





August 1, 2024

Julie Spears  
City of Madison Community Development Division  
Suite 300, 215 Martin Luther King, Jr. Blvd.  
Madison, WI 53703-3348

RE: Affordable Housing Fund RFP #13059-2024 Response

Dear Julie,

MSP Real Estate Inc. is pleased to present our application for the 2024 Affordable Housing Fund for our affordable housing development located at 6425 Normandy Lane, Potomac Apartments.

Located between West Towne Mall and the University Research Park, the site is located central to various employment opportunities for individuals at all income levels. With historically primarily retail and office uses, the Odana Area Plan calls for additional housing units to create a more vibrant community. The established retail and office uses make a great existing support for affordable housing along with the schools located very close to the site. While we do have one existing affordable housing development, Normandy Square Apartments, within 0.5 miles of the site and one affordable housing development, Yellowstone Apartments, currently under construction within 0.5 miles of the site, we believe that this Odana Area is a great, transformative area to continue developing quality affordable housing due to the great access to transit, schools for all ages, and employment opportunities for all income levels.

The risks associated with this project relate mainly to the financial structure of the sources of financing and pools of soft financing necessary for the project's completion. Timing also remains a risk as there is a long lead time from concept to fruition in these types of transactions. Increases in construction costs due to inflationary pressures, unforeseen increases in the construction budget, high interest rates, and lower tax credit pricing are all additional factors that could fluctuate to create a project that is no longer financially feasible.

If Potomac Apartments is awarded City of Madison Affordable Housing Funds, we will be submitting an application to WHEDA this round for Low-Income Housing Tax Credits (LIHTC). We believe the score for this project will be very competitive based on the latest scoring guidelines currently available. This project will also be applying for Dane County Affordable Housing Development Funds and FHLB AHP funds to bring this project to fruition. If all financing sources are secured, the project will break ground in early 2026 with units delivered in 2027.

This proposal will provide a 47-unit family building with a combination of 36 affordable units and 11 market rate units. Ten (10) of the affordable units will further be set aside for individuals/families at the 30% CMI rent and income levels.

Finally our proposal at 6425 Normandy Lane offers the following additional RFP preferences:

- Over 20% of the proposed affordable units are for households with incomes at or below 30% CMI (about 27% of affordable units).
- Over 40% of the proposed affordable units are for households with incomes at or below 50% CMI (about 78% of affordable units).
- Over 5% of total units are three-bedroom units (about 15% of total units) all at 60% CMI or below.
- Integrated supportive services provided with The Salvation Army of Dane County and the Dane County Veterans Service Office.
- Adherence to the Tenant Selection Plan Standards and Affirmative Marketing Plan Standards.
- Commitment to utilizing alternatives to eviction including working out a payment plan and providing contact information for local resources that may be able to assist with rent payments.
- Community room, tenant storage, and onsite leasing office.
- Commitment to achieving the Wisconsin Green Built Gold Standard.
- Incorporating a 30 kW solar array.
- Providing an internship opportunity to an ACRE student/graduate and/or a member of the BIPOC community.
- Commitment to embracing the City's Racial Equity and Social Justice Initiative in all aspects of the project, including but not limited to bidding, construction, marketing, tenant selection, and property management.
- Leveraging the use of all available resources by submitting a competitive application for WHEDA tax credits, applying to FHLB AHP, applying for City of Madison and Dane County Affordable Housing Funds, and deferment of the maximum feasible amount of developer fee.

We are a long-term owner with a proven ability to secure the necessary sources of funding along with the construction expertise to manage complicated projects across the finish line that continue to add to our 30+ year history of exceptional affordable housing developments in the communities in which we work.

We look forward to working with City staff and elected officials to bring this project to fruition.

Sincerely,

*Alyssa Klecker*

Alyssa Klecker  
Development Associate

**AFFORDABLE HOUSING GOALS & OBJECTIVES**

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

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

**AFFORDABLE HOUSING NEEDS, BENEFIT AND RISK**

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

Historic low vacancy rates and strong lease-up schedules continue to be the trend in Madison, WI. A market study we had completed by Dale Mussati of Lexington Realty Services for our nearby project in Madison currently under construction, Yellowstone Apartments, estimated that Yellowstone Apartments would reach full occupancy in approximately four months after receiving certificate of occupancy with an absorption rate of 18 units/month with a capture rate of 0.4% and a penetration rate of 11.2%. Given this data on our nearby project currently under construction, there appears to be an unmet need for affordable family rental housing in the primary market area with a sufficiently large target market. We anticipate similar demand for the proposed Potomac Apartments development and plan to order a market study prior to applying to WHEDA to confirm the anticipated demand.

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

The public benefit of Potomac Apartments is to create new, high quality affordable housing for the City of Madison in an "Eligible Core Transit Area," providing future residents with access to transit and in close proximity to services/amenities and jobs/education. This project especially aims to serve some of the lowest income individuals/families at 50% or less of the county median income, along with providing supportive services for the 30% CMI units for Veterans and homeless/nearly homeless individuals and families. These residents will have greater access to other supportive services because of an affordable place to live, helping residents maintain quality affordable housing.

Potomac Apartments will contribute much needed affordable workforce housing in the City of Madison. While we do have one existing affordable housing development, Normandy Square Apartments, within 0.5 miles of the site and one affordable housing development, Yellowstone Apartments, currently under construction within 0.5 miles of the site, we believe that this Odana Area is a great, transformative area to continue developing quality affordable housing due to the great access to transit, schools for all ages, and employment opportunities for all income levels. Based on the market study from Yellowstone Apartments, we believe there is still an unmet demand in this area for additional affordable housing units. Potomac Apartments will provide a new, quality affordable housing option in this area, taking advantage of the location's opportunities.

The risks associated with this project relate mainly to the financial structure of the sources of financing and pools of soft financing necessary for the project's completion. Timing also remains a risk as there is a long lead time from concept to fruition in these types of transactions. Increases in construction costs due to inflationary pressures, unforeseen increases in the construction budget, high interest rates, and lower tax credit pricing are all additional factors that could fluctuate to create a project that is no longer financially feasible.



**SITE INFORMATION**

11. Address of Proposed Site: **6425 Normandy Ln**
12. In which of the following areas on the Affordable Housing Targeted Area Map (see Attachment A) is the site proposed located? Please check one of the first three AND Limited Eligibility, if applicable.
- Preferred TOD Area
  - Eligible Core Transit Area
  - Preservation & Rehab Area (Ineligible for New Construction)
  - Limited Eligibility Area
13. Identify the neighborhood in which the site is located: No specific neighborhood is identified for the site, but the site is located within the Odana Area Plan Planning Area for reference.
14. Date Site Control Secured: 7/30/2024
15. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities in areas of greatest impact. Describe the neighborhood and surrounding community. (Attach a close-up map of the site indicating project location and a second map using the [AHF Targeted Area Map](#) to show the site in the context of the City.)

Potomac Apartments will be located at 6425 Normandy Ln in the Odana Area. With it's location just off of Odana Road and within a 0.5 mile walk of the BRT Route along Mineral Point Road, the site is well-served by transit and is located in close proximity to many services/amenities as can be seen in the below chart. It is also located central to many employment opportunities at every income level as the site is located between both West Towne Mall and the University Research Park.

While we do have one existing affordable housing development, Normandy Square Apartments, within 0.5 miles of the site and one affordable housing development, Yellowstone Apartments, currently under construction within 0.5 miles of the site, we believe that this Odana Area is a great, transformative area to continue developing quality affordable housing. Based on the market study from Yellowstone Apartments, we believe there is still an unmet demand in this area for additional affordable housing units. Potomac Apartments will provide a new, quality affordable housing option in this area, taking advantage of the location's opportunities.

Schools assigned to the address of the site include Muir Elementary, Gillespie Middle, and Memorial High. A great benefit of this site is that each of these school are within 0.85 miles of the site (a 25 minute walk or 7 minute bike) allowing kids to get easily to and from school without a vehicle. Walking/biking is the most efficient route to these schools as they are so close by. Several childcare centers are also located in close proximity to the site as can be seen below. The closest public library is the Madison Public Library - Meadowridge just 1.75 miles away.

Both the UW Health West Towne Clinic and UW Health Odana Road Clinic along with various pharmacies as can be seen below are located in close proximity to the site, allowing future residents to stay on top of their medical/health needs.

Several full service grocery stores and retail are located near to the site as well. This allows residents to shop for everyday needs and services as well as provides additional employment opportunities for residents. For recreational and social purposes, there are several parks and community centers located within 1.5 miles of the site.

Transit routes will offer residents easy and quick access to transportation in all directions of the City, allowing residents to easily navigate to employment opportunities, services, and amenities, especially if they do not have their own personal vehicle. Bus Routes A, H, & J all have bus stops within 0.7 miles of the site. All routes provide consistent weekday and weekend service. Route A travels from West Towne Mall to the Sun Prairie Park & Ride, Route H travels from West Towne Mall to the South Transfer Point, and Route J travels from West Towne Mall to the UW Campus. The BRT along Mineral Point Road is within 0.5 mi of the site. With a 68 Walk Score and a 73 Bike Score, both walking and biking are viable options to get around.

