

## CDD Financing Application for Affordable Housing Fund (AHF-TC)

This application form should be used for projects seeking City of Madison AHF-TC funds Request for Proposals #13059-2024. Please format for logical page breaks. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on August 1, 2024**. Email to: [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com)

### APPLICANT INFORMATION

Development Name:	CORE on Dryden		
Site Address:	2902 Dryden Drive, Madison, WI 53704		
Amount of Funds Requested:	\$1,850,000	Type of Project:	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Acquisition/Rehab
Lead Applicant:	Horizon Development Group, Inc.		
Mailing Address:	5201 East Terrace Drive, Suite 300, Madison, WI 53718		
Telephone:	(608) 354-0820		
Admin Contact:	Scott Kwiecinski	Email Address:	s.kwiecinski@horizondbm.com
Lead Project Contact:	Scott Kwiecinski	Email Address:	s.kwiecinski@horizondbm.com
Financial Contact:	Curt Peerenboom	Email Address:	c.peerenboom@horizondbm.com
Website:	https://horizondbm.com		
Legal Status of Maj. Owner:	<input checked="" type="checkbox"/> For-profit <input type="checkbox"/> Non-profit	LIHTC Application:	<input type="checkbox"/> 4% only <input checked="" type="checkbox"/> 4+4% <input type="checkbox"/> 9%
Anticipated WHEDA Set-Aside:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Preservation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Supportive Housing		
Federal EIN:	39-1861225	SAM/ UEI #:	

\* If seeking federal funds

### AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file an Individual Developer Affirmative Action Plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <https://www.cityofmadison.com/civil-rights/contract-compliance/affirmative-action-plan/individual-developers>.

### LOBBYING RESIGTRATION

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF, or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. **You are required to register and report your lobbying** by registering with the City Clerk's at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>. 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 on the Community Development Division Funding Opportunities Website for this RFP.

If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

### SIGNATURE OF APPLICANT

Enter Name: Scott Kwiecinski Date: 7/31/24

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 SJK you are electronically signing your name as the submitter of the application and agree to the terms listed above.

## AFFORDABLE HOUSING GOALS & OBJECTIVES

1. Please check which of the following goals outlined in the Request for Proposals are met with this proposal:

1. Increase the supply of safe, quality, affordable rental housing, especially units affordable to households with incomes at or below 30% of area median income, that ensure long-term affordability and sustainability.
2. Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability.
3. Improve the existing rental housing stock through acquisition/rehab to create long-term affordability and sustainability.

## AFFORDABLE HOUSING NEEDS, BENEFIT AND RISK

2. Please describe the anticipated demand for this specific affordable rental housing in the City of Madison.

A market study has not yet been commissioned. We anticipate more than adequate demand for the 55 units proposed due to the persisting need for affordable housing in the Madison area. A formal market study will be completed prior to the tax credit application to be submitted by March 21st, 2025 or the updated application due date pending additional WHEDA guidance. A copy of this market study may be provided to the Community Development Division upon request.

3. Please describe the public benefit of the proposed housing development and the risks associated with the project.

The proposed project helps to fill an ongoing need for additional affordable housing units in the City of Madison and will create additional economic growth on the City's northeast side. The development will include 55 units of rent restricted affordable housing and provide additional benefits to the community of reducing inflated rents, mitigating homelessness and providing supportive services, and reducing poverty. The development would also increase the value of the property and generate additional tax revenue.

Risks associated with the project include ongoing uncertainties in the construction cost and financing markets. Horizon Construction Group, Inc., the general contractor for this project, builds in excess of 2,000 multifamily units per year and will be involved from early budgeting stages through project bidding to assist with cost management strategies and ensure that the project is built successfully. Also, Horizon Development Group has a strong track record of closing projects and navigating the financial underwriting process alongside various equity investors, lenders, and gap funding sources.

## PROPOSAL DESCRIPTION

4. Please provide a brief overview of the proposal including key characteristics. Describe how the proposed development will help meet the needs of residents in this location and the impact of the proposed development on the community. *(Please limit response to 300 words including spaces).*

Horizon Development Group is proposing a 55 unit multifamily development located at 2902 Dryden Drive in Madison WI. The project is new construction consisting of a 4-story, non-age-restricted apartment building with underground parking. The development will include 55 units of income-restricted units ranging from 30% to 80% AMI. 43 of these units will be below 60% AMI with 18 units (33%) at 30% AMI in order to target the extremely low income members of the community. Common areas planned include a community room, fitness center, and an on-site leasing office. The project will apply for WHEDA 4% state and federal tax credits in Dec 2024 and Mar 2025 and may make minor adjustments to the scope of the project pending guidance planned to be released in the 2025-2026 QAP. The project is anticipated to begin construction by March of 2026 and be completed in the Spring of 2027. Horizon Construction Group will be the general contractor and Horizon Management Services will serve as the property manager.

The site is located in Qualified Census Tract 22. The average age of this census tract is 38.7 and the average household income is 55,982. The site is just off of Northport Drive with excellent access to transit. The development is in an area of high need within the community and will have ample demand for a low income housing development. Creating more affordable housing units in this area will foster economic growth and create housing opportunities for members of the community at lower income thresholds.

5. Please describe the following aspects of the proposed development:

Type of Construction:  New Construction  Acquisition/Rehab or Preservation

Type of Project:  Multi-family  Senior (55+ or 62+ yr. old): \_\_\_\_\_

Total number of units: **55**

Total number affordable of units (≤60% CMI): **43** Total % affordable of units (≤60% CMI): **78%**

Total amount of AHF requested per affordable unit: **\$43,023**

Number of units supported by Section 8 project-based vouchers, if known: **TBD** PBV CMI level: **TBD**

6. Please indicate acceptance of the standard loan terms for this proposal as described in Section 1.4 of the RFP.

Yes, I confirm.

7. Applicants requesting alternative loan terms and/or wishing to provide additional information regarding the financing structure or options, please indicate below.

N/A.

8. Period of Affordability Commitment:

Permanent Affordability in exchange for a waiver of shared appreciation to the long-term deferred note

40 years – Minimum Commitment

9. Will the development team commit to making annual payments on the AHF Cash Flow Note concurrently with repayment of the deferred developer fee? If yes, explain how this will be memorialized in organizational documents, including the final Amended and Restated Operating Agreement. If not, what year will Cash Flow Payments begin?

At this time, we do not plan on making payments on the AHF Cash Flow Note concurrently with payments of the deferred developer fee. The current financial structure of this transaction attempts to maximize various other funding sources to make the project feasible. The projections, which are subject to change as the development progresses and new data becomes available, currently show that it will take the entire compliance period to pay off the deferred developer fee.

10. Are there any terms of anticipated funding sources anticipated to be incongruent with this RFP? Please explain.

No, there are no terms of anticipated funding sources anticipated to be incongruent with this RFP.

## SITE INFORMATION

11. Address of Proposed Site: **2902 Dryden Drive, Madison, WI 53703**

12. In which of the following areas on the Affordable Housing Targeted Area Map (see Attachment A) is the site proposed located? Please check one of the first three AND Limited Eligibility, if applicable.

- Preferred TOD Area  
 Eligible Core Transit Area  
 Preservation & Rehab Area (Ineligible for New Construction)  
 Limited Eligibility Area

13. Identify the neighborhood in which the site is located: This site is located in the Sherman Neighborhood Association.

14. Date Site Control Secured: 7/24/2024

15. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities in areas of greatest impact. Describe the neighborhood and surrounding community. (Attach a close-up map of the site indicating project location and a second map using the [AHF Targeted Area Map](#) to show the site in the context of the City.)

The project site is located at the intersection of Northport Drive and Dryden Drive within the Sherman Neighborhood. The site has great access to transportation as it is located in a preferred transit area and is located adjacent to Highway 113/Northport Dr. Additionally, the site is located just to the east of Willy Street Co-op North and Warner Park and to the west of The Dane County Regional Air Port and the Madison Area Technical College Truax Campus.

This location expands affordable housing opportunities where they are needed based on anticipated demand in the area as well as existing infrastructure to accommodate the needs of affordable housing residents. This location provides a great opportunity for public transit connections and would expand the existing housing stock in an area that already has favorable access to schools, healthcare, groceries, and employment.

16. Current zoning of the site: CC-T An interactive version of the Zoning Map can be found linked [here](#).

17. Will the proposed development seek a Zoning Map Amendment:  
 Yes                     No, it's permissively zoned                     To be determined

18. Describe any other necessary planning and zoning-related approvals (conditional use permit, demolition, etc.) that must be obtained for the proposal to move forward.

The site is zoned CC-T (Commercial Corridor - Transitional) and multifamily is permitted as a conditional use in this district. The project will need to apply for a conditional use permit. This process will be initiated as part of the land use application that will be submitted later this year.

19. Describe the proposed project's consistency with the land use recommendations, goals and objectives as may be relevant in adopted [plans](#), including the City of Madison Comprehensive Plan (adopted 2018), Neighborhood Plans, Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant [plans](#).

The Northport Warner Park Sherman Neighborhood Plan describes their highest priority housing goal is to "sustain a mix of available housing types: including single-family, owner-occupied, rental, multi-unit or multi-family, senior housing, affordable housing and also encourage development of housing in the upper ranges of the current market." The proposed project will be meeting multiple goals here as the unit mix will include housing ranging from 30% to 80% AMI.

The City of Madison Comprehensive Plan promotes affordable housing opportunities throughout the city. The plan also prioritizes integrating lower priced or subsidized housing. The high rents and high demand for housing in the Madison area has made it increasingly difficult for low-income residents to find housing. This development would increase access to affordable housing for the targeted population.

The future land use map references Community Mixed-Use ("CMU") as the plan with a general density range less than 130 units and between 2-6 stories. The proposed project will likely include a Community Service Facility ("CSF") (pending WHEDA's 2025-26 guidelines) and office space for supportive service provider(s), adding an employment/non-residential use element to the development.

20. If the site is in a Limited Eligibility Area, describe how the relevant concerns will be addressed via design or other strategies, e.g., noise mitigation, air quality, etc.?

N/A. Site is located in a preferred transit oriented development area.

21. Identify the distance the following amenities are from the proposed site. Limit to closest three and/or less than one mile per category. Please limit list to the closest three amenities within one mile per category. Please use the MMSD Find My School [link](#) as the closest school is not always assigned.

