

**From:** Mark Binkowski <[mbinkowski@uli.com](mailto:mbinkowski@uli.com)>

**Sent:** Wednesday, September 1, 2021 1:00 PM

**To:** Spears, Julie <[JSpears@cityofmadison.com](mailto:JSpears@cityofmadison.com)>; 'peterb@stjohnsmadison.org' <[peterb@stjohnsmadison.org](mailto:peterb@stjohnsmadison.org)>

**Subject:** RE: 9/2/21 CDBG Committee (St John's Lutheran Church Redevelopment)

Caution: This email was sent from an external source. Avoid unknown links and attachments.

Julie,

At this time we would like to withdraw our AHF application. We remain committed to making this project a reality, and will certainly need the CDD's support in order to do so. However, we need more time to refine the project's plans to a point where we are comfortable making a land use submittal, as well as to work on bringing the funding gap down to a manageable level.

I appreciate all of your support on this project to date. I do think we can make something unique happen here that will be a real benefit to the City. I will stay in touch with you as things continue moving forward on our end so that we can coordinate accordingly.

Thank you,  
Mark

**Mark Binkowski**  
Shareholder | **Urban Land Interests**

## Affordable Housing Fund (AHF) Application

This application form should be used for projects seeking City of Madison AHF funds. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on July 15, 2021**.

Email to: [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com)

### APPLICANT INFORMATION

Proposal Title:	St John's Lutheran Church Redevelopment		
Amount of Funds Requested:	\$1,950,000	Type of Project:	<input checked="" type="checkbox"/> New Construction <span style="margin-left: 50px;"><input type="checkbox"/> Acquisition/Rehab</span>
Name of Applicant:	St. John's Lutheran Church		
Mailing Address:	322 E Washington Avenue		
Telephone:	608.256.2337	Fax:	N/A
Admin Contact:	Mark Binkowski	Email Address:	mbinkowski@uli.com
Project Contact:	Pastor Peter Beeson	Email Address:	peterb@stjohnsmadison.org
Financial Contact:	Mark Binkowski	Email Address:	mbinkowski@uli.com
Website:	stjohnsmadison.org		
Legal Status of Maj. Owner::	<input type="checkbox"/> For-profit <input checked="" type="checkbox"/> Non-profit		LIHTC Application: <input checked="" type="checkbox"/> 4% <input type="checkbox"/> 9%
Anticipated WHEDA Set-Aside:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Preservation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Supportive Housing		
Federal EIN:	39-0889515	DUNS #:	

### AFFIRMATIVE ACTION

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

### LOBBYING RESIGTRATION

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

### CITY OF MADISON CONTRACTS

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

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

### SIGNATURE OF APPLICANT

Enter Name: Pastor Peter Beeson

By submitting this application, I affirm that the statements and representations are true to the best of my knowledge.

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

Date: July 14, 2021

## PROPOSAL DESCRIPTION

1. Please provide an overview of the proposal. Describe the impact of the proposed development on the community as well as other key characteristics.

For over 165 years St. John's Lutheran Church has been a welcoming servant in the heart of downtown Madison. Its property, located just 3 blocks from the Capitol Square along East Washington Avenue, has welcomed residents and visitors alike with open doors and a desire to serve those most in need. The Church seeks to extend our historic mission to provide an even greater good while reimagining its own space for the next 100+ years. St John's intends to demolish our existing building to construct a new, mixed use project that would contain approximately 15,500 square feet of space for worship, social services, social ministry and a vibrant community space for St. John's Lutheran Church on the first floor. Approximately 25% - 30% of St. John's ground floor space will be set aside for its partner organizations, which currently include Backyard Mosaic Women's Project, Twelve Step programs, Porchlight's DIGS program, Off the Square Club and Project Respect. Floors two thru eight will contain 98 residential apartments, with 14 units per floor. One to two levels of underground parking will be constructed beneath St John's ground floor space, containing approximately 75 - 100 parking stalls. The residential apartments aim to provide a significant affordable housing resource just blocks from the Capitol Square using WHEDA's 4%+4% LIHTC program. Of the 98 apartments, 82 will be affordable at 60% CMI or lower, with a total of 23 units at 30% CMI or lower. The 82 affordable units represents 41% of the City's stated AHF goal of creating 200 new affordable units.

In order to complete a successful development, St John's issued an RFP to preferred local developers to select a development partner. After a lengthy due diligence process the Church elected to work with Mark Binkowski, a shareholder of Urban Land Interests, and Brad Binkowski, the co-founder and owner of Urban Land Interests. The Binkowski's experience in successfully implementing complicated projects in and around downtown Madison, their familiarity with Madison's housing market as well as past experience in affordable housing made them the best fit. St. John's will retain ownership in the land and the completed project, engaging Mark and Brad, with the support of Urban Land Interests, to implement the development.

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

Type of Project: ☒ New Construction ☐ Acquisition/Rehab or Preservation  
 Type of Project: ☒ Multi-family ☐ Senior (55+ or 62+ yr. old): \_\_\_\_\_

Total number of units: 98

Total number affordable of units (<60% CMI): 82

Total % affordable of units (<60% CMI): 84%

Total amount of AHF requested per affordable unit: \$40,000/unit for 23 units at <30%CMI + \$29,500/unit for 35 units at <50%CMI

Number of units supported by Section 8 project-based vouchers, if known: N/A

PBV CMI level: N/A

Length of Period of Affordability Commitment (min. 40 years): 40 years

## AFFORDABLE HOUSING INITIATIVE FUND GOALS & OBJECTIVES

3. 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 throughout the City that ensures 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 in targeted neighborhoods through acquisition/rehab to create long-term affordability and sustainability.

## AFFORDABLE HOUSING NEEDS

### 4. Describe your knowledge of and experience in identifying affordable housing needs of the City of Madison.

St. John's has a long history working with people who are homeless, marginally housed and economically insecure through various programs, including: our long-term partnerships with the Porchlight DIGS program, which provides emergency housing assistance; St. John's Emergency Fund, which works with individuals to cover their basic needs (groceries, utilities, medical bills, work supplies, etc.) that they are unable to afford due to being severely housing burdened and spending over 50% of their incomes on rent; long term partnerships with the Tenant Resource Center, City of Madison Homeless Services Consortium, Porchlight, Off the Square Club and Lutheran Social Services, Backyard Mosaic Project, Salvation Army and more. It has become clear that a primary issue facing Madison is a lack of availability of moderately priced, safe, well maintained, conveniently located housing for the working poor. We seek to extend our historic mission of caring for those in need by using our property to address this critical need.

St John's development partner, Brad and Mark Binkowski of Urban Land Interests, have developed over 500 apartments in downtown Madison that ULI continues to manage and operate. They have seen first hand the changing dynamics in the Madison rental market as more market rate apartments have been built, and responded by constructing the Quarter Row project which emphasized smaller, more efficient units that could keep rent lower for younger professionals or recent college graduates that had been priced out of other properties. They have recognized the need to increase the supply of affordable housing in close proximity to the Capitol Square and are excited to have the opportunity to work with St. John's on a unique site that can help meet these needs. Brad Binkowski and Urban Land Interests developed two WHEDA financed affordable properties that they continue to manage, and although they are not located in Madison they provide knowledge of the needs of tenants renting affordable apartments.

### 5. Please describe the anticipated demand for the proposed target populations served in this location.

The target population for this project includes formerly incarcerated individuals, those living with mental illness, as well as those workign in the retail, service sector, non-profit and moderate income governmental and private sector employees that struggle to live in close proximity to their work due to the cost of housing downtown. For years St. John's has worked with the working poor and housing burdened and understands the challenges many of these individuals face in finding a decent apartment in a desirable location. As the cost of market rate apartments on the isthmus have continued to rise we believe there is a very large unment demand for this housing in this location. One of the only other LIHTC financed affordable properties downtown, the Madison Mark owned by Stonehouse Development, has maintained effectively full occupancy since completion, and we believe the demand is only going to continue to rise as more market rate infill development replaces older, generally more affordable housing stock downtown.

## INTEGRATED SUPPORTIVE HOUSING UNITS

### 6. 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., households currently experiencing homelessness listed on the Community-wide Prioritized List, veterans, persons with disabilities, formerly incarcerated individuals, other, etc.).

The project will include 23 units at or slightly below 30% of CMI, all of which will provide integrated supportive housing services. These units will primarily target formerly incarcerated individuals and those living with mental illness, as well as those individuals that struggle to maintain steady employment and are considered severely housing burdened. St. John's has a long history of working with people who have been recently released from incarceration, as well as those with diagnosed mental illness, which frequently coincide. More than 40 years ago we co-founded Off the Square Club in partnership with the YWCA to provide respite, a safe location and supportive services for those living with diagnosed mental illness. Through our ongoing partnerships with Backyard Mosaic Women's Project, which works with previously and currently incarcerated women, our support of the Madison-Area Jail Ministry, and ongoing support for and work with Porchlight, Just Dane, ARC Community Services, the Salvation Army, in addition to St. John's own Emergency Fund which gives away more than \$40,000 annually to those most in need, we are well equipped to reach out to and integrate these target populations back into the community.

### 7. Please describe your 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 which target populations you plan on serving and what supportive service partnership approach(es) you will use.

In order to best serve the target populations our approach to providing integrated supportive housing will both meet and exceed WHEDA's Appendix S requirements. As noted previously the integrated supportive housing units are intended to serve formerly incarcerated individuals and those living with mental illness, in addition to those working in service sector and retail jobs downtown that struggle to live in close proximity to their work due to the cost of housing. St. John's will continue working with all of its partners that we have developed relationships with over the past 165 years, including Lutheran Social Services, Porchlight & Just Dane's job training programs, Backyard Mosaic Women's Project, and others. In this way the project will provide a holistic range of services that helps these target populations get back on their feet, providing them a sense of community and support network. Additionally, St. John's will engage Lutheran Social Services to provide a service coordination model for the 23 integrated supportive housing units that provides regular staff support for those renters.

8. 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 Continuum of Care (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.

Lutheran Social Services currently provides supportive services for over 100 sites across Wisconsin. Given our long history and common ministry connection, as well as our past interactions from their role with Off the Square Club, we will continue to partner with them to provide a service coordination model to the integrated supportive housing units. This model will focus on connecting vulnerable residents with the many services and resources that exist within walking distance of our site. Given the location of our site and walkability to many other supportive services it is likely this service coordination model will involve a part-time staff person stationed on site a few days per week. LSS will also work with St. John's other partner organizations that will be located on site to provide a greater sense of community and even broader and more diverse support network for those individuals.

9. In order to ensure the success of the development, the partnership(s), and the tenants, describe the level of financial support that the development will provide annually to the identified supportive service agency/agencies, if applicable. Attach a letter from the service provider(s) detailing 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.).

The final level of financial support for Lutheran Social Services as a result of their work on this project is still being determined; however, we expect the total amount of annual financial support to be between \$10,000 - \$25,000, which will be funded from the cash flows generated by the property.

10. Identify any sources of non-City provided funding sources contemplated for supportive services.

As noted previously, the project will provide ongoing annual financial support to Lutheran Social Services between \$10,000 - \$25,000. Given St. John's long history in the community we can also look to engage in fundraising activities and work with our partner organizations to support LSS, in addition to possible support from St. John's Foundation and its Emergency Fund. St. John's will also be looking to provide below market rental rates to its various partner organizations in order to provide another direct means of financial support to these groups, many of which will be able to provide additional supportive services to the target organizations.

11. Describe how the development will help pay for or subsidize supportive services provided by the identified supportive service partner(s). CDD expects that supportive service partners have access to adequate compensation for the dedicated services provided to residents of the development. Explain any arrangement with developer fee sharing, "above the line" payments in the operating budget, and "below the line" payments out of available cash flow. CDD is open to deferral of AHF Cash Flow Note payments in favor of providing meaningful financial support to supportive service partners. What is the minimum required rent to income ratio?

Please see the previous responses regarding the likely means of paying for the supportive services provided by LSS. At this time we do not anticipate a developer fee sharing arrangement, but rather expect to provide ongoing compensation from the cash flow produced by the project as well as the other means noted above. Given our long history of working collaboratively with these various organizations we are confident an agreement can be arranged that fulfills our mission and cares for the needs of our most vulnerable neighbors. The minimum required rent to income ratio is 3:1.

## TENANT SELECTION, AFFIRMATIVE MARKETING & BARRIERS TO ENTRY

12. Describe your plans to incorporate flexible tenant selection criteria for households who are connected to supportive services, in order to provide housing opportunities for persons or families who would otherwise face common

obstacles obtaining housing (e.g., poor credit, negative rental history, criminal conviction records, etc.). Specifically outline how this proposal embraces the City of Madison Tenant Selection Best Practices (Attachment B-1 of the RFP) and provides the maximum feasible flexibility in tenant selection to the general population and supportive service units.

St. John's is committed to following the guidelines laid out in attachment B-1 in creating and implementing a Tenant Selection Plan that exceeds the City's best practices in order to provide housing opportunities to those who face common barriers. We do not expect to deny a tenant solely based on the minimum required rent to income ratio but will take into account their history and current ability to make consistent rent payments. We also do not anticipate running a credit check on prospective renters. The TSP will be clearly defined and will comply with all local, state and federal laws. As previously noted, one of our target populations are those individuals with incarceration records, so screening policies will take that objective into account in establishing and defining the criteria. In addition, we will work extensively with our partners, including Project Respect, Backyard Mosaic Women's Project, Porchlight DIGS program, Off the Square Club, the YWCA and others, to prioritize housing women of color who've recently faced incarceration yet meet other defined screening criteria.