As can be seen from the list below, many services and amenities are located in close proximity to the site, allowing residents to save money on transportation costs. In addition, the transit routes and BRT route will further allow residents to access the surrounding amenities/services. The project will also be providing underground parking, but with this location the residents will not need to rely on a personal vehicle to get around the neighborhood and City. Potomac Apartments will contribute much needed affordable workforce housing in the City of Madison and in a great location.

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

17. Will the proposed development seek a Zoning Map Amendment:

Yes  No, it's permissively zoned  To be determined

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

The subject property is zoned Suburban Employment (SE) within the Transit-Oriented Development (TOD) District. After meeting with planning and zoning, the City would like to see this site rezoned to CCT which will align with the City's plans better accommodate the project with 47 units of multi-family housing and a small commercial space on the first floor. Along with rezoning, the project will need to obtain conditional use approval, demolition permit, and building permit prior to construction.

19. Describe the proposed project's consistency with the land use recommendations, goals and objectives as may be relevant in adopted [plans](#), including the City of Madison Comprehensive Plan (adopted 2018), Neighborhood Plans,

Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant plans.

The City of Madison Comprehensive Plan (adopted 2018) emphasizes the need for Madison to have a range of quality affordable housing located throughout the City. Feedback from the community also addresses this high need for quality affordable housing, especially for developments located near amenities and transit to allow residents to save on transportation costs and have greater opportunities for jobs. The plan encourages integrating affordable housing into neighborhoods for greater support and chances of success. The plan also states "Integration of affordable housing into mixed-use areas is encouraged, especially along major transit corridors. Multifamily residential within the mixed-use category should contain a mixture of unit sizes, including three bedroom (or larger) units" (Page 22).

Potomac Apartments is consistent with the above recommendations from the Comprehensive Plan. Located along Odana Road, the site takes advantage of a major transit corridor and is within 0.5 miles of the BRT along Mineral Point Road as well. As such, the site has great access to area amenities and transit. The Odana Area is already quite established with various office and retail uses. Integrating affordable housing into this area, especially with great transit access, provides plentiful employment opportunities and access to amenities/services for future residents which will provide additional support for the development's success. Potomac Apartments also incorporates a mixed-use element with commercial space on the first floor and will offer a range of unit sizes from one to three bedrooms to provide opportunities for individuals/families in the community with varying needs.

As noted in the Odana Area Plan, heavy single-use retail and single-use office space along with large parking lots have historically been developed in this area. The plan recognizes a need for more residential development, including affordable and/or rental housing, along with mixed-use development to transition this area to a pedestrian-friendly, vibrant community (Pages 1-2). The plan also recommends to "support affordable housing of all types, including different sizes, costs, and income levels for a broad range of residents" (Page 23). There are numerous references to the utilization of the City of Madison's Affordable Housing Fund (AHF) to address the high need for additional affordable units. Overall, "The ultimate goal of this plan is to unlock the area's significant development potential and guide the transition and redevelopment of predominantly commercial areas into mixed use Activity Centers" (Page 2).

By integrating a mixed-income, mixed-use housing development into the Odana Area, Potomac Apartments is also in alignment with the Odana Area Plan to address the need for more residential development in order to transform the area into a more pedestrian-friendly, vibrant, and mixed-use community. As previously mentioned, Potomac Apartments is also located in an "Eligible Core Transit Area" on the City of Madison 2024 Affordable Housing Fund Targeted Area Map as an area suited for receiving funding for new affordable housing rental projects.

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

N/A

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

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Gordon Food Service Store	0.40 mi
	Woodman's Food Market	0.72 mi
	Walmart	0.95 mi
Public Elementary School	John Muir Elementary School	0.85 mi
	Stephens Elementary School	0.90 mi
	Milele Chikasa Anana Elementary School	1.08 mi
Public Middle School	Gillespie Middle School	0.85 mi
	Hamilton Middle School	1.73 mi
Public High School	Vel Phillips Memorial High School	0.73 mi
	Capital High Westside	0.85 mi



Job-Training Facility, Community College, or Continuing Education Programs	Edgewood College UW School of Nursing	3.43 mi 3.53 mi
Childcare	Koala T Kare Child Care Gan Hayed Preschool University Houses Preschool Inc	0.09 mi 0.15 mi 0.33 mi
Public Library	Madison Public Library - Meadowridge Madison Public Library - Alicia Ashman	1.75 mi 1.93 mi
Neighborhood or Community Center	MSCR Odana Lussier Community Education Center Lussier Family West YMCA	0.77 mi 0.90 mi 1.00 mi
Full Service Medical Clinic or Hospital	UW Health Odana Road Clinic UW Health West Towne Clinic	0.77 mi 0.83 mi
Pharmacy	CVS Pharmacy UW Health West Towne Clinic Pharmacy Walgreens Pharmacy	0.44 mi 0.83 mi 0.85 mi
Public Park or Hiking/Biking Trail	Nautilus Point Park Mineral Point Park Garner Park	0.37 mi 0.59 mi 0.78 mi
Banking	Summit Credit Union Great Midwest Bank Heartland Credit Union	0.29 mi 0.30 mi 0.50 mi
Retail	Market Square Shopping Center Odana Shoppes Shopping Center Clock Tower Court	0.17 mi 0.40 mi 0.46 mi
B-cycle Station	Madison B-cycle: UW Digestive Health Center	1.80 mi
Other (list the amenities):	University Research Park Westside Community Market	0.70 mi 0.70 mi

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

The closest transit stop is Odana at Potomac (#6266 & #6241) located just 0.1 miles down the street from the site (2 minute walk). This stop is served by Route J with frequent service along Tree, Westfield, West Towne, Gammon, Odana, Whitney, Tokay, Midvale, Mineral Point, Speedway, Highland, UW Hospital, University/Johnson, and Brooks. This stop includes both weekday and weekend service with service every 30 minutes during the weekday at noon.

The Mineral Point at Grand Canyon Stop (#6903 & #6330) is located just 0.5 miles from the site (12 minute walk). This stop is served by Route A with frequent service along the BRT route including service between Junction and Watts and East Towne via Mineral Point Road, Sheboygan Avenue, University Avenue, University and Johnson, State Street, Capitol Square, East Washington, Madison College, and East Washington Ave. This stop includes both weekday and weekend service with service every 15 minutes during the weekday at noon.

The S Gammon at Odana Stop (#6159 & #6422) is located 0.7 miles from the site (15 minute walk). This stop is served by Route H with service between Tree, Westfield, West Towne Mall, Gammon, McKenna, Raymond, Reetz, Verona Frontage, Beltline Frontage, Todd, Post, Coho, Fish Hatchery, and Badger. This stop includes both weekday and weekend service with service every 30 minutes during the weekday at noon.

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

The elementary and middle schools assigned to the address of the site include Muir Elementary and Gillespie Middle. To get to Muir Elementary, students and/or their guardians can take a 22 minute walk down Normandy Ln to S Yellowstone Drive and then continue along S Yellowstone Dr until they reach the the school. They do have to cross the busier Mineral Point Road and there are stoplights at this intersection. The walk to Gillespie Middle is about a 25 minute walk from the site. Students and/or their guardians would walk down Normandy Ln and take a right onto Grand Canyon Dr. After crossing Mineral Point Road, students can walk through the Vel Phillips Memorial campus until they reach Gillespie Middle. These students would also need to cross Mineral Point Road to get to Gillespie Middle and there is a stoplight at the intersection of Grand Canyon Dr and Mineral Point Road. There is Yellow Bus Service provided for both Muir Elementary and Gillespie Middle, but given that it is summer, it does not appear that the 24-25 bus routes are available to confirm if the routes serve the 6425 Normandy Ln site.

The walk to Vel Phillips Memorial High School is exactly the same as that for Gillespie Middle, just slightly shorter. Given the close proximity of the school to the site, it appears that students would need to make the walk to S Gammon Road to take advantage of the Metro Transit Route, which doesn't provide much benefit versus walking directly to the school.

A great benefit of this site is that the assigned schools along with the assigned schools are all within a 25-minute walk from the site, allowing students to easily get to and from school without a vehicle.

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

The metro transit routes mentioned above will offer residents easy and quick access to transportation in all directions of the City, allowing residents to easily navigate to employment opportunities, services, and amenities, especially if they do not have their own personal vehicle. Bus routes A, J, and H all have stops within 0.7 miles of the site with both weekday and weekend service. These routes run west to east across the City from West Towne Mall, through the UW Campus/Downtown area, along East Washington Avenue, and to East Towne mall and beyond, allowing residents to easily access all areas of the City. The BRT along Mineral Point Road is within 0.5 mi of the site.

