

Madison Development Corporation (MDC)
Response to RFP- 7/2/09

City of Madison CDBG Office

Housing Rehabilitation and Preservation Proposal

Cover Page

Agency Name: Madison Development Corporation
Agency Address: 550 W. Washington Avenue, Madison, WI 53703
Agency Contact: Frank Staniszewski, Pres.; 256-2799 Ext. 212; fstan@mdcorp.org
Proposal For: CDBG-ARRA; RFP for Housing Rehabilitation and Preservation
Legal Status: Non-Stock, Non-profit Corporation, 501 (c)(3)
Amount of Request: \$164,250

Frank Staniszewski, PRES.
7/2/09

**Madison Development Corporation (MDC)
Response to RFP- 7/2/09**

**City of Madison CDBG Office
Housing Rehabilitation and Preservation Proposal**

A. Program Design:

Madison Development Corporation (MDC) is a local non-profit that owns and manages over 200 low income, affordable apartments in Madison and Dane County. MDC's average tenant is at or below 40% of county median income (CMI). While many of MDC's tenants receive some form of assistance, many are also working poor. MDC does not directly provide any services along with our housing, although we cooperate with many service providers and actually lease to agencies where tenants are in need of such support. Our mission is to provide quality affordable housing. We pride ourselves on re-investing in our properties, or buying and improving additional apartments. Historically, almost all these improvements are made out of property cash flow-- supported by the rents. With costs rising higher than rents, this has become more of a challenge. This is particularly true for investing in comprehensive energy efficiency improvements.

One property that could benefit from comprehensive energy efficiency improvements is The Avenue, at 1948-1954 E. Washington Avenue. This is a 40 unit property that was renovated in 1989 by the Madison Mutual Housing Association (MMHA) using Section 42 Tax Credits and City funding (TIF, CDBG, and Sec.17 Rehabilitation.) MDC assumed the assets of MMHA and has operated the project since 1999. In 2001, we refinanced the property and funded significant improvements. Now, ten years after the refinance, and 20 years after the conversion, the HVAC systems are starting to fail in several units. The main building on the site is a 28 unit conversion, with individual closet furnaces and exterior AC units. We anticipate that in the next few years most of these 20 year old units will need repair or replacement. Replacement is definitely preferred, since the AC systems now run on different coolant, and the furnaces now available are substantially more energy efficient. We have recently repaired several units and did replace one of the 28. Since each apartment has separate units, the replacement is costly and labor intensive. However, the energy efficiency savings would be substantial. In addition, tenants pay their own utilities, so those savings would directly benefit the tenants. Funding for this project would therefore help the low income residents as well as relieve MDC of a large capital cost we know is inevitable. In addition, these same units have outdated, energy inefficient windows that are also having failed seals or cracks. A comprehensive program to replacing these windows would also be expensive and labor intensive. We have 125 windows in the 28 units at the 1954 E. Washington building. We anticipate replacing all these windows, with high E replacements.

In hopes that rehab or energy improvement money may come available through the recent Federal Recovery effort, we have had our usual HVAC contractor provide estimates for our most aging and/or inefficient systems. These are attached. As you can see, we have one boiler 50 years old, and many other needs that we have put into our capital improvements budget. Since the proposed project is straightforward, well defined, and we already have estimates from one reputable contractor, we could implement this project in a timely manner. We anticipate the funds would be fully expended in 6 to 9 months.

B. Experience

MDC has owned, managed and built or rehabbed properties since 1981. We now own and manage over 200 affordable apartments. Current staff includes two maintenance technicians and a maintenance coordinator, who have all bid and procured work such as this proposal. (Work outlined in the proposal will not be done by MDC maintenance staff.) In addition, we have a full time Controller and President with 5, and 20+ years experience with CDBG compliance and requirements, with nearly zero compliance problems or deficiencies.