13. Describe the planned approach, relationship and coordination between the Property Manager and the lead Supportive Service Coordination Agency for lease up and ongoing services. How will these entities work together to ensure a successful development in the context of the greater neighborhood and community?

Urban Land Interests is a highly respected local property manager with a reputation for long term tenant retention and minimal vacancies. St. John's has a 165 year history in Madison working with the community and particularly with people in financial need. Lutheran Social Services has significant experience managing affordable housing projects and providing supportive services. Given our strong connection in the community, including with Just Dane, Porchlight and the Tenant Resource Center, we anticipate being able to successfully market the apartments to diverse groups, being mindful of the City's desired goals around racial equity and social justice. These organizations will work closely together to draw on each other's respective expertise to ensure a successful lease up and a high level of ongoing supportive services. St. John's has been a staple of this neighborhood and community for 165 years and intends to continue its presence here for the next 100+ years. We are excited to transform our property into a multi-ethnic, multi-generational community that provides affordable housing with vibrant community, worship and social service spaces on the ground floor. We chose Brad and Mark Binkowski as our development partners and Potter Lawson as our architectural partner given their respective histories and commitment to creating durable projects that stand the test of time and better their surrounding neighborhoods. With the recent and rapid gentrification of the East Washington corridor we value our ability to ensure our neighborhood remains mixed income and continued to provide housing for the diverse population that makes Madison great.

14. Describe the proposed development's minimum occupancy standards (1 pp per BR) that will prevent or reduce over-housing residents in such limited affordable housing opportunities. See Tenant Selection Plan Best Practices.

The project will have a minimum occupancy standard of one person per bedroom in the affordable units in order to maximize the number of individuals that can benefit from the affordable housing being created.

15. Describe your affirmative marketing strategy and any other strategies to engage your intended population. Specifically outline how you will embrace the City of Madison's Affirmative Marketing Plan Best Practices (Attachment B-2 of the RFP), especially for Asian and Latinx populations which tend to be under-represented in AHF Completion Reports.

The project's affirmative marketing strategy will incorporate the City's best practices as outlined in attachment B-2. Specifically, we will rely on St. John's existing relationships with many of the aforementioned organizations that have extensive relationships with many of the potential residents that may be least likely to apply. We will work with these groups to enhance our marketing outreach, taking proactive efforts to help the City reach its goals in reducing barriers to fair housing choice.

16. How will you affirmatively market to populations that will be identified as least likely to apply? Please reference successful past practices, relationships with agencies and/or marketing materials used.

St. John's will work closely with its vast network of partnering organizations, outreach groups and supportive service agencies to market to those populations that will be least likely to apply. These organizations include Off the Square Club, YWCA, Backyard Mosaic Women's Project, Madison Area Jail Ministry, Porchlight, Just Dane, ARC Community Services, the Salvation Army, St. John's Emergency Fund, Lutheran Social Services, and others. Marketing materials will be made available both digitally and physically in order to distribute the information as broadly as possible through the aforementioned channels to reach those potential residents that may not already be looking in the downtown market.

17. Describe the proposed development's security deposit policy (e.g., ½ or 1x's rent, other set amount(s), criteria for variations if credit is conditional, etc.). Is the higher deposit policy waived for households with a guaranteed rent subsidy or voucher?

We will work closely with Lutheran Social Services to identify appropriate security deposit levels that do not create a restrictive barrier to entry, that is anticipated to be between 1/2 to 1 month's rent, depending on the specific affordability level.

18. What percentage of maximum LIHTC rents are used for 50 & 60% units? Describe the proposed development's policy on limiting rent increases for lease renewals? How will prospective long-term tenants be protected from significantly and rapidly rising contract rents allowed by WHEDA?

We anticipate the 50 - 60% of CMI units will be priced at between 90% - 100% of WHEDA's maximum LIHTC rents due to the cost constraints of building high rise, concrete supported affordable housing. The project's underwriting relies on conservative rent increase assumptions that are lower than estimated operating expense increases in order to build flexibility on the front end to limit rent increases to a reasonable level that ensures long term affordability. We value the relationships formed with long-term tenants and will work to maintain the affordability of their units within the confines of fair housing laws.

## PUBLIC BENEFIT AND RISK

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

The project will provide a significant increase in the affordable housing supply near the Capitol Square, something sorely lacking. There are very few units set aside for those making less than 60% of the county median income within walking distance of the Capitol Square. The creation of 82 affordable units will help support those individuals that work in the service sector and support jobs downtown that otherwise have been priced out of the market, as well as those target populations that face housing constraints from past conviction records and/or mental illness. Additionally, the 21,000 square foot existing property is tax exempt as a result of the Church's ownership and generates no tax revenue for the City. The redevelopment of this property will provide a significant increase in the tax base from this site, giving the City much needed additional revenue. The primary risk for this development is securing the necessary WHEDA low income housing tax credits that will be required to support the creation of the affordable units and ensure the project is financially feasible.

## SITE INFORMATION

20. Address of Proposed Site: 322 E Washington Avenue, Madison, WI 53703
21. In which of the following areas on the Affordable Housing Targeted Area Map (see Attachment A) is the site proposed located? Please check one.
- ☒ Super-Preferred Area (New Construction Only)
  - ☐ Preferred Area (New Construction Only)
  - ☐ Eligible Area (New Construction & Acquisition/Rehabilitation)
  - ☐ Targeted Rehab & Preservation Area (Ineligible for New Construction, but preferred for Acquisition/Rehabilitation and Demolition/Reconstruction)
22. Identify the neighborhood in which the site is located: Capitol Neighborhoods
23. Date Site Control Secured: 165 years ago
24. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities where most needed. Describe the neighborhood and surrounding community. Provide the streets of the closest major intersection as well as known structures/activities surrounding the site that identifies where the site is located. (Attach a map indicating project location. Include one close-up map of the site and a second map using the AHF Targeted Area Map to show the site in the context of the City.)

St John's has been located on this site since the Church was first started over 165 years ago. To continue its mission of being a welcoming servant in the heart of the City it is important to capitalize on the Church's greatest asset, its site, to benefit the City and its most vulnerable residents for another 100+ years. The surrounding neighborhood consists of predominantly single family homes and small apartment buildings that serve residents of varying demographics and socio-economic status. The neighborhood tends to be more working class due to its stock of older, more affordable properties that have not seen the same level of reinvestment and redevelopment as other areas on the isthmus. However, the site is located just blocks from the Capitol Square and the higher end offices, apartments and hotels that surround it. This proximity to the Capitol Square and the service industry jobs that it supports makes the development of affordable housing on this site a tremendous benefit to the City as it is something that historically has been lacking. The property sits at the corner of East Washington Avenue and North Hancock Street. Please see the attached maps detailing the site location.

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

The site is currently home to St. John's Lutheran Church, a building that is outdated yet much loved by the Church's congregation. The existing building will be demolished with careful attention paid to those historic elements of the sanctuary that can be saved and repurposed. These would likely include the stain glass windows facing Hancock Street, as well as many of the historic finishes within the Church's existing worship space. The rest of the demolition will be completed with an eye to recycling and repurposing as much as possible to limit the waste that ends up being sent to a landfill.

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

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store	Festival Foods	0.4 miles
	Capitol Centre Market	0.6 miles
	Pinkus McBride Market	0.3 miles
Public Elementary School	Lapham Elementary School	0.9 miles
Public Middle School	O'Keeffe Middle School	1.6 miles
Public High School	Capital High Eastside	0.9 miles
	East High	1.9 miles
Job-Training Facility, Community College, or Continuing Education Programs	Dane County Job Center	3.3 miles
	UW Student Job Center	1.5 miles
	Urban League of Greater Madison	3.3 miles
	Madison College	4.0 miles
Childcare	Red Caboose Child Care Center	0.5 miles
	Creative Learning Preschool	0.1 miles
	Cultured Kids of Madison-Vilas Child Care	1.8 miles
Public Library	Madison Central Public Library	0.5 miles
Neighborhood or Community Center	Neighborhood House Community Center	1.6 miles
	Ambrosia	0.9 miles
	Upper House	1.1 miles
	Wil-Mar Neighborhood Center	0.9 miles
	St. John's Lutheran Church	0.0 miles
Full Service Medical Clinic or Hospital	SSM Health St. Mary's Hospital	1.8 miles
	UW Health	1.3 miles
	Meriter Hospital	1.6 miles
Pharmacy	Walgreen's Pharmacy	0.3 miles
Public Park or Hiking/Biking Trail	James Madison Park	0.4 miles
	Period Garden Park	0.4 miles



Banking	Town Bank, Chase Bank, UW Credit Union, Park Bank, BMO Harris Bank, Old National Bank	Capitol Square, 0.2 - 0.3 miles
Retail	Capitol Square and State Street, East Johnson Street, East Williamson St	0.1 - 1.0 miles
Other (list the amenities):	Farmer's Market, Concerts on the Square, Monona Terrace, Overture Center, Madison Children's Museum, the proposed new Madison Youth Arts Center and all of the other unique and diverse opportunities that downtown Madison and the Capitol Square / State Street are known for	0.1 - 1.0 miles

27. What is the actual walking distance 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 both the weekday and on the weekends (e.g., hourly, ½ hour, commuter hours). List the bus route(s) numbers, seven-day 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.

Located directly at the corner of Hancock Street and East Washington Avenue, the site is proximate to a number of bus stops providing service all over the City. The site is 450 ft from the E Washington & S Webster stop, which serves the 06, 15, 23 and 27 routes Eastbound. It is also 530 feet from the E Washington & N Webster stop, which serves the 06, 15, 23 and 27 routes Westbound. The site is 1,500 feet from the E Johnson and N Butler stop, which serves the 02, 05, 10 and 27 routes Eastbound. The site is 1,000 feet from the Capitol Square, including the N Pinckney and E Mifflin stop as well as the King and Pinckney stop. These stops provide service to the 02, 04, 05, 06, 07, 08, 12, 15, 23, 27, 70, 72 and 75 routes. Routes 02, 04, 05, 06, 07, 08 all provide regular, half hour weekday service as well as weekend and holiday service. Routes 12, 15, 23, 27, 70, 72, 75 all provide regular weekday service.

28. Describe the walking and transit routes for children to get to their elementary and middle schools.

Given the location of this site downtown it is not anticipated that a large number of families with childrens will occupy the building. The proximity of both Lapham Elementary School and O'Keefe Middle School means they are within walking distance from the site. Both schools are also located on major bike routes, Mifflin St and Jennifer St respectively, making them convenient for children to bike to. The City bus routes provide another convenient means of transit to these schools, as do the supplemental school services provided by Madison Metro, which are not currently being published due to the closure of in person learning in the Madison Metropolitan School District.

29. 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.

As evidenced based on the previous amenity list, the location of this site in the heart of downtown Madison just blocks from the Capitol Square makes it incredibly accessible for all means of transportation. Employment opportunities, child care, grocery stores, libraries, neighborhood centers and parks are all accessible by walking in only a matter of minutes. The site is proximate to a number of the City's prominent bike lanes making that a convenient option. And the site's location on E Wash means a tenant can quickly board a bus to get to all of these nearby and convenient amenities. There is perhaps no other site in Madison that is being considered for affordable housing that has this level of access and proximity to all of these vital amenities and resources.

30. Describe the impact this housing development will have on the schools in this area. What percent are the current enrollment and 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 your proposed unit mix and previous housing experience. 2019 school capacity information can also be found at:

[https://accountability.madison.k12.wi.us/files/accountability/uploads/2019-11\\_fall\\_enrollment\\_reports.pdf](https://accountability.madison.k12.wi.us/files/accountability/uploads/2019-11_fall_enrollment_reports.pdf)

It is not expected that this proposed project will have an appreciable impact on the schools in this area. This site's location just blocks from the Capitol Square means the expected renter demographic will be skewed heavily towards those working in the varied industries and service sector jobs available downtown, as well as relying on the various support and service providers on the isthmus. We do not expect to have a significant number of tenants with school age children due to the site's location.

31. 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.

For the past 165 years the site has been used as a church and place of worship by St. John's Lutheran Church. St John's has been in continuous occupancy of the site for the extent of that duration. Accordingly, no significant environmental concerns are anticipated, other than the customary minor asbestos removal that will be required as part of the demolition process. The Church has had a handful of various hazardous material studies completed in the past that have not turned up any significant signs of worrisome materials. A complete Phase I ESA and any required hazardous materials testing will be done as part of the development project. Any required remediation will be carefully completed at the time that demolition on the existing building commences.

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

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

The site is currently zoned Urban Mixed Use (UMX), which calls for high density residential development. No rezoning will be required and the current development plans can be built under existing zoning. The project will require a demolition permit, conditional use permit due to the size and a CSM to combine the 3 existing parcels into 1. The site is located in Urban Design District 4. Accordingly, the plans for the development will have to go through both Urban Design Commission and Plan Commission for approval. More details regarding preliminary discussions with City Staff are noted below.

34. Describe the proposed project's consistency with adopted [plans](#), including the City of Madison Comprehensive Plan (adopted 2018), Neighborhood Plan(s), Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant [plans](#).