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Willy Street Co-op - North	0.14 miles
Public Elementary School	Mendota Elementary School	1.25 miles
Public Middle School	Sherman Middle School	0.72 mile
Public High School	Madison East High School	2.05 miles
Job-Training Facility, Community College, or Continuing Education Programs	Madison Area Technical College	1.4 miles

Childcare	Northside KinderCare	0.17 miles
Public Library	Madison Public Library - Lakeview	0.1 miles
Neighborhood or Community Center	Warner Park Community Recreation Center	0.52 miles
Full Service Medical Clinic or Hospital	UW Health Northport Drive Clinic	0.1 miles
Pharmacy	Walgreens Pharmacy	0.1 miles
	UW Health Northport Dr Clinic Pharmacy	0.1 miles
Public Park or Hiking/Biking Trail	Barkley Park	0.2 miles
	Warner Park	0.2 miles
	Wisdom Way Park	0.15 miles
Banking	Old National Bank	0.1 miles
Retail	Northside Town Shopping Center	0.1 miles
B-cycle Station	Eastwood Drive Madison BCycle	2.5 miles
Other (list the amenities):	Bus Station	0.1 mile
	Advanced Auto Parts	0.1 mile
	Exxon Gas Station	0.15 miles

22. What is the actual walking distance (in miles) between the proposed site and the nearest seven-day per week [transit stops](#) (i.e. weekday and weekends)? List the frequency of service at that bus stop during the weekday at noon. List the bus route(s), major transit stop street intersections and describe any other transit stops (include street intersections and schedule) located near the proposed site. Please do not include full bus schedules.

The walking distance to the nearest bus stop which is located on the corner of Northport Drive and Dryden Drive is less than 0.1 miles and an approximately 1 minute walk from the property. The bus route that serves this location is Route B and is stop 5109: Northport at Dryden. The frequency of the service is approximately every 10-15 minutes. This is one of the northernmost stops along this route. This route travels through Packers Ave., East Washington Ave., Park Street, and through Fish Hatchery Road.

23. Describe the walkability of the site and the safest walking routes for children to get to their elementary and middle schools if MMSD [Yellow Bus Service](#) is not provided (e.g., less than 1.5 miles and no major roads crossed). Describe the Metro Transit Route for high school students. Enter "N/A" for age restricted (55+) developments.

Horizon reached out to Kenneth Thomas, Assistant Director of the Madison Metropolitan School District to discuss the transportation routes for the Mendota Elementary School and Sherman Middle School. Unfortunately, Kenneth stated that the MMSD routes will not be available until mid-August but we anticipate the Yellow Bus Service serving the area the project is located. On 7/29/24 Horizon spoke with Justin Markofski, a vital community partner in the area, and he confirmed that "the yellow school bus comes to Packer Townhouses daily to and from Mendota Elementary School, which goes directly past the proposed development location."

The walking route to Mendota Elementary School is quite safe as there are no major roads crossed and about 1.5 miles in walking distance from the site.

The walking route to Sherman Middle School is quite safe as there are no major roads crossed and less than 1 mile in walking distance from the site.

For high school students living at the property, they would be able to take the either the 603, 604, or 605 - East High supplemental metro school routes in order to reach school. All 3 routes bypass the site on the north along Northport Drive.

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

A seven-day-per-week transit stop - Route B - is located in very close proximity (Less than 0.1 miles) away from the site location. This transit line will allow residents to access numerous amenities as listed above and have access to a very large geographic reach (from Northport Drive to Fish Hatchery Road). There are also various amenities within walking distance and the area is very friendly to transportation via bike.

25. Describe the impact this housing development will have on the schools in this area. What percent are the 5-year projected capacities for the area schools? Ideal enrollment is considered 90%. Are the schools projected to be at, above, or below capacity? Approximately how many elementary and middle school children are projected to live at the proposed housing development based on the proposed unit mix and previous housing experience? See 5-year projected

capacities from 2019 school capacity information found in this [Report](#) (.pdf pages 30-31). MMSD is in the process of updating this information post-pandemic. Please also e-mail Grady Brown ([kgbrown@madison.k12.wi.us](mailto:kgbrown@madison.k12.wi.us)) to obtain updated current and projected capacity for the relevant schools.

Mendota Elementary School is projected to be at 88.6%. Sherman Middle School is projected to be at 58.4% capacity. East High School is projected to be at 70.6% capacity. All of the schools are projected to be below the ideal capacity so adding family housing in this area should help enrollment increase to closer to 90%. Approximately 15 to 25 elementary and middle school children are expected to live at the proposed development based on the proposed unit mix and previous housing experience. We reached out to Grady Brown who checked with leadership but is unable to share out data with capacities and projected enrollment before the larger report is released. Based on the data provided and the current enrollment shown on the DPI public wisdash we can conclude that this development should not overburden the schools in question.

**SITE AMENITIES**

26. Describe the exterior amenities that will be available to tenants and guests (e.g., tot lot or play structure, outdoor exercise equipment, patio, permanent tables and chairs, greenspace, grill area, gardens, etc.).

The project will include amenities that are appropriate for the population served. This project includes a first floor outdoor plaza area for resident gatherings. Site area is limited, but additional outdoor elements will be considered as design progresses.

27. Describe the interior common area amenities that will be available to tenants and/or guests (e.g., community rooms, exercise room, business center, etc.). For family developments, will there be a year-round indoor play space &/or youth lounge for children and teens?

Common areas planned include a community room with kitchen, fitness center, leasing office, and supportive service office.

28. Describe the interior apartment amenities, including plans for internet service (and cost to tenants, if any) and a non-smoking indoor environment throughout the building.

Interior unit amenities will likely include ENERGY STAR-rated appliances, high-efficiency lighting, air conditioning, setback thermostats, an in-unit washer and dryer, hard-wired high-speed internet service at no cost to residents, a built-in dishwasher, and garbage disposal. A non-smoking indoor environment will be provided throughout the building.

29. In regards to parking, what is the:

a. Anticipated number of total number parking spots:	57
i. Underground	--52
ii. Surface	--5
b. Ratio of parking spots to units?	1.04:1
c. Monthly parking cost?	Free
d. Will the parking cost in this development vary by CMI level?	No

Brief further comments regarding parking fees may be added here:

We currently anticipate that the project will not charge for parking.

30. For proposals contemplating first floor commercial space, describe how the use and/or tenant of the space will be a benefit to the immediate neighborhood (e.g. childcare, senior center, community facility, neighborhood-serving commercial etc.). Explain how the use of the space was identified to fill a service gap or enhance the surrounding community. Describe if a prospective tenant or use has already been identified or how a prospective tenant will be found and will help inform the space's design.

The project is partnering with the Community Action Coalition for South Central Wisconsin ("CAC"), which will hold regular office hours in a dedicated non-residential space.

## CITY AND COMMUNITY ENGAGEMENT PROCESSES

31. Briefly summarize the staff comments during your Pre-application meeting with City of Madison Planning and Zoning staff. Please include the date.

Horizon met with the City of Madison on July 11th, 2024, which included representatives from the Zoning, Planning, and Community Development divisions. The City confirmed that at the proposed location, multifamily was a permitted use with a conditional use permit and the current zoning allowed for up to 69 residential units. A 50 foot setback requirement off of Northport drive was also mentioned and included within the site plan. Additionally, Horizon met with the City of Madison CDD on July 23, 2024 to review questions and action items specifically pertaining to the 2902 Dryden Drive location.

32. Briefly summarize the most notable staff comments made at the City's Development Assistance Team (DAT) regarding the proposed development and reference the date of the presentation. If this proposal has not yet presented to DAT, what is the anticipated date of the presentation?

The project was added to the DAT agenda for August 1, 2024, which is the due date for this application. We are not anticipating major issues to the proposed site plan as a result of this meeting, as we understand this location has been presented previously with DAT. We will certainly keep CDD informed of outcomes from this meeting.

33. Describe the response of the alderperson in which the proposal is located, as well as the adjacent alderperson(s), if within 200 feet of an adjacent [Aldermanic District](#). What issues or concerns with the project did they identify, if any? How will those be addressed?

The proposed project is located in Aldermanic District 12 and is adjacent to Aldermanic District 18. We made initial email contact with Alders Latimer Burris and Myadze on July 22, 2024. We met with District 12 Alder Amani Latimer Burris on 7/29/24 along with Justin Markofski, director of the north side planning council and discussed the proposed project. Along with an introduction of the development team, we reviewed the project scope including unit mix, supportive services partnership, community space, and timeline for development. Alder Latimer Burris was generally supportive of affordable housing development. A number of questions were asked pertaining to this project and location, including supportive housing, ongoing management of the property with an emphasis on proactive problem solving, green space, and addressing the needs of the community. Alder Latimer Burris encouraged the team to hold a neighborhood meeting to gather thoughts and concerns of those in the community and requested an expanded invite list to include key stakeholders in the area. On 7/30/24 Horizon met with District 18 Alder Charles Myadze. We informed Alder Myadze of the project scope, similar to the way we did with Alder Amani Latimer Burris, hoping to get some feedback. Alder Myadze brought up topics relating to parking and transportation, on-site property management, and resident spaces. Overall, Alder Myadze was generally supportive of our proposed affordable housing development and intends on attending the neighborhood meeting we have planned for either August 26<sup>th</sup> or 27<sup>th</sup>.

34. Describe the neighborhood and community input process to date, including notification to and input from the nearby Neighborhood Association(s). What was the date that the proposal was presented to the neighborhood? If not yet completed, what is the anticipated meeting date? What issues or concerns with the project has been identified, if any? How will those be addressed? Describe the plan for continued neighborhood input on the development (e.g. steering committee, informational meetings, project website, etc.).

The proposed development is located within Sherman neighborhood. We have reached out to the neighborhood association contacts in Michelle Martin and Jennifer Argelander, though have not heard back. Additionally, we have connected with Justin Markofski, who is the director of the north side planning council and is experienced with this area. We walked through the project specifics including unit mix, supportive services partnership, community space, and timeline for development. Additionally, Justin mentioned the importance of an on-site property manager and examples of developments that have gone well and some that have not. Justin expressed support for housing at this location and did not pose any concerns for the proposed project scope. A neighborhood meeting is being scheduled for either August 26 or 27 where we anticipate additional feedback.

35. Describe your plans for neighborhood informational meetings and other ways of engaging and informing residents both during construction and approaching lease-up. Describe your experience in working with neighborhood residents post-approval and detail effective strategies you have used since the beginning of the pandemic to effectively communicate with residents.

Horizon is experienced in coordinating neighborhood meetings to facilitate stakeholder input to inform the design, approval, and operations of the proposed project. We intend on facilitating meetings with nearby property owners and other local groups as needed to solicit feedback on topics that are sensitive to neighbors, help address property-specific or operations-related questions, and listen to what concerns others might have. This will help the development team determine if there are programmatic or design specific changes that should be considered or other information that might better inform the process. The goal is to be open and communicative, gather thoughts from others, and make honest attempts to adapt the project to the best interests of the community.

