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December 27, 2018

Linette Rhodes
City of Madison
via email: LRhodes@cityofmadison.com

Re: City of Madison HOME Funding for MDC 44-Unit

Linette & Team:

Thank you and Ethan for meeting with Abbie and me today regarding our MDC HOME Funds application for the Avenue project. Several EENA neighbors did not like the 16.3' set back on the 30-Unit on E. Washington so we pivoted to a 44-unit with a 25' set back and changed the design to a cream city brick to match the former hospital building. In order to get to the desired setback, we will need to raze the existing 8 unit on site, and lose 2 three-bed and four two-bedroom units. However, we will gain these back resulting in 8 three-bedroom units on the site (of which 5 will be in the 44-unit).

I have attached the following updates:

- I. MDC Avenue Project Site plan and drawings of the 44-unit being re-submitted to UDC in January 2019
- II. MDC Portfolio Summary of existing 313 units owned by MDC
- III. Unit Configuration for new 44-unit, with 7 of 11 HOME units <50%
- IV. Updated Applicant Spreadsheet for 44-unit, with a 1.11 DCR for the 44 unit, but a 1.70 DCR for all 76 units on the Avenue site, post construction. Also if our commercial tenant (Options) leaves, our DCR would still be 1.55 on the site.

Key Changes:

Increased cost of construction to \$165 per square foot, which includes the general contractor's fee. This is a large increase from the original application at \$140 per square foot.

**2018 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures Funds)

1. **Project Name/Title:** Madison Development Corporation: The Avenue – 44 Unit
2. **Agency Name:** Madison Development Corporation
3. **Requested Amount:** \$990,000
4. **Project Type:** New Continuing
5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**
 - Objective 1.1 Housing Supply: Preserve, improve, and expand the supply of affordable housing for homeowners and renters.

6. **Product/Service Description:**

Madison Development Corporation (MDC) proposes to use HOME funds, in part, to demolish its existing eight-unit apartment building in order to construct a 44-unit apartment building on the site located on the 1900 block of East Washington Avenue. This project would increase the number of units at The Avenue to 76.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

Forty-four housing units will be developed for occupancy by low-income and market-rate households. Eleven of these units will be designated as HOME units, and will be income-restricted to households earning no more than 60% of the Area Median Income. The remaining 33 units will have no explicit rent or income restrictions, but will be marketed toward households earning at or below 80% of the Area Median Income. MDC is also applying Affordable Housing Program (AHP) funds from the Federal Home Loan Bank of Chicago, and is considering using tax-exempt bonds that will serve as collateral for conventional debt, depending on the interest rate at the time of closing. MDC is also contemplating the creation of a Qualified Opportunity Zone Fund, in order to increase the number of prospective investors in the deal, which could further lower The Avenue's debt service. This innovative capital stack will help finance an affordable and mixed-income construction of a property in a desirable growth corridor in east Madison.

Within MDC's full portfolio of 313 housing units, nearly three-quarters (74%) of units are rented to households earning at or below 60% of the Area Median Income. After lease-up is complete, MDC expects to serve up to 109 unduplicated low- and moderate-income individuals each year.

8. **Staff Review:**

MDC's The Avenue currently serves numerous low-income households in east Madison, and this project will help the property preserve (and expand) the affordability of a project that was financed with Low-Income Housing Tax Credits 30 years ago, and which is nearing the end of its period of affordability. MDC intends to demolish or move an existing eight-unit building and construct a new 44-unit structure using and federal HOME Investment Partnerships Program funds and AHP funds from the Federal Home Loan Bank of Chicago to ensure that new and existing tenants can remain in this location without the threat of rising rents in this area of the City. In using federal HOME funds to help complete this rehabilitation, MDC will designate at least eleven units in this building at The Avenue as HOME units, with at least 20% of the HOME units designated as Low HOME units (income-restricted to households earning 50% of the Area Median Income or less) and the remainder designated as High HOME units (income-restricted to households earning 60% of the Area Median Income). The development team has acknowledged that the entire project is subject to federal relocation requirements, as stipulated by HUD.

There are still some outstanding items, as required by the HOME program, that need to be submitted before staff can move forward with this proposal. MDC will still need to determine if it will be razing the existing eight-unit apartment building or moving it to a new location. They will also need to complete and submit to CDD staff a market study completed by a third party vendor and a Phase I Environmental Site Assessment that is required to complete a Part 58 Environmental Assessment. The market study is expected to be completed by late January and will help inform City staff of the demand for the additional housing units in this area, as well as confirm the rents and related fees proposed by MDC.

In addition to submitting the aforementioned due diligence documentation, it is still yet to be determined if any off-site relocation will be necessary to complete this project in a timely manner. While MDC has conservatively budgeted for relocation-related expenses, this number has the potential to increase if on-site relocation is not possible due to the low number of existing vacancies.

MDC has shown that this project is ready to move forward. The development team has demonstrated a high willingness to work with residents in the surrounding neighborhood in incorporating their feedback into their design, including preserving the existing location of the on-site Graaskamp Park. MDC has already gone before Urban Design Commission with their proposal, and will be returning in late January for approval of a revised design that incorporates comments provided by the Emerson East Neighborhood Association (EENA). MDC currently has site control, and has owned this parcel for the last 30 years, and has preliminarily found no items of environmental concern present on the property. Alder Larry Palm is also supportive of this project. As a result of MDC's responsiveness to CDD to City goals and priorities, as well as demonstrating a willingness to work with the neighborhood on how it should develop its property, CDD staff have no concern with moving forward with this proposal, despite the need for additional due diligence documentation.

If awarded HOME funds, and if the developer is able to secure all other necessary permanent financing to complete the project, this will increase the number of units of housing MDC is able to provide to low-income households to 357 across its portfolio. The demand for affordable housing in City of Madison is a priority. Funding this project will ensure that these apartments will be leased to primarily low- and moderate-income households and will provide these residents with a safe, quality, and affordable place to live.

Total Cost/Total Beneficiaries Equals:	$\$9,345,480/109 = \$85,738$ per beneficiary
CD Office Funds/CD-Eligible Beneficiaries Equals:	$\$990,000/109 = \$9,083$ per beneficiary
CD Office Funds as Percentage of Total Budget:	$\$990,000/\$9,345,480 = 11\%$

9. Staff Recommendation:

Staff recommendation is to provide up to \$990,000 in federal HOME funds to Madison Development Corporation, or its assigns, for the construction of 44 units of rental housing under the terms of the existing CDD Goals and Objectives and the most recently published RFP. Funds will be contingent on MDC obtaining a post-rehabilitation appraisal that supports a maximum 115% loan-to-value ratio, a commitment of sufficient permanent financing to complete the project, and related due diligence documentation.



Added other rental income of parking fees for non-HOME units and laundry fees, and MDC office rental fees, and increased MDC's equity into project to \$1,050,000 (from sale of 2 houses) + Land

V.Other (as Requested)

- Avenue Profit & Loss Provided to Banks (for 2017)
- Combined financials of 44-unit and existing 32 Avenue units with DCR of 1.70

Please let us know if you need any further information and thank you again for meeting with us!

Best,

Lorrie K. Heinemann — 12/27/18

Lorrie K. Heinemann, President & CEO (& Abbie Wallhaus, VP-Finance & CFO)

Direct: 608-535-4572

Email: Lorrie@mdcorp.org



MDC Portfolio Summary As of 12-18-18

MDC Current Portfolio - 313 Units

30 Efficiencies
116 One Bedroom Units
138 Two Bedroom Units
22 Three Bedroom Units
5 Four Bedroom Units
2 Five Bedroom Units (2 stand-alone houses)

Rent weighted averages for our all of our existing 313 units:

\$659 for an Efficiency
\$796 for a One Bedroom Unit
\$890 for a Two Bedroom Unit
\$1,248 for a Three or More Bedroom Unit

MDC's The Avenue - 1954 E Washington Ave, Madison Current 40 units:

15 One Bedroom Units with rent ranging from \$540-\$920 per month with an average of \$675.
20 Two Bedroom Units with rent ranging from \$675-\$955 per month with an average of \$742.
5 Three Bedroom Units with rent ranging from \$850-\$980 per with an average of \$876.

Note: You will notice that the average rents at The Avenue are closer to the low end of the rent ranges for all unit types, showing that the majority of rents are closer to the low end of each range. Also there are FIVE 3-bedroom units on site, and while MDC plans to raze 2 of these (in the 8 unit), we will add 5 more, gaining three more 3-bedroom units on site when the 44 unit is completed

MDC Avenue with the proposed 44-unit + 32 existing units on site at 1954 E Washington Site (349 units total)

33 Efficiencies
131 One Bedroom Units
153 Two Bedroom Units
25 Three Bedroom Units (of which 8 would be on The AVENUE site)*
5 Four Bedroom Units
2 Five Bedroom Units (2 stand-alone houses if not sold before then)

***Note:** 3 Bedroom units are much more difficult to rent than 2 bedrooms because there is a very narrow range of HH incomes/ HH Size that can support a 3 bedroom apartment rent rate and yet stay affordable (so tenant is not cost-burdened). Many of the 3 bedrooms we rent are "at market" in MDC terms, with an average rent of \$1,248 per 3 bedroom unit.

We looked at the weighted averages to see what the proposed 36 units would do to our weighted average rent rates. Given the new construction and the need to cover our costs, the weighted averages increase, but only slightly. For example, our One Bedroom weighted average went from \$796 per Unit to \$814 per Unit, approximately a 2% increase.

APPLICANT & PROJECT NAME:	Madison Development Corporation: The Avenue 44-UNIT (NEW as of 12/27/18)		
1. AGENCY OVERVIEW			
This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2017			
Actual.			
Account Description	2017 Actual	2018 Budget	2019 Proposed
A. PERSONNEL			
Salary (including benefits)	676,564	694,400	808,550
Taxes	46,576	45,374	54,432
Subtotal A	723,140	739,774	862,982
B. OPERATING			
All "Operating" Costs	651,012	791,107	1,225,662
Subtotal B	651,012	791,107	1,225,662
C. SPACE			
Rent/Utilities/Maintenance	346,276	276,436	350,000
Mortgage/Depreciation/Taxes	784,253	937,499	1,139,100
Subtotal C	1,130,529	1,213,935	1,489,100
D. SPECIAL COSTS			
Subcontracts			
Deposits to Reserves	-	64,000	78,250
Debt Service (Excl Mortgage)			
Other: (Specify)			
Subtotal D	-	64,000	78,250
Total Operating Expenses:	2,504,681	2,808,816	3,655,994
REVENUE			
Direct Public Grants	161,471	222,006	150,000
Direct Public Support			
Indirect Public Support	54,060		
Miscellaneous Revenue	96,655	194,710	193,700
Restricted Funds Released			
Program Income	2,389,850	2,646,212	3,381,414
Total Income	2,702,036	3,062,928	3,725,114
Net Income	197,355	254,112	69,120