The proposed infill project in this location is directly in line with the City's Comprehensive Plan and Downtown Plan. The Downtown Plan and Generalized Future Land Use Map call for this site's future use to be Downtown Core Mixed-Use, and it sits directly adjacent to the James Madison Park area that calls for predominantly residential. A well designed, high density residential development with the Church operating on the ground floor is in keeping with these stated land uses. The site's current UMX zoning allows for a building height of 8 stories, with the potential for 2 additional bonus stories, which is also in line with the Downtown Plan. Many of the goals outlined in the Downtown Plan are very much in line with the objectives of this development, including ensuring a quality urban environment, maintaining strong neighborhoods and districts, enhancing livability and becoming a model of sustainability. This plan is adding density along one of the Comprehensive Plan's priority growth areas given its location on the East Washington regional corridor, in addition to hitting many of the other strategies and goals outlined in the land use and transportation section of the Comprehensive Plan. These include: ensuring all populations benefit from the City's transportation investments, concentrating the highest intensity development along transit corridors, facilitating compact growth and improving access and inclusivity of Downtown Madison.

## CITY AND COMMUNITY ENGAGEMENT PROCESSES

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

A preliminary meeting with City Staff was held on June 30<sup>th</sup>. Jenny Kirchgatter from Zoning and Kevin Firchow from planning both attended. There were no major red flags that either Jenny or Kevin saw. Jenny confirmed that the project can be built "as right" under the existing zoning and that a demolition and conditional use permit will be required, as well as a CSM. Kevin noted that an 8 story building would be fairly straight forward, and that applying for the 2 bonus stories may raise questions from some of the neighbors. Kevin confirmed that no landmarks approvals would be required, although noted there may be some notes in a file somewhere given the history of the Church. They confirmed that this was outside of the Lamp House study area and would not need to address that.

36. Have you presented to the City's Development Assistance Team (DAT)? If so, please summarize the staff comments to your proposal and reference the date of the presentation. If not, what is the anticipated date of the DAT presentation?

A presentation to the DAT team has not yet been made, although that was discussed as the next step with Kevin and Jenny at the meeting on June 30<sup>th</sup>. It is anticipated a presentation to the DAT will occur on either Thursday July 22<sup>nd</sup> or Thursday July 29<sup>th</sup>, in advance of the August 5<sup>th</sup> required deadline.

37. Describe the response of the alderperson in which the proposal is located, as well as the adjacent alderperson(s), if applicable. What issues or concerns with the project did s/he identify, if any? How will those be addressed?

Due to the timing constraints of making the City's AHF application deadline, the project has not yet been reviewed in detail with Alder Heck or Alder Benford (although the site is not located in District 6, the dividing line runs down East Washington Avenue and thus we would plan to engage with Alder Benford as well). St. John's has had informal discussions with Alder Heck and former Alder Rummel in prior years about a potential redevelopment of this site. We expect to have formal discussions with the alders before the end of July. St. John's has informed Alder Heck of our intention to submit this AHF application and inquired about scheduling a formal neighborhood meeting as soon as is feasible.

38. Describe the neighborhood and community input process, including notification to and input from the nearby Neighborhood Association(s), already underway and planned. What issues or concerns with the project has been identified, if any? How will those be addressed?

Due to the timing constraints of making the City's AHF application deadline, formal conversations and presentations to the neighborhood and the neighborhood association have not yet occurred. Discussions have been had with the Hancock Center, the neighbor immediately to the north that would be most impacted by construction. St. John's has also had several informal discussions with various neighbors and executive committee members from CNI regarding our plans to redevelop our site. During these discussions there was a general sense of excitement expressed at the possibility of creating a strong neighborhood and community space, as well as affordable housing. The development team intends to undertake a thorough and comprehensive neighborhood engagement process to ensure the project has the buy in from all stakeholders. We expect this will involve multiple formal and informal neighborhood meetings, as well as the formation of a steering committee by Capitol Neighborhoods, Inc. that would help shape and inform the final development plans.

39. Amid the environment created by the COVID-19 pandemic, how will you engage and communicate with residents and stakeholders differently than in years past?

As the conditions surrounding the covid-19 pandemic continue to improve with Dane County leading the nation in vaccination rates, it is our hope that we will be able to return to more normal neighborhood and community engagement processes that involve in person presentations that benefit from face to face conversations. At the same time, we recognize that the adoption of virtual video based meetings during the pandemic has helped increase neighborhood engagement as accessibility and scheduling issues seem to be less significant. If these meetings are able to happen in person we would intend to also provide a remote / virtual option for those that may prefer or find it easier to engage remotely.

40. Describe your plans for supplemental neighborhood meetings and other ways of engaging residents. How will residents be engaged or given the opportunity to participate in the design process (e.g., steering committee, charrette, survey, presentations, website, etc.)?

As previously noted, we would expect that Capitol Neighborhoods, Inc. will want to form a steering committee for this development, which we are fully in support of. In addition to the formally noticed neighborhood meetings we plan to engage one on one with neighbors that are directly impacted by the proposed project as well as those that have thoughts, ideas and recommendations they would like to share. St. John's has a long history of keeping its doors open to anyone and everyone, a practice that will continue throughout this development process. It will be our goal to engage with as many stakeholders as is possible, as we firmly believe that the neighborhood engagement process is critically to shaping responsible urban development.

41. Describe how this development will promote social equity in the community and the greater Madison area. How will the proposal embrace the City's [Racial Equity and Social Justice Initiative](#)?

The proposed development will immediately and impactfully promote social and racial equity in the community by creating a significant number of low cost, affordable apartments in an area of the City that most lacks affordable housing. Downtown Madison has continued to gentrify as more market rate apartments have been built to serve the increasing number of young professionals moving to Madison. Due to the challenges with WHEDA's scoring, no new LIHTC financed affordable units have been built within a few blocks of the Capitol Square since 2005. This project directly addresses the City's desire to create more affordable housing that can support many of Madison's most vulnerable populations that have historically been left behind. Additionally, St. John's creation of a ground floor space that serves as an open and welcoming neighborhood and community center will further extend its

ministry. The opportunities created for the Church's partner organizations will allow these groups to enhance and expand their mission and thereby promoting further social equity, as well as social cohesion and a sense of community.

42. Have you or will your development team be willing to provide a meaningful intern or employment opportunity to a student or graduate of the Associates in Commercial Real Estate (ACRE) program on this or another project? If so, describe how your development team will address this priority?

It is not anticipated that an intern or employment opportunity will be supported by this development.

## SITE AMENITIES

43. 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.).

Due to the constraints of developing a high density, lot line to lot line urban infill site there is not room to create significant outdoor space at the sidewalk level. A large, landscaped outdoor roof terrace will be constructed on one of the upper floors that will be programmed with landscaping, green space, seating and tables and likely some form of outdoor cooking equipment. These spaces are important to creating an amenity and gathering space for apartment tenants and help to foster a sense of community and engagement. Additionally, St. John's plans for its Church space on the ground floor will incorporate outdoor green space and gardens, which have become an important part of its existing facility. These garden areas would provide additional opportunities for residents of the building to engage with one another and the outdoors. Current plans for the upper floors of the project call for approximately half of the units to have a balcony.

44. Describe the interior common area amenities that will be available to tenants and/or guests (e.g., community rooms, exercise room, business center, etc.). What parking will be provided and at what cost? Will the cost vary by CMI level? For family developments, will there be a year-round indoor play space for children?

The interior common areas have not yet been fully programmed; however, we would expect an exercise / fitness room to be included as well as a community room for the tenants of the building. Current plans call for 75 - 100 parking stalls to be constructed. The final amount of parking to be created will be based on the City's currently proposed TDM program as well as based on the feedback and desires of the neighborhood. Due to the cost of creating structured, underground parking it is anticipated that the parking will cost between \$150 - \$175 per stall per month, and will not vary by CMI level.

45. For proposals contemplating first floor commercial space, describe if/how the space is planned for a neighborhood- or community-enhancing tenant (e.g. childcare, senior center, community facility, etc.). 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.

St. John's plans for its ground floor space in the completed project will create a truly unique, one of a kind community and neighborhood space in the heart of Downtown. For over 165 years St. John's has stuck to its practice of welcoming all that come through its doors. The Church has served as a vital support network and place of community both for its congregation members and others in the community. The Church's ground floor space will offer a place for worship, social services and a vibrant sense of community. Outdoor gardens along the sidewalk will create organic interaction with those individuals that happen to be walking past the site. St. John's will also be creating space for its many partnering organizations, including Project Respect, Off the Square Club, Porchlight's DIGS program, Backyard Mosaic Women's Project, various Twelve Step programs, and others. This group of service providers and community organizations is committed to helping address a variety of needs and assisting historically underserved communities. These related and symbiotic users will create a singularly unique and holistic sense of community that serves the neighborhood it is a part of and those that call it home.

46. 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.

All of the apartments will be built to a high quality, with an eye to detail and an exceptional level of finishes. The apartments will include vinyl plank flooring, in-unit washers and dryers, energy star rated appliances, large closets and storage space, quartz or solid surface counters and wood cabinetry. It is expected that approximately half of

the units will have their own balcony. All apartments will be fully wired for cable, phone and internet services that can accommodate multiple different service providers that will likely be present in the building. The project will be non-smoking throughout all of the apartments, common areas and outdoor spaces.

**PROPOSAL TIMELINE**

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

<b>Activity/Benchmark</b>	<b>Estimated Month/Year of Completion</b>
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT) [ <i>Target/Actual Month/Date</i> ]	July 2021
1 <sup>st</sup> Development Assistance Team/ Meeting (Due by 8/6/21) [ <i>Target/Actual Month/Date</i> ]	July 2021
1 <sup>st</sup> Neighborhood Meeting (Due by 8/19/21) [ <i>Target Month/Date</i> ]	July / August 2021
Submission of Land Use Application (Zoning Map Amendments Due by 9/15/21)	N/A
Submission of Land Use Application (Permissively Zoned Due by 10/6/21)	August / September 2021
Plan Commission Consideration (If Rezoning, Due by 11/22/21 for 12/7/21 Common Council)	October / November 2021
Urban Design Commission Consideration, if applicable [ <i>Target Month/Date</i> ]	October 2021
Application to WHEDA	December 2021
Complete Equity & Debt Financing	March 2022
Acquisition/Real Estate Closing	Complete
Rehab or New Construction Bid Publishing	April 2022
New Construction/Rehab Start	June 2022
Begin Lease-Up/Marketing	December 2022
New Construction/Rehab Completion	August 2023
Certificates(s) of Occupancy Obtained	August 2023
Complete Lease-Up	August 2023
Request Final AHF Draw	December 2023

**HOUSING INFORMATION & UNIT MIX**

48. 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. Please state utility allowance assumptions & source in the notes.

<b>ADDRESS #1:</b>		<b>322 E Washington Avenue</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>
≤30%	23	2	21	0	0	0	541	580	696		
40%	0	0	0	0	0	0					
50%	35	2	30	2	1	0	902	966	1160	1340	
60%	24	2	19	2	1	0	1083	1160	1392	1608	
<b>Affordable Sub-total</b>	<b>82</b>	<b>6</b>	<b>69</b>	<b>4</b>	<b>2</b>	<b>0</b>					
80%	0	0	0	0	0	0					
<b>Market*</b>	<b>16</b>	<b>0</b>	<b>12</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1400</b>	<b>1625</b>	<b>2300</b>		
<b>Total Units</b>	<b>82</b>	<b>6</b>	<b>69</b>	<b>4</b>	<b>2</b>	<b>0</b>	Notes/Utility Allowance Assumptions: Please note that the total unit count is not including the market rate units. Total residential units in the project is 98. The development team is continuing to work with Potter Lawson to identify opportunities to create more two bedroom units across the various income levels in order to serve a wider variety of tenants.				

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

<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>
≤30%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
<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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
<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.**

49. Utilities/amenities included in rent: ☒ Water/Sewer ☐ Electric ☐ Gas ☐ Free Internet In-Unit

☒ Washer/Dryer ☐ Other: \_\_\_\_\_



## ENERGY EFFICIENCY, RENEWABLE ENERGY & SUSTAINABLE DESIGN

50. What is your organization's track record of developing projects that incorporate extraordinary sustainable, energy efficient, and/or green building design techniques? Please list any awards, industry standards or third-party certifications achieved on projects developed in the past ten years, LEED®, WELL, Passive House, etc.

St John's development partner on the project, Brad and Mark Binkowski with the support of Urban Land Interests, has an extensive track record of developing sustainable, highly efficient buildings. The best example of this is the renovations of US Bank Plaza on the Capitol Square. Brad and his team took one of the most inefficient buildings in the state of Wisconsin and after thorough renovations converted it to LEED Gold Certified.

51. Please describe how this proposed development will contribute to the City's goal of 100% renewable energy and zero-net carbon emissions (originally adopted March 21, 2017). What size/range of solar array is anticipated? If not yet known, what percentage energy offset is the development aiming to provide via the solar array?. For more information, see [100% Renewable Madison Report](#).

St. John's long term ownership of the completed development means we are incentivized to make choices in design and finish selections that minimizes the building's impact on the environment. St. John's is committed to investigating all feasible opportunities to have this building save energy usage. At this time a cost benefit analysis on the installation of a solar array has not yet been completed.

52. Please describe the proposed project's energy efficiency goals. Please attach a copy of the confirmation page demonstrating that your organization has submitted an [Initial Application](#) for Focus on Energy's Energy Design Assistance program. Identify any third party certification, such as LEED®, WELL, Passive House or similar, that will be sought. If known at this time, describe the level of savings of projected energy usage over baseline the development will commit to incorporating in the building's design.