**DEVELOPMENT TEAM**

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

Contact Person	Company	Role in Development	E-mail	Phone
Scott Kwiecinski	Horizon Development Group	Applicant/Developer	s.kwiecinski@horizondbm.com	(608) 354-0820
Curt Peerenboom	Horizon Development Group	Chief Financial Officer	c.peerenboom@horizondbm.com	(608) 354-0866
EJ Gering	Horizon Construction Group	General Contractor	e.gering@horizondbm.org	(608) 354-0835
Toni Prestigiacomo	Foley & Lardner	Attorney	aprestigiacomo@foley.com	(608) 258-4765
Becky Hildebrandt	Horizon Management Services	Property Manager	b.hildebrandt@horizondbm.com	(608) 354-0908
Kevin Burow	Knothe & Bruce Architects	Architect	kburow@knothebruce.com	(608) 836-3690
Chris Fearn	SVA Certified Public Accountants	Accountant	fearnc@sva.com	(608) 836-3690
Meghan Mietchen	Community Action Coalition	Supportive Service Provider	meghanm@cacscw.org	(608) 230-7058
Kaba Bah	Kaba-Baal, LLC	Co-Developer	kbjdevelop@gmail.com	(757) 319-9929

37. Describe the project's organizational structure. Please attach an organizational chart detailing the roles of the applicant, all partnerships, ownership and controlling interest percentages of each entity.

A single purpose limited liability company (LLC) will be created for the overall ownership of this project. This entity will be comprised of two limited liability companies, one being for the limited partner (100% owned by tax credit investor) and one for the general partner (100% owned by the managing member). The limited partner LLC will own 99.99% of the project and the general partner LLC will own 0.01% of the project. Shareholders of Horizon will own 76% of the managing member entity and we are anticipating that the co-developer will own 24% of the managing member pending WHEDA final QAP guidance.

Please see attached ownership chart within attachment 2 - Development team experience and capacity, as an illustration of this organizational structure.



38. Describe briefly the Development Team’s knowledge of and experience in addressing affordable housing needs of the City of Madison. Please be sure to address:
- a. Experience developing multifamily housing for low- and moderate-income households, including:
    - i. Experience obtaining and implementing LIHTC, including number, type and location of proposed and completed LIHTC projects and/or affordable housing units your organization has developed.
    - ii. Experience obtaining and implementing federal, state, city and other financing resources, including number of projects, number of units and location of projects with federal LIHTC, HOME, CDBG, or Section 108 funds.
  - b. Developer's experience with, including number of projects, number of units and location developed with integrated supportive housing units.
  - c. Leadership/key development team staff qualifications (briefly). Years the organization has been in existence.
  - d. Financial capacity of the organization to secure financing and complete the proposed project.
  - e. For non-profit organizations and/or co-developers, please describe the organization’s Mission Statement and explain how the proposed development supports the Mission Statement.

Please limit responses to three pages within this application format or enter “See Attached.” Please do not duplicate information here and attached.

See Attached.

39. For projects that will be co-developed with a non-profit partner, please describe the non-profit’s role in the development. State if the non-profit will have a controlling interest (as memorialized in organizational documents), Right of First Refusal, or General Partner Purchase Option. If not, please elaborate on how the non-profit organization will be involved in the long-term ownership of the development. Describe briefly the compensation structure for non-profit developer, including percentage of the developer fee allocated.

N/A. We do not anticipate that the project will be co-developed with a non-profit partner.

40. For non-profit applicants interested in federal HOME funds, please describe in detail the development team’s experience using HOME funds, including a list of projects the team has developed using such funds. Is the Non-Profit Organization certified as a CHDO? If not, please indicate interest in CHDO certification. Please enter N/A if this question does not apply.

N/A.

41. Who will be responsible for monitoring compliance with federal regulations and requirements during development and construction phases of the project? List past projects they have completed with similar compliance requirements.

Horizon Development Group and Horizon Construction Group will coordinate along with Knothe and Bruce in order to ensure compliance with federal regulations and requirements during development and construction. Some examples of past projects with similar compliance requirements where we have had this successful partnership include Bayview Townhouses (130-unit LIHTC in Madison, WI), Walnut Glen Apartments (101-unit LIHTC in Wauwatosa, WI), Uptown Commons II (24-unit LIHTC in Chilton, WI), Layton Preserve (45-unit LIHTC in Greenfield, WI), and Roosevelt West (44-unit LIHTC in Dubuque, IA).

42. Who will be responsible for monitoring compliance with federal regulations and requirements during the Period of Affordability? Please describe the experience of the property management agency including trainings and/or certifications that the individual/property management agency has completed and/or attained.

During the period of affordability Horizon Management Services ("HMS") who is to be the property manager for the proposed project will ensure compliance with federal regulations and requirements. HMS manages 70 properties in Wisconsin, Iowa, and Illinois, totaling 3,656 units. HMS is comprised of professionals that specialize in managing the tax credit compliance and leasing processes, developing the project's operating budget, and ensuring that the property is maintained and operated according to Horizon's standards. HMS has completed various trainings and achieved certifications such as Tax Credit Specialist Certification (NCHM), Occupancy Specialist Certification (NCHM), as well as various additional training through ZEFFERT, THEO-PRO, and Costello University.

43. What other major sources of soft funding are being sought for the proposed development (e.g., TIF, Dane County AHDF, Federal Home Loan Bank Affordable Housing Program, Dane Workforce Housing Fund, etc.)? What is the status of those funds and anticipated commitment dates? Describe the development team's experience in successfully obtaining funds from the sources sought for the proposed development.

The proposed project is still waiting on final WHEDA guidance for the 2025 LIHTC funding round in order to maximize the available tax credits while also meeting all of their threshold requirements. Without concrete guidance provided by WHEDA, Horizon Development Group has used the most current guidance we have been given to make our underwriting assumptions. Currently, we do not anticipate scoring competitively for AHP funding through FHLB. The project will also be requesting 1.58 Million in Dane County AHDF.

44. For projects led or co-developed with a BIPOC or minority developer, please explain the BIPOC or minority developer role in the development. State what percentage stake the BIPOC or minority developer will have in the development, development fee split, cash flow, etc. (as memorialized in organizational documents). If the development team will partner with a BIPOC or minority developer, but will not maintain a stake in the organization structure, please explain this decision and elaborate on how the BIPOC or minority developer will be involved in the long-term ownership of the development.

Horizon Development Group will be partnering with Kaba-Baal, LLC for the proposed project. Kaba-Baal, LLC is owned by Kaba Bah who is a minority developer seeking experience in affordable housing development. We anticipate the co-developer will have 24% ownership of the managing member and a 12% stake in the development fees (subject to final WHEDA guidance) and will participate in many of the roles and responsibilities to develop the project. Kaba will participate in meetings with municipal and community leaders (including required entitlements), financial modeling, and the LIHTC scoring process. Kaba will also participate in writing and assembling the required LIHTC application materials. Post-award, areas of focus will include identifying an equity investor, fulfilling underwriting requirements of the lender and investor, design team oversight, and obtaining final approvals from the City of Madison. Once construction is completed, Kaba will be involved with ongoing asset management decisions, marketing strategies and optimization of property performance.

45. Describe this development team's experience in or plans to offer a development partnership role, employment or meaningful internship opportunity to a graduate or student of the Associates in Commercial Real Estate (ACRE) program on this or another project?

Horizon has long supported the ACRE program both in partnering with emerging developers on various projects and in its capacity as advisor/mentor to ACRE participants each year. Horizon is partnering with Kaba-Baal, LLC as the emerging developer on the project. Kaba Bah is a minority developer who is a graduate of the ACRE program. Kaba-Baal, LLC will have ownership of the managing member entity as well as earn development fee in accordance with WHEDA guidance. This is a very meaningful opportunity for Kaba to expand skills in affordable housing development. Horizon has ample experience working collaboratively with BIPOC developers on various LIHTC projects.

46. Please describe the development team's experience with contracting with Minority- and Women-Owned Business Enterprises (M/WBE). Beyond standard construction bidding practices, what efforts have been made by the development team to ensure that M/WBE businesses are awarded contracts, and what efforts will be made to ensure that M/WBE businesses are given plentiful opportunities to be competitive when bidding on this proposal and awarded a percentage of the contracts that meets or exceeds the City's **25%** goal as aligned with WHEDA's EBE program.

Horizon has been successful in achieving this goal on other projects, often meeting or exceeding participation goals based on project location and access to qualified subcontractors. Horizon Construction Group, Inc. will oversee all bidding and ensure that opportunities for all M/WBE businesses are provided. Ways in which this is accomplished include posting directly to WHEDA's website, identifying specific media outlets by locale that are accessed by Minority- and Women-Owned Businesses, and including thousands of subcontractors with the bid invitation based on the database of subs Horizon Construction Group has developed. With this and additional outreach attempts as bids arrive for review, we strive to achieve the participation goal on every project. That said challenges sometimes arise where we do not see bids come back from targeted businesses, costs are far higher than other qualified bidders, or there are known quality issues for a certain sub. We have successfully completed other projects with good participation and expect similar outcomes with this project. Additionally, Horizon Management Services, who will be the property manager for this project, is a certified Woman-Owned business enterprise. Horizon is committed to promoting diversity by making efforts to include M/WBE businesses in the project.

47. Beyond standard construction bidding practices, to what efforts will the development team commit to ensure that women and people of color represent a meaningful share of the construction labor force working on this proposal. Describe how the development team will commit to exceeding the City's contract labor utilization goal of 13% for persons of color working on the job site.

The development team uses Horizon Construction Group as the General Contractor who makes efforts to ensure representation from women and people of color throughout the bidding process and selection of subcontractors. We have recent experience and data suggesting our ability to meet this goal. On the Bayview Townhouses project, we are exceeding the minority workforce achievement goal of 13% (currently 32%).

48. For the following development team roles, please identify the number and/or percentage of women and persons of color employed by that company or organization as well as the total employees for each firm.

Company	Role in Development	BIPOC		Women		Total Employees
		#	%	#	%	#
Horizon Development Group	Developer	0	0	0	0	4
Kaba-Baal, LLC	Co-Developer	1	100	0	0	1
	Co-Developer					
Horizon Construction Group	General Contractor	5	7.6%	12	18%	66
Horizon Management Services	Property Manager	16	19.3%	54	65%	83
Knothe & Bruce Architects	Architect	2	6%	8	25%	32
Community Action Coalition	Service Provider	15	30%	30	60%	50

49. Describe the development team's organizational experience in engaging with the target populations you intend to serve, including black, indigenous, and other people of color. Especially consider operations, design, development, and property management.

The development team will include a BIPOC co-developer and property management will be contracted with a M/WBE entity. There will be consultant(s) who also meet target populations. Horizon has experience based its involvement on the Bayview Townhouses project.

50. Describe ways in which the development team promotes and supports ongoing equity work in internal policy and procedures and within the community and the greater Madison area.