APPLICANT & PROJECT NAME:	Madison Development Corporation: The Avenue 44 Unit (12-27-18)					
2. CAPITAL BUDGET						
Enter ALL proposed project funding sources.						
FUNDING SOURCES						
Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
Monona Bank (1 of 6 banks w/terms)	\$ 7,000,000	N	6%	10	30	476943
Subordinate Loan-Lender Name:						
Monona Bank (for 32 units on site)	\$ -					0
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
DCHA if rates at time are favorable						
AHP Loan						
City-AHF Deferred Loan	n/a	Y	0%	n/a	n/a	n/a
City-AHF Interest/Cash Flow Loan	n/a					
City-TIF Loan	n/a					
Other-Specify Grantor:						
Applying for FHLB Grant in 2019	\$ 206,480	n/a	n/a	n/a	n/a	n/a
Other-Specify Grantor:						
City - HOME Funds Grant - interest free	\$ 990,000	y	0%	n/a	30	0
Other-Specify Grantor:						
Tax Credit Equity						
Historic Tax Credit Equity						
Deferred Developer Fees	\$ 99,000					
Owner Investment	\$ 1,050,000					
Other-Specify:						
Land of \$350K plus proceeds prop sale	\$ -					
Total Sources	\$ 9,345,480					
Construction Financing						
Source of Funds	Amount		Rate		Term (monthly)	
Construction Loan-Lender Name:						
Monona State Bank	\$ 7,000,000		5%		12	
Bridge Loan-Lender Name:						
Monona State Bank (or 1 of 6 other banks)	\$ 1,000,000		5%		6	
Tax Credit Equity:						
n/a						
Total	\$ 8,000,000					
Estimated pricing on sale fo Federal Tax Credits:	n/a					
Remarks Concerning Project Funding Sources:						
There are currently 40 units on site producing \$418K in annual revenue, we plan to raze 8 units so this income will be lost, but recaptured when 44 unit is built - max units on site will be 76 per City Comprehensive Plan						

APPLICANT:	Madison Development Corporation: The Avenue 44-Unit								
3. PROJECT EXPENSES									
Enter the proposed project expenses									
Acquisition Costs		Amount							
Acquisition		0							
Title Insurance and Recording		0							
Appraisal		0							
Predvlpmnt/feasibility/market s	See below	0							
Survey		0							
Marketing		0							
Relocation	See below								
Other (List)									
*MDC owns property, but will appraise w/bank		0							
Construction:									
Construction Costs	\$165 sf	7,342,327							
Demolition		88,000							
Soils/Site Preparation		30,000							
Construction Mgmt	5% of c.costs	386,438							
Construction Interest		193,219							
Permits; Print Plans/Specs		115,000							
Landscaping, Play Lots, Signage		41,471							
Other (List)		0							
Market Study for HOME		8,000							
Fees:									
Architect		300,000							
Engineering		60,000							
Accounting		9,000							
Legal		15,000							
Development Fee		99,000							
Leasing Fee		2,000							
Park Impact Fees		104,181							
Other (List)									
Relocation Fees		72,000							
Project Contingency:	5% of c.costs	386,438							
Furnishings:		0							
Reserves Funded from Capital:									
Operating Reserve		7,500							
Replacement Reserve		0							
Maintenance Reserve		7,500							
Vacancy Reserve		26,998							
Lease Up Reserve		34,408							
Other: (List)									
Construction Insurance		17,000							
TOTAL COSTS:		9,345,480							

APPLICANT:	Madison Development Corporation: The Avenue 44 UNIT														
4. PROJECT PROFORMA	Enter total Revenue and Expense information for the proposed project for a 30 year period.														
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Income	674,712	688,206	701,970	716,010	730,330	744,937	759,835	775,032	790,533	806,343	822,470	838,920	855,698	872,812	890,268
Less Vacancy/Bad Debt	26,988	27,528	28,079	28,640	29,213	29,797	30,393	31,001	31,621	32,254	32,899	33,557	34,228	34,912	35,611
Income from Non-Residential Use*	66,760	70,135	71,538	72,969	74,428	75,917	77,435	78,984	80,563	82,175	83,818	85,494	87,204	88,948	90,727
Total Revenue	716,484	730,813	745,429	760,338	775,545	791,056	806,877	823,014	839,475	856,264	873,389	890,857	908,674	926,848	945,385
Expenses:															
Office Expenses and Phone	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050
Real Estate Taxes	21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565	27,362	28,183	29,029	29,899	30,796	31,720	32,672
Advertising, Accounting, Legal Fees	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563
Payroll, Payroll Taxes and Benefits	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379	19,961	20,559	21,176
Property Insurance	33,273	34,271	35,299	36,358	37,449	38,573	39,730	40,922	42,149	43,414	44,716	46,058	47,439	48,863	50,328
Mic. Repairs and Mtc Contracts	36,136	37,220	38,337	39,487	40,671	41,892	43,148	44,443	45,776	47,149	48,564	50,021	51,521	53,067	54,659
Utilities (gas/electric/fuel/water/sewer)	25,879	26,655	27,455	28,279	29,127	30,001	30,901	31,828	32,783	33,766	34,779	35,823	36,897	38,004	39,144
Property Mgmt	33,951	34,970	36,019	37,099	38,212	39,359	40,539	41,755	43,008	44,298	45,627	46,996	48,406	49,858	51,354
Operating Reserve Pmt	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
Replacement Reserve Pmt	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)															
Maintenance Reserve (put in Op Reserve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	188,839	194,504	200,339	206,349	212,540	218,916	225,484	232,248	239,216	246,392	253,784	261,397	269,239	277,316	285,636
Net Operating Income	527,645	536,309	545,090	553,989	563,005	572,140	581,393	590,766	600,259	609,872	619,606	629,460	639,435	649,531	659,749
Debt Service:															
First Mortgage	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)															
Total Debt Service	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943
Total Annual Cash Expenses	665,782	671,447	677,282	683,292	689,483	695,859	702,427	709,191	716,159	723,335	730,727	738,340	746,182	754,259	762,579
Total Net Operating Income	50,702	59,366	68,147	77,046	86,062	95,197	104,450	113,823	123,316	132,929	142,663	152,517	162,492	172,588	182,806
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	50,702	59,366	68,147	77,046	86,062	95,197	104,450	113,823	123,316	132,929	142,663	152,517	162,492	172,588	182,806
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.															
DCR Hard Debt	1.11	1.12	1.14	1.16	1.18	1.20	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38
DCR Total Debt	1.11	1.12	1.14	1.16	1.18	1.20	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38
Assumptions															
Vacancy Rate	4.0%														
Annual Increase Income	2.0%														
Annual Increase Expenses	3.0%														
Other															
44 unit on same parcel as remaining 32 oth															

APPLICANT:	3. PROJECT PROFORMA (cont.)														
	Enter total Revenue and Expense information for the proposed project for a 30 year period.														
	Year 16	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
908,074	926,235	944,760	963,655	982,928	1,002,587	1,022,638	1,043,091	1,063,953	1,085,232	1,106,937	1,129,075	1,151,657	1,174,690	1,198,184	
36,323	37,049	37,790	38,546	39,317	40,103	40,906	41,724	42,558	43,409	44,277	45,163	46,066	46,988	47,927	
92,542	94,393	96,281	98,206	100,170	102,174	104,212	106,302	108,428	110,596	112,808	115,064	117,366	119,713	122,107	
964,292	983,578	1,003,250	1,023,315	1,043,781	1,064,657	1,085,950	1,107,669	1,129,822	1,152,419	1,175,467	1,198,977	1,222,956	1,247,415	1,272,363	
Expenses:															
6,232	6,419	6,611	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152	9,426	
33,632	34,662	35,702	36,773	37,878	39,012	40,182	41,388	42,629	43,908	45,226	46,582	47,980	49,419	50,902	
7,790	8,024	8,264	8,512	8,768	9,031	9,301	9,581	9,868	10,164	10,469	10,783	11,106	11,440	11,783	
21,812	22,466	23,140	23,834	24,549	25,286	26,044	26,825	27,630	28,459	29,313	30,192	31,098	32,031	32,992	
51,838	53,393	54,995	56,645	58,344	60,095	61,898	63,755	65,667	67,637	69,666	71,756	73,909	76,126	78,410	
56,299	57,988	59,727	61,519	63,365	65,266	67,224	69,240	71,318	73,457	75,661	77,931	80,268	82,677	85,157	
52,895	54,481	56,116	57,799	59,533	61,319	63,159	65,054	67,004	69,015	71,086	73,218	75,415	77,677	80,008	
11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674	
11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674	
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	
294,205	303,031	312,122	321,486	331,130	341,064	351,296	361,835	372,690	383,871	395,387	407,249	419,466	432,050	445,011	
670,087	680,547	691,128	701,829	712,651	723,593	734,654	745,834	757,132	768,548	780,080	791,728	803,490	815,365	827,352	
Debt Service:															
476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	
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	
476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	476,943	
771,148	779,974	789,065	798,429	808,073	818,007	828,239	838,778	849,633	860,814	872,330	884,192	896,409	908,993	921,954	
193,144	203,604	214,185	224,886	235,708	246,650	257,711	268,891	280,189	291,605	303,137	314,785	326,547	338,422	350,409	
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	
193,144	203,604	214,185	224,886	235,708	246,650	257,711	268,891	280,189	291,605	303,137	314,785	326,547	338,422	350,409	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A/H/F City Interest Loan															
*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.															
1.40	1.43	1.45	1.47	1.49	1.52	1.54	1.56	1.59	1.61	1.64	1.66	1.68	1.71	1.73	
1.40	1.43	1.45	1.47	1.49	1.52	1.54	1.56	1.59	1.61	1.64	1.66	1.68	1.71	1.73	
Assumptions															
Vacancy Rate															
Annual Increase Income	4.0%														
Annual Increase Expenses	2.0%														
Other	3.0%														