In addition, this site has Walk Score of 68 and Bike Score of 73. As seen from the list of amenities above, many amenities and services are located within 1 mile of the site including grocery stores, childcare, medical centers, and various parks along with various employment opportunities at every income level. The project will also be providing underground parking, but with this location the residents will have a choice of which method they prefer to get around the City of Madison and won't have to rely on a vehicle for a majority of their daily errands in they choose so

25. Describe the impact this housing development will have on the schools in this area. What percent are the 5-year projected capacities for the area schools? Ideal enrollment is considered 90%. Are the schools projected to be at, above, or below capacity? Approximately how many elementary and middle school children are projected to live at the proposed housing development based on the proposed unit mix and previous housing experience? See 5-year projected capacities from 2019 school capacity information found in this [Report](#) (.pdf pages 30-31). MMSD is in the process of updating this information post-pandemic. Please also e-mail Grady Brown ([kgbrown@madison.k12.wi.us](mailto:kgbrown@madison.k12.wi.us)) to obtain updated current and projected capacity for the relevant schools.

The schools assigned to this address are Muir Elementary, Gillespie Middle, and Memorial High.

Using the 2019 enrollment data through the link above, the Five Year Projections and Utilization for each of the area schools is listed below.

- Muir Elementary: 427 - 86.2%
- Gillespie (Jefferson) Middle: 518 - 77.1%
- Memorial High: 2,150 - 95.0%

Based on the 2019 report data, Memorial High is the only assigned school with a five year utilization estimated above ideal capacity at 95.0%. Muir Elementary and Gillespie Middle are both underutilized with the five year utilizations estimated at 86.2% and 77.1% respectively.

When we had reached out to Kristian Chavira at the Madison Metropolitan School District on a recent area project, she provided some data from the 2018-2038 Student Enrollment Projections Update report, prepared by Vandewalle & Associates for MMSD. According to this report, large multi-family buildings (3-8 stories) will generate between 0.025 and 0.036 MMSD students per a unit. Based on these predictions, Potomac Apartments would be

expected to have about 1-2 MMSD students. Given that there are seven (7) three-bedroom units in this development, there could potentially be larger families at the development who would contribute more students than average. However, since the number of projected students due to the proposed building is so small, 1-2 students, this development is not projected to have a substantive impact on the capacity available at the area schools.

We have also e-mailed Grady Brown as suggested, but it sounds like the updated projections and capacities will not be released until early fall.

**SITE AMENITIES**

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

Given the early stage of design and the small site, we are still working with the layout of the building to see what outdoor amenities can be incorporated. Private balconies/patios will be provided for each unit. We would like to incorporate a community room terrace and tot lot if possible as we have provided on previous projects. We will try to work with our site plan to incorporate these outdoor amenities.

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

Similar to the response above, given the early stage of design and the small site, we are still working with the layout of the building to see what indoor amenities can be incorporated. Potomac Apartments will include a community room, tenant storage, and an on-site property manager that will have a leasing office to assist residents at the property. Underground parking will be provided at an additional cost. Parking stalls provided will be in accordance with the City requirements. Our typical recent developments have included a fitness center and indoor play room for kids. We would like to incorporate these features at this site as well, but will need to further explore design to see if these indoor amenities can fit without minimizing the number of units we are able to provide for the community.

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

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

29. In regards to parking, what is the:

a. Anticipated number of total number parking spots:	34
i. Underground	--27
ii. Surface	--7
b. Ratio of parking spots to units?	0.72
c. Monthly parking cost?	\$75
d. Will the parking cost in this development vary by CMI level?	No

Brief further comments regarding parking fees may be added here:

N/A

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

We are still in the process of identifying a tenant for the ground floor commercial space. This space will be designed primarily to serve individuals whose income is 60% or less of county median income and may include childcare, workforce development, healthcare, etc. per the guidelines for WHEDA's "community service facility" assuming that the "community service facility" remains a scoring component for this upcoming WHEDA application round.

## CITY AND COMMUNITY ENGAGEMENT PROCESSES

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

We discussed this site in a pre-application meeting on 7/31/2024. It was discussed that the preferred route for this site would be to rezone the site from SE to CCT zoning. This zoning would allow the lot coverage to be 85% rather than 75%. The proposed project would still need conditional use approval under the new zoning. It was discussed that we should consider the current and future tenant of the small commercial space on the first floor and its function within the development if necessary. Due to the rezoning, the land use application would need to be submitted no later than October 7 to be consistent with the City's RFP timeline. On this application, we will need to indicate rezoning, conditional use, and demolition. We will also need to send written notice to the Alder 30 days prior to submitting this land use application along with posting the demolition notification with the City. Setbacks and parking requirements were also discussed to keep in mind.

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

We have not yet presented this proposal to DAT and will reach out to schedule a meeting for this proposal at the earliest convenience and prior to the 8/29/2024 deadline for this RFP.

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

This project was discussed briefly with Alder Guequierre on 7/30/2024. Alder Guequierre didn't identify any issues or concerns with the project in this initial discussion. Especially as the site is surrounded by other commercial & office uses, Alder Guequierre did not anticipate any major issues or concerns with the site. Alder Guequierre did mention that we will want to preserve any trees worth keeping if possible.

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

We have not yet received input from the neighborhood, but will work with Alder Guequierre to schedule a neighborhood meeting to receive input from the neighborhood.

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

We will have an open line of communication with Alder Guequierre and the community both during construction and approaching lease-up to address any neighborhood comments that may arise. We will provide updates as applicable and ensure to let Alder Guequierre and the neighborhood know when we are commencing lease-up. The virtual neighborhood meetings have been a great way to get the neighborhood involved right off the bat and to create an open dialogue and communication with the Alder/neighborhood that can continue through the duration of the project.

**DEVELOPMENT TEAM**

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

Contact Person	Company	Role in Development	E-mail	Phone
Jerry Bourquin	Dimension IV Madison Design Group	Architect	jbourquin@dimensionivmadison.com	608-829-4452
Katie Rist	Foley & Lardner	Attorney	krist@foley.com	608-258-4317
Brian Martin	MSP Property Management	Property Management	bmartin@msphousing.com	608-831-7004
Glen Weyenburg	SVA	Consultant/Accountant	weyenbergg@sva.com	608-826-2005
Ben Shearer	MSP Construction	General Contractor	bshearer@msphousing.com	414-208-8745
Alyssa Klecker	MSP Real Estate	Development Associate	aklecker@msphousing.com	414-308-6142
Melissa Sorensen	The Salvation Army of Dane County	Supportive Services Partner	melissa.sorensen@usc.salvationarmy.org	608-250-2237
Bridgette Nelson	Dane County Veterans Service Office	Supportive Services Partner	nelson.bridgette@countyofdane.com	608-266-4158

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

The property will be an LLC with MSP Real Estate, Inc. or its assigns as the managing member entity.

The managing member entity will have a 0.01% ownership interest in the overall property LLC and the limited partner will have a 99.99% ownership interest in the overall property LLC. The limited partner will be owned 100% by the equity investor who will be purchasing the LIHTC. The equity investor has not been determind at this time.

MSP Real Estate, the Developer, will assign land rights to the to be named LLC for Potomac Apartments.

38. Describe briefly the Development Team’s knowledge of and experience in addressing affordable housing needs of the City of Madison. Please be sure to address:

- a. Experience developing multifamily housing for low- and moderate-income households, including:
  - i. Experience obtaining and implementing LIHTC, including number, type and location of proposed and completed LIHTC projects and/or affordable housing units your organization has developed.
  - ii. Experience obtaining and implementing federal, state, city and other financing resources, including number of projects, number of units and location of projects with federal LIHTC, HOME, CDBG, or Section 108 funds.
- b. Developer's experience with, including number of projects, number of units and location developed with integrated supportive housing units.

- c. Leadership/key development team staff qualifications (briefly). Years the organization has been in existence.
- d. Financial capacity of the organization to secure financing and complete the proposed project.
- e. For non-profit organizations and/or co-developers, please describe the organization’s Mission Statement and explain how the proposed development supports the Mission Statement.

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

See attached.

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

N/A

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

N/A

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

MSP’s development team will be responsible for monitoring compliance with these regulations during development and construction phases of the project. Our development team has secured awards for tax credits for 33 total projects in the Midwest in which various financing sources have been utilized, such as LIHTC, CDBG, HOME, FHLB AHP, TIF, and various other sources. Throughout these projects, our development team was responsible for compliance during development and construction until the successful projects were turned over to our property management team. See attached for detailed project list.

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

Our property management team, MSP Property Management, will be responsible for monitoring compliance with these regulations during the Period of Affordability. MSP Property Management was formed in 2005 to service MSP’s affordable housing and market-rate housing and currently manages over 1,900 units throughout the state of Wisconsin. All team members are kept up to date on any State or Federal Policy changes and LIHTC compliance according to the needs of the State Agency and their recommendations which may include annual fair housing training. Property management staff do attend WHEDA compliance seminars on an as needed basis.

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

Along with City of Madison funds, this project is also seeking WHEDA tax credits, Dane County Affordable Housing Funds, and FHLB AHP funding.

WHEDA has a two-step application process this year with concepts due in December 2024 as of which WHEDA will invite the proposals they want to move forward to submit a full application. WHEDA will provide the notification of which concepts are moving forward in January 2025 and full applications will be due March 2025. WHEDA will then make their awards in May 2025.