Horizon's extensive work on the Bayview project, including community outreach, resident voice, and commitment to equitable outcomes continues to shape our current and future work. Our team promotes this through creating input opportunity, intentional listening, and identifying areas of potential improvement.

51. If any team member has acted as a development partner or has any ownership interest in any project currently underway or completed, please list the following information and provide a current status for the team member and/or any related entity, as applicable:

- a. List any foreclosure, default, or bankruptcy within the past ten years.
- b. List any litigation completed, pending, or underway in relation to any financing or construction project within the past five years.
- c. List any Chronic Nuisance Abatement or Nuisance Case notifications issued by Madison Police Department and/or Building Inspection in the past five years
- d. List any unresolved Building Inspection citations resulting in a Municipal Court Complaint in the past five years
- e. List any litigation in the past five years with the City of Madison, including but not limited to Federal, State, or Municipal Court proceedings
- f. List any litigation in the past five years in the State of Wisconsin, including but not limited to Federal, State, or Municipal Court proceedings

N/A.

**INTEGRATED SUPPORTIVE HOUSING UNITS**

52. Provide the number and percent of Integrated Supportive Housing Units proposed, the income category(ies) targeted for these units, and the target service population(s) proposed (e.g., individuals and/or families currently experiencing homelessness listed on the Community-wide Prioritized List, persons with disabilities, formerly incarcerated individuals, other, etc.).

The proposed project will include supportive housing based on WHEDA qualified allocation plan guidance. We anticipate maximizing the projected score in this category but await final WHEDA guidance to be issued later this year. Based on prior years, the supportive housing component is expected to be 20% of the total units and would include households experiencing homelessness and persons with disabilities. We will evaluate the updated WHEDA scoring criteria when available to determine the most competitive election of supportive housing units.

53. Provide the number and percent of Veteran Units targeted in the proposed development at or below 60% AMI. How many of the veteran units will be prioritized for veterans experiencing homelessness coordinating with the HUD VASH program listed in Attachment C?

The proposed project will include Veteran Units and maximize scoring opportunity in the WHEDA application. Based on prior years, Veteran Units are expected to be 11%+ of the units. We will evaluate the updated WHEDA scoring criteria when available to determine the most competitive election of Veteran Units.

54. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) for the supportive housing units, including service provider(s) from the Homeless Services Consortium (see Attachment C), if applicable. Provide a detailed description of the type (e.g., assessment and referral, on-site

intensive case management, etc.) and level of supportive services (% FTE and ratio of staff: household) that will be provided to residents of the proposed project.

Horizon currently is partnered with The Community Action Coalition for South Central Wisconsin ("CAC"). The Community Action Coalition (CAC) is a nonprofit organization with a mission to transform its communities by fostering conditions where everyone can achieve social and economic security. The organization serves low income individuals through Dane, Jefferson, and Waukesha Counties. CAC focuses on three key areas: food security, housing security, and life skills. The organization takes a holistic approach to poverty and aims to give clients wrap around services so they can have the opportunity to become self-sufficient. Supportive Services and Property Management will have monthly meetings to ensure regular communication. The two teams will collaborate as needed to ensure the relationship between all parties is successful. To provide the best resident experience, Supportive Services will meet with the resident(s) on a regular basis to assist with anything they may need. During these regular meetings, Supportive Services will address any concerns that the resident(s) may be experiencing at the property as well as addressing any concerns that the Property Management team may be incurring. Supportive Services will provide on-site intensive case management for residents including services such as budget implementation, advocacy, and mediation. Supportive services will provide referrals to other agencies as needed such as domestic abuse intervention services, mental health services, and employment services. In addition, there will be written communication to all parties addressing any applicable situation to confirm communication is open. The housing development will include a dedicated office for meetings and case management relating specifically to permanent supportive housing units. CAC will provide 30% FTE, with an estimated ratio of 1 staff to 8 households.

55. Please describe the proposed integrated supportive housing approach that will go beyond meeting WHEDA's supportive housing requirements outlined in the Appendix S Checklist of the WHEDA Qualified Allocation Plan targeting veterans and/or persons with disabilities. Please elaborate on the target populations the proposed development will prioritize serving. Describe the consultation and coordination between Developer, the Property Manager and the lead Supportive Service Coordination Agency that occurred prior to this application and planned to design the development in terms of matching unit mix (income and size) to the targeted population.

The proposed project plans on going above and beyond the supportive housing requirements outlined in the Appendix S checklist of the WHEDA QAP by also partnering with The Community Action Coalition for South Central Wisconsin ("CAC"). The CAC is a nonprofit agency that works closely with the local Continuum of Care by providing housing options for those experiencing homelessness as well as many more activities to create an impact within the community. We have included in our operating budget a \$20,000 per year set-aside for CAC supportive services, which will be offered by case managers onsite 1-2 days a week, based on need. Case managers within CAC are trained on all best practices which include a trauma informed approach, motivational interviewing, cultural competency, and racial equity practices. Case Managers are able to assist in making connections to all resources across the county. Case Managers can also assist in creating a housing stability plan. This plan may include addressing any barrier to sustainable housing as the Caseworker and participant work together to determine the best way to support the participant. One standard feature of all housing stability plans is the implementation of a household budget. The household budget has two components: Expense Management and Income Stability. With Expense Management, participants are coached to become efficient in managing regular, recurring household expenses and to contingency-plan for unexpected expenses. Income Stability often includes an Employment Plan aimed at obtaining new employment or obtaining higher-paying employment, but often also includes facilitating access to non-employment sources of income, such as Social Security benefits, or access to non-financial benefits, such as Food Share, that can offset other household expenses.

To fill the percentage in accordance with WHEDA criteria that maximizes the competitive profile of our application, we intend on targeting persons with permanent developmental, physical, sensory, medical, or mental health disabilities, or a combination of impairments that make them eligible for long term care services. Additionally, this development has committed to serve chronically homeless, veterans experiencing homelessness, very low-income families experiencing homelessness, and individuals with disabilities. CAC pulls from a coordinated entry list and the project will have a preference for 8 units to be supported through this program. CAC has extensive experience in managing rapid rehousing, permanent supportive housing, transitional housing, and preventative housing in Wisconsin counties of Dane, Jefferson, and Waukesha. The project intends on applying for 8 project based vouchers to be paired with units targeted to individuals/families on the HSC community list.

Horizon and CAC have partnered on the Ellis Potter Apartments project, that is working towards closing, and has planned to design the development in terms of matching unit mix to the targeted population in a similar fashion as the Ellis Potter Apartments that was awarded City funding last year (2023).

56. CDD expects that supportive service partners have access to adequate compensation for the dedicated services provided to residents of the development. In order to ensure the success of the development, the partnership(s), and the tenants, describe the level of financial support to help pay for or subsidize supportive services that the development will provide annually to the identified supportive service partner(s). Identify any other non-City funding

sources contemplated or committed for supportive services outside of this project. Explain any arrangement with developer fee sharing, "above the line" payments in the operating budget, "below the line" payments out of available cash flow and/or percent of developer fee shared. CDD is open to deferral of AHF Cash Flow Note payments to ensure meaningful financial support to supportive service partners.

Attach a letter from the Supportive Service Provider(s) **affirming** the services they intend to provide to residents of the supportive housing units, the cost of those services and how those services will be financially supported (i.e., through the development, fundraising, existing program dollars, etc.). Supportive Service Provider should also confirm that they've reviewed the projected rents, been given an opportunity to provide feedback and are comfortable with those rents being able to serve the target population.

Horizon has budgeted \$20,000 per year for supportive services partnering with the Community Action Coalition. Please see the attached letter for additional information regarding CAC and their involvement with the proposed project.

## PROPERTY MANAGEMENT: TENANT SELECTION & AFFIRMATIVE MARKETING

57. Confirm that Applicant has read and submitted with this application a Tenant Selection Plan consistent with the Standards found in RFP Attachments B-1 and will submit before closing an Affirmative Marketing Plan consistent with the Standards found in RFP Attachments B-2.

Yes, I confirm.

58. Describe the proposed property management entity or partner's experience including number of projects, number of units and location of projects managed. Be sure to address the property management entity's performance experience with and approach to leasing up and coordinating with integrated support services as well as with racially, linguistically, and culturally inclusive property management and marketing practices.

Horizon Management Services, Inc. ("HMS") is the property manager for the proposed project. HMS currently manages 70 properties in Wisconsin, Iowa, and Illinois totaling 3,656 units. HMS is comprised of professionals that specialize in managing the tax credit compliance and leasing processes, developing the project's operating budget, and ensuring that the property is maintained and operated according to Horizon's standards. HMS currently manages numerous properties that include integrated supportive housing and have developed standards to approach leasing up and coordinating with these supportive services as well as racially, linguistically, and culturally inclusive property management and marketing practices. With the continuing partnership Horizon has with the Community Action Coalition for South Central Wisconsin ("CAC"), these processes will continue to improve.

59. Describe the planned approach, relationship and coordination between the Property Manager and the lead Supportive Service Coordination Agency for lease up and ongoing services. Have these entities previously participated in an in-depth pre-lease up coordination process with these target population(s) in coordination with relevant community partners (e.g., CDA, DCHA, VASH, CE, etc.)? I.e., what is the level of integration of this proposed team with each other— low, medium, high? How will these entities work together to ensure a successful development well-integrated with the immediate neighborhood and community?

Horizon has worked with Supportive Service Agencies and Community Partners in prior lease-ups and continues to do so throughout multiple properties in our portfolio. During the development and construction phase of the property, we implement continuous meetings that start 120 days out from completion and continue every 90, 60, and 30 days until completion. These meetings are designed to keep all parties involved and informed of what is happening in the construction phase, applications that are pending, and items that may be needed from all those involved. After completion of the property, our Property Management Team and Coordination Services/Community Partners will have scheduled meetings to collaborate on services that may be needed at the property. During these meetings, policies and procedures will be developed to ensure workflows are met and services are provided. The Ellis Potter Apartments Project, which received City funding in 2023, partnered with the Community Action Coalition for South Central Wisconsin ("CAC") and this proposed project will reflect the efforts seen throughout the Ellis Potter project. The partnership will continue to grow and the integration will continue to improve.

60. Describe the affirmative marketing strategy and any other strategies to engage the target populations for this proposal. How will the Property Manager affirmatively market to populations that will be identified as least likely to apply? Detail specific partnerships that the development team, Property Manager, and/or other agencies in this proposal have had with community agencies and organizations that provide direct housing search and related assistance to households least likely to apply. Please reference successful past practices, relationships with agencies and/or marketing materials used. Specifically outline how this development's marketing will be consistent with the City

of Madison's Affirmative Marketing Plan Standards (Attachment B-2 of the RFP), especially for Asian and Latinx populations which tend to be under-represented in AHF Completion Reports.

