard Costs	Detail	Total	Per Unit	Per Sq Ft
General Requirements				
Demolition				
Site Work				
Office Improvements				
Environmental Remediation				
Construction				
Builder's Overhead				
Bond Premium				
Building Permits				
Other				
Other				
Hard Cost Contingency (%) of Hard Costs				
Total Hard Costs		\$ -		

Fees			
Developer Fee			
Architectural Fee (Design & Admin)			
Legal			
Civil Engineering & Survey			
Design & Permitting			
Soils/Structural Report			
Environmental Reports			
Energy & Green Audit/Consulting			
Capital Needs Assessment			
Bridge Loan Fee			
Organizational Fee			
Syndication Fee			
Appraisal			
Market Study			
Cost Certification			
Other			
Total Fees	\$		

Applicant	Habitat for Humanity of Dane County
Project 1 Co-Applicant	Habitat for Humanity of Dane County
Project 2 Co-Applicant	0
Project 3 Co-Applicant	0

Property Address	Project Type	Anticipated Sales Price
1 Owl Creek	bd / ba	\$ 295,000.00
2	bd / ba	
3	bd / ba	

Program Summary

		Project #1	Project #2	Project #3
Total Proposed		0	0	0
0	Project Name	0	0	0
\$ 512,723.00	#Units	\$ 512,723.00	\$ -	\$ -
\$ 512,723.00	Total Uses	\$ 512,723.00	\$ -	\$ -
	Total Sources	\$ 512,723.00	\$ -	\$ -
		Per Unit Costs Below		
	Total Dev. Cost + Trans Cost			
	Total Dev. Funding			
	Committed Sources			
	Pending Source			
	CDD Funding			
	Pending: Other Source			
	Pending: Other Source			

Note that all figures present below row 30 are estimates intended to provide general insight into the potential affordability of the proposed homes. While the table includes scenarios of household at 60% and 50% of the Area Median Income (AMI), applicants are only required to ensure affordability for households at or below 80% AMI. Applicants may also include pass-through assistance to the homebuyer—structured as a second mortgage—from the allocation provided to the developer as part of the affordability calculation.

	Is this affordable to a 4-person household at:	Is this affordable to a household at:	Is this affordable to a household at:	
80% AMI	yes			<- must at least meet this requirement
60% AMI	yes			
50% AMI	yes			

Affordability Assumptions - must input anticipated sales price first.