St. John's is approaching this project from the perspective of long term owners and thus will make design decisions in a way that maximizes energy efficiency and improves the long term operating results of the building. The development team will pursue the feasibility of a variety of different certifications, although no decision has been made at this time as to what will be pursued. LED lighting, high efficiency mechanical systems, recycable materials, efficient plumbing fixtures and energy star appliances will all be used in an effort to maximize the building's energy efficiency. A preliminary application for Focus on Energy's Energy Design Assistance program has been submitted and the confirmation is attached to this submittal. The project will be certified as "Green Built" according to the Wisconsin Green Built Home standards.

53. How will this project contribute to creating a walkable, human-scaled community inside and outside the property lines?

The project's location three blocks from the Capitol Square and in the center of the Isthmus makes it ideally positioned to create a more walkable urban development. The upper floors of the building will be setback from the property line with large landscaped terraces and planters along the Church's space on the ground floor. The site is centrally located to the Capitol Square, between the lakes, and within close walking distance to many vital downtown amenities (groceries, library, employment, etc.). St. John's is providing space to the Backyard Women's Mosaic Project and has worked in conjunction with them to secure a grant from the Madison Arts Commission to add a mosaic bench near the site's sidewalk gardens to provide a place for people to sit and chat.

54. Describe how the local south-Central Wisconsin climate will inform the design of the proposed development and the challenges it will present.

Madison's local climate, with its extreme fluctuations between hot and cold, presents several challenges. Ensuring that the building is built with adequate insulation both in the walls and on the roof, utilizes energy efficient solar windows, provides effective window shades within units and takes advantage of today's energy efficient heating and cooling systems are all important to helping the building operate as efficiently as possible within these fluctuating extremes. Additionally, the building will comply with the City's new stormwater ordinance and its green requirements to help lessen its impact on the recent flooding that Madison's isthmus has experienced .

55. Describe this development's proposed strategies to reduce reliance on municipal water sources (i.e. water efficiency). Will the development incorporate systems to recapture and/or reuse water generated on-site?

The building will use highly efficient plumbing fixtures throughout, and will comply with Madison's new stormwater ordinance including the green building standards. The building will look to capture and re-use rainwater in the various gardens and planter areas throughout.

56. What building design and HVAC considerations will your team include to enhance community resiliency for building inhabitants in the face of a potential future pandemic?

At the direction of Brad Binkowski, Urban Land Interests was the first property owner in Madison to install bi-polar ionization (BPI) technology in the mechanical systems throughout its buildings. BPI has proven effective in neutralizing airborne viral particles. In addition to providing adequate distribution of fresh air and operable windows that allow tenants to open their apartments to the exterior, the development team will explore the feasibility of installing BPI technology in the building's mechanical systems.

57. Describe this development's approach to accessibility, including the number and percent of accessible units proposed for each of level of accessibility. Will this development meet or exceed the minimum requirements? For rehab, describe the accessibility modifications that will be incorporated into the existing development.

The project will meet the local, state and federal accessibility requirements, with 2 units being fully ADA accessible and up to 20% of the units meeting WHEDA's required accessibility standards.

58. Describe this development's level of commitment to the principles of Universal Design. Elaborate on how the development team will incorporate Universal Design components in residential units, commercial space, and common areas, and how the development will exceed building code standards for Type A units. What percentage or number of units in the proposed development will incorporate Universal Design principles?

Universal Design's principles of creating spaces that are inclusive for all to use and understand, regardless of age, size and disability are important considerations for any new development. St. John's values align closely with those principles as well. Although the design details are not yet advanced to the point of having these final details, we would expect the residential units and the common areas to have a high degree of commitment to Universal Design principles.

59. 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

## REAL ESTATE PROJECT DATA SUMMARY

60. 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:	322 E Washington avenue								
	0	98	0	0	0	2	\$0	\$10,000,000+	\$0
Address:	Enter Address 2								
Address:	Enter Address 3								

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

The site is currently home to St. John's Lutheran Church, a building that is outdated yet much loved by the Church's congregation. The existing building will be demolished, with careful attention paid to those historic elements of the sanctuary that can be saved and repurposed. These would likely include the stain glass windows facing Hancock Street, as well as many of the historic finishes within the Church's existing worship space. The rest of the demolition will be completed with an emphasis on recycling and repurposing as much as possible to limit the waste that ends up being sent to a landfill.

62. Will any business or residential tenants 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.

St. John's will relocate its worship space during construction. Throughout the covid pandemic St. John's has been worshipping and gathering online, which it has the ability to continue if necessary during construction. St. John's will work with its partner organizations that are currently in the space, Project Respect, Porchlight's DIG program, Backyard Women's Mosaic Project, the Off the Square Club and various Twelve Step groups, to identify options for relocation during construction, with the goal of ultimately bringing those groups back into the completed space to continue their missions in this location.

## DEVELOPMENT TEAM

63. Describe the project's organizational structure. Please attach an organizational chart detailing the roles of the applicant, all partners, and the ownership interest percentages of each party.

The property is owned 100% by St. John's Lutheran Church. It is envisioned that St. John's will continue to own and control the property, with Mark and Brad Binkowski, supported by Urban Land Interests, engaged as development partners to assist in implementing the project.

64. For projects that will be co-developed with a non-profit partner, please explain 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.

St. John's Lutheran Church is a 501-c.3 and will continue to own the property and the completed development in conjunction with Brad and Mark Binkowski.

- a. For projects that will be co-developed with a BIPOC or minority developer, please explain the non-profit's role in the development. State what percentage stake the BIPOC or minority developer will have in the development, cash flow, etc. (as memorialized in organizational documents). If the development team will partner with a BIPOC or minority developer but will not provide a stake in the organization structure, please elaborate on how the BIPOC or minority developer will be involved in the long-term ownership of the development.

N/A

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

Contact Person	Company	Role in Development	E-mail	Phone
Mark Binkowski	MRB Holdings	Developer	mbinkowski@uli.com	608.235.5230
Brad Binkowski	Urban Land Interests	Developer / Property Management	bbinkowski@uli.com	608.235.5230
Pastor Peter Beeson	St. John's Lutheran Church	Owner's Representative	peterb@stjohnsmadison.org	608.256.2337
Doug Hursh	Potter Lawson	Architect	dough@potterlawson.com	608.274.2741
Brian Reed	Potter Lawson	Architect	brianr@potterlawson.com	608.274.2741
TBD	TBD	Contractor	TBD	TBD
Joe Arzbecker	Lutheran Social Services	Supportive Service Provider	joseph.arzbecker@lsswis.org	414.246.2326
Matt Carlson	Carlson Black	Legal Counsel	matt.carlson@carlsonblack.com	608.888.1682

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66. For the following development team roles, please identify the number and/or percentage of women and persons of color employed by that company.

<b>Company</b>	<b>Role in Development</b>	<b># AND % Employees who are Women</b>	<b># AND % Employees who are Persons of Color</b>
St. John's Lutheran Church	Developer	43%	0%
MRB Holdings (Mark Binkowski)	Co-Developer	0	0
	Co-Developer		
	General Contractor		
Urban Land Interests	Property Manager	48%	Not available
Potter Lawson	Architect	34%	3%
Lutheran Social Services	Service Provider	79%	16%

67. Please describe the development team's experience in obtaining and successfully implementing LIHTC developments in accordance with the Additional Application Materials Section 2.4, Item 2 of the RFP.

Please see the included development team overview included with this application.

68. Will the development team commit to making annual payments on the AHF Cash Flow Note concurrently with repayment of the deferred developer fee? If yes, explain how this will be memorialized in organizational documents, including the final Amended and Restated Operating Agreement.

We are requesting that the maximum feasible amount, preferably all, of the requested funds be provided in the form of a 30 year loan at 0% interest payable upon the earliest of the sale, transfer or change of use in the property as a result of the Church as a non-profit being the owner and applicant.

69. [Acquisition/Rehab & Preservation Proposals ONLY]: Please provide the desired loan terms as described in Section 1.4 of the RFP.

N/A

## REFERENCES

70. Please list at least three references who can speak to your work on similar developments completed by your team.

<b>Name</b>	<b>Relationship</b>	<b>Email Address</b>	<b>Phone</b>
Rich Lynch, JH Findorff	General Contractor	rlynch@findorff.com	608.442.7360
Jim Hegenbarth, Park Bank	Lender	jhegenbarth@parkbank.com	608.278.2870
John Rent, Wells Fargo	Lender	john.e.rent@wellsfargo.com	612.667.2668

**PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION** (such as assessment and referral, on-site intensive case management, etc.) **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 2.4, Item 2 of the RFP.
- ☒ 3.a. Letter(s) from Supportive Service Provider(s) detailing 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.
- ☒ 3.b. A detailed map of the site and a second map using the AHF Affordable Housing Targeted Area Map showing the site in the context of the City.
- ☒ 3.c. A preliminary site plan and drawings, if available.
- ☐ 3.d. 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.
- ☒ 4. A confirmation page demonstrating that an Initial Application for Energy Design Assistance was submitted to Focus on Energy
- ☒ 5. Written confirmation from the Zoning Administrator of permissive zoning or a letter confirming the proposed site's zoning status and process.

NOTE: If a preliminary site plan is not available at the time of application, submittal will be required for DAT on August 6, 2021 with submittal with week prior. If the Capital Needs Assessment is not available at the time of application for a rehab project, submittal will be required by August 19, 2021.

APPLICANT &amp; PROJECT NAME:

St. John's Redevelopment - St. John's Lutheran Church

## 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:						
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
WHEDA	\$ 10,284,862	Y	4.35%	35	35	\$572,674
AHP Loan (List FHLB):						
FHLB	\$ 900,000	N				
Total City Request (AHF, TIF, federal funds, etc.)						
AHF, TIF, other	\$ 2,750,000					
Other-Specify Lender/Grantor:						
ELCA Mission Investment Fund	TBD - see note					
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Tax Credit Equity	\$ 10,756,150					
Historic Tax Credit Equity						
Deferred Developer Fees	\$ 1,500,000					
Owner Investment	Final Amount TBD					
Other-Specify:						
Contributed Land Equity	Final Amount TBD					
<b>Total Sources</b>	<b>\$ 26,191,012</b>					

Do you plan on submitting an application for TIF?
 

Yes

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
WHEDA	\$ 10,284,862	4.35%	35
Bridge Loan-Lender Name:			
			24
Tax Credit Equity:			
Federal (4%) + State (4%)	\$ 10,756,150		
<b>Total</b>	<b>\$ 21,041,012</b>		

Estimated pricing on sale of Federal Tax Credits:

\$0.90

Estimated pricing on sale of State Tax Credits:

\$0.77

(if applicable)

Remarks Concerning Project Funding Sources:

Due to the cost of high rise construction on an infill site, there is currently a \$5.4M funding gap. We are working on final pricing as the costs have been fluctuating in the current pricing environment. We are pursuing other funding sources to close the gap, including: additional City resources, ELCA Mission Investment Funds, Dane CO Workforce Housing fund, and private donations from a capital campaign. The amount of owner equity and deferral of the developer fee will be determined at the time these other sources are known.

APPLICANT:

St. John's Redevelopment - St. John's Lutheran Church

## 2. PROJECT EXPENSES

Enter the proposed project expenses

### Acquisition Costs

#### Amount

Land	\$0
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

### Construction:

Construction/Rehab Costs	\$22,975,000
Construction Profit	\$0
Construction Overhead	\$0
General Requirements	\$0
Construction Supervision	\$0
FF&E/Personal Property	\$85,000
Demolition	\$375,000
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$1,168,750
Other (List)	
Non-residential construction	\$2,326,000

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

Total Cost:

\$0

### Architectural & Engineering

Architect - Design	\$650,000
Architect - Supervision	\$0
Engineering	\$50,000
Other (List)	
	\$0

### Interim/Construction Costs

Builder's Risk/Property Insurance	\$35,000
Construction Loan Interest	\$1,007,303
Construction Loan Origination Fee	\$0
Real Estate Taxes	\$25,000
Park Impact Fees	\$64,000
Other Impact Fees	\$0
Other (List)	
construction loan documentation and inspection	\$30,000

### Financing Fees

Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$154,273
Credit Enhancement	\$0
Other Permanent Loan Fees	\$55,500

### Soft Costs

Appraisal	\$7,200
Market Study	\$7,500

Environmental Reports	\$10,000
Survey	\$10,000
Permits	\$10,000
Lease-Up Period Marketing	\$65,000
Tax Credit Fees - Application	\$125,862
Tax Credit Fees - Compliance	\$0
Tax Credit Fees - Allocation	\$0
Accounting/Cost Certification	\$40,000
Title Insurance and Recording	\$15,000
Relocation	\$0
FF&E	\$0
Capital Needs Assessment (if rehab)	\$0
Legal	\$100,000
Other (List)	
miscellaneous	\$15,000
<b>Fees:</b>	
Bridge Loan Fees	\$0
Organizational Fees	\$30,000
Syndication Fees	\$0
Total Development Fee	\$1,500,000
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
	\$0
<b>Reserves Funded from Capital:</b>	
Lease-Up Reserve	\$100,000
Operating Reserve	\$593,017
Replacement Reserve	\$0
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
<b>Other: (List)</b>	
	\$0
<b>TOTAL COSTS:</b>	<b>\$31,629,405</b>