The Dane County Affordable Housing Fund application is due 8/5/2024 with notifications of awards in November/December 2024.

This year's FHLB AHP application round has already passed, so we will apply for FHLB AHP funds in 2025 likely due in June 2025. Notification of awards are anticipated to be in November 2025 for the next round.

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

N/A

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

MSP is committed providing a meaningful internship opportunity to an ACRE student/graduate or member of the BIPOC community with MSP Companies in the Summer of 2027. The intern will have an opportunity to work with and gain insight on all aspects of the real estate process including development, construction, and property management. The student or grad would be on the team during the most critical time for the project as construction is closed and the project is leased up. The ACRE student/graduate or member of the BIPOC community would also have the chance to work with multiple projects and properties under MSP Companies. The exposure to multiple aspects of the real estate process and multiple properties would be a great opportunity for an ACRE student/graduate or a member of the BIPOC community to gain experience the real estate industry and gain insight on multiple aspects and routes within the real estate field. As part of the internship experience, we will work to facilitate job shadow opportunities with our architect and a lender.

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

With a history of LIHTC projects through WHEDA, we have formed various relationships with several MBEs & WBEs to meet our 25% goal under WHEDA's EBE program. We include these contacts on our bid list when we send out bid invites for the project. If we receive a competitive bid from one of these companies, we reach out to discuss further and are open to working with new MBE & WBE contractors who submit competitive bids.

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

It would be helpful to discuss these goals as we award contracts for this project to see what workforce the subcontractors can bring to the job and make these goals a priority for the project if possible. And from there, send follow up emails to the subcontractor group monthly to ensure they are making their best efforts to incorporate these goals on the project.

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

Company	Role in Development	BIPOC		Women		Total Employees
		#	%	#	%	#
MSP Real Estate	Developer	0	0	1	25.00	4
	Co-Developer					
	Co-Developer					
MSP Construction	General Contractor	0	0	1	25.00	4
MSP Property Management	Property Manager	2	18.18	6	54.55	11
Dimension IV Madison Design Group	Architect	1	4.17	14	58.33	24
TSA CVSO	Service Provider	29 TBD	49.15	44 TBD	74.58	59 TBD

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

MSP Real Estate in conjunction with its property management company, MSP Property Management, will follow the Affirmative Fair Housing Marketing Plan Standards and Tenant Selection Plan Standards from the RFP guidelines. This includes outreach to populations least likely to apply for housing at the development. With four existing affordable housing properties in Madison, our team has been able to form relationships with area organizations to help accomplish this goal as well. Our partnerships with supportive service providers can also help engage the target populations we intend to serve.

MSP Property Management and this development will adhere to local, state, and the federal Fair Housing Law (Title VIII of the Civil Rights Act of 1968, The Fair Housing Amendments Acts of 1988 and Section 504 of the Rehabilitation Act of 1973, all as amended), which stipulates that it is illegal to discriminate against any person on the basis of race, color, creed, religion, sex, national origin, marital status, status with regard to receipt of public assistance, disability, familial status, sexual orientation and gender identity. Each full time employee of MSP Property Management is required to participate in Fair Housing training annually with periodic updates to Fair Housing regulations distributed to all employees for review.

One benefit of having an in-house property management arm is the ability to easily connect our development team with our property management team to see if there are any concerns at existing properties that can be mitigated through building design on future projects or if there are specific target populations that should be thought of and incorporated from the start of project development.

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

Through developing quality affordable housing in a location with great access to transit and services/amenities, MSP Real Estate, along with our project partners, aim to provide affordable housing options throughout the City and promote social sustainability for access to resources, amenities, jobs, and transit within the community. The supportive services incorporated into these developments also connect residents to resources that may be needed to be successful in maintaining quality, affordable housing.

MSP Property Management performs outreach in accordance with the Affirmative Fair Housing Marketing Plans to populations least likely to apply for housing at these developments. Each full time employee of MSP Property Management is required to participate in Fair Housing training annually with periodic updates to Fair Housing regulations distributed to all employees for review.



51. If any team member has acted as a development partner or has any ownership interest in any project currently underway or completed, please list the following information and provide a current status for the team member and/or any related entity, as applicable:
- a. List any foreclosure, default, or bankruptcy within the past ten years.
  - b. List any litigation completed, pending, or underway in relation to any financing or construction project within the past five years.
  - c. List any Chronic Nuisance Abatement or Nuisance Case notifications issued by Madison Police Department and/or Building Inspection in the past five years
  - d. List any unresolved Building Inspection citations resulting in a Municipal Court Complaint in the past five years
  - e. List any litigation in the past five years with the City of Madison, including but not limited to Federal, State, or Municipal Court proceedings
  - f. List any litigation in the past five years in the State of Wisconsin, including but not limited to Federal, State, or Municipal Court proceedings

N/A

**INTEGRATED SUPPORTIVE HOUSING UNITS**

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

Potomac Apartments will include 10 (21.3%) Integrated Supportive Housing units at the 30% CMI income & rent level.

Ten (10) units at 30% CMI will have integrated supportive services provided by outside agencies with case management services available.

-4 units for homeless/risk of homeless (The Salvation Army of Dane County)

-6 units for Veterans (Dane County Veterans Service Office)

The supportive services available to the residents at Potomac Apartments will be provided for by the following non-profit agencies: The Salvation Army of Dane County and Dane County Veterans Service Office. We have a signed support letter from The Salvation Army of Dane County and a signed MOU with Dane County Veterans Service Office. MSP has been in communication with both The Salvation Army of Dane County and Dane County Veterans Service Office regarding this project. The supportive service structure will mirror that of our previous City of Madison projects where we worked with these two organizations.

Future residents that we anticipate receiving supportive services at Potomac Apartments are Veterans and homeless/nearly homeless individuals/families that meet Federal Poverty Guidelines. We also anticipate individuals that have special needs or disabling conditions as a target service population. This doesn't preclude however other supportive agencies interfacing with the residents of Potomac Apartments

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

There will be six (12.8%) Veteran Units targeted in the proposed development at or below 60% AMI. All six of these units will be coordinated with the HUD VASH program.

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

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

Collaborative referral based supportive service partnerships have been established with The Salvation Army of Dane County and Dane County Veterans Service Office.

1. The Salvation Army of Dane County (weekly on-site intensive case management will be provided for all referrals by The Salvation Army, see support letter): The Salvation Army will refer individuals and families that it provides assistance to under programs called Dane County Assists With New Starts (DAWNS) and RISE. Individuals and families transitioning from homelessness to housing can be offered a rapid rehousing package through the DAWNS and RISE programs. This rapid rehousing package consists of weekly case management sessions, security deposit, and first month's rental assistance for the DAWNS program and up to a years' rental assistance in the RISE program. Additional rental assistance may be granted on an individual case by case basis. Case management support can last up to two years and will be provided at the resident's apartment or The Salvation Army offices. The Salvation Army will extend its monetary rental resources and caseworker support under the DAWNS and RISE programs to individuals/families that it refers to live at Potomac Apartments.

2. Dane County Veterans Service Office (referral, see executed MOU): This is the County agency responsible for assisting Veterans in accessing benefits and referring them to resources in the community, including affordable housing. Therefore, MSP Property Management marketing and outreach efforts for Veterans will be coordinated with the Dane County Veterans Service Office. The Dane County Veterans Service Office assists Veterans who may need supportive services and are eligible for veteran specific services to identify where to obtain those services from a range of providers who are primarily funded by the U.S. Department of Veterans Affairs. MSP Property Management will establish a working relationship with the Dane County Veterans Service Office locally and will work with them and their contracted service providers and tenants to address any issues that may arise that could affect their success in maintaining their tenancy.

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

As indicated in Question 52, we intend on filling the integrated supportive housing units with the following ranges of individuals/families in need of additional supportive services at the 30% CMI level.

- 4 units for homeless/risk of homeless (The Salvation Army of Dane County)
- 6 units for Veterans (Dane County Veterans Service Office)

While these identified supportive service units (along with identified supportive service partners) meet all the requirements of the WHEDA tax credit application including Appendix S of the Qualified Allocation Plan, if our ranges of 30% CMI units are not filled with the targeted supportive housing populations specified, we will additionally go above and beyond these requirements by working with other agencies and organizations to identify individuals and families from the community wide priority list for at least a portion of the remaining available units if required to fill those supportive units.

We have spread our 30% CMI units across one, two, and three-bedroom units in order to provide opportunities and meet the needs of individuals and families of varying sizes. We have also created a more flexible tenant screening criteria for our 30% CMI units that goes above and beyond the WHEDA requirements.

We have a working relationship with The Salvation Army of Dane County and Dane County Veterans Service Office from various previous area projects that we are looking forward to continue growing on this project. The Salvation Army has previously indicated that they see a need for all bedroom sizes with a slightly higher need for the 2 & 3 bedroom units. Through previously working with VASH, they typically see a higher need for the 1 & 2 bedroom units. This mix of supportive service partners tends to work well in balancing out units needed with each supportive service provider.

