March 11, 2025

Re: Conditional Use Permit LOI – Zapata Cooperative

Dear Plan Commission,

In 2022, Sunny Side Development applied for City of Madison non-tax credit Affordable Housing Fund RFP, to develop Madison's first Latiné-centered housing cooperative. The project was awarded a $551,000 'license to hunt' subsidy, which allowed our team to search for appropriate properties after receiving notice of award, to enable a quicker closing in the competitive real estate market. After several unsuccessful attempts, we received an accepted offer and closed on 722 Moorland Rd. on March 14, 2023. This property was in the Town of Madison when purchased but later absorbed into the City of Madison. It was originally a 4BR/4BA single family home with an additional 1BR/1BA 'mother-in-law' suite off the basement. After several meetings with Planning, Zoning, Building Inspection and CDD staff, it was decided that rehab would occur prior to attempting to legally change the classification to a cooperative, as increasing the legal number of bedrooms first would help in the classification-change process. Construction took approximately 1.5 years and the final building inspection was passed on January 27, 2025. We would now like to submit a Conditional Use Permit application to legally change the property classification to a housing cooperative so the original intent of the project can be fulfilled.

The renovations at the property created 11 SRO units and maintained the 1-BR apartment that was previously there. The property also received an 11kW solar array, ADA accessibility in some areas, new siding, HVAC, insulation, and a dormer to an upstairs bedroom to create a code-compliant egress. Visually, the property fits in well with the other properties in the neighborhood including multi-family, duplex, and single-family homes. A permanent Land Use Restriction Agreement was signed at closing that restricts occupancy for 9 out of the 12 units, to households with incomes of 60% AMI or less. Finally, Alder Knox was notified of our desire to apply for a CUP and agreed to waive the 30-day notice—please see the attached email correspondence.

While any qualifying household can live at the property, Spanish is the primary language spoken at the property, which tends to self-select for those with a Hispanic background. Approving this CUP would create permanently affordable housing for a marginalized population who often have difficulty finding housing in Madison. We will gladly attend the Plan Commission meeting in which this application is discussed, and would be happy to answer any questions that you may have. Thank you for your consideration.

Best Regards,

Paul Schechter
Executive Director
Sunny Side Development