MDC The Avenue	as of 12/27/18		2017		
Pro-Forma Income statements	Projected		Actual #s w/ Options but higher 4% vac rate & 40 units	Add Back 32 Units (after 8 units are razed)	76 Units
44 Unit plus Leasing/ Service Office Space	44 Unit			Actual rents	Projected Total Income
The Avenue - 1900 Block of East Washington	Annualized			annualized	annualized
Income					
Rental Revenue	\$ 674,712		\$ 418,640	\$ 276,420	\$ 951,132
Vacancy	\$ 26,988	vacancy 4%	\$ 16,746	\$ 11,057	\$ 38,045
Rent Collected (Effective Gross Income)	\$ 647,724		\$ 401,895	\$ 265,363	\$ 913,087
Rental income - 1300 sf of Office space (MDC)	\$ 24,000			\$ -	\$ 24,000
Rental income - 10000 sf commercial office	\$ -	Options rent	Included above	\$ 70,869	\$ 70,869
Vacancy rate - office space	\$ -	vacancy 4%		\$ (2,835)	\$ (2,835)
Total rental income w/ commercial/ office tenants	\$ 671,724		\$ 401,895	\$ 330,563	\$ 1,002,286
Other revenue - Parking?	\$ 31,320	PARKING		\$ -	\$ 31,320
Other Revenue (Pet fees \$25 *20 UNITS, storage, Laundry \$10/UNIT)	\$ 13,440	PET, STORAGE	\$ 10,082	\$ 8,154	\$ 21,594
Total Gross Income	\$ 716,484	\$ -	\$ 411,977	\$ 338,717	\$ 1,055,200
Operating Expenses % of Total Income	\$ -			\$ -	\$ -
Administrative (includes wages and bank / legal fees)	\$ 36,247		\$ 74,785	\$ 16,936	\$ 53,183
Overhead Allocation	\$ -		\$ -	\$ -	\$ -
Utilities (not pd by tenant) - main areas	\$ 25,373		\$ 36,984	\$ 11,855	\$ 37,228
Operating & Maintenance (and Grounds)	\$ 57,996	15.9%	\$ 66,502	\$ 27,097	\$ 85,093
Insurance (5%)	\$ 32,623		\$ 10,847	\$ 15,242	\$ 47,865
Real Estate taxes (#UNITS AT MKT)	\$ 21,600		\$ 4,215	\$ -	\$ 21,600
Total Expenses	\$ 173,839	\$ 0	\$ 193,333	\$ 71,131	\$ 244,969
Net (Operating) Income	\$ 542,645		\$ 218,644	\$ 267,586	\$ 810,231
Less				\$ -	\$ -
Operating Reserve	\$ -		\$ -	\$ -	\$ -
Replacement Reserve	\$ 7,500			\$ -	\$ 7,500
Maintenance (Replacement) Reserve	\$ 7,500	indirect costs	\$ 70,333	\$ 56,266	\$ 63,766
Net Operating Income after Reserve	\$ 527,645		\$ 148,311	\$ 118,649	\$ 646,293
Less				\$ -	\$ -
Interest Expense - First Mortgage	\$ 385,000	no debt	\$ -	\$ -	\$ 385,000
Net income before depreciation	\$ 142,645	\$ -	\$ 148,311	\$ 118,649	\$ 261,294
Less Depreciation Expense	\$ 292,194		\$ 114,385	\$ 91,508	\$ 383,702
NET INCOME (LOSS)	\$ (149,549)	\$ -	\$ 33,926	\$ 27,141	\$ (122,409)
Mortgage Payments		Actual NI (used 4% vac)	\$ 45,902	\$ -	\$ -
Monthly Mortgage Payment	\$ 476,943	\$ -	\$ -	\$ -	\$ 476,943
	\$ 50,702				
	cash after debt				
				Note: Options rent included in this 32 units deduct 70K if options moves	
DEBT COVERAGE RATIO (DCR) = NOI / Debt Payments	DEBT COVERAGE RATIO (DCR)	DEBT COVERAGE RATIO		DEBT COVERAGE RATIO	
Proposed New Building	Existing Avenue	Both		Less Options Rent	
44-units	32 units	total 76 units		(\$70,869/ year revenue)	
\$ 527,645	\$ 267,586	\$ 810,231		\$ 739,362	
\$ 476,943	no debt	\$ 476,943		\$ 476,943	
1.11	no debt	1.70		1.55	
	existing 32 units	With Options		without Options	



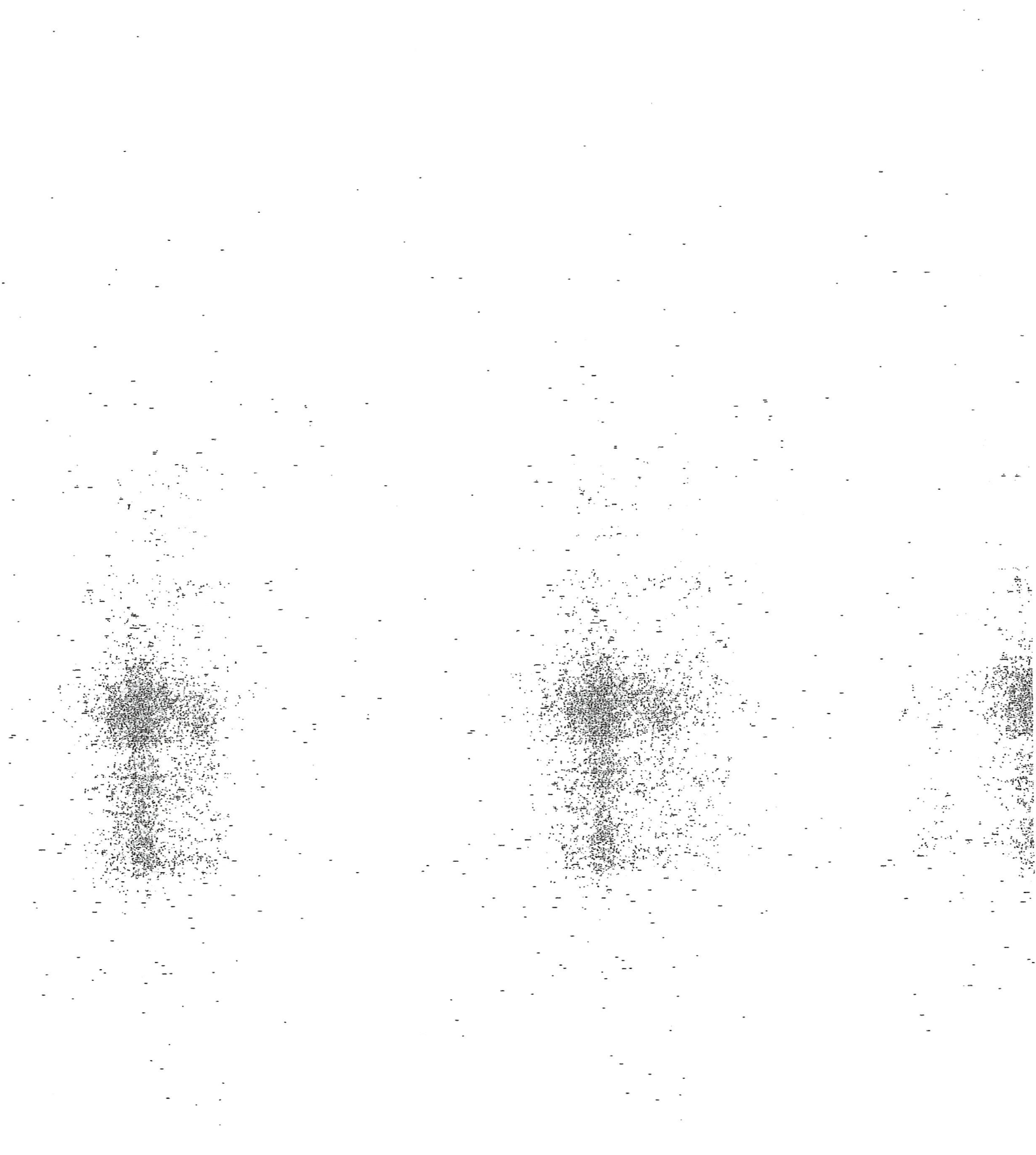
MADISON DEVELOPMENT CORP.

AVE P&L COMPARISON

January - December 2017

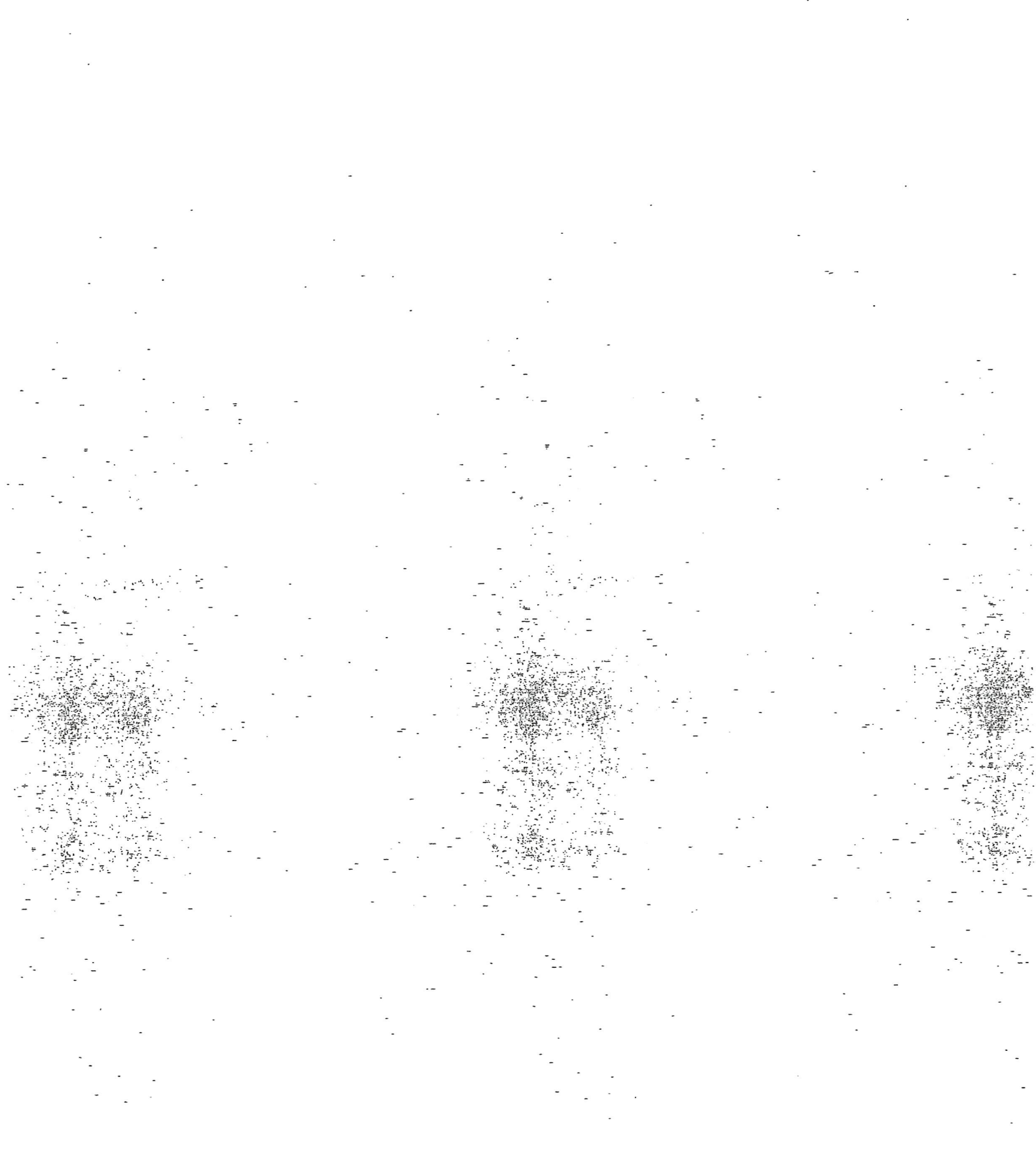
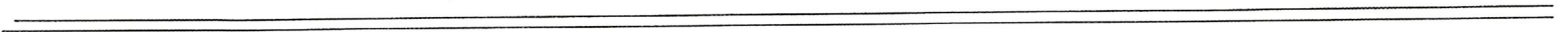
	TOTAL	
	JAN - DEC 2017	JAN - DEC 2016 (PY)
Revenue		
4500 Rental Revenue	418,640.36	418,959.36
4700 Other Rental Revenue	130.00	
4701 Late Fees	2,050.00	1,700.00
4702 Laundry	2,771.64	3,173.03
4703 Other Rental Revenue	5,130.44	5,289.36
Total 4700 Other Rental Revenue	10,082.08	10,162.39
4800 Vacancy	-4,190.00	-12,084.00
Total Revenue	\$424,532.44	\$417,037.75
GROSS PROFIT	\$424,532.44	\$417,037.75
Expenditures		
6000 Wages,Benefits,Taxes	16,010.51	69,560.54
6003 Shared Emp Wages, Tax & Benes	56,347.02	
6020 Administration		
6021 Advertising	466.67	883.80
6025 Telephone	60.00	
6027 Fees & Permits	51.25	320.00
Total 6020 Administration	577.92	1,203.80
6030 Utilities		
6031 Electricity	14,392.11	11,264.04
6032 Gas	5,506.11	3,954.72
6033 Water & Sewer	17,086.27	15,786.54
Total 6030 Utilities	36,984.49	31,005.30
6070 Bank and Compliance Fees		0.00
6071 Bond, Compliance Fees	1,650.00	1,600.00
6072 Bank Fees		60.00
Total 6070 Bank and Compliance Fees	1,650.00	1,660.00
6080 Grounds		
6081 Snow Removal	5,269.00	2,280.00
6082 Landscaping	1,302.22	31.00
Total 6080 Grounds	6,571.22	2,311.00
6090 Insurance, RE/PP tax		
6091 Real Estate/Personal Prop Tax	4,215.00	4,215.00
6092 Insurance	10,847.28	10,847.28
Total 6090 Insurance, RE/PP tax	15,062.28	15,062.28
6100 Maintenance		
6102 Building Supplies	5,401.78	8,719.13
6103 Contracts - Maintenance	7,409.00	8,694.10
6105 Outsourced Maintenance	20,253.00	10,859.16
6106 Appliances	1,580.00	2,461.00
6107 Appliance Supplies		82.64