Notes

Project #1: bd / ba	AMI	80%	60%	50%	
	Household Size	4-person	4-person	4-person	<- select dropdown
	Annual Income	\$ 103,850.00	\$ 77,880.00	\$ 64,900.00	
	Monthly Household Income	\$ 8,654.17	\$ 6,490.00	\$ 5,408.33	
	Affordability Cap as a % of Income	28%	28%	28%	<- Some lenders use 28 percent, FHA can allow up to 31 percent. This is mortgage DTI limit only, not aggregate DTI.
	Monthly "Affordable" Expenditure Cap	\$ 2,423.17	\$ 1,817.20	\$ 1,514.33	
	Down Payment	\$ 52,950.00	\$ 52,950.00	\$ 52,950.00	
	HBAD				<- include any down payment
	Other: Federal Home Loan Bank of Chicago	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	<- include any down payment
	Other: City of Madison HOME	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	
	Other: (Insert name here of dpal)				<- include any down payment
	Buyer Contribution	\$ 2,950.00	\$ 2,950.00	\$ 2,950.00	<- at least 1%
	House Price	\$ 295,000.00	\$ 295,000.00	\$ 295,000.00	
	Down Payment	\$ 52,950.00	\$ 52,950.00	\$ 52,950.00	
	Interest Rate	0.00%	0.00%	0.00%	<- edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	<- traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	<- Make sure to get the decimals right. For example, \$18 of tax per \$1000 of value is 0.018
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	\$ 2,423.17	\$ 1,817.20	\$ 1,514.33	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ 242,050.00	\$ 242,050.00	\$ 242,050.00	
	Output: Monthly P&I	\$ 672.36	\$ 672.36	\$ 672.36	
	Output: Monthly Property Taxes	\$ 442.50	\$ 442.50	\$ 442.50	
	Output: Total Expense (PTI)	\$ 1,239.86	\$ 1,239.86	\$ 1,239.86	
	Difference (Cap minus Expenditures)	\$ 1,183.31	\$ 777.34	\$ 274.67	<- in solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI
Project #2: bd / ba	AMI	80%	60%	50%	
	Household Size	#N/A	#N/A	#N/A	<- select dropdown
	Annual Income	#N/A	#N/A	#N/A	
	Monthly Household Income	#N/A	#N/A	#N/A	
	Affordability Cap as a % of Income	30%	30%	30%	<- select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Down Payment	\$ -	\$ -	\$ -	
	HBAD	\$ -	\$ -	\$ -	<- include any down payment
	Other: (Insert name here of dpal)	\$ -	\$ -	\$ -	<- include any down payment
	Other: (Insert name here of dpal)	\$ -	\$ -	\$ -	
	Other: (Insert name here of dpal)	\$ -	\$ -	\$ -	<- include any down payment
	Buyer Contribution	\$ -	\$ -	\$ -	<- at least 1%
	House Price	\$ -	\$ -	\$ -	
	Down Payment	\$ -	\$ -	\$ -	
	Interest Rate	6.90%	6.90%	6.90%	<- edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	<- traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ -	\$ -	\$ -	
	Output: Monthly P&I	\$ -	\$ -	\$ -	
	Output: Monthly Property Taxes	\$ -	\$ -	\$ -	
	Output: Total Expense (PTI)	\$ 125.00	\$ 125.00	\$ 125.00	
	Difference (Cap minus Expenditures)	#N/A	#N/A	#N/A	<- in solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI
Project #3: bd / ba	AMI	80%	60%	50%	
	Household Size	#N/A	#N/A	#N/A	<- select dropdown
	Annual Income	#N/A	#N/A	#N/A	
	Monthly Household Income	#N/A	#N/A	#N/A	
	Affordability Cap as a % of Income	30%	30%	30%	<- select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Down Payment	\$ -	\$ -	\$ -	
	HBAD	\$ -	\$ -	\$ -	<- include any down payment
	Other: (Insert name here of dpal)	\$ -	\$ -	\$ -	<- include any down payment
	Other: (Insert name here of dpal)	\$ -	\$ -	\$ -	
	Other: (Insert name here of dpal)	\$ -	\$ -	\$ -	<- include any down payment
	Buyer Contribution	\$ -	\$ -	\$ -	<- at least 1%
	House Price	\$ -	\$ -	\$ -	
	Down Payment	\$ -	\$ -	\$ -	
	Interest Rate	6.90%	6.90%	6.90%	<- edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	<- traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ -	\$ -	\$ -	
	Output: Monthly P&I	\$ -	\$ -	\$ -	
	Output: Monthly Property Taxes	\$ -	\$ -	\$ -	
	Output: Total Expense (PTI)	\$ 125.00	\$ 125.00	\$ 125.00	
	Difference (Cap minus Expenditures)	#N/A	#N/A	#N/A	<- in solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI

Area Median Income by Household Size (2025)	80%	60%	50%
1-person	\$ 72,700	\$ 54,540	\$ 45,450
2-person	\$ 89,100	\$ 62,340	\$ 51,950
3-person	\$ 93,500	\$ 70,140	\$ 58,450
4-person	\$ 103,850	\$ 77,880	\$ 64,900
5-person	\$ 112,200	\$ 84,120	\$ 70,100
6-person	\$ 120,500	\$ 90,360	\$ 75,300
7-person	\$ 128,800	\$ 96,600	\$ 80,500
8-person	\$ 137,100	\$ 102,840	\$ 85,700

**City of Madison | Community Development Division
2025 Financing for Affordable Homeownership Development,
Programs and Services RFP #2025-14027**

HABITAT FOR HUMANITY OF DANE COUNTY

Development Owl Creek Lots (Development – Owl Creek)

Response Submission Due Date: October 31, 2025 at Noon Central Time.