We will accept all individuals that meet our affordable housing and/or supportive housing criteria regardless of race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disabilities. All properties managed by Horizon Management Services, Inc. (HMS) abide by Fair Housing Laws and strive to be the very best at all our properties, and it would be no different for this property.

The evaluation process we use to determine whether our marketing activities have been successful will be a continuous evaluation of the demographics of our property occupants. Our goal is to create a more diverse housing property. This will be evaluated quarterly to ensure we are always marketing to those least likely to apply. Upon results, we will change our practices as needed for optimal results. In addition, we will work closely with the Dane County Aging and Disability Resource Center (ADRC) to find clients apart of the population with disabilities.

61. Please address, in detail, experience in and/or plans to implement inclusive and culturally-sensitive property management and marketing practices. Detail specific partnerships that the development team, Property Manager, and/or other agencies in this proposal have had with community agencies and organizations that provide direct housing search and related assistance to households least likely to apply, **especially including undocumented residents and/or residents without social security numbers**. Please reference successful past practices, relationships with organizations that you have partnered with in the past for marketing activities.

We will be partnering with the CAC and working with the ADRC to get referrals and target households least likely to apply. We are able to run background checks and screen tenants using date of birth as opposed to social security number in order to allow equal opportunities for undocumented residents and residents without social security numbers. We have seen success with these strategies in the past and on this project plan to seek additional input from members of the community to effectively reach these groups.

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

Horizon Management Services (HMS) works to prevent evictions and utilizes alternatives to do so. HMS works with all tenants and offers to discuss payment plans prior to eviction in order to tailor to each resident's unique needs and circumstances. Though if unsuccessful, HMS will issue a 5-day notice and then a 14-day notice. If both notices are not adequate, HMS typically will go to mediation before final eviction. HMS strives to avoid evictions and provides ample opportunities and alternatives to avoid them.

63. What percentage of maximum LIHTC rents are used for 50 & 60% units? Households with incomes over 30% CMI, but less than the income to rent ratio required for a 50% unit are frequently locked out of this critical housing resource. What will this proposed development do to serve this segment of the population (e.g., lower rent below 90% of the WHEDA 50% income limit, lower income to rent ratio requirements, provide 40% units to meet demand, etc.)

The project is allowed to utilize rents up to the maximum limits. The specific rent levels will be determined to ensure financing covenants are maintained and services and amenities are provided to residents as required under various financing terms.

64. Describe the proposed development's policy toward notification of non-renewals. What is the PM's policy regarding limiting rent increases for lease renewals? How will it be ensured that prospective long-term tenants be protected from significantly and rapidly rising contract rents increases allowed under the published rent limits, even under the rent limit increase requirements in this RFP and Loan Agreement.

As a property regulator, WHEDA is enforcing no greater than a 5% rent increase on an annual basis. As a practice, non-renewals are not a common occurrence; if there are significant lease violations, notification is provided in accordance with laws and regulations.

65. Describe any staffing challenges or shortages that the Property Management (PM) company has experienced at the on-site level in the past few years? What will the PM do to address and/or cover on-site staffing challenges at the proposed development should they arise?

The current projects under management for HMS in Madison are Harmony at Grandview Commons, Burr Oaks and Green Tree Glen. Our challenge has been finding qualified and reliable maintenance staff for the Harmony property only. In order to address staffing challenges, HMS has 3-4 other maintenance staff from other properties around and within the Madison area that come over and assist when there is a vacancy as well as an extensive vendor list to support the property.

66. What percent of staff turnover has the PM experienced at Madison-area properties in 2023? 50%
67. Divide the number of resignations or terminations in calendar year 2023 by total number of budgeted positions. Explain turnover rate of 20% or more within the regional Property Management staff. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

In 2023 we had two employees turnover for our Madison properties: one Property Manager and one Maintenance which both supported Harmony. This would be 50% turnover rate since the other Property Manager covers both Burr Oaks and Green Tree.

The following data is based upon the Regional Manager's portfolio and not Horizon's entire portfolio. This consisted of the properties listed below:

Angell Park, Greentree Glen, Burr Oaks, Harmony at Grandville Commons, Parmenter I & II, Highland Village I & II, One West Wolf, The Globe, Summer Ridge and Tamarack Gardens. There are 8 property managers and 6 maintenance staff = 14. There would still be just 2 turnovers for a 14% turnover rate.

**PROPOSAL TIMELINE**

68. Please list the estimated/target completion dates associated with the following activities/benchmarks to illustrate the timeline of how your proposal will be implemented.

Activity/Benchmark	Estimated Month/Year of Completion
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT) [ <i>Target/Actual Month/Date</i> ]	7/2024
1 <sup>st</sup> Development Assistance Team Meeting (Due by 8/29/24) [ <i>Target/Actual Month/Date</i> ]	8/2024
1 <sup>st</sup> Neighborhood Meeting (Due by 8/29/24) [ <i>Target Month/Date</i> ]	8/2024
Submission of Land Use Application (Zoning Map Amendments Due by 10/7/24)	N/A
Submission of Land Use Application (Permissively Zoned Due by 11/4/24)	11/2024
Plan Commission Consideration (If Rezoning, 12/2/24 Meeting for 12/10/24 Common Council)	12/2024
Urban Design Commission Consideration, if applicable [ <i>Target Month/Date</i> ]	1/2024
Application to WHEDA	12/2024 & 3/2025
Complete Equity & Debt Financing	3/2026
Acquisition/Real Estate Closing	3/2026
Rehab or New Construction Bid Publishing	3/2026
New Construction/Rehab Start	3/2026
Begin Lease-Up/Marketing	2/2027
New Construction/Rehab Completion	5/2027
Certificates(s) of Occupancy Obtained	5/2027
Complete Lease-Up	12/2027
Request Final AHF Draw	TBD



**HOUSING INFORMATION & UNIT MIX**

69. Provide the following information for your proposed project. List the property address along with the number of units you are proposing by size, income category, etc. If this is a scattered site proposal, list each address separately with the number of units you are proposing by income category, size, and rent for that particular address and/or phase. Attach additional pages if needed.

<b>ADDRESS #1:</b>		2902 Dryden Drive					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Bedrooms					\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
		# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs					
≤30%	18	0	7	6	5	0		540	650	745	
40%	0	0	0	0	0	0					
50%	12	0	4	4	4	0		1000	1190	1360	
60%	13	0	6	5	2	0		1215	1450	1675	
<b>Affordable Sub-total</b>	<b>43</b>	<b>0</b>	<b>17</b>	<b>15</b>	<b>11</b>	<b>0</b>					
80%	12	0	5	4	3	0		1315	1600	1800	
Market*	0	0	0	0	0	0					
<b>Total Units</b>	<b>55</b>	<b>0</b>	<b>22</b>	<b>19</b>	<b>14</b>	<b>0</b>	Notes/Utility Allowance Assumptions: Currently, we are anticipating meeting the WHEDA criteria for supportive and veterans housing units in order to maximize our score. We understand that the scoring criteria is going to be updated and will make the final decisions of Supportive/Veteran housing units based on what gives our project the most competitive score. We anticipate applying for 8 PBVs and then meeting the 20% supportive units under WHEDA's current criteria and the 11% Veterans units also under WHEDA's criteria. We also are anticipating setting aside 6 units as homeless supportive pending Dane County Funding				

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

Total # of Homeless Supportive Housing Units	Total # of Veteran Supportive Housing Units	Total # of Homeless Veteran Supportive Housing Units	Total # of Disabled/Other Supportive Housing Units	Minimum # of Supportive Housing Units
0	7	[0]	11	11

<b>ADDRESS #2:</b>		# 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
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
<b>Affordable Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					

<b>80%</b>	0	0	0	0	0	0				
<b>Market*</b>	0	0	0	0	0	0				
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Notes/Utility Allowance Assumptions:			

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

**NOTE: For proposals contemplating project-based vouchers (PBVs),** please list vouchered units under the same CMI designation that you will be representing to WHEDA (e.g. if the LIHTC application to WHEDA presents 8 PBV units as 50% CMI or 60% CMI units, please include those on the “50%” or “60%” row in the above table(s)). The City of Madison will enforce this income designation in the AHF Loan Agreement, if this proposal is awarded funds. Include a comment in the Notes, e.g., Eight (8) 50% CMI units will have PBVs.

70. Utilities/amenities included in rent:  Water/Sewer  Electric  Gas  Free Internet In-Unit  
 Washer/Dryer  Other: \_\_\_\_\_

71. Please list the source used for calculating utility allowance, and the total utility allowance per bedroom size:  
 Utilities Allowance Used:  CDA  DCHA  HUSM (HUD HOME)

Unit Size (Number of Bedrooms)	Total Monthly Utility Allowance (\$)
<b>Efficiency</b>	<u>N/A1</u>
<b>1-Bedroom</b>	<u>\$130</u>
<b>2-Bedroom</b>	<u>\$159</u>
<b>3-Bedroom</b>	<u>\$188</u>

72. Describe this development's proposed approach to designing the project to maximize accessibility and visitability, including elevator accessible units meeting 100% visitable requirement. Will the proposed project meet the minimum requirements described in the RFP - at least half of the total units must be Type A units or convertible to Type A units as needed. Will the proposed project exceed WHEDA's minimum accessibility design standards? For rehab, describe the accessibility modifications that will be incorporated into the existing development.

100% of the 55-unit development will be visitable. Additionally, the project will request maximum points in WHEDA's Universal Design scoring category, which means the project will meet WHEDA accessibility design standards on 20% of the total units. Additionally, at least half of the total units will be Type A or convertible to Type A units as needed.  
 Given Horizon's goals for accessibility, we do not anticipate any challenges in meeting or exceeding code or funding program requirements

73. Describe this development's approach and commitment to the principles of Universal Design. Will the proposed project meet the minimum requirements described in the RFP. Will the proposed project go above and beyond WHEDA's requirements in any way? Please explain.

The proposed project will incorporate Universal Design components to the greatest extent possible throughout the building. Additionally, the project will exceed WHEDA's Universal Design requirements by incorporating Universal Design features in 50% of the total units.

**ENERGY EFFICIENCY, RENEWABLE ENERGY, DECARBONIZATION & SUSTAINABLE DESIGN**

74. Describe your organization's experience developing projects that incorporate extraordinary sustainability, energy efficiency, decarbonization/electrification, and/or green building design? Please list any industry standards, third-party certifications or awards achieved on projects developed in the past five years, such as LEED®, WELL, ENERGY STAR Multifamily New Construction Certification, Passive House, etc.