J.P.A.
11-1-18



	TOTAL	
	JAN - DEC 2017	JAN - DEC 2016 (PY)
Total 6106 Appliances	1,580.00	2,543.64
Total 6100 Maintenance	34,643.78	30,816.03
6110 Professional Fees		
6112 Legal	272.99	404.16
6113 Credit Check	504.93	144.28
Total 6110 Professional Fees	777.92	548.44
6120 Property Management		
6104 Cleaning	2,600.00	475.00
6121 Bad Debt Expense	5,274.69	4,983.80
6122 Trash	11,979.68	10,703.29
6124 Apartment Turns	5,432.25	12,273.68
Total 6120 Property Management	25,286.62	28,435.77
Total Expenditures	\$193,911.76	\$180,603.16
NET OPERATING REVENUE	\$230,620.68	\$236,434.59
Other Expenditures		
9000 Indirect Cost	70,333.52	70,335.23
9200 Depreciation	114,385.44	113,587.04
9300 Mortgage Interest		3,600.85
Total Other Expenditures	\$184,718.96	\$187,523.12
NET OTHER REVENUE	\$ -184,718.96	\$ -187,523.12
NET REVENUE	\$45,901.72	\$48,911.47

John
11/17/18





550 W. Washington Ave
Madison, WI 53703

maintains greenspace



Options / Commercial Bldg

Proposed 44 UNIT →

set back 25' from side walk

12.13.18

76 TOTAL UNITS PROPOSED

ISSUED
Issued for Land Use & SDC - October 15, 2018

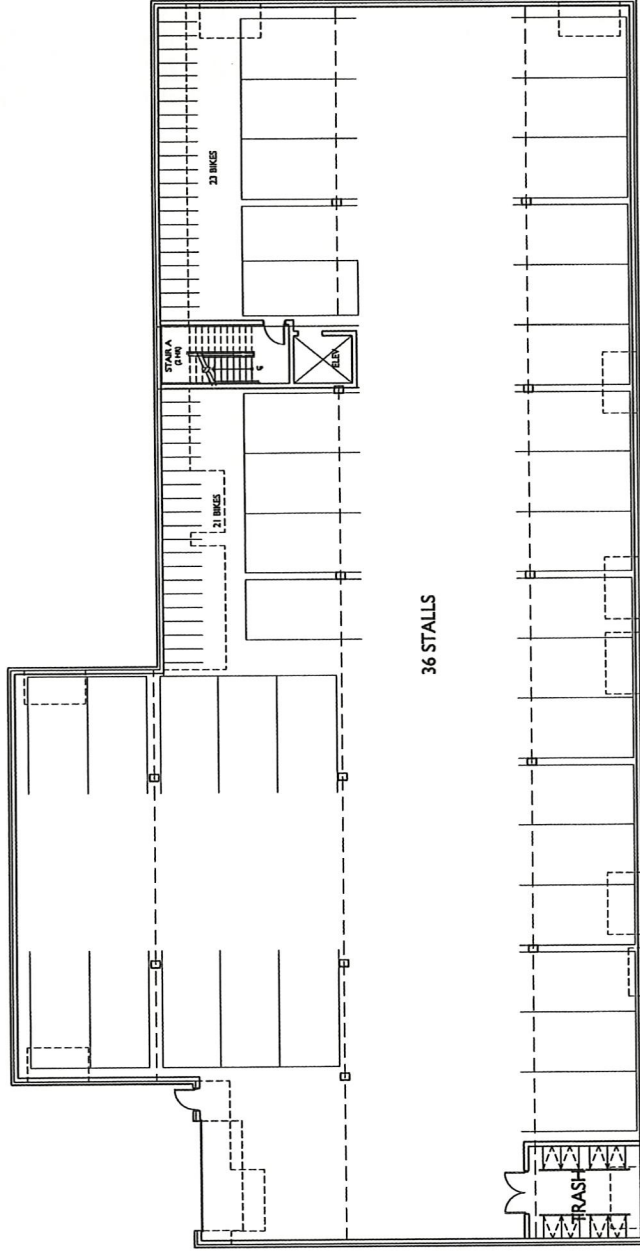
PROJECT TITLE
The Avenue
Expansion
Madison
Development
Corp.

East Washington Ave,
2nd Street & E Mifflin St.
SHEET TITLE
Site Plan

SHEET NUMBER

C-1.1

PROJECT NO. 1745
Knothe + Bruce Architects, LLC

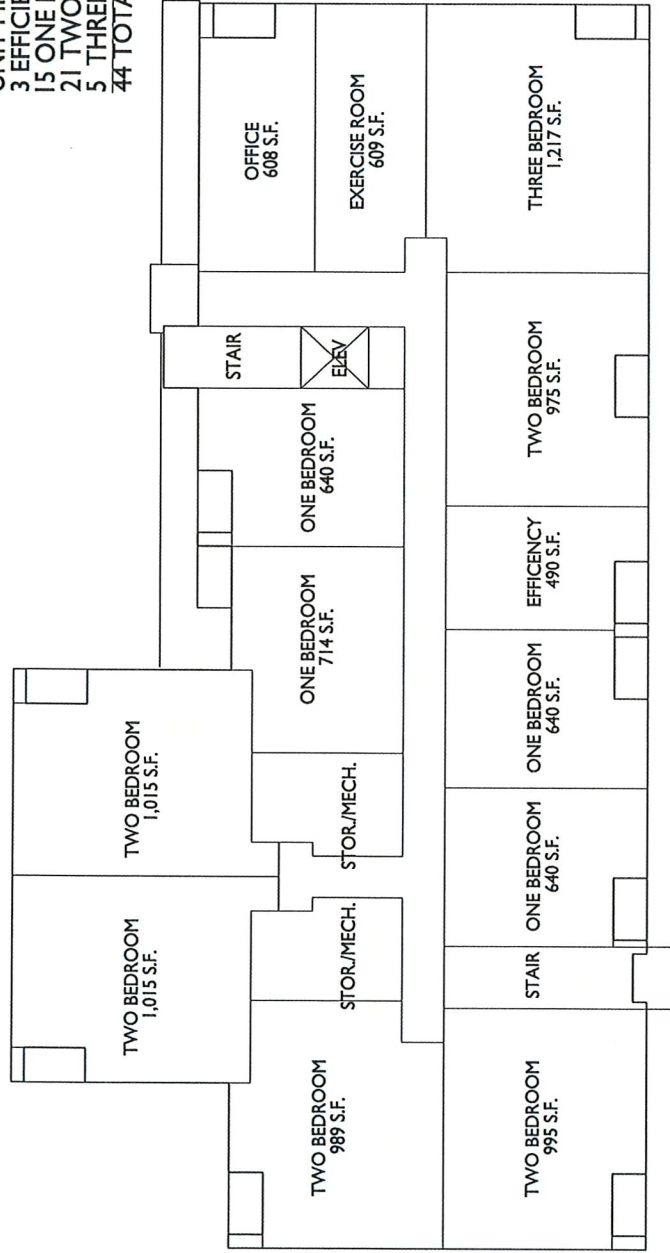


GROSS AREA: 14,280 S.F.



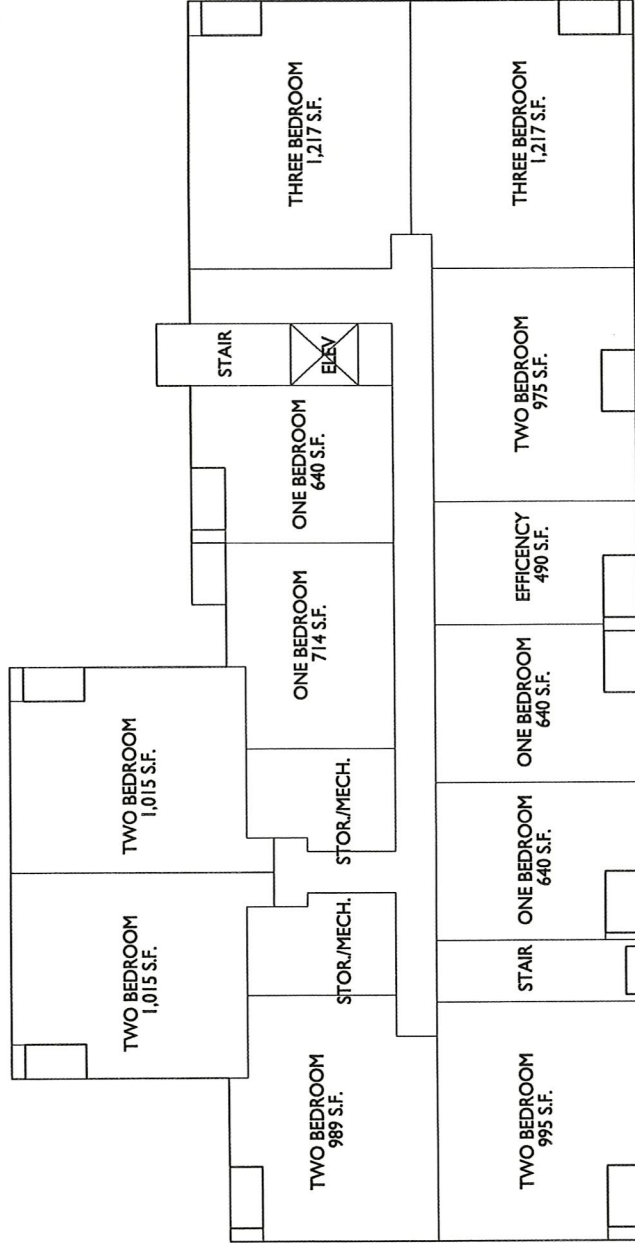
BASEMENT PLAN
 SCALE: 1/8"=1'-0"

UNIT MIX:
 3 EFFICIENCIES
 15 ONE BEDROOM
 21 TWO BEDROOM
 5 THREE BEDROOM
 44 TOTAL UNITS



GROSS AREA: 12,812 S.F.
NET AREA: 9,330 S.F.