APPLICANT: **St. John's Redevelopment - St. John's Lutheran Church**

### 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	1,233,660	1,258,333	1,283,500	1,309,170	1,335,353	1,362,060	1,389,302	1,417,088	1,445,429	1,474,338	1,503,825	1,533,901	1,564,579	1,595,871	1,627,788	1,660,344
Less Vacancy/Bad Debt	86,356	88,083	89,845	91,642	93,475	95,344	97,251	99,196	101,180	103,204	105,268	107,373	109,521	111,711	113,945	116,224
<b>Income from Non-Residential Use*</b>	169,020	172,400	175,848	179,365	182,953	186,612	190,344	194,151	198,034	201,995	206,034	210,155	214,358	218,645	223,018	227,479
<b>Total Revenue</b>	1,316,324	1,342,650	1,369,503	1,396,893	1,424,831	1,453,328	1,482,394	1,512,042	1,542,283	1,573,129	1,604,591	1,636,683	1,669,417	1,702,805	1,736,861	1,771,599
<b>Expenses:</b>																
Office Expenses and Phone	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764	21,386	22,028	22,689	23,370
Real Estate Taxes	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587	207,635	213,864	220,280	226,888	233,695
Advertising, Accounting, Legal Fees	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739
Payroll, Payroll Taxes and Benefits	60,500	62,315	64,184	66,110	68,093	70,136	72,240	74,407	76,640	78,939	81,307	83,746	86,259	88,846	91,512	94,257
Property Insurance	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972	48,381	49,832	51,327	52,867	54,453	56,087
Mtc, Repairs and Mtc Contracts	125,690	129,461	133,345	137,345	141,465	145,709	150,080	154,583	159,220	163,997	168,917	173,984	179,204	184,580	190,117	195,821
Utilities (gas/electric/fuel/water/sewer)	73,500	75,705	77,976	80,315	82,725	85,207	87,763	90,396	93,108	95,901	98,778	101,741	104,793	107,937	111,175	114,511
Property Mgmt	78,270	80,618	83,037	85,528	88,094	90,736	93,458	96,262	99,150	102,125	105,188	108,344	111,594	114,942	118,390	121,942
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	29,400	30,282	31,190	32,126	33,090	34,083	35,105	36,158	37,243	38,360	39,511	40,696	41,917	43,175	44,470	45,804
Support Services	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764	21,386	22,028	22,689	23,370
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	613,360	631,761	650,714	670,235	690,342	711,052	732,384	754,355	776,986	800,296	824,305	849,034	874,505	900,740	927,762	955,595
<b>Net Operating Income</b>	702,964	710,889	718,790	726,658	734,489	742,275	750,010	757,687	765,297	772,833	780,287	787,650	794,912	802,065	809,099	816,004
<b>Debt Service:</b>																
First Mortgage	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
asset management fee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674	577,674
<b>Total Annual Cash Expenses</b>	1,191,034	1,209,435	1,228,388	1,247,909	1,268,016	1,288,726	1,310,058	1,332,029	1,354,660	1,377,970	1,401,979	1,426,708	1,452,179	1,478,414	1,505,436	1,533,269
<b>Total Net Operating Income</b>	125,290	133,215	141,116	148,984	156,815	164,601	172,336	180,013	187,623	195,159	202,613	209,976	217,238	224,391	231,425	238,330
<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>	125,290	133,215	141,116	148,984	156,815	164,601	172,336	180,013	187,623	90,007	0	0	0	0	0	0
<b>Cash Flow</b>	0	0	0	0	0	0	0	0	0	105,152	202,613	209,976	217,238	224,391	231,425	238,330
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

<b>DCR Hard Debt</b>	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.40	1.41	1.42
<b>DCR Total Debt</b>	1.22	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.40	1.41

#### 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:

pet fees assumed for 32 units at \$30 per month; parking

APPLICANT:

### 3. PROJECT PROFORMA (cont.)

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

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	1,693,551	1,727,422	1,761,970	1,797,210	1,833,154	1,869,817	1,907,213	1,945,358	1,984,265	2,023,950	2,064,429	2,105,718	2,147,832	2,190,789
Less Vacancy/Bad Debt	118,549	120,920	123,338	125,805	128,321	130,887	133,505	136,175	138,899	141,676	144,510	147,400	150,348	153,355
<b>Income from Non-Residential Use*</b>	<b>232,028</b>	<b>236,669</b>	<b>241,402</b>	<b>246,230</b>	<b>251,155</b>	<b>256,178</b>	<b>261,301</b>	<b>266,528</b>	<b>271,858</b>	<b>277,295</b>	<b>282,841</b>	<b>288,498</b>	<b>294,268</b>	<b>300,153</b>
<b>Total Revenue</b>	<b>1,807,030</b>	<b>1,843,171</b>	<b>1,880,035</b>	<b>1,917,635</b>	<b>1,955,988</b>	<b>1,995,108</b>	<b>2,035,010</b>	<b>2,075,710</b>	<b>2,117,224</b>	<b>2,159,569</b>	<b>2,202,760</b>	<b>2,246,815</b>	<b>2,291,752</b>	<b>2,337,587</b>
<b>Expenses:</b>														
Office Expenses and Phone	24,071	24,793	25,536	26,303	27,092	27,904	28,742	29,604	30,492	31,407	32,349	33,319	34,319	35,348
Real Estate Taxes	240,706	247,927	255,365	263,026	270,917	279,044	287,416	296,038	304,919	314,067	323,489	333,193	343,189	353,485
Advertising, Accounting, Legal Fees	48,141	49,585	51,073	52,605	54,183	55,809	57,483	59,208	60,984	62,813	64,698	66,639	68,638	70,697
Payroll, Payroll Taxes and Benefits	97,085	99,997	102,997	106,087	109,270	112,548	115,924	119,402	122,984	126,674	130,474	134,388	138,420	142,572
Property Insurance	57,769	59,503	61,288	63,126	65,020	66,971	68,980	71,049	73,181	75,376	77,637	79,966	82,365	84,836
Mtc, Repairs and Mtc Contracts	201,696	207,746	213,979	220,398	227,010	233,820	240,835	248,060	255,502	263,167	271,062	279,194	287,570	296,197
Utilities (gas/electric/fuel/water/sewer)	117,946	121,484	125,129	128,883	132,749	136,732	140,834	145,059	149,410	153,893	158,509	163,265	168,163	173,208
Property Mgmt	125,600	129,368	133,249	137,247	141,364	145,605	149,973	154,473	159,107	163,880	168,796	173,860	179,076	184,448
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	47,178	48,594	50,052	51,553	53,100	54,693	56,333	58,023	59,764	61,557	63,404	65,306	67,265	69,283
Support Services	24,071	24,793	25,536	26,303	27,092	27,904	28,742	29,604	30,492	31,407	32,349	33,319	34,319	35,348
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>984,263</b>	<b>1,013,791</b>	<b>1,044,204</b>	<b>1,075,530</b>	<b>1,107,796</b>	<b>1,141,030</b>	<b>1,175,261</b>	<b>1,210,519</b>	<b>1,246,835</b>	<b>1,284,240</b>	<b>1,322,767</b>	<b>1,362,450</b>	<b>1,403,323</b>	<b>1,445,423</b>
<b>Net Operating Income</b>	<b>822,768</b>	<b>829,380</b>	<b>835,830</b>	<b>842,105</b>	<b>848,192</b>	<b>854,077</b>	<b>859,749</b>	<b>865,191</b>	<b>870,390</b>	<b>875,329</b>	<b>879,993</b>	<b>884,365</b>	<b>888,428</b>	<b>892,164</b>
<b>Debt Service:</b>														
First Mortgage	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674	572,674
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
asset management fee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>	<b>577,674</b>
<b>Total Annual Cash Expenses</b>	<b>1,561,937</b>	<b>1,591,465</b>	<b>1,621,878</b>	<b>1,653,204</b>	<b>1,685,470</b>	<b>1,718,704</b>	<b>1,752,935</b>	<b>1,788,193</b>	<b>1,824,509</b>	<b>1,861,914</b>	<b>1,900,441</b>	<b>1,940,124</b>	<b>1,980,997</b>	<b>2,023,097</b>
<b>Total Net Operating Income</b>	<b>245,094</b>	<b>251,706</b>	<b>258,156</b>	<b>264,431</b>	<b>270,518</b>	<b>276,403</b>	<b>282,075</b>	<b>287,517</b>	<b>292,716</b>	<b>297,655</b>	<b>302,319</b>	<b>306,691</b>	<b>310,754</b>	<b>314,490</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>245,094</b>	<b>251,706</b>	<b>258,156</b>	<b>264,431</b>	<b>270,518</b>	<b>276,403</b>	<b>282,075</b>	<b>287,517</b>	<b>292,716</b>	<b>297,655</b>	<b>302,319</b>	<b>306,691</b>	<b>310,754</b>	<b>314,490</b>
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

<b>DCR Hard Debt</b>	1.44	1.45	1.46	1.47	1.48	1.49	1.50	1.51	1.52	1.53	1.54	1.54	1.55	1.56
<b>DCR Total Debt</b>	1.42	1.44	1.45	1.46	1.47	1.48	1.49	1.50	1.51	1.52	1.52	1.53	1.54	1.54

#### Assumptions

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

# Application Supplement #2

## DEVELOPMENT TEAM EXPERIENCE

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In 1974 Brad Binkowski cofounded the company that became Urban Land Interests (ULI). The firm's name reflected its principal's focus and passion to improve the urban environment and to make the communities it invested in better places to work, live and relax. Brad believed that it was possible to make communities stronger by working with other entities to forge innovative partnerships, use great architecture to develop buildings that would stand the test of time and operate buildings from the perspective of long-term owners.

After developing Section 8 housing developments throughout Wisconsin, in 1982 Brad and his partner Tom Neujahr turned their attention to downtown Madison. At that point the Capitol Square had been deserted by long term retail tenants who had moved to shopping malls on the west and east sides of town. Few restaurants could be found. No private office space had been built since 1974. Storefronts were deserted. Brad and Tom had a vision that the Capitol Square could be transformed into a vibrant area with new office space, sidewalks filled with pedestrians walking to restaurants and special events drawing people and activity into downtown. They were focused on building apartments leased to professional employees who could walk or ride their bikes to the places they worked.

The key to making their vision of downtown a reality was developing underground parking and creating an effective partnership with the public sector to get the economic assistance required to make that parking feasible. These private-public partnerships were critical to the success of their projects, and some of the innovative structures used were the first of their kind and replicated by cities throughout the country. They searched for and found talented architectural firms that shared their passion and vision. Because of their efforts, focus and drive, today downtown Madison is thriving and often considered an example of what a great urban area should be.

Mark Binkowski joined Urban Land Interests in 2014. After receiving an MBA from the University of Denver, Mark went to work for Jones Lang LaSalle in Chicago, one of the largest real estate services companies in the world. A desire to make an impact on a more local scale, Mark came back to work with his father. As a development associate / project manager, Mark lead the acquisition and renovation of the former Isthmus Publishing building at the head of King Street, transforming it into one of Madison's favorite restaurants – Lucille. Most recently, Mark lead the implementation of the redevelopment of the former AnchorBank Properties on the southeast corner of the Capitol Square and the construction of the Pressman apartments.

With an eye to the future, Mark left Urban Land Interests in 2019 in order to transition his role to that of shareholder and to pursue his own projects. The property management company will continue to be family owned and is presently managed by Brad Binkowski. Urban Land Interests provides property management services to 775 apartments and has a proven track record of long term tenant retention and above market occupancy rates. Today, Urban Land Interests still manages two of the previous tax credit projects Brad and Tom built. These include the 106 unit Sturgeon Bluff apartments in Wausau and the 56 unit Lafollete Park project in West Allis. ULI's management of a wide variety of different housing projects gives it a unique knowledge of the Madison market and the needs of its renters.

The opportunity to partner with St Johns to pursue a housing project that could benefit Madison's underserved populations provides a unique chance to further improve Madison for all who call it home.

# Application Supplement #2

The development team will consist of Mark Binkowski and Brad Binkowski. Further support services may be provided by Urban Land Interests. It is envisioned that a new, single purpose limited liability company will be established to develop the property, with St. John's maintaining a majority ownership interest in that entity and the completed property.

## **FINANCIAL CAPACITY & PROJECT EXPERIENCE**

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Brad and Mark's financial capacity to undertake this development is evidenced by the past projects that have been completed. With 45 years of experience, Brad has successfully utilized a variety of financing structures to aid in the development of place making real estate projects. From tax credit enabled affordable housing to underground parking built with an innovative public – private partnership, Brad has repeatedly demonstrated his ability to get complicated projects financed. Over the history of Urban Land Interests, Brad Binkowski and partner Tom Neujahr have created a core real estate portfolio located on Madison's Capitol Square valued in excess of \$300,000,000 that they have invested their own money in developing.

### **SEVEN27**

Seven27 is an award winning residential development containing 117 rental apartments in the heart of the Basset Neighborhood. Sustainable core philosophies can be found throughout the design. Rain gardens collect the outfall from the roof and allow it to permeate back into the water table. A large green roof occupies a portion of the covered garage. Taking advantage of the site's proximity to the downtown area, as well as public transportation and recreational activities, the project was designed with a reduced level of parking and supplemented with more bike storage.

### **CAPITOL HILL**

Capitol Hill offers residents unparalleled proximity to the Capitol Square in the heart of downtown Madison. The handsome brick building was originally built in 1924 and sat vacant after a fire destroyed much of the property. Today it contains 22 apartments behind the restored historic façade.