56. CDD expects that supportive service partners have access to adequate compensation for the dedicated services provided to residents of the development. In order to ensure the success of the development, the partnership(s), and

the tenants, describe the level of financial support to help pay for or subsidize supportive services that the development will provide annually to the identified supportive service partner(s). Identify any other non-City funding sources contemplated or committed for supportive services outside of this project. Explain any arrangement with developer fee sharing, "above the line" payments in the operating budget, "below the line" payments out of available cash flow and/or percent of developer fee shared. CDD is open to deferral of AHF Cash Flow Note payments to ensure meaningful financial support to supportive service partners.

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

We are confident that the supportive service partnerships we have arranged for with this development proposal will allow the development to be successful and provide the necessary supportive services for the residents that require it.

More specifically, The Salvation Army of Dane County will provide all case management funding support necessary for those residents referred from their DAWNS and RISE programs (see support letter). The majority of The Salvation Army supportive services are funded by Dane County, United Way, and other government donations and fundraising donations. The DAWNS program is funded by Dane County and the RISE program is funded by HUD.

The Dane County Veterans Service Office will assist veterans in identifying where to obtain services from a range of providers who are primarily funded by the U.S. Department of Veterans Affairs (see executed MOU). Dane County Veterans Service Office funds its veterans case management from the Dane County operating budget. Many partnering providers and services identified through the Dane County Veterans Service Office are funded by the U.S. Department of Veterans Affairs.

Due to the financial constraints of the operating budget to allow for the required debt service coverage ratios to be achieved, supportive service funding support is provided by our supportive service partners.

**PROPERTY MANAGEMENT: TENANT SELECTION & AFFIRMATIVE MARKETING**

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

Yes, I confirm.

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

See attached.

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

MSP Property Management (MSPPM) will reach out to the supportive service partners when it begins its marketing outreach. As part of this initial outreach, MSPPM will provide marketing materials for the project and request referrals for our 30% CMI set aside apartments at Potomac Apartments. The supportive service partners will also provide marketing materials to MSPPM. MSPPM will endeavor to make existing and prospective residents aware of services and resources available by provision of a tenant resource area within the common area of the development. As vacancies arise for the supportive units throughout the duration of the project, MSPPM will continue to reach out to the supportive service partners for referrals. MSPPM will also work with the supportive

service partners, their contracted service providers, and tenants to address any issues that may arise that could affect tenants' success in maintaining tenancy.

MSP has recently participated in in-depth pre-lease coordination processes for two of our most recent projects in the City of Madison, The Oscar Apartments and The Heights Apartments. For The Oscar Apartments, MSP participated in pre-lease coordination meetings with the City, County, The Salvation Army of Dane County, VASH, and Joining Forces for Families (JFF). For The Heights Apartments, MSP participated in pre-lease coordination meetings with the City, County, The Salvation Army of Dane County, and VASH. We plan to have similar meetings for this proposal, Potomac Apartments. These meetings help to ensure that everyone is on the same page regarding available units, status of current applications, and timing. As MSP has partnered with these supportive service partners (The Salvation Army of Dane County and Dane County Veterans Service Office) on several past projects, there is an open dialogue between property management and these supportive service partners from previous projects that makes the collaboration on new projects easier as we learn more about each other's processes and needs on each project.

60. Describe the affirmative marketing strategy and any other strategies to engage the target populations for this proposal. How will the Property Manager affirmatively market to populations that will be identified as least likely to apply? Detail specific partnerships that the development team, Property Manager, and/or other agencies in this proposal have had with community agencies and organizations that provide direct housing search and related assistance to households least likely to apply. Please reference successful past practices, relationships with agencies and/or marketing materials used. Specifically outline how this development's marketing will be consistent with the City of Madison's Affirmative Marketing Plan Standards (Attachment B-2 of the RFP), especially for Asian and Latinx populations which tend to be under-represented in AHF Completion Reports.

Marketing practices to those 'least likely' identified groups include directly reaching out over phone, email, and occasionally in person to organizations recognized in the AFHMP for the property. The property manager will discuss the project and provide marketing materials including flyers and brochures. MSP has contacted several of these organizations on past projects and formed relationships that will be helpful for marketing Potomac Apartments as well. Outreach will occur during initial lease-up and throughout the project duration for ongoing marketing of vacant units. Other proposed marketing activities include Apartments.com & Craigslist through SEO targeting with keywords as well as targeted mailings to residents within the census tract area. For outreach specifically to Asian and Latinx populations mentioned above, MSP Property Management will reach out to the AAPI Coalition of Wisconsin and the Centro Hispano of Dane County respectively.

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

MSP will incorporate the Tenant Selection Plan Standards and Affirmative Marketing Plan Standards as outlined in the RFP to help ensure inclusive and culturally-sensitive property management and marketing practices. Similar to past projects, we will reach out to organizations directly as identified in the Affirmative Marketing Plan to ensure households least likely to apply will be made aware of the project and encouraged to apply. As mentioned above, we will reach out to the AAPI Coalition of Wisconsin and the Centro Hispano of Dane County as those are organizations that serve some of the populations least likely to apply based on the City's prior experience. We plan to reach out to similar organizations for other populations least likely to apply. Our supportive service partners that we plan to work on this project with as well as those partners we have worked with on previous projects also serve as great resources when trying to reach some of the populations most in need of housing.

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

Prior to filing an eviction notice, we first attempt to work out a payment plan with residents who are late on their rent payments. We also provide them with contact information for local resources that may be able to assist them with their rent payments.

63. What percentage of maximum LIHTC rents are used for 50 & 60% units? Households with incomes over 30% CMI, but less than the income to rent ratio required for a 50% unit are frequently locked out of this critical housing resource.

What will this proposed development do to serve this segment of the population (e.g., lower rent below 90% of the WHEDA 50% income limit, lower income to rent ratio requirements, provide 40% units to meet demand, etc.)

Our 50% CMI unit rents are at max. Our 60% CMI unit rents are at about 90% of max.

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

MSP has always been and will continue to be sensitive to rent increases. We will follow the RFP guidelines in regards to notification on non-renewals and limiting rent increases for lease renewals.

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

We have experienced a fairly standard turnover rate in the past few years. We have a floating Property Manager, Floating Maintenance Tech, two Area Managers, and a Regional Manager that are able to fill in any vacancies until we get the position filled.

66. What percent of staff turnover has the PM experienced at Madison-area properties in 2023? 8%

67. Divide the number of resignations or terminations in calendar year 2023 by total number of budgeted positions. Explain turnover rate of 20% or more within the regional Property Management staff. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

We offer continuing education and training and competitive wages.

**PROPOSAL TIMELINE**

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

Activity/Benchmark	Estimated Month/Year of Completion
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT) [Target/Actual Month/Date]	08/2024
1 <sup>st</sup> Development Assistance Team Meeting (Due by 8/29/24) [Target/Actual Month/Date]	08/2024
1 <sup>st</sup> Neighborhood Meeting (Due by 8/29/24) [Target Month/Date]	08/2024
Submission of Land Use Application (Zoning Map Amendments Due by 10/7/24)	09/2024
Submission of Land Use Application (Permissively Zoned Due by 11/4/24)	N/A
Plan Commission Consideration (If Rezoning, 12/2/24 Meeting for 12/10/24 Common Council)	11/2024
Urban Design Commission Consideration, if applicable [Target Month/Date]	N/A
Application to WHEDA	12/2024 & 1/2025
Complete Equity & Debt Financing	11/2025
Acquisition/Real Estate Closing	12/2025
Rehab or New Construction Bid Publishing	10/2025
New Construction/Rehab Start	01/2026
Begin Lease-Up/Marketing	01/2027
New Construction/Rehab Completion	06/2027
Certificates(s) of Occupancy Obtained	06/2027
Complete Lease-Up	12/2027
Request Final AHF Draw	07/2027



**HOUSING INFORMATION & UNIT MIX**

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

<b>ADDRESS #1:</b>		<b>6425 Normandy Ln</b>					<b>Projected Monthly Unit Rents, Including Utilities</b>				
<b>% of County Median Income (CMI)</b>	<b>Total # of units</b>	<b># of Bedrooms</b>					<b>\$ Rent for Studios</b>	<b>\$ Rent for 1 BRs</b>	<b>\$ Rent for 2 BRs</b>	<b>\$ Rent for 3 BRs</b>	<b>\$ Rent for 4+ BRs</b>
		<b># of Studios</b>	<b># of 1 BRs</b>	<b># of 2 BRs</b>	<b># of 3 BRs</b>	<b># of 4+ BRs</b>					
≤30%	10	1	5	2	2	0	661	708	850	982	
40%	0	0	0	0	0	0					
50%	18	0	8	6	4	0		1181	1417	1636	
60%	8	0	3	4	1	0		1275	1531	1768	
<b>Affordable Sub-total</b>	<b>36</b>	<b>1</b>	<b>16</b>	<b>12</b>	<b>7</b>	<b>0</b>					
80%	0	0	0	0	0	0					
<b>Market*</b>	11	0	5	6	0	0		1350	1790		
<b>Total Units</b>	<b>47</b>	<b>1</b>	<b>21</b>	<b>18</b>	<b>7</b>	<b>0</b>	Notes/Utility Allowance Assumptions:				