C. Outcomes

We anticipate the funds would provide HVAC improvements on 27 low income occupied units, and up to 28 energy efficient window updates on those units. We anticipate that this will create 0.50 FTE equivalent jobs for the HVAC component and 0.25 FTE for the window component, for the contractors engaged, or a total of 0.75 FTE new jobs. The units improved would experience energy savings, directly impacting the budgets of the low income tenants by a minimum of 30%, given the 95% efficiency of the new units. This will definitely be greater for units receiving new windows. Client data is now available for all affected apartment residents. This is now collected for ongoing compliance under the Sec. 42 Tax Credits and reported to WHEDA. It can also be supplied to the CDBG Office. Of the 28 units in the building, currently 19 units are restricted to incomes below 60% CMI, 5 units are restricted to incomes below 50% CMI, and 4 units are "market." Of the 4 "market" units, 2 are occupied by Section 8 tenants, one is occupied by a very low income family, and one is vacant. As stated, the actual average income is below the restricted level, averaging just over 30% of CMI.

MDC has a long history of providing income data for CDBG compliance as well as WHEDA Tax Credit compliance, including reports for this property.

D. Budget

MDC has already obtained one estimate for the HVAC units from one vendor. (We would obtain at least two additional estimates prior to choosing the vendor.) The closet furnace units cost \$1,935 per unit for a 95% high efficiency furnace with DC fan. The AC units each cost \$1,995 for SEER 14 energy star units. Additional miscellaneous charges of about

\$100 per unit would include concrete pads for ground floor units and crane rental for roof mounted units. Therefore total HVAC replacement will be about \$4,000 per unit, or \$108,000 total for 27 apartments. We have 12 other apartment units at the Avenue with exterior AC units. These are on concrete slabs, which are sinking or sloping. We would also have these slabs replaced and the units reset on top. Window replacements are estimated at \$450 per window (including labor), times 125 windows. Total window costs equal \$56,250. Total grant request is \$164,250.

E. References

Barb Constans in the CDBG Office has been our grant administrator for years.

Percy Brown, City of Madison, Rehabilitation Loans and CDA, 266-6558, administers our current Sec. 17 City Rehab loan and compliance.

Kate Gaines, 608-246-3737
Project Home
1966 S. Stoughton Rd
Madison, WI 53716

Madison Development Corporation (MDC)

Housing Rehabilitation and Preservation Proposal

Attachments:

1. Avenue Rent Roll with household incomes and percent CMI.
2. Avenue Compliance Report for Sec. 42.
3. Cost Estimate for 95% Eff. Furnace units.
4. Cost Estimate for Energy Star (SEER 14) Air Conditioner units.

Madison Development Corporation
 550 W. Washington Ave.
 Madison, WI 53703

Phone: 608-256-2799

Property : Ave.,

Tenants - Ave Compliance

ACTUAL % CMI

Property	Amount	Unit	Compliance Date	Compliance Type	Actual % CMI	Compliance Status	Unit ID
current	\$42,000.00	4.00	1948 Wash, Ave.,				001
current	\$60,000.00	3.00	1948 Wash, Ave.,				003
current	\$18,975.00	1.00	1948 Wash, Ave.,				004
current	\$28,392.00	1.00	1950 Wash, Ave.,				001
current	\$8,953.00	1.00	1950 Wash, Ave.,				002
current	\$13,650.60	1.00	1950 Wash, Ave.,				003
current	\$15,000.00	1.00	1950 Wash, Ave.,				004
current	\$7,884.00	1.00	1953 Mifflin, Ave.,				001
on-notice	\$13,296.00	2.00	1953 Mifflin, Ave.,				002
current	\$10,327.00	1.00	1953 Mifflin, Ave.,				003
current	\$43,425.26	1.00	1953 Mifflin, Ave.,				004
current	\$23,000.00	1.00	1954 Wash, Ave.,				001
current	\$32,000.00	6.00	1954 Wash, Ave.,				002
current	\$8,280.00	1.00	1954 Wash, Ave.,				003
past	\$16,000.00	1.00	1954 Wash, Ave.,				005
past	\$0.00	2.00	1954 Wash, Ave.,				007
past	\$29,003.00	2.00	1954 Wash, Ave.,				007
current	\$10,041.00	1.00	1954 Wash, Ave.,				008
past	\$21,600.00	1.00	1954 Wash, Ave.,				010
past	\$7,300.00	1.00	1954 Wash, Ave.,	30			011
current	\$6,144.00	1.00	1954 Wash, Ave.,	30			012
current	\$8,400.00	1.00	1954 Wash, Ave.,	30			013
current	\$8,280.00	2.00	1954 Wash, Ave.,	30			014
past	\$24,731.00	1.00	1954 Wash, Ave.,	30			015
current	\$12,660.00	1.00	1954 Wash, Ave.,	30			016
current	\$8,160.00	1.00	1954 Wash, Ave.,	30			018
current	\$12,025.00	1.00	1954 Wash, Ave.,	30			019
current	\$0.00	5.00	1954 Wash, Ave.,	30			020
current	\$9,717.00	1.00	1954 Wash, Ave.,	30			023
current	\$12,408.00	1.00	1954 Wash, Ave.,	30			024
current	\$13,656.00	5.00	1954 Wash, Ave.,	30			025
current	\$13,656.00	5.00	1954 Wash, Ave.,	30			025
current	\$0.00	0	1954 Wash, Ave.,	40			026
current	\$20,724.00	2.00	1954 Wash, Ave.,	40			026
current	\$9,000.00	1.00	1954 Wash, Ave.,	30			027