Horizon partnered with Bayview Foundation on the Bayview Townhouses redevelopment in Madison. This project included high levels of energy efficiency and decarbonization. The community center is constructed to meet PHIUS certification criteria (certification process ongoing). Other buildings in the development meet ENERGY STAR Multifamily New Construction criteria. Horizon has worked on past projects that have also been ENERGY STAR Multifamily New Construction certified.

75. Describe the proposed development’s energy efficiency approach, design and equipment choices. For a rehab project, please refer to Focus on Energy’s [Multifamily Program](#).

The proposed project will include a higher standard of energy efficiency and sustainability and commit to meeting WHEDA's Energy Efficiency scoring category items. Without the final QAP and scoring guidance released, the following commitments should be noted as where the WHEDA guidance is leading us as of now. Currently, WHEDA accepts the Wisconsin Green Built GOLD Standard as eligible for additional sustainability scoring points for projects. This gold standard program requires ENERGY STAR Multifamily New Construction and EPA Indoor Air PLUS certifications, as well as a higher threshold or minimum point score in the program.

76. Check all applicable third-party certifications of Energy Efficiency & Sustainability that will be sought.

Third-Party Certification	YES
Focus on Energy’s Energy Design Assistance program <i>(Initial Application submittal confirmation page is attached)</i>	<input checked="" type="checkbox"/>
Wisconsin Green Built- GOLD Standard	<input checked="" type="checkbox"/>
EPA AirPLUS	<input checked="" type="checkbox"/>
LEED®	<input type="checkbox"/>
WELL	<input type="checkbox"/>
ENERGY STAR Multifamily New Construction	<input checked="" type="checkbox"/>
Passive House	<input type="checkbox"/>
Other:	<input type="checkbox"/>
Other:	<input type="checkbox"/>

77. Describe how the design of the proposed development will contribute to the City’s [goal](#) of reaching 100% renewable energy and net-zero carbon emissions community-wide by 2050. Please describe below any other renewable energy systems to be included in the development, such as solar thermal, solar hot water, geothermal, etc.

What size of solar array is anticipated (in Kw)? **30**

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

Horizon and its design team plan to include solar photovoltaic of at least 30 KW and work with Focus on Energy to evaluate additional renewable energy systems to be included with the development in an effort to contribute to the City's long term energy goals.

78. Please indicate sustainable design features and equipment included choices in the proposed development that will help to reduce fossil fuel consumption, achieve decarbonization, and improve air quality:

Sustainability Design Features & Equipment	YES	Comments
a. Air-source or ground source heat pumps	<input type="checkbox"/>	
b. Electric or heat-pump water heaters	<input checked="" type="checkbox"/>	
c. Electric stoves	<input checked="" type="checkbox"/>	
d. EV charging infrastructure or EV ready design <i>(exceeding City ordinance requirements)</i>	<input type="checkbox"/>	
e. Battery storage	<input type="checkbox"/>	
f. Other:	<input checked="" type="checkbox"/>	Solar Panels (see above)
g. Other:	<input checked="" type="checkbox"/>	EPA Indoor Air Certification, Energy Star Multifamily Certification, and Wisconsin Green Built Gold Certification

79. Please *briefly* describe the Sustainable Building Design Elements and Strategies that will be incorporated into the proposed project as referenced in the [AIA Framework for Design Excellence](#), especially the following:

a. Design for Equitable Communities

The project will engage with the community at neighborhood meetings to get feedback that will help the overall design have a positive impact on the community. The site is within walking distance (15 minutes) to many nearby amenities and is located in the Preferred Transit zone which gives optimal access to areas throughout the city. The proposed site plan minimizes the visual impact of parking areas by utilizing underground parking as well as encourages alternative transportation by including 62 bike parking stalls as well as proximity to public transit.

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

The project will pursue WI Green Built Gold, EPA Airplus, and EnergyStar Multifamily new construction guidelines (or equivalents pending WHEDA Guidance). The project will reduce building energy use and incorporate 30 KW of solar to provide electricity for the project using clean resources. The U value of windows is TBD but will be the lowest deemed feasible in order to reduce heat loss and improve thermal efficiency.

c. Design for Water – Describe proposed strategies to protect and conserve water (i.e. water efficiency), reduce reliance on municipal water sources, incorporate systems to recapture and/or reuse water on-site.

The project will likely include an infiltration system for rooftop runoff, low flow water fixtures in bathrooms/kitchens, and other features as design progresses in meeting energy programs.

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

Given the size of the parcel and desire to include as many units as possible, the design team has maximized the site to include a 4-story traditional apartment building that includes underground parking. Common spaces and circulation areas are designed to include what is needed, and items such as unit mix/size and materials are considered to maximize units and minimize resources. These factors are evaluated continuously as design progresses.

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

In order to contribute to tenant well-being the proposed project will include large windows to provide natural daylight, a smoke free environment to contribute to high indoor air quality, a community space to encourage social interaction among tenants, supportive services to promote well being, insulation materials to reduce noise and vibrations, an on-site fitness room, and 62 bike stalls to prioritize physical activity and a healthy lifestyle.

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

Other projects Horizon has completed include items such as automated exhaust fans in the parking garage, installation of radon mitigation system, carbon monoxide detector installed in each unit, formaldehyde-free insulation and wood/trim products, encapsulated batt insulation, non-toxic spray foam insulation, water-based finishes on woodwork, and construction specific IEQ items such as proper ventilation and VOC masks during installation.

g. Design for Change – Optimize operational and maintenance practices

Education is provided in the form of building systems and commissioning at the conclusion of construction which involves detailed owner training by each subcontractor. Additionally, each resident unit is provided operations paperwork describing best practices as well as overview of green building program and energy efficient measures to advocate for resident participation.

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

In order to prioritize integration within the design and development of this project we have and will continue to involve stakeholders within the community, consider the history of the site, and identify future impacts. Doing this will support equity within the community and contribute to success for the life of the project.

**REAL ESTATE PROJECT DATA SUMMARY**

80. 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	# Biz or Residential 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:	2902 Dryden Drive, Madison, WI 53704								

# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Biz or Residential 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
0	55	0	0	0	50% Universal Design	\$450,000 (Assessed Value)	\$3,500,000 (Est. Assessed Value)	\$1,600,000
Address: Enter Address 2								
Address: Enter Address 3								

81. Describe the historical uses of the site. Identify if a Phase I Environmental Site Assessment has been completed and briefly summarize any issues identified. Identify any environmental remediation activities planned, completed, or underway, and/or any existing conditions of environmental significance located on the proposed site.

The historical use of the property was for a bank/office building which was demolished in 2022. A phase 1 environmental has not yet been completed for the site but will be completed prior to the proposed March 21, 2025 WHEDA final application if the proposed project gets accepted to compete in the final round.

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

N/A. There are no buildings on site

83. Will any business, including churches and non-profit organizations, or residential tenants (owner or rental) will be displaced temporarily or permanently? If so, please describe the relocation requirements, relocation plan and relocation assistance that you will implement or have started to implement.

N/A. There are no current tenants.

84. For proposals that include rehabilitation, have you completed a capital needs assessment for this property? If so, summarize the scope and cost; Attach a copy of the capital needs assessment.

N/A. The proposal does not include rehab.

**REFERENCES**

85. Please list at least three municipal/financing references who can speak to your work on similar developments completed by your team.

Name	Relationship	Email Address	Phone
Alexis London	Co-Developer, Bayview	alexislondon@bayviewfoundation.org	608-256-7808
Paulette Enders	City of Wauwatosa Development Director	penders@wauwatosa.net	414-479-3531
Gale Price	Economic Development / Financing	gprice@blackhawkbank.com	608-295-0752

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

- 1. A completed Application Budget Workbook, showing the City's proposed financial contribution and all other proposed financing.
- 2. Description of the Development Team's Experience and Capacity per Section 2.5, Item 2 of the RFP. This may be attached or including in the application. Please do NOT duplicate information attached and included in line.
- 3. Letter(s) from Supportive Service Provider(s) affirming in detail what services are necessary to be adequate for the number of supportive housing units and target population as well as what level of services they intend to provide (such as assessment and referral, on-site intensive case management, etc.), % FTE, hours on site, etc.
- 4.a. A detailed map of the site.
- 4.b. A map using the AHF Affordable Housing Targeted Area Map, indicating the site in the context of the City.
- 4.c. A preliminary site plan and one to two renderings, if available.
- 5. 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.
- 6. A confirmation page demonstrating that an Initial Application for Energy Design Assistance was submitted to Focus on Energy. If the Bundle Report is available, please attach it now as well.
- 7a. Tenant Selection Plan consistent with the City's Standards outlined in Attachment B-1.

If the following items are not available at the time of initial application, submittal will be required at the following future date:

<b>Application Item</b>	<b>Due Date</b>
Preliminary Site Plan	A week prior to Development Assistance Team (DAT)
Capital Needs Assessment	Supplemental Application
Market Study/Analysis – may be informal <i>(Required for new construction proposals seeking HOME funds)</i>	Supplemental Application

APPLICANT & PROJECT NAME:

**Horizon Development Group, Inc. & CORE on Dryden**

1. CAPITAL BUDGET

Enter ALL proposed project funding sources.

**FUNDING SOURCES**

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
<b>Perm Loan</b>	\$ 3,575,000	N	6.20%	15	35	\$253,315
Subordinate Loan 1-Lender Name:						
<b>WHEDA Subordinate Loan</b>	\$ 446,875	N	3.00%	15	35	\$0
Subordinate Loan 2-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
City Request (AHF, HOME, TIF)						
<b>AHF</b>	\$ 1,850,000	N	2.75%	16	30	\$0
Subordinate TIF Loan-Lender Name:						
AHP Loan (List FHLB):						
Dane County AHDF:						
<b>Dane County AHDF</b>	\$ 1,580,000	N	2.00%	30	30	\$0
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Tax Credit Equity	\$ 9,503,626					
Historic Tax Credit Equity (Fed and/or State)	\$ -					
Deferred Developer Fees	\$ 1,100,000					
Owner Investment	\$ 100					
Other-Specify:						
<b>Total Sources</b>	<b>\$ 18,055,601</b>					

Do you plan on submitting an application for TIF?

No

<b>Construction Financing</b>			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan 1-Lender Name:			
	\$ 9,982,061	4.65%	12
Construction Loan 2-Lender Name:			
Construction Loan 3-Lender Name:			
Construction Loan 4-Lender Name:			
Bridge Loan-Lender Name:			
<b>City AHF &amp; Dane County AHDF</b>	\$ 3,430,000		
Housing Tax Credit Equity:			
<b>Investor Equity</b>	\$ 1,900,725		
Historic Tax Credit Equity:			
Other-Specify:			
<b>Deferred Developer Fees</b>	\$ 1,100,000		
<b>Total</b>	<b>\$ 11,882,786</b>		

Estimated pricing on sale of Federal Tax Credits: **\$0.85**

Estimated pricing on sale of State Tax Credits: **\$ 0.72**  
(if applicable)

Remarks Concerning Project Funding Sources:

Please note that construction financing sources typically exclude the operating reserve, which for this project is equal to \$315,939.