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

<b>Total # of Homeless Supportive Housing Units</b>	<b>Total # of Veteran Supportive Housing Units</b>	<b>Total # of Homeless Veteran Supportive Housing Units</b>	<b>Total # of Disabled/Other Supportive Housing Units</b>	<b>Minimum # of Supportive Housing Units</b>
4	6	[6]	0	10

<b>ADDRESS #2:</b>		<b># of Bedrooms</b>					<b>Projected Monthly Unit Rents, Including Utilities</b>				
<b>% of County Median Income (CMI)</b>	<b>Total # of units</b>	<b># of Studios</b>	<b># of 1 BRs</b>	<b># of 2 BRs</b>	<b># of 3 BRs</b>	<b># of 4+ BRs</b>	<b>\$ Rent for Studios</b>	<b>\$ Rent for 1 BRs</b>	<b>\$ Rent for 2 BRs</b>	<b>\$ Rent for 3 BRs</b>	<b>\$ Rent for 4+ BRs</b>
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
<b>Affordable Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
80%	0	0	0	0	0	0					
<b>Market*</b>	0	0	0	0	0	0					
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Notes/Utility Allowance Assumptions:				

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

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

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

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

Unit Size (Number of Bedrooms)	Total Monthly Utility Allowance (\$)
Efficiency	80
1-Bedroom	89
2-Bedroom	106
3-Bedroom	123

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

We plan on meeting WHEDA code and requirements for accessibility. After completing many recent affordable housing developments where we have met WHEDA and code requirements for accessibility, we have not had a difficulty meeting accessibility needs presented by our tenants.

If the City requests additional enhanced accessibility similar to The Heights, we will incorporate this additional enhanced accessibility in a similar fashion to the enhanced accessibility committed to on The Heights.

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

See above, we will follow the Universal Design requirements set by WHEDA.

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

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

Our previous WHEDA developments have received Wisconsin Green Built Verification or Certification in order to receive the maximum points under WHEDA's Energy and Efficiency scoring category. Yellowstone Apartments, our most recent project currently under construction, will go beyond our previous WHEDA projects to receive the Wisconsin Green Built Gold Standard. This was a higher certification added in relation to WHEDA's 2023 QAP. Rather than 200 points, the Wisconsin Green Built Gold Standard requires 240 points under the Wisconsin Green Built checklist to achieve the Gold Standard and requires meeting the ENERGY STAR Multifamily New Construction standards. Dependent on the standards set out in the new scoring for WHEDA's application round this year, we anticipate going for the Wisconsin Green Built Gold Standard on Potomac Apartments as well.

MSP has also implemented solar arrays on some of our more recent affordable housing projects. River Parkway in Wauwatosa was completed in August 2021 including an approximately 127 kW solar array. Taylor Pointe Apartments in McFarland was completed in February 2022 including an approximately 26 kW solar array. The Oscar Apartments in Madison was completed in July 2022 and includes a solar array on each of the two buildings



at approximately 53 kW and 41 kW each. The Heights Apartments is another project in Madison where we included an approximately 30kW solar array. Yellowstone Apartments will also include a 30 kW solar array. We anticipate including a 30 kW solar array at Potomac Apartments as well.

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

As mentioned above, we anticipate Potomac Apartments achieving the Wisconsin Green Built Gold Standard dependent upon the new WHEDA scoring guidelines for this upcoming application round. We would plan to achieve this certification by incorporating various sustainable, energy efficient, and/or green building design techniques to score at least 240 points under the Wisconsin Green Built Scoring Checklist. Some of the green features that this project plans to feature include a highly efficient building envelope, windows with a U value of 0.35 or less, high efficiency furnace (95% or higher) and boiler (92% or higher), high efficiency air conditioner or heat pump, low flow showerheads and faucets, all ENERGY STAR qualified appliances, and ENERGY STAR qualified light fixtures. These efficiencies will give the residents savings on their gas and electricity bills along with a significant savings to the project for common area utilities including water/sewer, gas, and electricity. Also mentioned above, Potomac Apartments will also need to meet the ENERGY STAR Multifamily New Construction standards as part of receiving the Wisconsin Green Built Gold Standard Certification.

MSP is anticipating installing a 30kW solar array on this project. On previous projects, we have tried to size the solar array to offset the common area energy usage. We will attempt to do the same here dependent on what size array is feasible with the budget.

We will work with Focus on Energy and the various different efficiency/sustainability certifications tied to the various funding sources on this project to determine where we can increase building efficiency and sustainability most effectively.

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

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

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

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

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

As mentioned above, we anticipate Potomac Apartments achieving the Wisconsin Green Built Gold Standard dependent upon the new WHEDA scoring guidelines for this upcoming application round. We would plan to achieve this certification by incorporating various sustainable, energy efficient, and/or green building design techniques to score at least 240 points under the Wisconsin Green Built Scoring Checklist. Some of the green features that this project plans to feature include a highly efficient building envelope, windows with a U value of

0.35 or less, high efficiency furnace (95% or higher) and boiler (92% or higher), high efficiency air conditioner or heat pump, low flow showerheads and faucets, all ENERGY STAR qualified appliances, and ENERGY STAR qualified light fixtures. These efficiencies will give the residents savings on their gas and electric bills along with a significant savings to the project for common area utilities including water/sewer, gas, and electricity. Also mentioned above, Potomac Apartments will also need to meet the ENERGY STAR Multifamily New Construction standards as part of receiving the Wisconsin Green Built Gold Standard Certification.

MSP is anticipating installing a 30kW solar array on this project. On previous projects, we have tried to size the solar array to offset the common area energy usage. We will attempt to do the same here dependent on what size array is feasible with the budget.

Another feature that contributes to the green features of this project is site location itself. As the proposed project has good access to transit and is in close proximity to many amenities and services as mentioned above, the location diminishes reliance on cars and encourages walking, biking, and use of City transit. Not only is this a benefit for the residents to lower transportation costs, but it is also a benefit for the City's goal of achieving zero net carbon emissions. Potomac Apartments will also comply with the City's bike parking and EV requirements in place to help achieve this goal.

The energy efficiency strategies mentioned above will reduce overall energy consumption of the project to help cut down net carbon emissions in reaching the City's goal. The location of the project site itself would lessen residents reliance on personal vehicles for transportation, reducing potential carbon emissions. In close proximity to transit, the project would also allow residents to take advantage of the City's transit system, especially as the City aims to reduce fuel consumption in the City fleet and switch out to electric busses, allowing the development to further the efforts of City strategies toward this goal. We are also working with Focus on Energy in determining if there are other feasible solutions to help reduce the project's carbon footprint

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

Sustainability Design Features & Equipment	YES	Comments
a. Air-source or ground source heat pumps	<input type="checkbox"/>	
b. Electric or heat-pump water heaters	<input type="checkbox"/>	
c. Electric stoves	<input checked="" type="checkbox"/>	
d. EV charging infrastructure or EV ready design ( <i>exceeding City ordinance requirements</i> )	<input type="checkbox"/>	
e. Battery storage	<input type="checkbox"/>	
f. Other:	<input type="checkbox"/>	
g. Other:	<input type="checkbox"/>	

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

a. Design for Equitable Communities

1) Develop quality affordable housing in an Eligible Core Transit Area. 2) Provide a combination of both market rate and affordable units. 3) Connect residents in our supportive housing units to supportive services. 4) Accessible features included.

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

1) Achieve the WI Green Built Gold Standard including ENERGY STAR Multifamily standards. 2) Highly efficient shell/building envelope and windows with a U value of 0.35 or less. 3) ENERGY STAR qualified appliances and light fixtures.

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

1) Low flow showerheads and faucets. 2) Use permeable pavers where possible to aid in natural rainwater absorption & permeability.

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

1) Thoroughly review unit plans and building plans to ensure efficient use of space. 2) Use durable, high-quality materials both indoors and outdoors.

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

1) Light: Large windows and patio doors, light paint colors, ENERGY STAR light fixtures. 2) Thermal Comfort: Highly efficient shell, fans, temp and window control. 3) Air Quality: Electric ranges, operable windows, all units will have individual HVAC units. 4) Mental & Social Well-Being: Supportive services, community room, artwork throughout common areas. 5) Acoustics: Efficient building envelope, additional insulation between common spaces. 6) Movement: Multiple parks nearby for recreation, ample bike parking. 7) Nourishment: Kitchenette in the community room, ample seating in community room for group events.

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

1) Install permeable pavers where possible to aid in natural rainwater absorption and permeability. 2) Install solar & install large windows in unit to take advantage of the natural light. 3) Provide operable windows and temp control in each unit so residents can take advantage of fresh air. 4) No excessive outdoor lighting.

g. Design for Change – Optimize operational and maintenance practices

1) Use durable, high-quality materials both indoors and outdoors. 2) Construct an efficient shell to function more passively. 3) Provide large, operable windows for passive heating/cooling and light.