ATTACHMENT # 2.

Building 1 of 3			UNIT ASSIGNMENT WORKSHEET													
Building address:			Property Name: The Avenue Apartments													
1954 E. Washington Ave.																
Madison, WI																
A separate worksheet MUST be completed for each building.																
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		
Unit No. *	# Bdrms	# Baths	Tax Credit Sq. Footage	Market Rate Sq. Footage	Tax Credit (Check one)	Market	40%	50%	60%	Rent Amount	Sec. Dep. Amount	Utility Allow.***	County Max. Pre 1990 Resident			
1	2	1	735		X			X		\$675.00	\$75.00	\$66.00	\$720.00			
2	3	1	1068		X			X		\$775.00	\$74.00	\$74.00	\$872.00			
3	1	1	645		X			X		\$545.00	\$54.00	\$54.00	\$587.00			
4	2	1	855		X			X		\$625.00	\$66.00	\$66.00	\$906.00			
5	1	1	768		X			X		\$575.00	\$54.00	\$54.00	\$755.00			
6	1	1	645		X			X		\$495.00	\$66.00	\$66.00	\$629.00			
7	2	1	875		X			X		\$635.00	\$66.00	\$66.00	\$906.00			
8	2	1	792		X			X		\$605.00	\$66.00	\$66.00	\$906.00			
9	1	1	655		X			X		\$675.00	\$66.00	\$66.00	\$906.00			
10	2	1	825		X			X		\$665.00	\$74.00	\$74.00	\$1,047.00			
11	3	1	1175		X			X		\$750.00	\$54.00	\$54.00	\$600.00			
12	1	1	808		X			X		\$650.00	\$54.00	\$54.00	\$748.00			
13	1	1	610		X			X		\$595.00	\$66.00	\$66.00	\$720.00			
14	2	1	855		X			X		\$575.00	\$66.00	\$66.00	\$755.00			
15	1	1	610		X			X		\$625.00	\$66.00	\$66.00	\$755.00			
16	2	1	875		X	X		X		\$675.00	\$54.00	\$54.00	\$755.00			
17	2	1	1045		X			X		\$840.00	\$54.00	\$54.00	\$705.00			
18	1	1	665		X			X		\$600.00	\$54.00	\$54.00	\$755.00			
19	2	1	825		X			X		\$675.00	\$54.00	\$54.00	\$629.00			
20	3	1	1175		X			X		\$840.00	\$54.00	\$54.00	\$705.00			
21	1	1	808		X			X		\$600.00	\$54.00	\$54.00	\$755.00			
22	1	1	610		X			X		\$595.00	\$66.00	\$66.00	\$720.00			
23	2	1	855		X			X		\$575.00	\$66.00	\$66.00	\$755.00			
24	1	1	610		X			X		\$625.00	\$66.00	\$66.00	\$755.00			
25	2	1	875		X			X		\$700.00	\$66.00	\$66.00	\$629.00			
26	2	1	1045		X			X		\$875.00	\$54.00	\$54.00	\$587.00			
27	1	1	665		X			X		\$675.00	\$54.00	\$54.00	\$587.00			
28	2	1	925		X			X		\$650.00	\$66.00	\$66.00	\$705.00			
Total Each Column:			18826	4073	X	24	4	0	5	19	\$17,670.00	\$0.00	\$705.00			
1. Total Rentable Square Footage: (D+E)			22899								F/(F+G)		\$587.00			
2. Common Area Square Footage:											D/(D+E)		\$705.00			
3. TOTAL SQUARE FOOTAGE: (1+2)																
7. Eligible Cost of Building:					X	Applicable Fraction (line 6) = Qua	0.00	%	=	Qualified Basis						