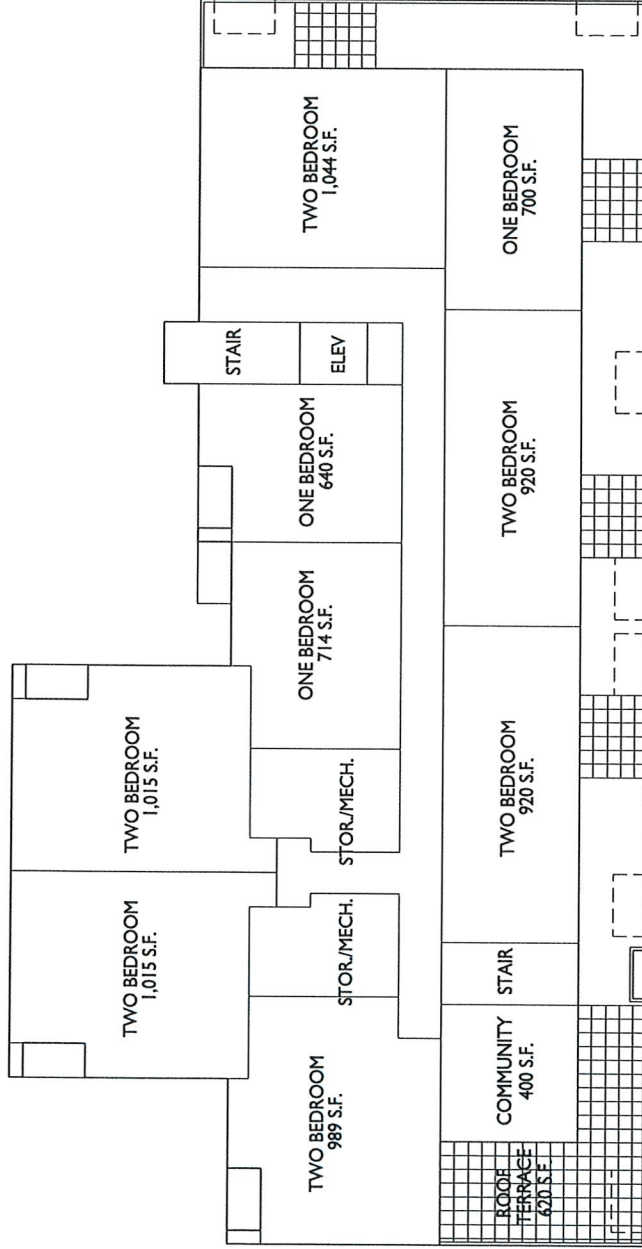




GROSS AREA: 12,257 S.F.
 NET AREA: 10,547 S.F.



1/4" = 1'-0" SCALE - 1/8" = 1'-0" SCALE
 SECOND & THIRD FLOOR PLAN



GROSS AREA: 10,511 S.F.
 NET AREA: 7,957 S.F.



1/4" = 1'-0" SCALE
 FOURTH FLOOR PLAN



The Avenue Expansion Madison Development Corp.
East Washington Ave, 2nd Street & E. Mifflin St.
Street View

44 UNIT FACADE
Similar

NOT FINAL 12-20-18 25' set back



Federal Funds (HOME, CDBG, EECBG) Development 2018-2019 Application

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2018-8754; Federal Funds (HOME, CDBG, EECBG) for 2018-2019 Housing Development & Capital Improvement Projects. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on September 19, 2018**. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title: Madison Development Corporation: The Avenue ⁴⁴Unit

Amount of Funds Requested: \$990,000 Type of Project: Housing Community Facility

Name of Applicant: Madison Development Corporation

Mailing Address: 550 W Washington Avenue, Madison, WI 53703

Telephone: 608-535-4572 Fax: 608-256-1560

Admin Contact: Lorrie Heinemann Email Address: Lorrie@mdcorp.org

Project Contact: Lorrie Heinemann Email Address: Lorrie@mdcorp.org

Financial Contact: Abbie Wallhaus Email Address: Abbie@mdcorp.org

Website: www.mdcorp.org

Legal Status: For-profit Non-profit

Federal EIN: 39-1277471 DUNS #: 058076621

Registered on SAM: Yes No

AFFIRMATIVE ACTION

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

LOBBYING REGULATED

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

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520.

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

SIGNATURE OF APPLICANT

Enter Name: Lorrie K Heinemann

Lorrie K Heinemann 12/27/18 update

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

Date: 9/18/18

fas



**Federal Funds (HOME, CDBG, EECBG) Development 2018-2019
Updated 12-27-18 per City Request
by Madison Development Corporation (MDC) for
The Avenue Project – 44 Unit**

1. Describe the primary community need(s) the proposed project seeks to address and the expected outcomes. (Please limit response to 500 words including spaces).

The City of Madison has a high need for quality, affordable rental housing. There are 98,216 households (HH) of which about 47,143 rent in the City. Of these, it is estimated that 14.4% of renting HHs (6,788) are cost-burdened, paying more than 30% of their HH incomes on housing costs. Both the Mayor and the Economic Stability Council in Madison have identified the lack of affordable (reasonably priced) housing as the #1 economic stability issue in Madison.

MDC's Avenue project directly addresses this need by proposing to add a 44--unit¹ quality new affordable apartment complex on the 1900 block of East Washington¹. The Avenue's location is located in City's Affordable Housing Target Area that is preferred for new construction and the density also falls within the comprehensive plan's guidelines.

MDC has been in the affordable housing business for over 30 years. We buy, develop, own and manage all of our rental properties and hold them for the long term. We do not provide social services nor do we apply for Section 42 tax credits at this time. HOME funds are the primary source of government assistance for MDC's housing developments.

It is important to note that while we target HHs with incomes that range from 40% to 80% of the County Median Income (CMI) the majority of our tenants (74% of our current tenant base of 313 units) earn less than 60% of the CMI. Also, of our 313 units, 60% (or 188 HHs) have incomes less than 50%.

¹Note: This project was originally submitted as 30- unit, dependent on the UDC application that was submitted in October, based on neighborhood / Alder input.

JRH
12/27/18

2. Please provide an overview of the project, how it meets the criteria outlined in the Request for Proposals and the risks associated with the project. (Please limit response to 500 words including spaces).

MDC's Avenue Project will be located on the 1900 block of East Washington. We currently have 40 units on site, and our goal is to get to a total of 76 units on the site over the next two years. We plan to do this by razing an existing 8-unit on site (only due to its location which makes it a problem to get the set-back of up to 24' from sidewalk for a new building as requested by neighbors. The first step to this project will be to raze the 8-unit on site, then break ground for the 44-Unit in June or July 2018.

This project meets your criteria for providing decent housing LMI persons- Goal Area 1.

Quality: Concept Site Plan for the entire parcel includes a 44- unit being developed on East Washington. The 44-unit would have 15 one bedroom units, 18 two bedroom units and 5 three bedroom units. We will target households (HH) that make between 40% - 80% of CMI. At least 11 units would be rented to HH with incomes under 60% of CMI to qualify for HOME funds, and of these 7 (or 63% of the HOME units) would be rented at the LOW HOME LIMIT.

Of MDC's current portfolio of 313 units, 74% are rented to HHs with incomes under 60% CMI.

Our plans include underground parking, and balconies for every apartment as well as a community room overlooking Graaskamp Park. We are also planning a small MDC leasing office and may give up some of the square footage for an exercise room if warranted. We expect to be fully rented within 3 months of completion. Our vacancy rate is currently at 2.3%, and we have high demand for all of our units. Our Market Study is underway and will be completed in Q1 2019.

When the UDC makes their decision on the unit mix and design in early 2019 year and the project is approved by the Planning Commission and City Council, we will be ready to proceed with a targeted groundbreaking date of June 2019.

Responsiveness: MDC has full site control; it has been surveyed by Burse and has no environmental issues. We are working on an updated environmental study. Alder Palm has moved the project forward, and we are working with

JKH
12/27/18

EENA ((Neighborhood) to tweak the details of the 44 as to set back, step backs on the fourth floor and façade.

Feasibility: The project is feasible (but tight) with City Funding of \$990K and bank financing, but interest expenses are high. We will be negotiating with banks as well as meeting with socially conscious investors who may be willing to provide a low interest loan. MDC's equity in the project includes the value of the land we are building on plus (estimated at \$350,000) plus \$650,000 cash, or \$1,050,000 towards a \$9.3 million project. The risk is low due to our equity in the entire parcel and several banks have provided term sheets for financing.

Capacity, Experience and Qualifications: MDC has been in the affordable business for over 30 years - our 3 finance professionals have MBAs and over 25 years of experience each, our Facilities and Property Management Leaders have been with us for over 10 years and 5 years respectively, and we are fully staffed to take on the new units.

Proposed Site/ Targeted Area. The site is on a bus stop, 1/2 mile from a medical clinic, 1/2 block from the proposed Public Market and walking distance an elementary and a high school.

Greenspace: MDC owns the Graaskamp Park and we may renovate the park and raise dollars in 2019/20 if this project moves forward.

Respectfully submitted by
Lorrie K Heinemann, Madison Development Corporation
12.27.18 2:10 p.m.

PROPOSAL OVERVIEW

1. Describe the primary community need(s) the proposed project seeks to address and the expected outcomes. (Please limit response to 500 words including spaces).

Of the 196,383 households (HH) in Dane Co. 28,469 (14.4%) are cost-burdened (paying >30% of HH income on housing costs). The City has 98,216 HH; 47,143 HHs rent. 14.4% of renting HHs (6,788) are likely cost-burdened. Overall, 17,187 (17.5%) of all City HH have incomes that range from 50 - 80% of AMI, yet only 29% of rental units are "affordable" for HHs who make 50% or less of AMI. MDC plans to add 44 units that target HHs 40 to 80% of AMI, with 41% rented to HHs with incomes below 60% AMI.

2. Please provide an overview of the project, how it meets the criteria outlined in the Request for Proposals and the risks associated with the project. (Please limit response to 500 words including spaces).

The 44 unit apartment complex will be comprised of 15 one-bedroom and 21 two bedroom units, we expect to be fully rented within 2 months of completion, with 11 (41%) of units being rented to HH incomes of <60%, ten units rented at <80% CMI and 9 at market. The risk is low as MDC owns the 1954 E Washington property free and clear and has 40 units already on the same site (parcel) that are producing income. + 5 three bedroom units

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

The Avenue site is in located in the City's 2018 Affordable Housing Targeted Area that is preferred for new construction as part of the City's Comprehensive Plan. This project is "new construction" and the density falls within the new city zoning requirements. The January 2016 Neighborhood Plan prioritizes "targeting some of these units as affordable for lower-income households by providing financial incentives". Lowering the cost to construct and having real estate tax exemption will provide MDC with the incentives to keep costs lower for tenants on this site.

4. Describe the target population(s) this project intends to serve (e.g. low-income families, seniors, special needs populations, etc.)

Our target population is Low to Moderate income households making 40 - 80% of the CMI (or AMI per City Housing Assessment Report) who seek to live in a quiet neighborhood with family amenities (Graaskamp Park on site), have close proximity to transit (bus stop on site) and not be cost burdened by rent. Our current tenant base is made up of many seniors with special needs who enjoy MDC's Graaskamp Park - the first fully handicapped-accessible park in the State of WI (Est. 1989) as well as low income families with children. MDC is partnering with UW Madison's Graaskamp Center (Tom Landgraf) this school year to re-design the Graaskamp Park, for which we will then raise private funding to pay for the renovation in 2019 or 2020.