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

1) Design the project in a location in alignment with City plans and with feedback from the neighborhood. 2) Size the project to take advantage of the density allowed on the site. 3) Design efficient floor plans and units. 4) Use durable, high-quality materials both indoors and outdoors. 4) Get design input from property management from prior projects to apply to future projects.

**REAL ESTATE PROJECT DATA SUMMARY**

80. Enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Biz or Residential Tenants to be Displaced	# of Units Accessible Current?	Number of Units Post-Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	6425 Normandy Ln								
	0	47	0	0	0	1	N/A	N/A	\$1,000,000
Address:	Enter Address 2								
Address:	Enter Address 3								

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

There is currently an office building functioning as a massage school on the site that is planned to be demolished. A Phase I Environmental Site Assessment has not yet been completed.

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

There is currently an office building functioning as a massage school on the site that is planned to be demolished. The current owner of this building is also the occupant. The current owner is looking to relocate to a new location prior to closing.

Demolition of the building would be expected once all of the funding sources for this application have been awarded. Demolition is not expected to occur until January 2026.

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

There is currently an office building functioning as a massage school on the site that is planned to be demolished. The current owner of this building is also the occupant. The current owner is looking to relocate to a new location prior to closing. As such, there is no displacement and no relocation requirements needed.

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

N/A

**REFERENCES**

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

Name	Relationship	Email Address	Phone
Josh Resch	Banking	joshresch@landmarkcu.com	608-888-5830
Kevin Kilbane	Tax Credit Equity	kevin.kilbane@raymondjames.com	216-509-1342
Paulette Enders	Community Development	penders@wauwatosa.net	414-479-3531

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

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

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

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

# 1 – Application Budget Workbook

APPLICANT & PROJECT NAME:

**MSP Real Estate, Inc. - Potomac Apartments**

1. CAPITAL BUDGET

Enter ALL proposed project funding sources.

**FUNDING SOURCES**

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
<b>First Mortgage</b>	\$ 2,925,000	N	6.85%	15	35	\$220,558
Subordinate Loan 1-Lender Name:						
Subordinate Loan 2-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
City Request (AHF, HOME, TIF)						
Subordinate TIF Loan-Lender Name:						
AHP Loan (List FHLB):						
<b>FHLB</b>	\$ 900,000	Y	0.00%	30	30	\$0
Dane County AHDF:						
<b>Dane County AHDF</b>	\$ 930,000	Y	2.00%	30	0	\$18,600
Other-Specify Lender/Grantor:						
<b>City of Madison AHF - Deferred</b>	\$ 756,000	Y	0.00%	30	0	\$0
Other-Specify Lender/Grantor:						
<b>City of Madison AHF - Cash Flow</b>	\$ 756,000	N	2.75%	16	30	\$37,036
Tax Credit Equity	\$ 8,281,172					
Historic Tax Credit Equity (Fed and/or State)						
Deferred Developer Fees	\$ 435,354					
Owner Investment						
Other-Specify:						
<b>Total Sources</b>	<b>\$ 14,983,526</b>					

Do you plan on submitting an application for TIF?

No

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan 1-Lender Name:			
<b>Construction Loan</b>	\$ 8,500,000	7.85%	24
Construction Loan 2-Lender Name:			
Construction Loan 3-Lender Name:			
Construction Loan 4-Lender Name:			
Bridge Loan-Lender Name:			
Housing Tax Credit Equity:			
<b>Tax Credit Investor</b>	\$ 1,656,234		
Historic Tax Credit Equity:			
Other-Specify:			
<b>Total</b>	<b>\$ 10,156,234</b>		

Estimated pricing on sale of Federal Tax Credits: \$ 0.82

Estimated pricing on sale of State Tax Credits: (if applicable)

Remarks Concerning Project Funding Sources:

APPLICANT:

MSP Real Estate, Inc.

2. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$1,000,000
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

Construction:	
Construction/Rehab Costs	\$9,136,160
E - Equipment & Furnishings	\$0
F - Special Construction & Demolition	\$0
Accessory Buildings	\$0
Personal Property/FF&E	\$100,000
Site Work Costs (on-site & off-site)	\$0
Landscaping	\$0

<---

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

Total Cost:

WI Green Built Gold Standard	\$500,000
Energy Star Multifamily Construction	
HVAC, Plumbing, Window, & Insulation Enhancements, S	

Contractor Fees:	
General Requirements	\$450,000
Construction Overhead	\$128,426
Construction Profit	\$734,328
Construction Supervision	\$0

Contingency Funds:	
Construction Contingency	\$522,446
Other Contingency	\$0

Construction Period Expenses/Soft Costs:	
Construction Loan Origination Fee	\$42,500
Construction Loan Credit Enhancement/LOC	\$2,000
Cost of Bond Issuance	\$0
Bridge Loan Fees and Expenses	\$20,000
Construction Loan Interest	\$550,000
Construction Loan Origination Fee	\$0
Construction Period Real Estate Taxes	\$65,000
Title and Recording	\$7,000
Builder's Risk/Property Insurance	\$58,750
Temporary Relocation Assistance	\$0
Permanent Relocation Assistance	\$0
Other Interim/Construction Costs (list)	
	\$0

Permanent Financing Expenses:	
Permanent Loan Origination Fee	\$0
Credit Enhancement	\$0
Other Permanent Loan Fees	\$30,000
Legal Fees - Real Estate	\$40,000

Architectural & Engineering:

Architect - Design	\$184,319
Architect - Supervision	\$0
Engineering	\$20,000
Survey	\$6,500
Other Architect/Engineering (list)	
ENERGY STAR MF, Landscape, Interiors	\$50,000
<b>Syndication Fees &amp; Expenses:</b>	
Organizational Fees	\$260
Other Syndication Costs (list)	
Tax Opinion	\$7,500
<b>Capitalized Reserves:</b>	
Operating Reserve	\$315,000
Replacement Reserve	\$0
Lease-Up Reserve	\$50,000
Debt Service Reserve	\$0
Capital Needs Reserve	\$0
Other Reserves	\$0
Escrows	\$0
Other Capitalized Reserves (list)	
	\$0
<b>Reports, Studies &amp; Related Work:</b>	
Appraisal	\$8,000
Market Study	\$7,000
Environmental Reports	\$16,875
Capital Needs Assessment Report	\$0
Other (list)	
	\$0
<b>Other Soft Costs:</b>	
Tax Credit Fees - Application	\$2,000
Tax Credit Fees - Compliance	\$101,100
Tax Credit Fees - Allocation	\$600
Permits & impact fees - water, sewer, etc.	\$82,762
Cost Certification/Accounting fees	\$23,000
Lease-Up Period Marketing	\$90,000
Title Insurance and Recording	\$25,000
Capital Needs Assessment (rehab only)	\$0
Legal	\$95,000
Other (list)	
Other Soft Costs	\$25,000
<b>Developer Earned Fees &amp; Expenses:</b>	
Developer's Fee	\$987,000
Developer Overhead	\$0
Consultant Fees	\$0
Other fees (list)	
	\$0
<b>Total Costs:</b>	<b>\$14,983,526</b>



APPLICANT: **MSP Real Estate, Inc.**

3. PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	695,149	709,052	723,233	737,698	752,452	767,501	782,851	798,508	814,478	830,767	847,383	864,330	881,617	899,249	917,234	935,579
Less Vacancy/Bad Debt	48,660	49,634	50,626	51,639	52,672	53,725	54,800	55,896	57,013	58,154	59,317	60,503	61,713	62,947	64,206	65,491
<b>Income from Non-Residential Use*</b>	22,599	23,051	23,512	23,982	24,462	24,951	25,450	25,959	26,478	27,008	27,548	28,099	28,661	29,234	29,819	30,415
<b>Total Revenue</b>	669,088	682,469	696,119	710,041	724,242	738,727	753,501	768,571	783,943	799,622	815,614	831,926	848,565	865,536	882,847	900,504
<b>Expenses:</b>																
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	6,232
Real Estate Taxes	89,300	91,979	94,738	97,581	100,508	103,523	106,629	109,828	113,123	116,516	120,012	123,612	127,320	131,140	135,074	139,126
Advertising, Accounting, Legal Fees	9,600	9,888	10,185	10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521	14,956
Payroll, Payroll Taxes and Benefits	72,000	74,160	76,385	78,676	81,037	83,468	85,972	88,551	91,207	93,944	96,762	99,665	102,655	105,734	108,906	112,174
Property Insurance	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159
Mtc, Repairs and Mtc Contracts	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Utilities (gas/electric/fuel/water/sewer)	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Property Mgmt	43,500	44,805	46,149	47,534	48,960	50,428	51,941	53,500	55,104	56,758	58,460	60,214	62,021	63,881	65,798	67,772
Operating Reserve Pmt		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861	18,397	18,949	19,518	20,103	20,706	21,328	21,967
Support Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	352,500	363,075	373,967	385,186	396,742	408,644	420,903	433,531	446,536	459,933	473,731	487,942	502,581	517,658	533,188	549,184
<b>Net Operating Income</b>	316,588	319,394	322,151	324,855	327,500	330,083	332,598	335,041	337,406	339,689	341,883	343,984	345,984	347,878	349,659	351,320
<b>Debt Service:</b>																
First Mortgage	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558
Second Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
Asset Management Fee	6,500	6,500	6,500	6,500	6,500	7,150	7,150	7,150	7,150	7,150	7,865	7,865	7,865	7,865	7,865	8,652
Dane County AHDF	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600
<b>Total Debt Service</b>	245,658	245,658	245,658	245,658	245,658	246,308	246,308	246,308	246,308	246,308	247,023	247,023	247,023	247,023	247,023	247,810
<b>Total Annual Cash Expenses</b>	598,158	608,733	619,626	630,845	642,400	654,953	667,212	679,839	692,845	706,241	720,754	734,966	749,604	764,682	780,211	796,993
<b>Total Net Operating Income</b>	70,929	73,736	76,493	79,196	81,842	83,774	86,289	88,732	91,098	93,381	94,860	96,960	98,961	100,855	102,636	103,510
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	33,894	36,700	39,457	42,161	44,806	46,739	49,254	51,697	54,062	36,585	0	0	0	0	0	0
<b>Cash Flow</b>	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	56,796	94,860	96,960	98,961	100,855	102,636	103,510
AHF City Interest Loan	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036