APPLICANT:

Horizon Development Group, Inc.

**2. PROJECT EXPENSES**

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$1,600,000
Existing Buildings/Improvements	\$0
Other (List)	
	\$0
Construction:	
Construction/Rehab Costs	\$10,192,020
E - Equipment & Furnishings	\$0
F - Special Construction & Demolition	\$0
Accessory Buildings	\$0
Personal Property/FF&E	\$88,200
Site Work Costs (on-site & off-site)	\$275,000
Landscaping	\$50,000
Contractor Fees:	
General Requirements	\$525,000
Construction Overhead	\$220,000
Construction Profit	\$563,000
Construction Supervision	\$0
Contingency Funds:	
Construction Contingency	\$591,251
Other Contingency	\$63,422
Construction Period Expenses/Soft Costs:	
Construction Loan Origination Fee	\$99,821
Construction Loan Credit Enhancement/LOC	\$0
Cost of Bond Issuance	\$0
Bridge Loan Fees and Expenses	\$0
Construction Loan Interest	\$229,587
Construction Loan Origination Fee	\$0
Construction Period Real Estate Taxes	\$10,000
Title and Recording	\$0
Builder's Risk/Property Insurance	\$59,125
Temporary Relocation Assistance	\$0
Permanent Relocation Assistance	\$0
Other Interim/Construction Costs (list)	
Permanent Financing Expenses:	
Permanent Loan Origination Fee	\$53,625
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0
Legal Fees - Real Estate	\$50,000
Architectural & Engineering:	
Architect - Design	\$142,500

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


Total Cost:

\$0



Architect - Supervision	\$0
Engineering	\$40,000
Survey	\$7,500
Other Architect/Engineering (list)	
	\$0

**Syndication Fees & Expenses:**

Organizational Fees	\$1,500
Other Syndication Costs (list)	
Syndication Fee	\$40,000

**Capitalized Reserves:**

Operating Reserve	\$315,939
Replacement Reserve	\$0
Lease-Up Reserve	\$72,899
Debt Service Reserve	\$0
Capital Needs Reserve	\$0
Other Reserves	\$0
Escrows	\$0
Other Capitalized Reserves (list)	
	\$0

**Reports, Studies & Related Work:**

Appraisal	\$6,300
Market Study	\$7,000
Environmental Reports	\$20,000
Capital Needs Assessment Report	\$0
Other (list)	
Inspection Fees	\$9,000

**Other Soft Costs:**

Tax Credit Fees - Application	\$2,000
Tax Credit Fees - Compliance	\$3,025
Tax Credit Fees - Allocation	\$111,319
Permits & impact fees - water, sewer, etc.	\$164,600
Cost Certification/Accounting fees	\$15,000
Lease-Up Period Marketing	\$50,000
Title Insurance and Recording	\$30,015
Capital Needs Assessment (rehab only)	\$0
Legal	\$90,000
Other (list)	
Leasing Agent & Subordinate Loan Origination	\$56,953

**Developer Earned Fees & Expenses:**

Developer's Fee	\$2,200,000
Developer Overhead	\$0
Consultant Fees	\$0
Other fees (list)	
	\$0

<b>Total Costs:</b>	<b>\$18,055,601</b>

APPLICANT: **Horizon Development Group, 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	742,440	757,289	772,435	787,883	803,641	819,714	836,108	852,830	869,887	887,285	905,030	923,131	941,593	960,425	979,634	999,226
Less Vacancy/Bad Debt	51,971	53,010	54,070	55,152	56,255	57,380	58,528	59,698	60,892	62,110	63,352	64,619	65,912	67,230	68,574	69,946
<b>Income from Non-Residential Use*</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	690,469	704,279	718,364	732,731	747,386	762,334	777,580	793,132	808,995	825,175	841,678	858,512	875,682	893,196	911,059	929,281
<b>Expenses:</b>																
Office Expenses and Phone	18,943	19,511	20,097	20,700	21,321	21,960	22,619	23,298	23,996	24,716	25,458	26,222	27,008	27,818	28,653	29,513
Real Estate Taxes	83,654	86,164	88,749	91,411	94,153	96,978	99,887	102,884	105,970	109,149	112,424	115,797	119,271	122,849	126,534	130,330
Advertising, Accounting, Legal Fees	13,350	13,751	14,163	14,588	15,026	15,476	15,941	16,419	16,911	17,419	17,941	18,480	19,034	19,605	20,193	20,799
Payroll, Payroll Taxes and Benefits	46,488	47,883	49,319	50,799	52,323	53,892	55,509	57,174	58,890	60,656	62,476	64,350	66,281	68,269	70,317	72,427
Property Insurance	27,500	28,325	29,175	30,050	30,951	31,880	32,836	33,822	34,836	35,881	36,958	38,066	39,208	40,385	41,596	42,844
Mtc, Repairs and Mtc Contracts	43,875	45,191	46,547	47,943	49,382	50,863	52,389	53,961	55,580	57,247	58,964	60,733	62,555	64,432	66,365	68,356
Utilities (gas/electric/fuel/water/sewer)	56,100	57,783	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402
Property Mgmt	41,428	42,671	43,951	45,269	46,628	48,026	49,467	50,951	52,480	54,054	55,676	57,346	59,066	60,838	62,664	64,543
Operating Reserve Pmt		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529	22,175	22,840	23,525	24,231	24,958	25,706
Support Services	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159
Other (List)																
Turnover	8,250	8,498	8,752	9,015	9,285	9,564	9,851	10,146	10,451	10,764	11,087	11,420	11,763	12,115	12,479	12,853
HFA Compliance Fee	2,475	2,549	2,626	2,704	2,786	2,869	2,955	3,044	3,135	3,229	3,326	3,426	3,529	3,635	3,744	3,856
<b>Total Operating Expenses</b>	378,563	389,920	401,617	413,666	426,076	438,858	452,024	465,585	479,552	493,939	508,757	524,020	539,740	555,933	572,611	589,789
<b>Net Operating Income</b>	311,906	314,359	316,747	319,065	321,310	323,476	325,556	327,547	329,442	331,236	332,921	334,492	335,942	337,263	338,449	339,492
<b>Debt Service:</b>																
First Mortgage	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315
Second Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315
<b>Total Annual Cash Expenses</b>	631,878	643,235	654,932	666,981	679,391	692,173	705,339	718,900	732,867	747,254	762,072	777,335	793,055	809,248	825,926	843,104
<b>Total Net Operating Income</b>	58,591	61,044	63,432	65,750	67,995	70,161	72,241	74,232	76,127	77,921	79,606	81,177	82,627	83,948	85,134	86,177
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow</b>	58,591	61,044	63,432	65,750	67,995	70,161	72,241	74,232	76,127	77,921	79,606	81,177	82,627	83,948	85,134	86,177
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

<b>DCR Hard Debt</b>	1.23	1.24	1.25	1.26	1.27	1.28	1.29	1.29	1.30	1.31	1.31	1.32	1.33	1.33	1.34	1.34
<b>DCR Total Debt</b>	1.23	1.24	1.25	1.26	1.27	1.28	1.29	1.29	1.30	1.31	1.31	1.32	1.33	1.33	1.34	1.34

**Assumptions**

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

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

Other

APPLICANT:

**Horizon Development Group, 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	1,019,211	1,039,595	1,060,387	1,081,595	1,103,227	1,125,291	1,147,797	1,170,753	1,194,168	1,218,052	1,242,413	1,267,261	1,292,606	1,318,458
Less Vacancy/Bad Debt	71,345	72,772	74,227	75,712	77,226	78,770	80,346	81,953	83,592	85,264	86,969	88,708	90,482	92,292
<b>Income from Non-Residential Use*</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>947,866</b>	<b>966,824</b>	<b>986,160</b>	<b>1,005,883</b>	<b>1,026,001</b>	<b>1,046,521</b>	<b>1,067,451</b>	<b>1,088,800</b>	<b>1,110,576</b>	<b>1,132,788</b>	<b>1,155,444</b>	<b>1,178,553</b>	<b>1,202,124</b>	<b>1,226,166</b>
<b>Expenses:</b>														
Office Expenses and Phone	30,398	31,310	32,249	33,217	34,213	35,240	36,297	37,386	38,507	39,662	40,852	42,078	43,340	44,640
Real Estate Taxes	134,240	138,267	142,415	146,688	151,088	155,621	160,290	165,098	170,051	175,153	180,407	185,820	191,394	197,136
Advertising, Accounting, Legal Fees	21,423	22,066	22,727	23,409	24,112	24,835	25,580	26,347	27,138	27,952	28,790	29,654	30,544	31,460
Payroll, Payroll Taxes and Benefits	74,600	76,838	79,143	81,517	83,962	86,481	89,076	91,748	94,501	97,336	100,256	103,263	106,361	109,552
Property Insurance	44,129	45,453	46,817	48,221	49,668	51,158	52,693	54,274	55,902	57,579	59,306	61,085	62,918	64,806
Mtc, Repairs and Mtc Contracts	70,406	72,519	74,694	76,935	79,243	81,620	84,069	86,591	89,189	91,865	94,620	97,459	100,383	103,394
Utilities (gas/electric/fuel/water/sewer)	90,024	92,725	95,506	98,372	101,323	104,363	107,493	110,718	114,040	117,461	120,985	124,614	128,353	132,203
Property Mgmt	66,480	68,474	70,528	72,644	74,824	77,068	79,380	81,762	84,215	86,741	89,343	92,024	94,784	97,628
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	26,478	27,272	28,090	28,933	29,801	30,695	31,616	32,564	33,541	34,547	35,584	36,651	37,751	38,883
Support Services	32,094	33,057	34,049	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131
Other (List)														
Turnover	13,239	13,636	14,045	14,466	14,900	15,347	15,808	16,282	16,771	17,274	17,792	18,326	18,875	19,442
HFA Compliance Fee	3,972	4,091	4,214	4,340	4,470	4,604	4,742	4,885	5,031	5,182	5,338	5,498	5,663	5,832
<b>Total Expenses</b>	<b>607,482</b>	<b>625,707</b>	<b>644,478</b>	<b>663,813</b>	<b>683,727</b>	<b>704,239</b>	<b>725,366</b>	<b>747,127</b>	<b>769,541</b>	<b>792,627</b>	<b>816,406</b>	<b>840,898</b>	<b>866,125</b>	<b>892,109</b>
<b>Net Operating Income</b>	<b>340,384</b>	<b>341,117</b>	<b>341,682</b>	<b>342,071</b>	<b>342,274</b>	<b>342,282</b>	<b>342,085</b>	<b>341,674</b>	<b>341,036</b>	<b>340,161</b>	<b>339,038</b>	<b>337,655</b>	<b>335,999</b>	<b>334,058</b>
<b>Debt Service:</b>														
First Mortgage	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315	253,315
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>	<b>253,315</b>
<b>Total Annual Cash Expenses</b>	<b>860,797</b>	<b>879,022</b>	<b>897,793</b>	<b>917,128</b>	<b>937,042</b>	<b>957,554</b>	<b>978,681</b>	<b>1,000,442</b>	<b>1,022,856</b>	<b>1,045,942</b>	<b>1,069,721</b>	<b>1,094,213</b>	<b>1,119,440</b>	<b>1,145,424</b>
<b>Total Net Operating Income</b>	<b>87,069</b>	<b>87,802</b>	<b>88,367</b>	<b>88,756</b>	<b>88,959</b>	<b>88,967</b>	<b>88,770</b>	<b>88,359</b>	<b>87,721</b>	<b>86,846</b>	<b>85,723</b>	<b>84,340</b>	<b>82,684</b>	<b>80,743</b>
<b>Debt Service Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Developer Fee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Flow</b>	<b>87,069</b>	<b>87,802</b>	<b>88,367</b>	<b>88,756</b>	<b>88,959</b>	<b>88,967</b>	<b>88,770</b>	<b>88,359</b>	<b>87,721</b>	<b>86,846</b>	<b>85,723</b>	<b>84,340</b>	<b>82,684</b>	<b>80,743</b>
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.