### **QUARTER ROW**

In responding to the changing market conditions in Madison, the Quarter Row apartments were developed with smaller floor plans that offer a more cost effective alternative to many of the larger apartment complexes that have been built in recent years in Madison. The 88 units range from one to three bedrooms and the property provides large common space on the ground floor to create a sense of community and connection to the neighborhood for the tenants.

### **STURGEON BLUFF**

Brad and Tom purchased and converted a 1922 hospital in Wausau into 106 senior housing units utilizing tax credit financing.

### **LAFOLLETE PARK**

A 1922 former school in West Allis, WI was purchased and underwent an extensive adaptive reuse to convert the building into 56 affordable rental units.

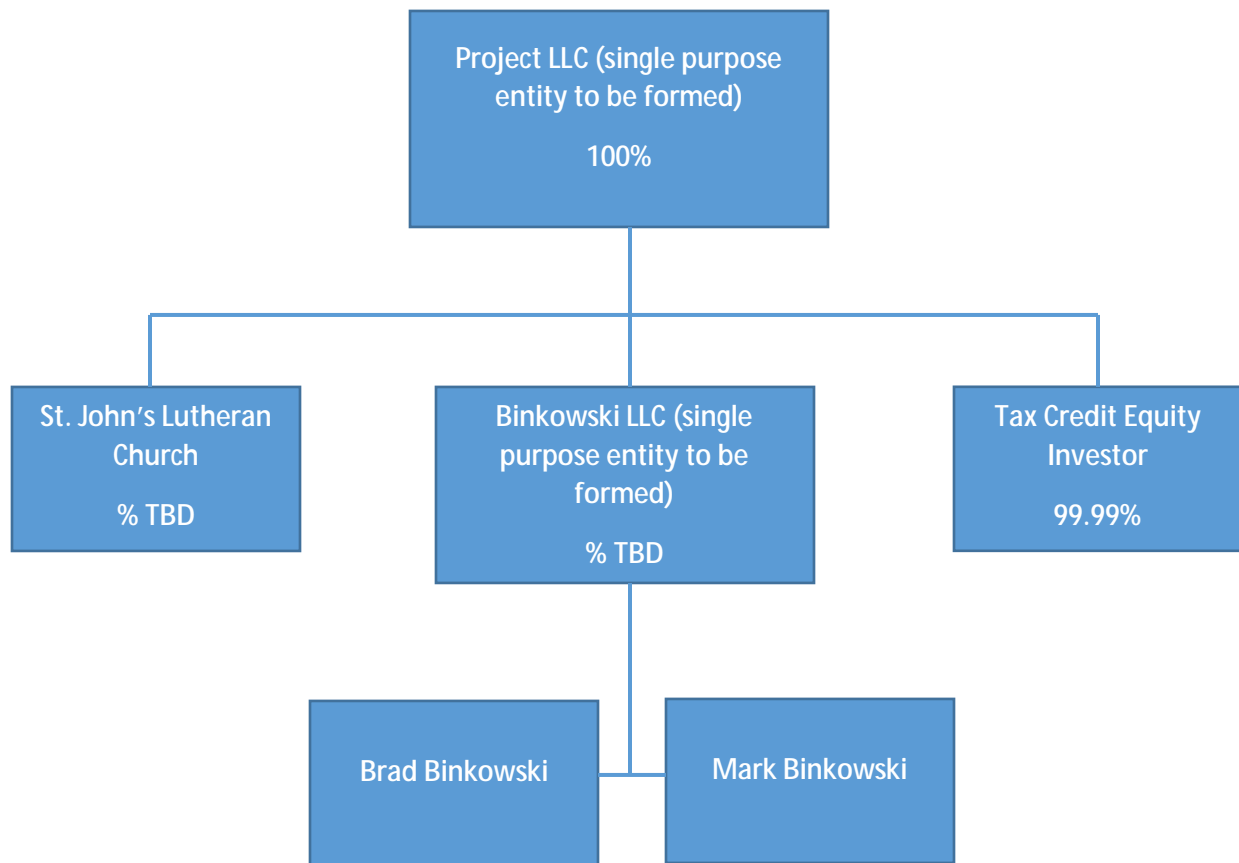
### **LINCOLN SCHOOL**

Located in one of Madison's most iconic locations in the heart of James Madison Park, the 1915 Lincoln School property was renovated and converted into 28 apartments. The building has extensive outdoor space and a connection to the surrounding community that results in long term tenants.

# Application Supplement #2

## ORGANIZATIONAL STRUCTURE

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**Application  
Supplement #3.a**



6737 W. Washington St. #2275

West Allis, WI 53214

414-246-2300

Fax 414-246-2524

July 13, 2021

Rev. Peter Beeson  
St. John's Lutheran Church  
322 E. Washington Ave.  
Madison, WI 53703

Dear Rev. Peter,

Please accept this letter as Lutheran Social Services commitment to provide supportive services to the future residents at the planned St. John's Redevelopment project. Our service coordination would include linking the target population at the site with supportive, medical, or advocacy services in the general community for which they are entitled, with a desired outcome of keeping them independent in their units.

We look forward to partnering with St. John's in this effort to serve and improve the lives of some of the most vulnerable individuals.

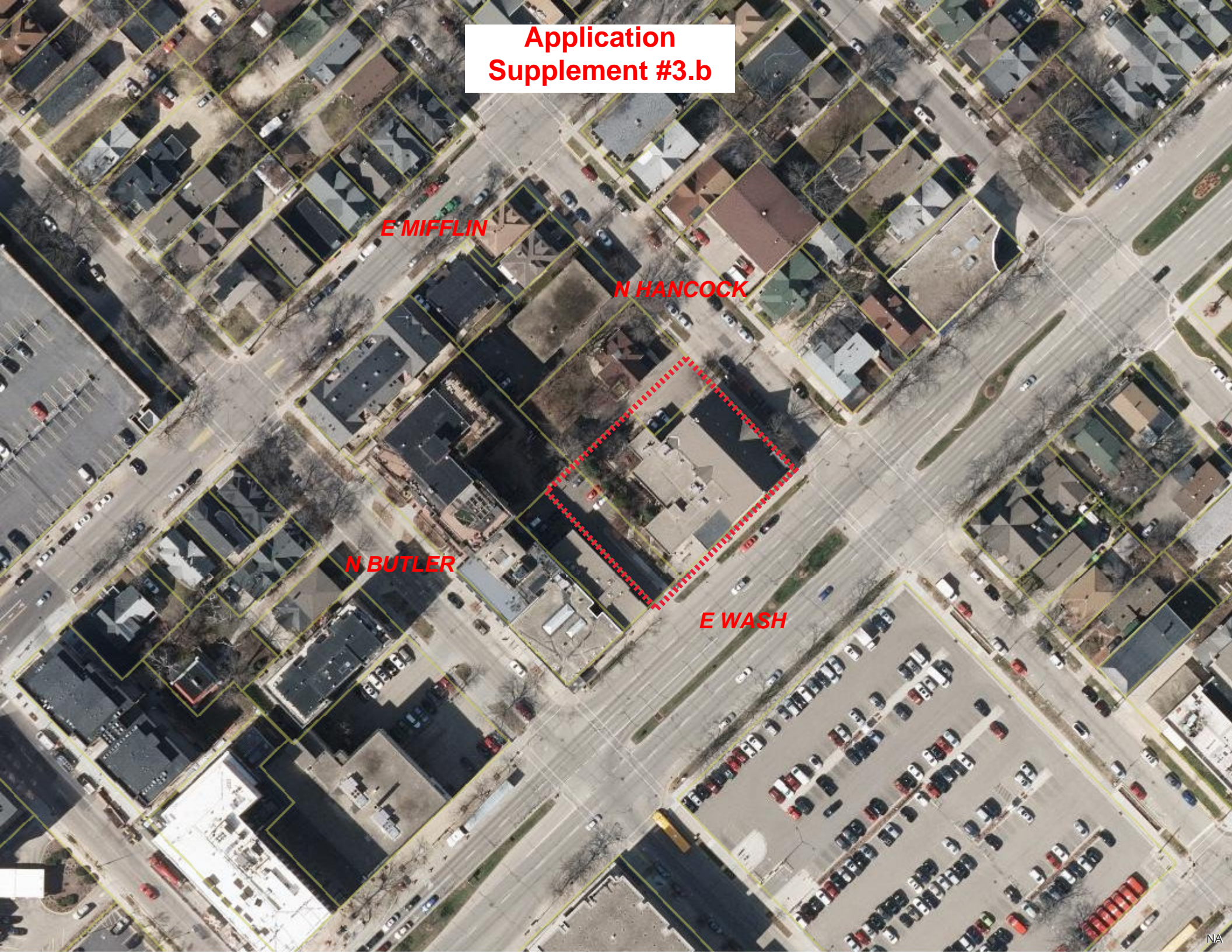
Sincerely,

A handwritten signature in black ink, appearing to read "Joe Arzbecker", is written over a horizontal line.

Joe Arzbecker  
Chief Operating Officer  
Lutheran Social Services



**Application  
Supplement #3.b**



**E MIFFLIN**

**N HANCOCK**

**N BUTLER**

**E WASH**



# 2021 Affordable Housing Targeted Area Map

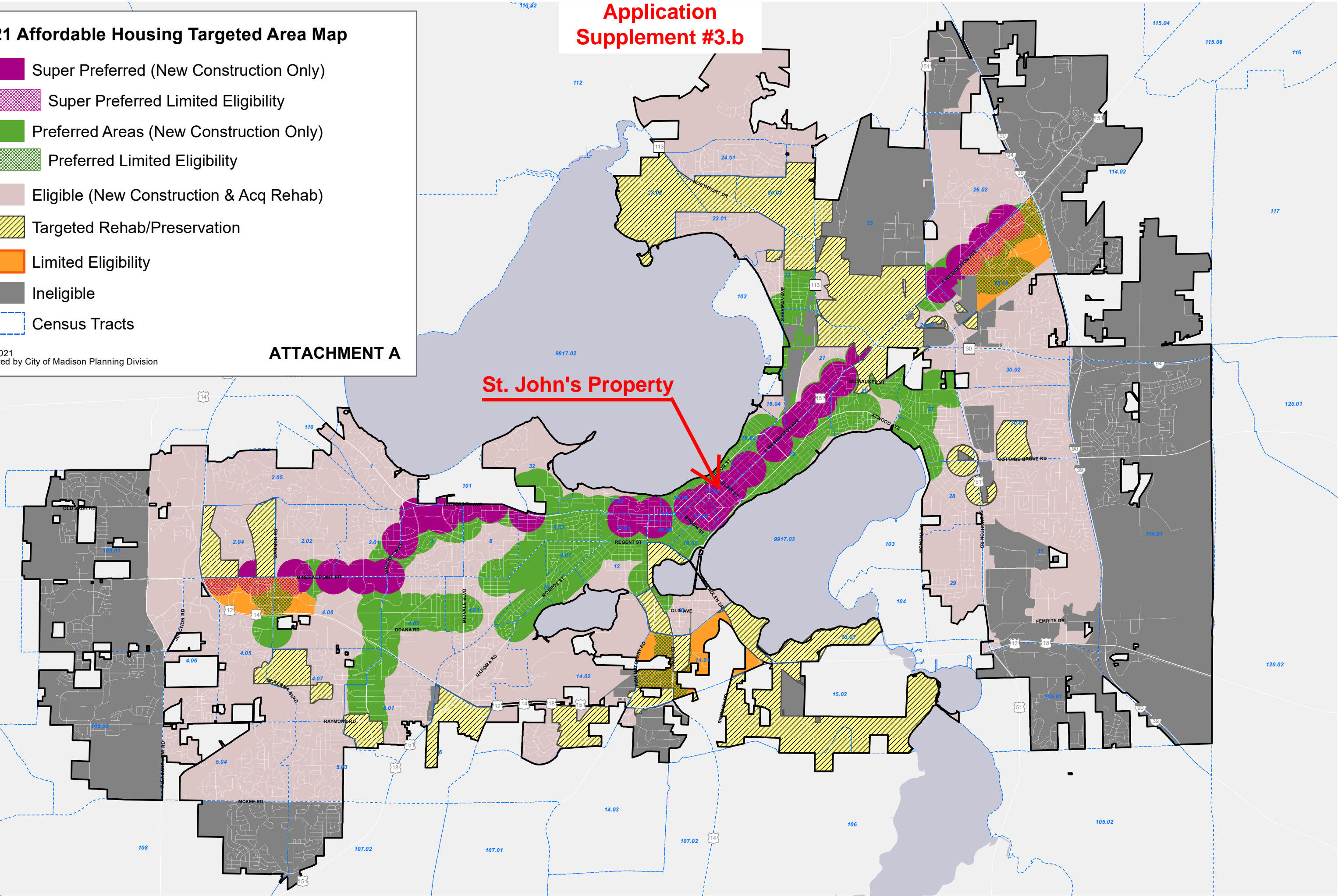
- Super Preferred (New Construction Only)
- Super Preferred Limited Eligibility
- Preferred Areas (New Construction Only)
- Preferred Limited Eligibility
- Eligible (New Construction & Acq Rehab)
- Targeted Rehab/Preservation
- Limited Eligibility
- Ineligible
- Census Tracts