Sec 8, < 80%
 LMI
 Sec 8 < 80%
 VAC.

ATTACHMENT # 3.

HEATING & COOLING, INC.

MECHANICAL CONTRACTORS

1802 Beld St • Madison, WI 53713 • (608) 256-3950

Madison Development
550 W. Washington Ave.
Madison, WI. 53703

April 29, 2009

Work @ The Avenue

We propose to furnish and install one of the following gas-fired high-efficiency warm air furnaces.

DC
DC

Brand Model	AFUE	Warranty			Price
		Labor Year	Parts Year	Heat Exchanger Year	
Bryant 340AAV024040	92	1	5	20	\$1590.00
Bryant 350AAV024040	93	1	5	Limited Lifetime	\$1770.00
Bryant 353AAV036040	95	1	5	Limited Lifetime	\$1935.00
Bryant 340AAV060	92	1	5	20	\$1730.00
Bryant 350AAV060	93	1	5	Limited Lifetime	\$1910.00
Bryant 353AAV060	93	1	5	Limited Lifetime	\$1935.00

installed

The above unit will be hooked up to the existing -

- ✓ Gas Pipe
- ✓ Vent through wall
- ✓ Electrical

We will remove and dispose of the old furnace.

EXTRA WORK other than above:

2 nd thru 5 th year extended labor	\$ 175.00
2 nd thru 10 th year extended warranty	\$ 330.00
Energy star setback thermostat	\$ 55.00
Heating Permit	\$ 21.00

TERMS: 50% payment due at contract signing. Cash upon Completion. A 1½% per month service fee will be charged on all unpaid balances 30 days and over.

- If any extra work is requested to be done by us, it will be done on a time and material basis.
- Prices quoted in this proposal are good for fourteen days from the above date.
- It is the responsibility of the home owner to properly protect all flooring, stairs and items you may feel need some kind of protection from dust and grime with the removal and installation of this equipment.

Purchaser's signature

Date: *Gary Miller* Heating & Cooling, Inc.



Heating & Cooling Systems
Since 1904

ATTACHMENT # 4.

HEATING & COOLING, INC.

MECHANICAL CONTRACTORS

1802 Beld St • Madison, WI 53713 • (608) 256-3950

Madison Development
550 W. Washington Ave.
Madison, WI. 53703

April 29, 2009

14 = Energy Star

Work at: The Avenue

We propose to furnish and install one of the following air conditioners:

Brand/Model	Freon	SEER	Warranty			Price
			Labor Year	Parts Year	Comp Year	
Bryant 113ANA24	410	13	1	5	5	\$1,825.00
Bryant 114ANA24	410	14	1	5	5	\$1,995.00
Bryant 124ANA24	410	14	1	5	10	\$2,275.00

One of the above units will be installed with the following:-

- X Condensing Unit
- Condensing Unit Base
- Thermostat
- X Coil
- Electrical - 220
- Clock Thermostat
- X Connect to Line Set
- Sub-Base

EXTRA WORK other than above:

- Cement base for ground floor condensing unit's \$45.00 ea.
- Crane service to roof T & M

TERMS: 50% payment due at contract signing. Cash upon Completion. A 1½% per month service fee will be charged on all unpaid balances 30 days and over.

- If any extra work is requested, it will be completed on a time and material basis.
- Prices quoted in this proposal are good for fourteen days from the above date.
- It is the responsibility of the home owner to properly protect all flooring, stairs and items you may feel need some kind of protection from dust and grime with the removal and installation of this equipment.

Purchaser's signature

Date

Sary Miller

Heating & Cooling, Inc.