Instructions to applicants:

Please respond briefly and succinctly to the questions below, in-line, unless otherwise specific (e.g. if additional documentation is requested), with a maximum 1/3 page response per question. Use this Word document to record your answers and return the completed document to CddApplications@CityOfMadison.Com with cc: to MDavila-Martinez@CityOfMadison.Com. Please refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Questions:

1. Your proposal mentions offering interpretation services, translated materials, and bus-accessible meeting locations to support applicants. Elaborate on *how* you conduct outreach to populations not typically reached through word-of-mouth?
 - a. Habitat Dane outreach is multifaceted. We advertise broadly, which includes TV, social media (Facebook, Instagram, LinkedIn, YouTube), email listservs, and press releases to news media. Staff members also contact businesses, schools, social service providers, community organizations, and faith organizations to spread awareness to both prospective homeowners and potential referrers. We maintain strong relationships and communicate with housing stakeholders in the community, including sitting on the Home Buyers Round Table of Dane County, participating in 3rd Sector meetings, participating in the Dane County Regional Housing Strategy, and maintaining connections with local governments and businesses, including sitting on boards and commissions.

We also seek to engage in targeted outreach strategies that meet people where they are. For example, in 2024, two staff members appeared on the Hmong Radio Show on WORT 89.9 FM to discuss our Homeownership

Program in a culturally relevant and linguistically accessible format. We hope to do this more often in the future.

While Habitat Dane always receives more applications for the Homeownership Program than we have capacity to serve, we believe in continuous improvement and are always open to suggestions for furthering our reach and diversifying our applicant pool. We are committed to ensuring all promotional and outreach efforts reflect the diversity of the communities we serve.

- b. Do you have specific partnership, community groups, or listservs you use?
 - i. Our strongest partnerships are with Home Buyers Round Table of Dane County, 3rd Sector (a collaborative network involving organizations working in community development, affordable housing and social services in Dane County, including Commonwealth Development, Movin' out, Own it, Madison Area Community Land Trust), and RISE Wisconsin. We maintain internal listservs.
- c. How are you evaluating whether your outreach efforts are successfully broadening your applicant pool (not just increasing the number of applicants)? Are there communities you have identified as underrepresented in your applicant pool that you are specifically aiming to engage next?
 - i. We keep track of the demographics of people who attend the Homeownership Program information meetings and those who apply to the program. We also ask applicants where they heard about the program. We analyze these data periodically to identify gaps in who we are reaching.

While Habitat Dane always has far more applicants than we can serve, we believe in continuous improvement and can always do more to reach out to the community to make them aware of our program opportunities and diversify our applicant pool. We'd like to engage more with partner organizations including Urban League, YWCA, and OutReach LGBTQ+ Community Center.

- 2. Your recent projects have included twin homes, yet this proposal focuses only on single-family detached homes. Share more about why you are prioritizing this product type in your proposal. What factors (e.g. design standards, cost, zoning, or demand) guided that decision?
 - a. We understood these lots are zoned for single-family homes, which is why we are focused on single-family detached homes in this proposal.

3. If the City does not award all six lots would Habitat consider building duplexes or other attached products on the awarded lots to increase the number of affordable homeownership opportunities?
 - a. Habitat Dane is willing and able to build twin style homes (duplexes) if the zoning allows for this. Twin homes are less costly and more efficient to build, and we like to utilize those designs to maximize homeownership opportunities when feasible.
4. Given the significant demand for your program and the limited number of homes available, can you walk us through your selection process in more details?
 - a. How are applicants prioritized when there are many qualified families? Are there specific criteria or weighing factors that guide decisions?
 - i. Habitat for Humanity of Dane County runs up to two application cycles per year, depending on how many homes we have plans to build. We do not maintain a waiting list. Applicants who are not accepted into the program are welcome to reapply. Those who were previously eligible but not selected receive additional points in the scoring system when reapplying, recognizing their continued interest and helping to ensure that qualified families have a strong opportunity to access affordable homeownership.

After a family is deemed eligible, the Family Services Committee conducts an interview and home visitation with those qualified families. Each family is asked the same questions, and answers are scored. Prioritization is based on final scores. Specific criteria and weighing factors include willingness to partner with Habitat Dane, i.e. agrees to complete sweat equity hours, agrees to responsibility of home upkeep, would accept home in area we are building; comparative need; and the ability to pay a mortgage. After all interviews and reviews are complete, the Family Services Committee meets one final time to select the families we can accept into the program, taking into account the number of homes we have plans to build in the coming year.