5/27/2021  
Prepared by City of Madison Planning Division

ATTACHMENT A

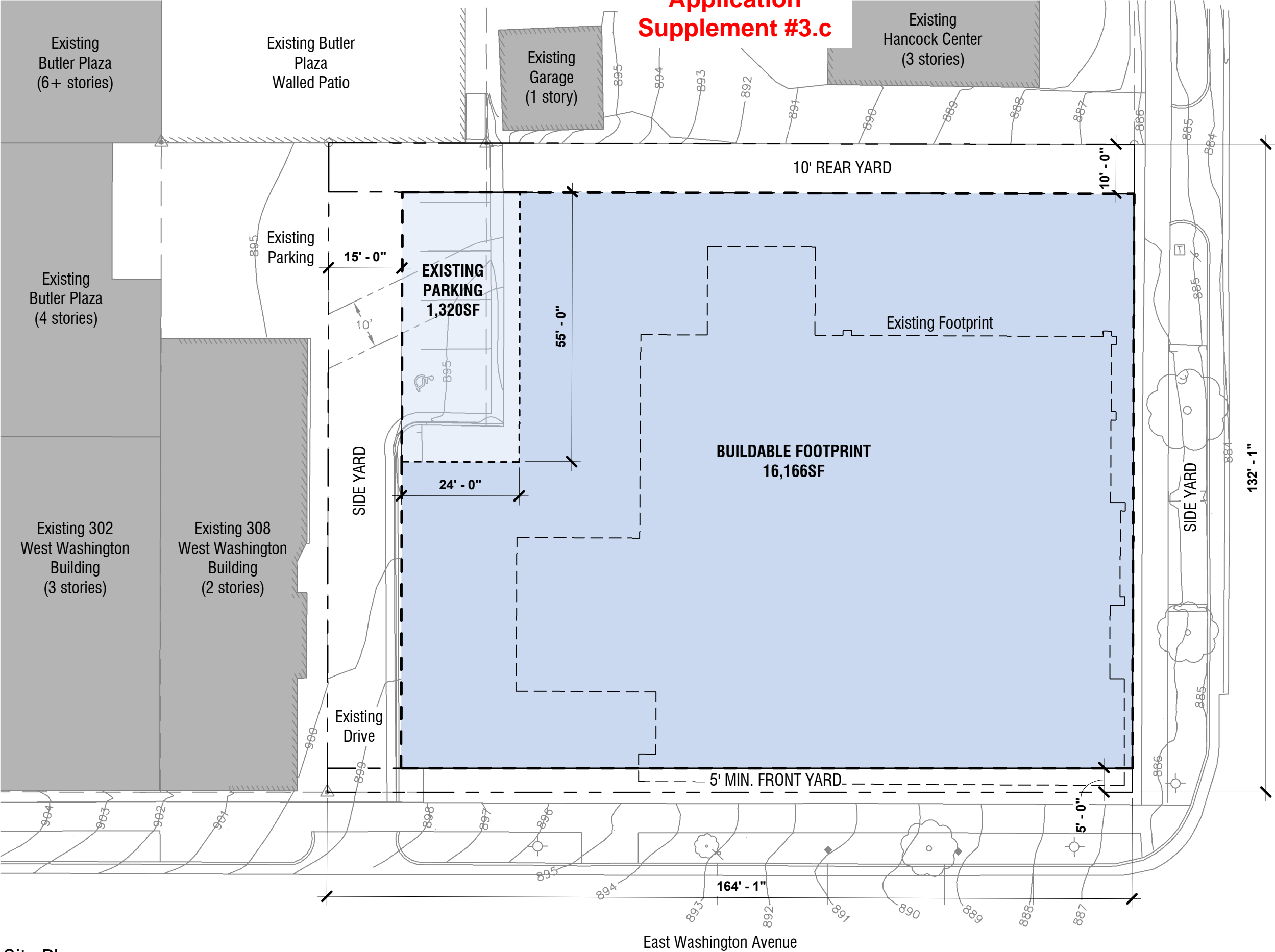
Application  
Supplement #3.b

St. John's Property





Application  
Supplement #3.c



322 East Washington Avenue  
Zoning Information

UMX Zoning – Urban Mixed Use			
Setbacks:	Front	min 5', max 10'	
	Side:	0'	
	Rear:	10'	
	Underground parking can extend into setbacks if covered with landscaping		
Max Lot Coverage:	90% or 19,539SF		
Max height:	8 stories, 2 additional w/ conditional use.		
Stepbacks:	None		
Useable Open Space:	10 Sq. ft. per bdsm		
Buildable Area (footprint)	17,486sf		

North Hancock Street



# Application Supplement #3.c

## 322 East Washington Avenue

### Zoning Information

#### UMX Zoning – Urban Mixed Use

Setbacks:	Front	min 5', max 10'
	Side:	0'
	Rear:	10'
	Underground parking can extend into setbacks if covered with landscaping.	
Max Lot Coverage:	90%	
Max height:	8 stories, 2 additional stories are allowed under conditional use approval, conditional use standards for additional height: Architectural quality, shadows....	
Stepbacks:	None	
Useable Open Space:	10 Sq. ft. per bedroom	

#### Conditional Uses:

- Approval for building over 4 stories in height
- Place of Worship P/C – depending on specific requirements in Supplemental Regulations -28J.
- Daytime Shelter
- Multi-Family over 8 units

#### Urban Design District 4 (UDD4)

- Metal shall be used only as an integral part of a design of exceptional merit.
- Urban Design Commission Approval

#### General Provisions for Downtown and Urban Districts:

- First floor transparency, first floor is a max of 18' tall

#### Comprehensive Plan:

- Part of Downtown core
- Recommends Downtown core mixed use

#### Downtown Plan:

- No historic landmarks or contributing on block.

#### Stormwater ordinance:

- 12" Green Roof or Blue Roof

#### Part of Capitol Neighborhoods:

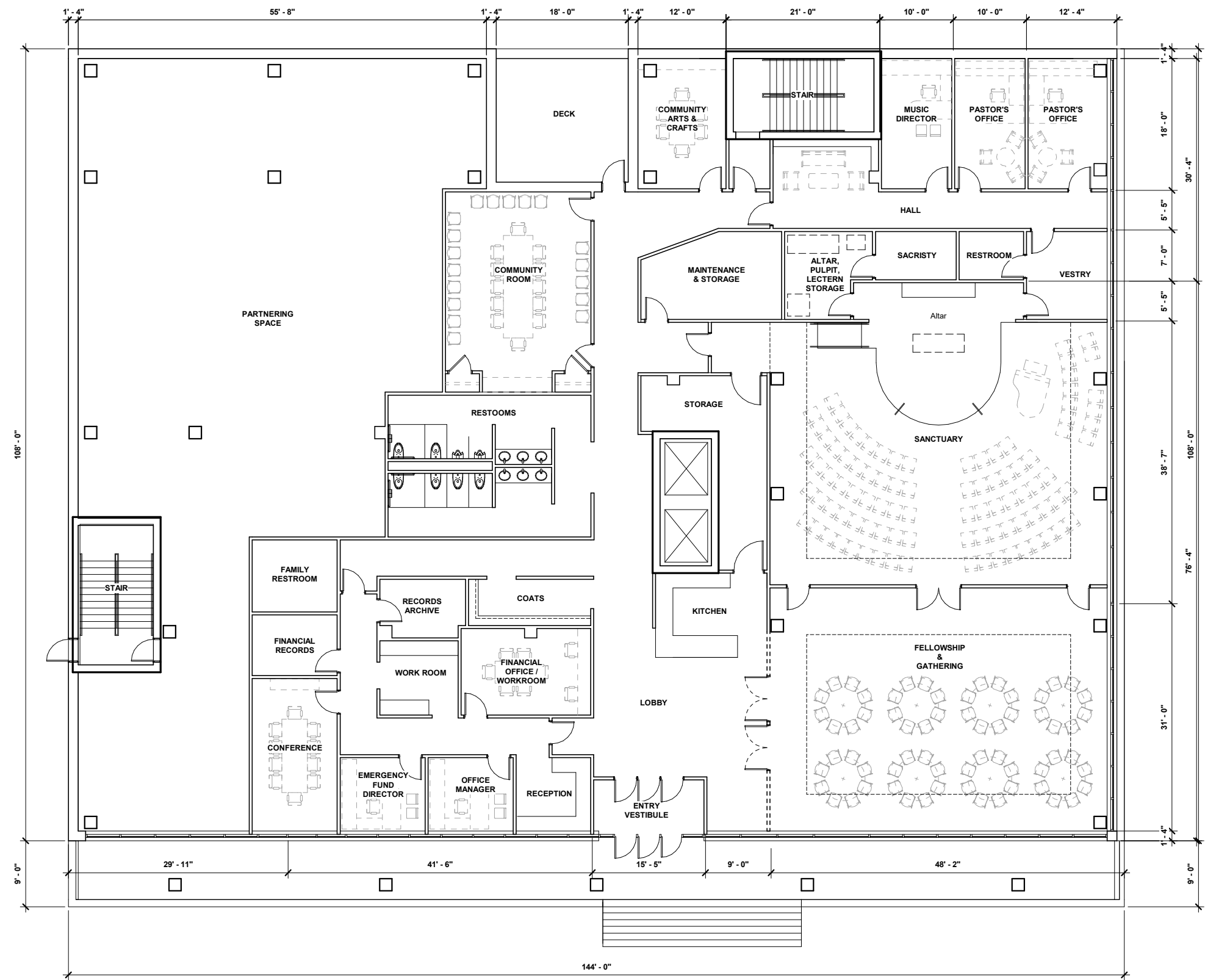
- District 2 – Alder Patrick Heck

#### EV Charging stations:

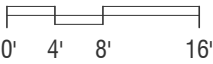
2021-2025	Multi-family	10% EV Ready Spaces	2% EV Installed at time of construction
	Other Use	10% EV Ready Spaces	1% EV Installed at time of construction