5. How many unduplicated individuals are estimated to be served by this project: 109 max

How many unduplicated households are estimated to be served by this project: 44

6. Please describe whether/how this project relates to efforts undertaken by other community groups or agencies.

(next page)

12/27/18

JKA

MDC provides quality "SMART" workforce housing for working or retired Madison residents. Our units are reasonably priced, close to transit and have a mix of household incomes. We currently have Options In Community Living (a social services agency) renting the office building on site but they have outgrown the site and need more space and parking so may be moving in a year or two. If they give us notice of their intent to move, MDC would raze this "temporary building" built in the 1950s when Option's vacates it. This RFP does not include the Options move. Since MDC does not apply for Section 42 tax credits - our business model is to buy, develop, hold and manage all of our rental units. We partner with certain agencies that provide social services, to ensure their clientele have access to affordable housing but they must meet our underwriting criteria, which involves background checks and credit checks. Our tenant and neighborhood resident's safety is our top priority. We have added security cameras on site to monitor and report on criminal activity so the individuals can be apprehended by the police. We intend to do the same at our 44-unit.

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

We are very pleased that Alder Palm hosted a Neighborhood Meeting on this project on September 26, 2018 and has been supportive of our efforts to work with the neighborhood as we develop the 44 unit and re-design the Graaskamp Park. More input was received by neighbors and tenants at the Alder's meeting. In the past 8 months, we have met with the EENA 4 times, and held 2 meetings with neighbors/tenants. We also continuously update the EENA leadership (Chris Heaton and Indira Ceylan, Co-Chairs) as we progress with Concept Site plans and Graaskamp Park updates and inform them of upcoming City applications. 3 neighbors offered to help with the Park re-design as well.

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

MDC presented at 4 EENA meetings (12/20/17, 1/17/18, 3/21/18 and 6/20/18) and hosted neighborhood and tenant meetings on 4/18/18 which gave us great insight, for which we made changes to our original concept site plans to address concerns. The concerns were re: 1) Traffic - too much from Options 50 employees working in neighborhood and coming and going throughout the day 2) Parking - a problem due to Options, people who park on E Wash, then ride the bus downtown and East HS Students using up street space 3) Density - concern for adding 27+ units in small residential neighborhood 4) Graaskamp Park - desire to keep MDC's private park in neighborhood on current site and improve/ update it as there are sometimes vandalism/ other issues that come up and 5) a request for detailed plans for the building design of 27 unit to make sure it fits the character of the neighborhood (we have included the black & white initial drawings for the 27 unit with this application and will include the colored versions at the Alder meeting). We also have provided regular emails to EENA Co-Chairs Chris Heaton and Indira Ceylan with several Concept Site Plans, informed them of the UDC informational Meeting in July 2018 (for which Indira Ceylan, Co-Chair attended but did not speak), and provided information about the Alder Meeting scheduled for 9/26/18, hosted by Alder Larry Palm

*Rich
12/27/18*

* NOTE: Neighbor meeting on 12-13-18 resulted in this new 44-unit project.

9. Will any business or residence, including rental tenants, be temporarily or permanently displaced as a result of the proposed activities? Yes No Unknown *8-UNIT will be razed - 5 tenants may be affected.*

If yes, please describe your relocation plan, including assistance you will offer to those displaced by the project.

This project is a NEW construction 27 unit and it will not displace the current 40 residents we have on site, nor Options in Community Living, our current commercial tenant. Therefore, no relocation plan needs to be developed.

* We will offer similar unit on site @ The Avenue or one of our other properties at the same rent + bedroom configuration until new 44-unit is done.

10. The follow repayment terms will be selected for the project as offered in the Request for Proposals (Please check one): *Then they can move there if desired.*

Option 1: Zero percent, long-term deferred loan payable upon sale, transfer, or change in the use of the property. The promissory note will require repayment of either a percentage of the appraised value after rehab or construction, based on the amount of the CDD funds invested in the property, or a percentage of the net proceeds, whichever is less.

12/27/18

JRH

Option 2: Long-term deferred loan - principal plus 2% accrued simple interest, payable upon sale, transfer, or change in the use of the property. Repayment will be equal to the amount of the CDD funds awarded, plus 2% simple interest accrued over the life of the loan.

N/A- Agency is renting space.

AGENCY OVERVIEW

11. Describe the Agency's Mission Statement and explain how this project supports the Mission Statement.

MDC empowers people to prosper in Madison & Dane County by providing SMART Housing (that is Safe, has Mixed income residents, is Reasonably priced, Accessible, and near Transit) - and by providing SMART financing for job creating business ventures that are "hard to finance". The NEW ~~44~~ unit at The Avenue supports our mission by adding ~~44~~ affordable workforce housing units in a preferred affordable housing zone in Madison. (Note: "S.M.A.R.T." is Trademarked by Austin, TX for their Housing program).

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

Name	Company	Role in Development	Contact Person	Phone
Lorrie Heinemann	Madison Development Corp	MDC CEO, Project Manager	Lorrie Heinemann	608-535-4572
Randy Bruce	Knothe-Bruce Architects	Architects, Project Mgr	Kevin Burow	608 836-3690
Jim Egle	Stafford Rosenbaum	Attorney	Jim Egle	608-256-0226
Cashton Laufenberg	Madison Development Corp	Property Management: Director of Property Management	Cashton Laufenberg	608-256-2799
Harry Irwin	Madison Development Corp	Facilities Manager	Harry Irwin	608-256-2799
Michelle Burse	Burse Surveying	Engineers/ Surveying Firm	Michelle Burse	608-250-9263
Contractor - TBD based on RFP	Connery Construction, Krupp, Others TBD			

13. Please describe the development team's experience using federal HOME, CDBG or EECBG funds.

MDC currently owns and manages two properties with HOME and CDBG funds. These include our 738 E Dayton (12 unit) property and our 641 W Main St Apartments (60 unit). We also manage the City CDBG funds through our Business Lending Program. In the past 40 years our loans helped create over 3,500 jobs in Madison. Business loans went to great companies that continue to improve neighborhoods like Willy St Co-op, the Majestic Theatre, Union Cab and the Food Fight Group. We are very familiar with City CDBG Funds and HOME funds requirements and have successfully complied with all regulations to date.

14. Please describe the capacity of your agency to secure the total financing necessary to complete your proposed project, and past performance that will contribute to the success of the proposed program.

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MDC is a financially strong non-profit which has been managed very cost-effectively over our first 40 years. We now have \$25 Million in Assets, a net equity (net worth) value over \$5 million and a strong cash flow from rental units that covers our costs. As a result, we have Banks in Dane County that have given us Term Sheets to finance \$5 to \$7 million million of the \$9.5 million project, contingent on MDC receiving HOME funds of \$90K / unit for 11 units (\$990,000) and MDC covering the balance with other funds. We are prepared to sell a property to cover this (but prefer not to as this takes units out of affordable housing) and we are applying for grants as well. MDC's financial contribution is significant without additional cash in as we own the valuable land free and clear for which this 44 unit will be built upon (estimated value \$350,000 minimum). The site is located on the 1954 E East Washington parcel and the 44-unit would be built next to the current Avenue 28 unit along the busy East Washington Corridor, only one block from the Marling & the proposed Public Market.

15. Indicate by number the following characteristics for your agency's current staff and Board of Directors.

DESCRIPTOR	STAFF	BOARD
GENDER		
Female	4	4
Male	8	9
Unknown/Other		
TOTAL GENDER	12	13
AGE		
Less than 18 yrs old	0	0
18-59 Yrs	11	10
60 and older	1	3
TOTAL AGE	12	13
RACE*		
White/Caucasian	8	11
Black/African American	3	1
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
MULTI-RACIAL:		
Black/AA & White/Caucasian		
Asian & White/Caucasian		
Am Indian/Alaskan Native & White/Caucasian		
Am Indian/Alaskan Native & Black/AA		
Balance/Other		
TOTAL RACE	11	12
ETHNICITY		
Hispanic or Latino	1	1
Not Hispanic or Latino		
TOTAL ETHNICITY	1	1
PERSONS WITH DISABILITIES	0	0

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*These categories are identified in U.S. Department of Housing and Urban Development (HUD) Standards.

16. List Percent of Staff Turnover: 16%

Divide the number of resignations or terminations in calendar year 2017 by total number of budgeted positions. Do not include seasonal positions. Explain if you had 20% or more turnover rate. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

Two of our twelve employees left in 2017 - our CFO retired and our receptionist left to move to California. We now have a great team on board that has significant experience in Property Management & Development - Harry Irwin, Facilities Manager - 10 years, Cashton Laufenberg, Director of Property Management 5+ years, Dave Scholtens, Finance & Lending with CDBG funds 32+ years, Sara Gussine, Leasing Manager -10 years, Lorrie Heinemann 2 years, and our VP of Finance, Abbie Wallhaus who recently joined us from another non-profit and has her MBA in Finance & Accounting.

17. The following attachments are included with this application:

- Housing – Owner-Occupied Development (Complete Attachment A and Budget Workbook)
- Housing – Rental Development (Complete Attachment B and Budget Workbook)
- Neighborhoods- Community-Based Facilities (Complete Attachment C and Budget Workbook)

Note: Proposals for Community-Based Facilities should only complete Worksheet 1 (Agency Overview), Worksheet 2 (Capital) and 3 (Expenses) in the Budget Workbook. Proposals for residential developments should complete the entire Budget Workbook.

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ATTACHMENT B- Housing Development- Rental Development

1. Identify the source of federal funds the agency will accept for the project: HOME CDBG EECBG

2. What is the total number of units to be assisted with HOME, CDBG or EECBG funds and the amount of HOME, CDBG or EECBG requested per affordable unit? Indicate whether any of the units will be supported by Section 8 project-based vouchers.

11 of the ⁴⁴ units proposed are targeted for HOME Funds. We are requesting \$90,000 per unit for 11 units, or \$990,000. Section 8 Project based vouchers are not assigned to specific MDC units - Tenants are asked to provide Household income and sources like Section 8 vouchers, which are accepted as a source. Of the 313 units we rent, we currently have 31 tenants who use Section 8 Vouchers across our portfolio of rental properties and 10 of these tenants are renting at our 1954 E Washington (The Avenue) site in the 28-unit former UW Hospital site (next to proposed ⁴⁴ unit).

3. If the single-purpose entity will be owned, in part, by a for-profit company, will a non-profit organization have a controlling interest in the property or a statutory Right of First Refusal to acquire such interest?

N/A - MDC is a non-profit organization and the sole owner of this property and intends to keep and maintain 100% ownership. There are no other organizations with an equity or controlling interest nor a right of first refusal to acquire such an interest.

** Note: The property is in an Opportunity Zone so we are exploring financing options which could lower our cost of capital*

4. Identify, and describe the experience and qualifications of the entity that will manage the property, including maintaining property standards, ongoing compliance, and annual reporting requirements in accordance with contract requirements and/or federal regulations. How many units does that entity currently manage?

MDC owns and manages all of our rental units. We have been managing affordable rental properties over the past 30 years. In the past two years, we grew from 207 to 253 and recently added 60 units to grow to 313* units. We've also added key team members to join our highly experienced staff of 12 and we continue to invest in training. We have had satisfactory compliance exams from the City, WHEDA and our Auditing firm (Wegner CPAs) and we comply with all annual reporting requirements. We also recently expanded our accounting & finance team with the addition of an MBA/VP of Finance. In our top management Team our Facilities Manager and Leasing Manager have been with MDC over 10 years, our Director of Property Management over 5 years, our VP. of Lending 30+ years and our President & CEO has led our successful growth path over the past 2 years.