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

<b>DCR Hard Debt</b>	1.44	1.45	1.46	1.47	1.48	1.50	1.51	1.52	1.53	1.54	1.55	1.56	1.57	1.58	1.59	1.59
<b>DCR Total Debt</b>	1.12	1.13	1.14	1.15	1.16	1.16	1.17	1.18	1.19	1.20	1.20	1.21	1.22	1.22	1.23	1.23

**Assumptions**

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

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

Underground Parking: \$75/stall/month (27 stalls) at 93% o

APPLICANT: MSP Real Estate, Inc.

3. PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	954,291	973,376	992,844	1,012,701	1,032,955	1,053,614	1,074,686	1,096,180	1,118,104	1,140,466	1,163,275	1,186,540	1,210,271	1,234,477
Less Vacancy/Bad Debt	66,800	68,136	69,499	70,889	72,307	73,753	75,228	76,733	78,267	79,833	81,429	83,058	84,719	86,413
<b>Income from Non-Residential Use*</b>	<b>31,024</b>	<b>31,644</b>	<b>32,277</b>	<b>32,922</b>	<b>33,581</b>	<b>34,253</b>	<b>34,938</b>	<b>35,636</b>	<b>36,349</b>	<b>37,076</b>	<b>37,818</b>	<b>38,574</b>	<b>39,345</b>	<b>40,132</b>
<b>Total Revenue</b>	<b>918,514</b>	<b>936,884</b>	<b>955,622</b>	<b>974,734</b>	<b>994,229</b>	<b>1,014,114</b>	<b>1,034,396</b>	<b>1,055,084</b>	<b>1,076,185</b>	<b>1,097,709</b>	<b>1,119,663</b>	<b>1,142,057</b>	<b>1,164,898</b>	<b>1,188,196</b>
<b>Expenses:</b>														
Office Expenses and Phone	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
Real Estate Taxes	143,300	147,599	152,027	156,588	161,286	166,124	171,108	176,241	181,529	186,974	192,584	198,361	204,312	210,441
Advertising, Accounting, Legal Fees	15,405	15,867	16,343	16,834	17,339	17,859	18,395	18,946	19,515	20,100	20,703	21,324	21,964	22,623
Payroll, Payroll Taxes and Benefits	115,539	119,005	122,575	126,252	130,040	133,941	137,959	142,098	146,361	150,752	155,275	159,933	164,731	169,673
Property Insurance	32,094	33,057	34,049	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131
Mtc, Repairs and Mtc Contracts	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828
Utilities (gas/electric/fuel/water/sewer)	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828
Property Mgmt	69,805	71,899	74,056	76,278	78,566	80,923	83,350	85,851	88,427	91,079	93,812	96,626	99,525	102,511
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	22,626	23,305	24,004	24,724	25,466	26,230	27,017	27,828	28,662	29,522	30,408	31,320	32,260	33,228
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>565,659</b>	<b>582,629</b>	<b>600,108</b>	<b>618,111</b>	<b>636,654</b>	<b>655,754</b>	<b>675,426</b>	<b>695,689</b>	<b>716,560</b>	<b>738,057</b>	<b>760,198</b>	<b>783,004</b>	<b>806,495</b>	<b>830,689</b>
<b>Net Operating Income</b>	<b>352,855</b>	<b>354,255</b>	<b>355,514</b>	<b>356,623</b>	<b>357,575</b>	<b>358,360</b>	<b>358,969</b>	<b>359,394</b>	<b>359,625</b>	<b>359,652</b>	<b>359,465</b>	<b>359,052</b>	<b>358,403</b>	<b>357,506</b>
<b>Debt Service:</b>														
First Mortgage	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558	220,558
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asset Management Fee	8,652	8,652	8,652	8,652	9,517	9,517	9,517	9,517	9,517	10,468	10,468	10,468	10,468	10,468
Dane County AHDF	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600
<b>Total Debt Service</b>	<b>247,810</b>	<b>247,810</b>	<b>247,810</b>	<b>247,810</b>	<b>248,675</b>	<b>248,675</b>	<b>248,675</b>	<b>248,675</b>	<b>248,675</b>	<b>249,627</b>	<b>249,627</b>	<b>249,627</b>	<b>249,627</b>	<b>249,627</b>
<b>Total Annual Cash Expenses</b>	<b>813,469</b>	<b>830,439</b>	<b>847,918</b>	<b>865,921</b>	<b>885,329</b>	<b>904,429</b>	<b>924,101</b>	<b>944,364</b>	<b>965,235</b>	<b>987,683</b>	<b>1,009,825</b>	<b>1,032,631</b>	<b>1,056,121</b>	<b>1,080,316</b>
<b>Total Net Operating Income</b>	<b>105,045</b>	<b>106,445</b>	<b>107,704</b>	<b>108,813</b>	<b>108,900</b>	<b>109,685</b>	<b>110,294</b>	<b>110,719</b>	<b>110,950</b>	<b>110,026</b>	<b>109,838</b>	<b>109,425</b>	<b>108,776</b>	<b>107,880</b>
<b>Debt Service Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Developer Fee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Flow</b>	<b>105,045</b>	<b>106,445</b>	<b>107,704</b>	<b>108,813</b>	<b>108,900</b>	<b>109,685</b>	<b>110,294</b>	<b>110,719</b>	<b>110,950</b>	<b>110,026</b>	<b>109,838</b>	<b>109,425</b>	<b>108,776</b>	<b>107,880</b>
AHF City Interest Loan	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036	37,036

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

<b>DCR Hard Debt</b>	1.60	1.61	1.61	1.62	1.62	1.62	1.63	1.63	1.63	1.63	1.63	1.63	1.62	1.62
<b>DCR Total Debt</b>	1.24	1.24	1.25	1.25	1.25	1.25	1.26	1.26	1.26	1.25	1.25	1.25	1.25	1.25

**Assumptions**

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

# 2024 Affordable Housing Fund-Tax Credit RFP

## Supplemental Application Questions

MSP Real Estate  
Potomac Apartments

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Response Submission Due Date: September 5, 2024 NOON

### Instructions to Applicants:

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

### Questions:

#### A. Energy Efficiency/Sustainability

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

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

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

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

\_\_\_%

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

—

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

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

a. Solar PV size anticipated (Note: Min 30 kW required): \_\_\_

Percent of common areas for which electricity will be provided: \_\_\_%

#### B. Property Management (PM)

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

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

\_\_\_% and \_\_\_

Anticipated Days/week (1-7): \_\_\_\_

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

Hours/week:

- iii. **What percent FTE and number of hours are budgeted for the Maintenance staff to be on-site? \_\_\_\_% and \_\_\_\_**

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

- i. **In the Dane County market, how many fully ADA accessible units does the PM manage?**
- ii. **What percent of those units are currently leased by residents who require the relevant accessibility accommodations?**
- iii. **Briefly describe your property management strategies to ensure these units are available for residents that require accessibility features.**
- iv. **Briefly describe outreach, marketing, and direct referral partnerships you have with organizations to ensure these units are appropriately filled.**

**C. Land Use and Community Engagement**

- 1. **Please describe the feedback that you received from the Development Assistance Team (DAT) presentation.**
- 2. **Provide an overview of the feedback and comments that you received from your neighborhood meeting on 8/22/24.**

**D. Financing**

- 1. **The Debt Coverage Ratio is 1.44 in Year 1 which signifies that a higher amount of first mortgage debt could be achieved and/or a lower amount of City gap funding would be necessary. Please explain the hard vs. soft debt financing approach and constraints and/or resubmit the financial proforma demonstrating justifying the funding request.**
- 2. **Construction interest rate assumption seems on the high end from our experience. Please explain this estimation.**
- 3. **Please explain the low credit pricing projection of \$0.82 for this project. (For reference, Yellowstone is projected to close at \$0.845).**