<b>DCR Hard Debt</b>	1.34	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.34	1.34	1.33	1.33	1.32
<b>DCR Total Debt</b>	1.34	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.34	1.34	1.33	1.33	1.32

**Assumptions**

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

# 2024 Affordable Housing Fund-Tax Credit RFP

## Supplemental Application Questions

Horizon Development Group, Inc.  
CORE on Dryden

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Response Submission Due Date: September 5, 2024 NOON

### Instructions to Applicants:

Please respond ***briefly and succinctly*** to the questions below in-line, unless otherwise specified (e.g. additional documentation requested). Maximum 1/3 a page per question. Please use this Word document to record your answers and return this completed document to [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com). Please cc: [jspears@cityofmadison.com](mailto:jspears@cityofmadison.com). We ask that you refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

### Questions:

#### A. Energy Efficiency/Sustainability

1. The AHF-TC RFP requires awardees to continue working with Focus on Energy's New Construction Energy Design Assistance throughout the building design process. Bundle commitments will be incorporated into the term sheet.

- a.  Please attach the Preliminary Bundle Requirements Document (BRD).

If the Report is not yet available, please provide an update on the status at the Staff Team (9/9-10) and CDBG Committee Presentation (9/12); and send ASAP no later than NOON on October 15, 2024.

**The Preliminary Bundle Requirements Document (BRD) has been requested from Focus on Energy but, as of 9/4/2024, the document is not yet available. We understand Focus on Energy has communicated a 9/9/2024 target date for delivering the BRD. We will forward documentation as soon as it is available.**

- b. What percentage of projected Energy Use Intensity (EUI) savings calculated over the baseline energy code is anticipated? (Note: Min. 20% required)

**20% anticipated**

- c. What is the highest feasible Bundle Level to which this project anticipates committing?

**TBD**

- d. If the Bundle election is less than the highest, which options and/or components were not chosen and why?

**TBD**

2. Please provide an update on plans for Solar energy:

- a. Solar PV size anticipated (Note: Min 30 kW required): **30 kW**

Percent of common areas for which electricity will be provided: **Approximately 40%. This is based on energy consumption data from three comparable**

**Horizon properties and data from Arch Solar indicating that a 30 kW system will produce approximately 36,100 kilowatt hours.**

**B. Property Management (PM)**

**1. Please answer the following regarding on-site PM staffing:**

- i. What percent FTE and number of hours are budgeted for the PM to be on-site? E.g., .50 FTE, 9a-1p – M-F?**

**0.50 FTE**

**Anticipated Days/week (1-7): 5 days per week, 6 hours per day**

- ii. How many hours per week of additional regional &/or floating support is anticipated to assist &/or cover for on-site PM, vacancies, sick days, etc.? Please elaborate briefly on backup coverage.**

Hours/week: **Qualified property management staff will be available as needed to cover PM vacancies, sick days, etc. which we anticipate will fluctuate week to week.**

- iii. What percent FTE and number of hours are budgeted for the Maintenance staff to be on-site? 0.20-0.25 FTE and 6-10 hours per week are estimated for the maintenance technician to be on site.**

**2. It is a goal of the City to ensure that residents who require ADA units are able to obtain appropriately accessible units and/or accommodations. Please answer the following:**

- i. In the Dane County market, how many fully ADA accessible units does the PM manage? 57**
- ii. What percent of those units are currently leased by residents who require the relevant accessibility accommodations? 46 of the 57 units are leased by residents requiring accessibility accommodations (81%).**
- iii. Briefly describe your property management strategies to ensure these units are available for residents that require accessibility features. The property manager will work with / obtain referrals from area agencies and resources such as ADRC, CAC, Apartments List.com (specific search for accessible units), Horizon’s website, and Wisconsin Housing Search.**
- iv. Briefly describe outreach, marketing, and direct referral partnerships you have with organizations to ensure these units are appropriately filled. The property manager will work with the above agencies and resources and advertise as needed to ensure ADA units are appropriately filled.**

**C. Land Use and Community Engagement**

**1. Please describe the feedback that you received from the Development Assistance Team (DAT) presentation.**

**The Development Assistance Team (DAT) meeting was held on 8/1/2024. City staff from various departments provided comments on what guidelines and codes need to be met, all of which will be addressed by the design team as the plan set is completed. There were no comments that posed major challenges to the feasibility of developing the intended use at**

this location. One item in particular that will be evaluated closer is the location of the main entrance as it relates to the setbacks that are required along Northport (TOD overlay requires main entry within 20' setback, DOT has minimum 50' front yard). The design team may be able to address this by rotating the entry to Dryden Drive which would be considered front yard, making Northport the side yard setback area.

2. Provide an overview of the feedback and comments that you received from your neighborhood meeting.

The CORE on Dryden neighborhood meeting was held on 8/26/2024 and was relatively well attended. Both District 12 Alder Amani Latimer Burris and District 18 Alder Charles Myadze were in attendance, accompanied by the North District Police Captain, Jamar Gary, Northside Planning Commission Executive Director, Justin Markofski, previous District 12 Alder Dorothy Borchardt, two members from the City of Madison CDD, as well as two other well-informed members of the community.

Most of the stakeholders were generally supportive of the project, providing positive comments, though as expected, there were some concerns raised. Captain Jamar Gary voiced concerns related to existing additional affordable housing and supportive housing projects in the area. Captain Gary explained that the area was already receiving proactive police work as these developments have posed significant issues. He wanted to ensure that this project would have certain safety measures incorporated to prevent future issues during management.

Overall, the discussion emphasized some of the concerns that Horizon had been discussing internally and brought some good ideas to light that could be utilized to make the development a success for all stakeholders. Each comment has been taken into serious consideration and Horizon is committed to providing housing that will be safe, affordable, and meet the needs of the community.

#### **D. Unit Mix/Supportive Housing Units (SHU's)/Supportive Housing Partnerships**

1. The application lists 8 units reserved for households referred from Coordinated Entry for individuals and families experiencing homelessness in some locations, 6 in other locations with a reference to "Pending Dane County Funding", and 0 units in still other locations. Please clarify, to align with the preferences in this RFP:
  - a. How many units, and unit sizes, will be set-aside and prioritized for direct referrals from the Coordinated Entry List for individuals and families experiencing homelessness?

Horizon will commit to setting aside 6 units for direct referrals from the Coordinated Entry List for individuals and families experiencing homelessness.

The project will also commit to meeting WHEDA's guidance for veteran and supportive housing units. Under current guidance, this is 11% (7 units) for veterans and 20% (11 units) for supportive housing as defined by WHEDA.

- b. How many units, and unit sizes, will be set-aside and prioritized veterans experiencing homelessness?**

Total # of Homeless Supportive Housing Units	Total # of Veteran Supportive Housing Units	Total # of Homeless Veteran Supportive Housing Units	Total # of Disabled/Other Supportive Housing Units	Minimum # of Supportive Housing Units
<b>6</b>	<b>7</b>	<b>0</b>	<b>11</b>	<b>11</b>

- 2. Further describe any preliminary conversations you have had with CDA or DCHA regarding application and issuance of PBVs to support this project. If PBVs are not available, how would the unit mix and budget be impacted, especially as it pertains to creating Integrated Supportive Housing Units?**

Horizon and its supportive services partner, Community Action Coalition (CAC), plan on discussing CORE on Dryden with Continuum of Care coordinator for the City of Madison (Torrie Kopp Mueller) in a meeting scheduled for 9/5/2024. Our understanding is that HUD PBV applications are due in the fall and will be operating on a two-year cycle going forward. We intend to discuss the availability of vouchers, general timeline, and documentation needs for underwriting/closing with CoC and recommended application pathway. Additionally, Horizon and CAC plan to discuss the project with the CDA to determine if Section 8 vouchers may be available to support the project.

PBVs are a critical component to the project. We are viewing this as another funding source that is being pursued to achieve feasibility. If vouchers are not committed to the project, homeless supportive units would need to be underwritten at \$0 which would impact loan and gap sizing and likely jeopardize our ability to move forward.

**E. Financing**

- 1. FHLB-AHP financing is not included in your capital stack. Please explain your assessment of why this project would not be competitive under AHP.**

Horizon evaluates each project under all 11 FHLB district banks to determine if FHLB-AHP financing might be included in the capital stack. Unfortunately, the CORE on Dryden project did not score well enough to present a competitive application during this year’s AHP funding rounds. Specifically, in the home district of FHLB Chicago, the project is not competitive due to census tract location, located in a county with recent AHP awards, land not donated, etc. Due to a lower scoring profile and increased competition, we concluded that FHLB-AHP funding was not a viable/realistic option to include in the project’s capital stack.

- 2. The Debt Coverage Ratio of 1.20 in Year 1 signifies that a higher amount of first mortgage debt could be achieved and/or lower amount of City gap funding would be necessary. Please explain the hard vs. soft debt financing approach and constraints and/or resubmit the financial proforma demonstrating justifying the funding request.**

**There are multiple funding sources necessary to develop this type of project. Each funding source includes their own set of requirements that must be adhered to. The underwriting was set to comply with these requirements and maximize the amount of tax credits generated. A reduction of the Debt Coverage Ratio or a reduction in other sources would jeopardize the financial feasibility of the project based on the current underwriting assumptions.**