*MDC recently acquired 60 units through our buyout of the 641 W Main LP; These financials are not included in this proposal for 2017 and 2018, but are included for our 2019 budget. We plan to merge 641 W Main into MDC in October 2018 as well as combine finances at that time. The 641 W main property is breaking even and will add over \$600,000 in annual revenue as well as increase our net equity position by \$2 million by 12-31-18 when the merger is complete. This is what will help us meet the bank covenants when we bring on the 27-Unit.

** (Completed 11-1-18)*

5. Who will be responsible for monitoring compliance with federal regulations and requirements? Are they trained on federal requirements?

Ultimately, our President & CEO will be responsible. On a daily basis, our Compliance/Leasing Manager is Sara Gussine (10+ years of experience at MDC) and Cashton Laufenberg (5+ years at MDC), our Director of Property Management. They will be the staff leads in compliance and monitoring for meeting federal requirements. Both have attended WHEDA training, City of Madison training and have primary responsibility for preparing and submitting reports to all City, State and Federal reporting agencies. Our President and our VP of Finance will continue to oversee MDC's compliance and work with our team, Federal & State agencies as well as with our auditors (Wegner CPAs) to ensure compliance.

12/27/18

SITE INFORMATION

6. Provide your assessment of the market conditions of the neighborhood (including anticipated demand for the proposed target populations). Explain why this site or area was chosen. If a specific site has not been identified, what criteria do you use to assess the appropriateness of a site and neighborhood for an assisted housing project?

The market conditions for the 1900 block of East Washington are strong for family housing and reasonably priced affordable housing with 1 to 3 bedrooms. The 53704 zip code has a vacancy rate of 3.49%, yet MDC's vacancy rate is under 2.5% due to our income based rents which range from \$945 to \$1,590 and includes surface parking. Just one block to the West is the Marling with market rate rents ranging from \$1,285 to \$2,785 plus a \$150 monthly parking fee. We anticipate that our new ⁴⁴ unit would have income based rent ranges from \$945 to \$1,590 per month if HOME funds are received, with underground parking as well as surface parking available. Currently we post an apartment at the 28 unit Avenue and receive 4 to 5 applications within days and fill the unit immediately. The only vacancies we have had is due to turns (preparing the apartment for the next tenant).

The site was chosen because MDC owns this property free and clear, it is the site of our 3 residential rental properties (an 8 unit, a 28 unit and a 4 unit building) already on site, and as an added benefit, ~~this is~~ the home of the James A. Graaskamp Park (which we are planning to upgrade with the help of UW Madison's Graaskamp Center). The Park was the first fully accessible park in the State of Wisconsin and was dedicated in 1989. The site is also in the City's planned area for increased density in affordable housing. The maximum number of units allowed is up to 76, and this ⁴⁴ unit would bring us to ⁷⁶ units.
project

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

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Festival Foods	1.6 miles
Public Elementary School	Emerson Elementary School	0.7 miles
Public Middle School	Georgia O'Keefe Middle School	0.7 miles
Public High School	East High School	0.3 miles
Job-Training Facility, Community College, or Continuing Education Programs	Madison College	2.7 miles
Childcare	Paleta Family Child Care	0.2 miles
Public Library	Madison Public Library - Hawthorne	1.2 miles
Neighborhood or Community Center	Goodman Community Center	0.8 miles
Full Service Medical Clinic or Hospital	UW's Health Union Corners Clinic	0.5 miles
Pharmacy	UW Health Pharmacy & Walgreens	0.5 miles and 1.1 miles, respectively
Public Park or Hiking/Biking Trail	Burr Jones Field & Graaskamp (pvt)	.3 miles and on site owned by MDC, respectively
Banking	Home Savings	
Retail	Dollar Store, Walgreens	0.4 miles and 1.1 miles, respectively
Other (list the amenities):	Madison Public Market & Fiore Shopping Center	1 block (proposed) & .2 miles, respectively

8. If a site has been identified, what is the distance between the proposed site and the nearest seven-day per week transit stops? List the seven-day transit stop location and describe any other transit stops (include street intersections and schedule) located near the proposed site.

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Zero distance, there is a bus stop in front of 1954 East Washington (on site) officially located on 2nd st and 1998 E Washington Avenue, STOP ID 1382 with daily service ranging from every 27 minutes to every hour on weekends and holidays.

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

are The East Emerson Elementary school has 410 students, of which 54% are low-income. East High School has 1,760 students of which 59% are low income. Our new 44 unit, with 15 one bedroom units and 21 two bedroom units + 5 three bed-room are expected to have an average HH size of 2.2 people and a maximum of 109 new tenants at full capacity. Therefore, we estimate that there will be 60-109 people living in the new 44 unit - with at least 10-20 being children under the age of 18; (10 in elementary, 4 in middle and 6 in high school). Therefore we estimate a minimal impact on the schools in Madison. In researching the capacity of each school, the Madison School district websites choose to report teacher ratios, enrollment and success in areas of study vs. current capacity by school. We called and they have reached capacity at some elementary grade levels at Emerson (but the school is not at capacity) and East High School is still accepting students that reside in the neighborhood.

SITE AMENITIES

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

*update! 12/27/18

MDC will have the outside Graaskamp 1/4 acre park that is fully accessible, plus a small courtyard at The avenue 28 unit with outdoor seating. For parking, we plan to have 15 surface (outdoor) parking spots as well as 36 new underground parking spots for tenants (Total 51), with MDC having 1 assigned underground stall and 2 outdoor stalls for MDC staff during 7:30 a.m. to 5:30 p.m.. There may be a fee for parking, as determined by the HOME Funds (from zero to \$95 per month) as well as MDC policies. There is a common area planned for the building and there is a 600 sf leasing office included in the first floor of the 44 unit facing E. Washington Avenue. We may also add an exercise room and a roof terrace (boosf each). Feb 12/27/18

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

MDC's interior apartments will be equipped with refrigerators, dishwashers, faux hardwood floors and will include in-unit laundry in 2 bedroom fully accessible units and a laundry room on each of the 4 floors for tenants. We also plan to have storage areas as well as parking beneath the building and on the adjacent surface lots. We will contract with 2 internet providers to provide internet/ cable/ telephone service at the tenant's expense. We currently contract with AT&T and Charter to provide services to our tenants at existing properties. Tenants will have a cost to connect and the service will be optional for them to choose. The property will be non-smoking in all common areas and all units will be non-smoking. There will be a place outside for tenants and their visitors to smoke, with the proper disposal vessels on site. The cost of internet ranges from \$59 to \$79 per month, depending on the service provider selected. MDC anticipates that both AT&T and Charter will provide both cable and internet services at the 44 unit.

12. What fees, if any, will be charged to residents of the proposed building (e.g. parking, laundry, pet fees, etc.)?

We currently charge pet fees (\$25 per month per pet) and allow small dogs and cats.

Our laundry fees are based on tenant's usage of the machines and are currently \$1.75 per load from our service provider. Tenants would pay for laundry based on their usage of our contracted laundry service. Our service provider gives MDC

JCSA

tenants the ability to pay via credit card online and also electronically alerts maintenance personnel of the need for service upon a machine malfunction to ensure machines are well maintained. MDC receives a small % of the income collected.

Parking will be available under the building as well as on surface lots. Our parking rates currently range from \$85 per month to \$125 per month downtown at the Mifflander, and are \$65 per month at our surface lot at 738 E Dayton Apartments, which is further away from downtown. *We are projecting 0 parking fee for HOME units, and \$45 for surface + \$95 for underground non-home spots, + 44 bike spots underground.*

HOUSING INFORMATION & UNIT MIX

13. If a site has been identified, 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.

— see 44-UNIT!

ADDRESS #1:		1954 E Washington (address of 27 unit next door not yet determined)					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%	0	0	0	0	0	0					
40%	20	0	10	10	0	0					
50%	50	20	10	10	10	0	945	1032			
60%	40	10	10	12	10	0	985	1180			
Sub-total	11	30	30	30	20	0	945	1180			
Market*	330	0	120	180	30	0	1575	1590			
Total Units	44	30	150	210	50	0	Notes: MDC's target is HHs that make 40-80% of CMI with at least 40% (11 units) rented to HH <60% CMI, 10 rented at <70-80% of CMI and 18.5% (5 units) at market (>80% of CMI). Actual rents will be based on HOME funding received, and HOME rent charts, keeping in mind the required utility allowances.				

See updated chart (attached) next page

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

ADDRESS #2:		not applicable for this application					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%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
Sub-total	0	0	0	0	0	0					

File 12/21/18

ADDRESS #1:		MDC The Avenue - 44- Unit configuration as of 12.27.18 by LKHeinemann, MDC									
1954 E Washington		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities/and NET of utility allowance				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
40%	2	0	1	1		0	\$769 incl utilities \$681 Net of \$88 Utility Allowance	\$802 incl. utilities/ \$707 Net of \$95 Utility allowance	\$1020 including utilities/ \$908 Net of \$112 allowance		
50%	5	2	1	1	1	0	\$769 / \$681 net of \$88 utility allowance	\$860 including utilities \$765 Net of \$95 utility allowance	\$1032 incl. utilities/ \$920 net of utility allowance	\$1192 incl. utilities, \$1,063 net of \$129 Utility allowance	
60%	4	1	1	1	1	0	\$769 / \$681 net of \$88 utility allowance	\$924 incl. utilities / \$829 net of \$95 utility allowance	\$1091 including utilities/ \$979 net of utility allowance	\$1,368 incl util/\$1,239 less \$129 utility allowance	
Sub-total	11	3	3	3	2	0					
Market*	33	0	12	18	3	0	769	1,150 to 1,175	1,300 to 1,650	1522 – 1,950	
Total Units	44	3	15	21	5	0	Notes: Rent will be net of Utility allowance. Allowances are \$88 for a studio (efficiency) \$95 for 1 bedroom unit, \$112 for 2 bedroom unit, \$129 for 3 bedroom unit Tenants will pay utilities except water, sewer, garbage. Financial projections dated 12.18.18 are based on net rent AFTER utility allowance. 7 (or 63%) of the 11 HOME units are <50% CMI, and 4 are <60% CMI so 100% of the 11 HOME units are <60% CMI.				

(see 44 unit)

Market*	0	0	0	0	0	0				
Total Units	0	0	0	0	0	0	Notes:			

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

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

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

MDC plans to have at least one fully accessible (100% accesible) unit for each the 3 upper floors (total 3 units that are 100% accessible). For the fifteen 2-bedroom, 2 bath units we plan to have a shower that will be fully accessible and have sufficient room to accomodate a personal assistant. All units will be accessible for guests with at least one elevator and ramp to allow access.

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

Our most recent project, the Mifflander (a 46-unit completed in 2017) incorporated energy efficient features that resulted in significant savings for tenants. Tenant utility costs in this new building average between \$85 and \$100 per month.

The building will incorporate:
 All Energy Star Rated appliances
 High efficiency boilers and furnaces (95% efficient or better)
 LED lighting and natural lighting in the common areas

The 44 unit will comply with Wisconsin Green Built Homes standards and is expected to achieve a higher than required energy efficiency rating on the exterior envelope of the building.

17. For proposals that include rehabilitation and where a site has been identified, 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.

Not applicable for this new 44 unit apartment building

18. Real Estate Project Data Summary

If a site has been identified, enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	# of Units Accessible Current?	Number of Units Post-Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	1954 East Washington Avenue - site next door (address TBD) - we are not purchasing, we already own the site.								
	0	44	n/a	0	0	3 minimum	\$2.6 million	\$8,100,000	0
Address:	Enter Address 2 1950 E Washington								
	4	0	4	3	N/A	N/A	700K	0	N/A
Address:	Enter Address 3 1948 E Mifflin								
	4	0	4	2	N/A	N/A	700K	0	N/A

(8 unit)

AKA 12/27/18

INTEGRATED SUPPORTIVE HOUSING UNITS

19. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) if serving populations requiring intensive case management or ongoing supportive services. Provide a detailed description of the type and level of supportive services (such as assessment and referral, on-site intensive case management, etc.) that will be provided to residents of the proposed project.

MDC's mission is to empower Madison citizens to prosper in the City by MDC providing SMART* housing that takes up 30 to 40% (or less) of Household incomes so that HHs are not cost-burdened by their housing.

Our model is to buy, develop, build and manage all of our properties. Our development model does not include applying for Section 42 Tax credits nor providing social services. That being said, we acquired The Avenue in 2001 from MMHA and Options in Community Living is currently onsite and provides services for 10 of our disabled current tenants at the 28 unit Avenue (former Hospital) complex. They are considering a move to another site in the future, at which point we will re-evaluate our alternatives.

We also partner with Porchlight, the YWCA, and JSS as well as other agencies seeking quality affordable housing for their client base and often contract with them to make sure their clients can secure a place to live.

(*SMART = Safe, Mixed income, Accessible, Reasonably priced and near Transit is a program in the City of Austin which is trademarked by the City).

20. What, if any, financial support will be offered to help finance the provision of support services to tenants? Attach a letter from the service provider(s) detailing the services to be provided to residents of the supportive housing units, the cost of those services and how they will be financed (i.e., through the development, fundraising, existing program dollars, etc.)

No financial support will be offered, but we will make referrals to agencies that provide such financial support. These include JSS, Porchlight and JSS, as well as others in the City of Madison.

TENANT SELECTION

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

MDC's model is to provide quality, reasonably priced housing for low to moderate income people in Madison. We are flexible in tenant criteria by partnering with the agencies who provide services, such as the YMCA, Porchlight, and other agencies who receive outside funding for their agencies. However, MDC does NOT receive any grants or funding for providing social (support) services. That being said, we provide quality, affordable workforce housing. Our tenants are employed or have a source of other income, and they are screened for their Household income, credit history and criminal record. Our priority is to have a safe place for all of our tenants to call home.

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

Our occupancy standards have a guideline for a maximum of 2 people per bedroom and 1 in the living room. For example, we will not rent a 3 bedroom unit to a 1 person household, there must be at 3 people in the household. That being said, we have a maximum of 2 people per bedroom, and 1 in the main living area (although not preferred). For 2 bedroom units at the proposed 44 unit, the maximum occupancy would be 5 people and for one bedroom units, the maximum would be 3 people. Therefore, our anticipated range of people on site using our average of 2.2 per HH is 2.2 x

27, or 60 people. This could, however be higher to a maximum of 109 people if all 44 households maximize their HH capacity.

PROPOSAL TIMELINE

23. Describe activities/benchmarks by month/year to illustrate how your project will be implemented. At a minimum, please include: site control, financing secured, acquisition, start of construction/rehab, end of construction/rehab, available for occupancy, submission of completion report/final draw request.

Activity/Benchmark	Estimated Month/Year of Completion
Site Control Meetings with Neighborhood Associations (EENA 12/20/17, 1/17/18, 3/21/18 and 6/20/18). MDC also hosted 2 neighborhood and tenant meetings on 4/18/18 and Alder Palm's Meeting is set for 9/26/18 at 6:30 p.m. at East High School. We plan to apply to UDC for approval in October 2018.	Site control completed in 2001 Neighborhood meetings in process
Secure HOME Funding of \$990,000 from City for the 27 unit project Secure final commitment from Bank/ Other Lenders UDC Zoning Final Approval Meeting, followed by Plan Commission Meeting	January 2019 December 31, 2018
Secure UDC Zoning Final Approval, followed by the Plan Commission and City Council Approval for project	October 2018 to January 2019 to Feb 2019
Finalize Financing documents with the Bank	February 2019
Construction Documents Completed and RFP issued for General Contractor per City requirements, Selection of Contractor	February 15, 2019- April 2019
Start Construction / Finalize General Contractor paperwork and Break Ground	April 2019 JUNE 2019
End Construction / Complete 44 units, Available for Occupancy	June May 2020 JUNE 2020
Complete re-design of Graaskamp Park project with UW's Graaskamp Center	May 2019/Fundraisig completed by May 2020
Reach 100% occupancy of new 44 Unit - Submission of Completion Report & Final Draw	August 2020

ATTACHMENT C- Community Facilities Development

1. Funds will be applied to:

- Acquisition only
- Rehabilitation
- New Construction
- Acquisition and Rehab/New Construction

12/27/18

2. Please explain why you are interested in acquiring or improving this space (e.g. cost savings, collaborative effort, accessibility improvements, etc.). Please describe the work being contemplated.

3. What is the current outstanding debt on the property (including any existing CDBG and City loans)?

Source/Name	Amount
	\$
	\$
	\$

4. If the applicant is renting space:

a. Who is the current owner of the property?

N/A.

b. What is the length of the proposed or existing lease and the proposed rental rate (in rent per square foot)?

5. If this proposal will be in new space, what is the impact of owning or leasing this space compared to your agency's current level of space-related costs?

PROPOSAL TIMELINE

6. Describe activities/benchmarks by month/year to illustrate how your project will be implemented. At a minimum, please include site control, financing secured, acquisition, start of construction/rehab, end of construction/rehab, available for occupancy, submission of completion report/final draw request.

Activity/Benchmark	Estimated Month/Year of Completion

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

- A completed Application Budget Workbook, showing the City's proposed financial contribution and all other proposed financing.

Separate File submittal with Attachment D -
CONFIDENTIALITY REQUEST

- A current list of Board of Directors (attached)
- A Capital Needs Assessment report of the subject property, if the proposal is for a housing rehabilitation project and if the report is available at the time of application. N/A
- A recent market study, prepared by a third-party market analyst, if available at the time of application. N/A
- For applicants seeking ~~EECBG~~ funds, an energy audit, prepared by a certified Focus on Energy auditor, if available at the time of application.
- For community facilities ~~proposals~~, a minimum of two estimates upon which capital costs are based (please ensure that Fair Labor Standards and the payment of Federal Prevailing Wage Rates are considered in these estimates).
- For community facilities ~~proposals~~, a copy of the plans and specifications for the work, or a description of the design specifications you are contemplating.
- For community facilities ~~proposals~~, if the applicant owns the space, a copy of the long-range building improvement plan and building maintenance plan (please include a narrative describing what the building needs and how you expect to maintain it over time).

NOTE: If an appraisal, market study, or capital needs assessment is not available at the time of application, and the proposal is funded through this RFP process, these items must be submitted to the City prior to receiving a Loan Agreement.



Board Members – September 11, 2018

Ron Trachtenberg, Chair
VonBriesen Law Firm

Stuart Levitan
Retired (former State of Wisconsin Labor
Arbitrator)

Vicki Bankston, Vice Chair

Rob Bergenthal
True North Investments

Tom Golden, Secretary
M3 Insurance

Matt Younkle
Forward Fest/ Murfie

Mike Kollath, Treasurer
Kollath CPAs

Rich Arnesen
Stone House Development

Mary Strickland, Ex Officio (Past Chair)
R.W. Baird

Julia Stone
Amazon.com

Dante Viscarra
Wisconsin Latino News

Tony Koblinski
Madison-Kipp

Anne Neujahr Morrison
Urban Land Interests

**Affirmative Action Plan
for
Request for Exemption
Employ 14 or fewer
(Effective for 2 Years)**

Madison Development Corporation

Sara@mdcorp.org

1. Company Name

5. E-mail Address

550 W Washington Ave
Madison, WI 53597

www.mdcorp.org

6. Your Website

Lorrie K Heinemann

2. Address/City/State/Zip Code

7. Chief Executive Officer

(608) 256-2799

Sara Gussine

3. Telephone

8. EEO/AA Officer

09/11/2018

4. FAX

9. Date

11. Check one:

- Public Works (PW)
- Vendor & Supplier (V&S)
- Community-Based Organization (CBO)
- Small Cap TIF

FOR QUESTIONS, CONTACT:
AA CONTRACT COMPLIANCE SPECIALIST
Department of Civil Rights Affirmative Action Division
210 Martin Luther King, Jr. Boulevard, Room 523
Madison, Wisconsin 53703
PH (608) 266-4910
FAX (608) 266-6514
contractcompliance@cityofmadison.com
www.cityofmadison.com/dcr

Summary

This summary is not your license, permit or official registration, except in the case where information about a temporary permit is specifically listed on this summary. Please contact the agency administrator if you have questions.

Date: 9/11/2018

Time: 11:48 AM

Section II - Current Workforce Head Count

DIRECTIONS:

Complete **ALL TOTALS** in last column and last 2 lines: 29 and 30. **Numbers requested are head count.** [1] (Only if your entire company has **FEWER** than fifteen (15) employees, instead complete the **Request for Information** available at www.cityofmadison.com/dcr/aaForms.cfm.)

		Number of Employees Worksheet							
Job Category	Gender	Disabled	White not of Hispanic origin	Black not of Hispanic origin	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native	Two or More Races	Total
Professionals	Female	No	2	2	0				4
	Male	No	6	1	1				8
Total			8	3	1	0	0	0	12

I certify that the number of employees shown above is accurate and true to the best of this employer's ability.

32. SIGNATURE OF CEO James K Heinemann 9-11-18

APPENDIX C



Affirmative Marketing Plan

It is the intention of Madison Development Corporation to effectively market its rental properties to all interested and eligible parties. To accomplish this goal, MDC will use the following procedures with respect to the marketing of its rental properties:

1. All vacancies will be advertised in available electronic media; including, but not limited to the MDC website, Abodo, Downtown Campus Living, and Craigslist.
2. A notice of all vacancies will also be sent to a list of organizations and service providers representing and aiding minority and low-income populations. Examples include Access to Independence; Madison Community Development Authority; Tenant Resource Center; Urban League of Greater Madison; and The Salvation Army.
3. MDC will work with administrative staff at local schools, to provide information on affordable housing options for students and their guardians.
4. The Equal Housing Opportunity slogan shall be used with all advertising and notices.
5. The fair housing poster shall be displayed in our offices where applications are accepted, and leases signed.
6. MDC will maintain records of all advertising and notices for no less than three years.
7. The source of the applicant's knowledge of the vacancy will be tracked in the application and inquiry process to evaluate the effectiveness of the plan.
8. Any practices and procedures not listed above but required by the HOME or City of Madison CDBG programs, will also be followed in compliance with program requirements.
9. MDC will implement the applicable portions of MGO 3.58, which outline the Affirmative Action Articles of Agreement
10. MDC will annually assess the success of its Affirmative Marketing Plan and take corrective actions when deemed necessary.

Madison Development Corporation is committed to providing affordable housing opportunities in accordance with the Federal Fair Housing Law.

*lick
12/27/18*