#### Bird Glass

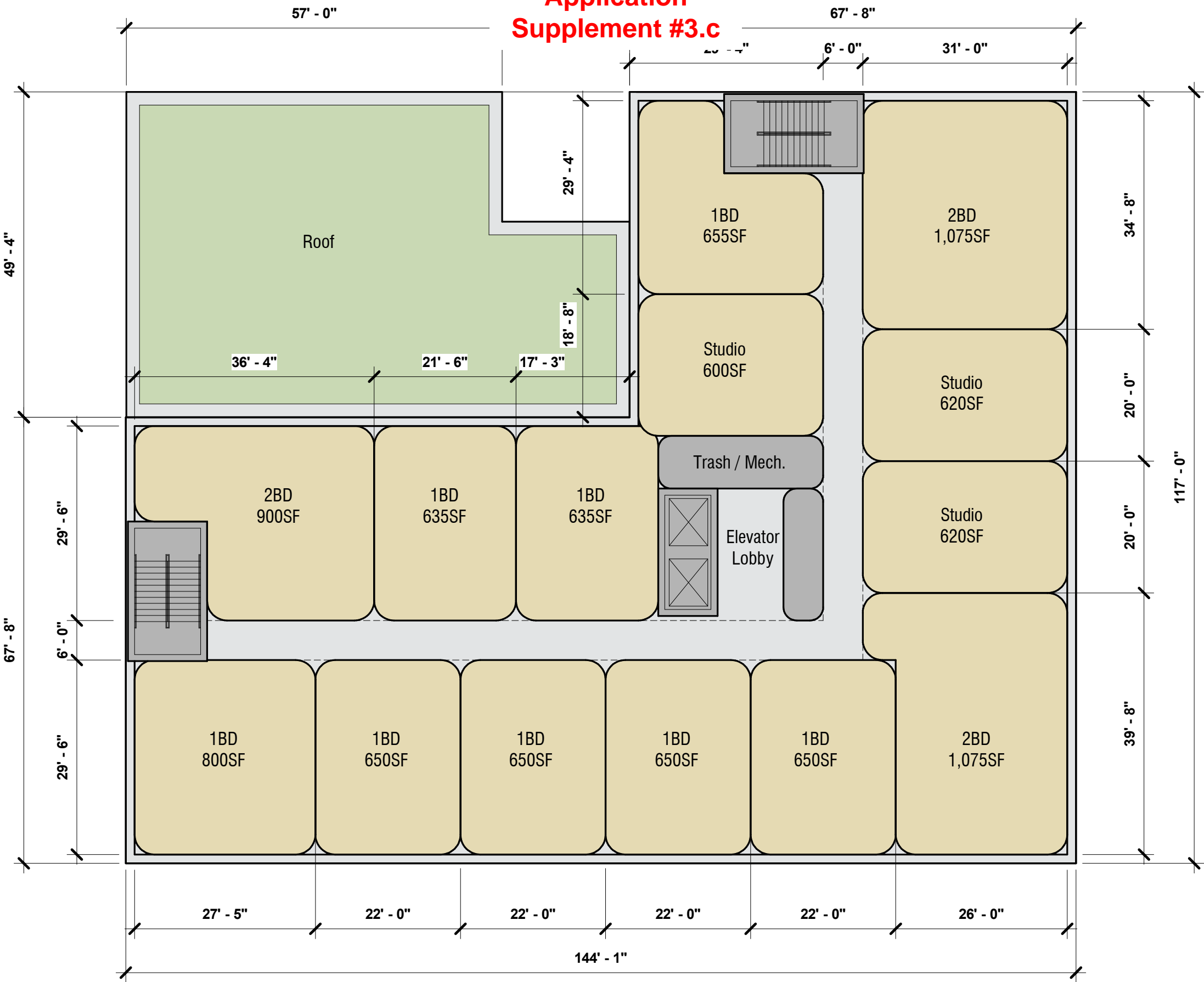
Application  
Supplement #3.c



First Floor Plan  
St. Johns Lutheran Church - 2021.09.00  
June 2, 2021

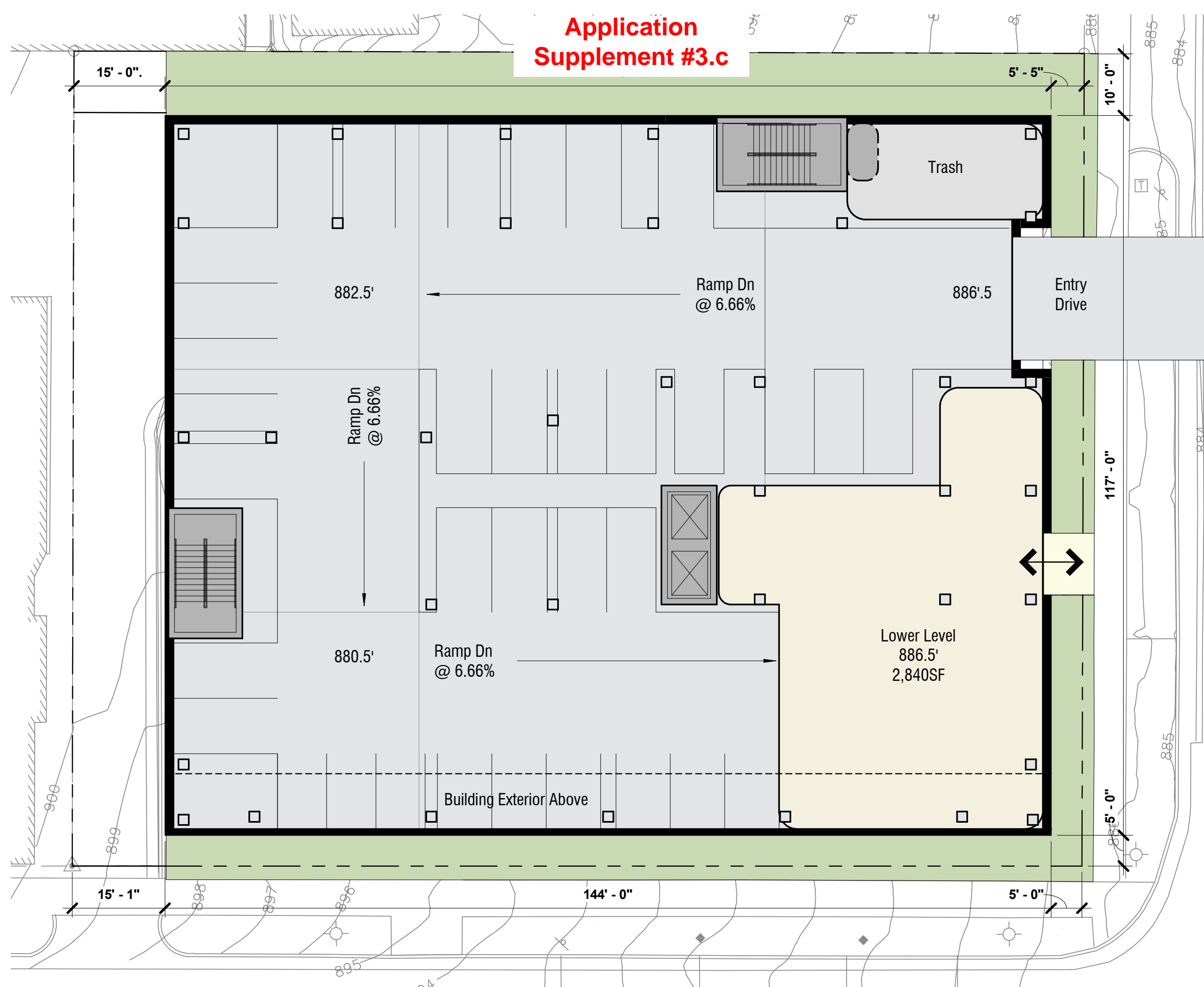


Application  
Supplement #3.c



Second Floor	13,090GSF
Units / Flr	14
(1)	Studio 600SF
(2)	Studio 620SF
(2)	1BD - 635SF
(4)	1BD - 650SF
(1)	1BD - 655SF
(1)	1BD - 800SF
(1)	2BD - 900SF
(2)	2BD - 1,075SF

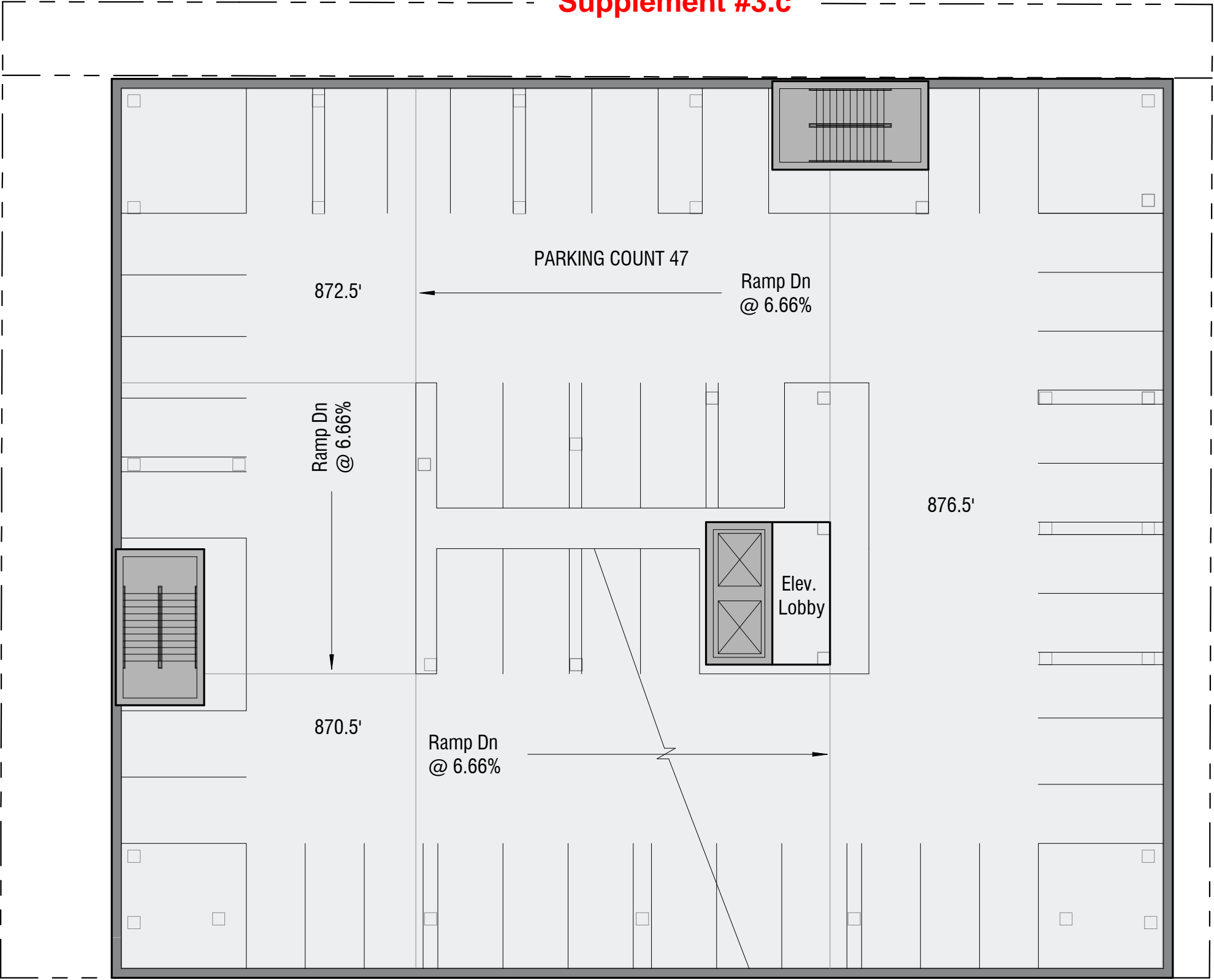
# Application Supplement #3.c



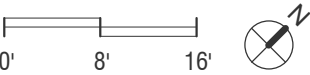
Lower Floor 17,340GSF

Parking Stall Count  
 Lower Level 34  
 Parking Level 1 47  
 Parking Level 2 18  
 Parking Total 99

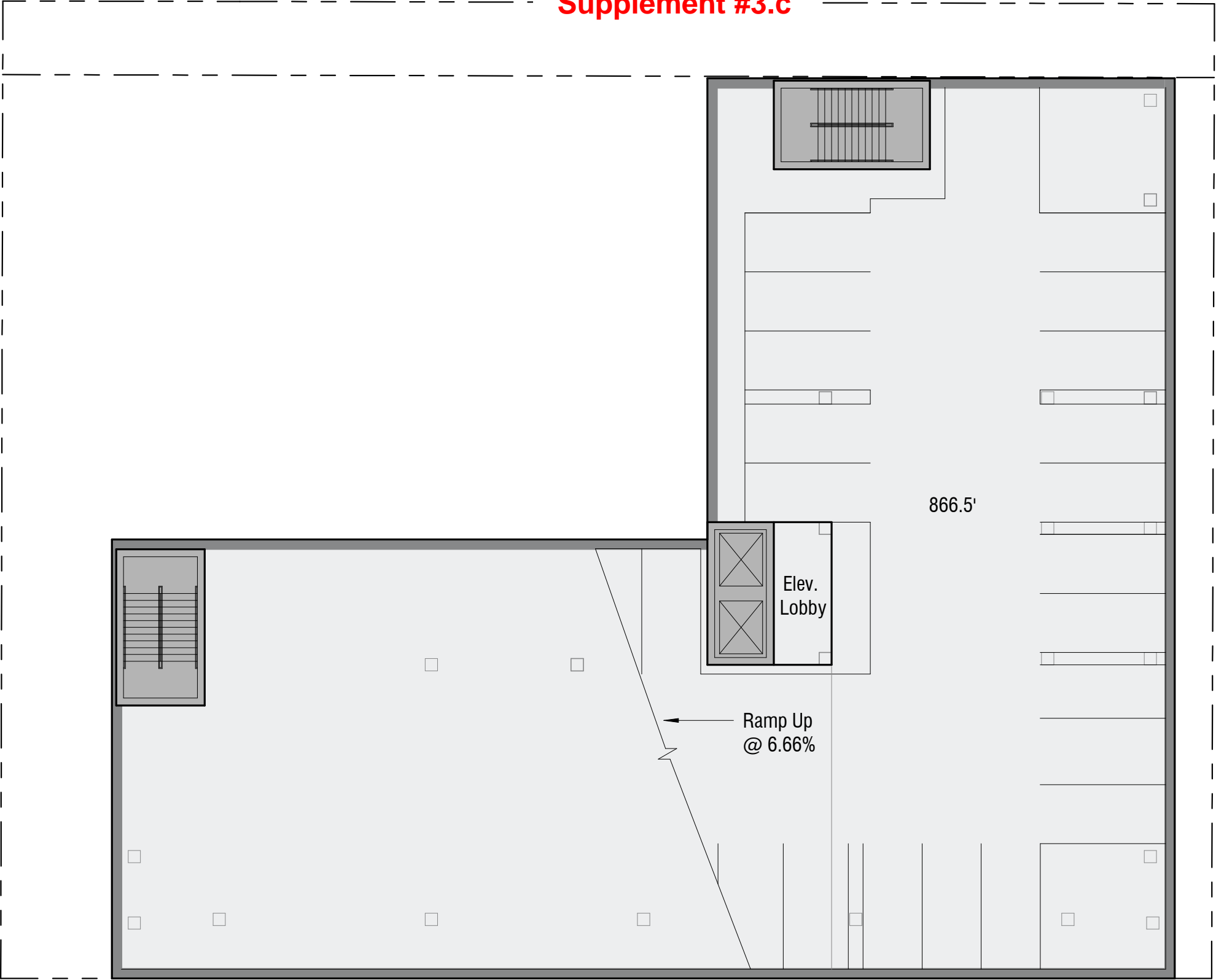
Application  
Supplement #3.c



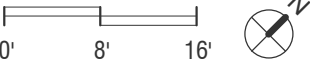
Parking 17,568GSF  
Parking Stalls 47



Application  
Supplement #3.c



Parking 7,468GSF  
Parking Stalls 18



# Application Supplement - Permissive Zoning

**From:** [Kirchgatter, Jenny](#)  
**To:** [Mark Binkowski](#)  
**Subject:** RE: St John's Site - Follow Up Question  
**Date:** Monday, July 12, 2021 8:04:13 AM

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Hi Mark,

What you are proposing seems to work under the UMX district, so a rezoning will **not** be needed. It will need a demo, conditional use and CSM, but not a rezoning.

Jenny Kirchgatter  
Assistant Zoning Administrator

(608) 266-4429  
[jkirchgatter@cityofmadison.com](mailto:jkirchgatter@cityofmadison.com)

<https://www.cityofmadison.com/dpced/bi/coronavirus/3393/>  
<https://www.cityofmadison.com/health-safety/coronavirus>

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**From:** Mark Binkowski <mbinkowski@uli.com>  
**Sent:** Saturday, July 10, 2021 12:36 PM  
**To:** Kirchgatter, Jenny <JKirchgatter@cityofmadison.com>  
**Subject:** St John's Site - Follow Up Question

Caution: This email was sent from an external source. Avoid unknown links and attachments.

Jenny,

I was discussing our potential project with Julie Spears after the group conversation that we all had. Julie and Ethan seem to recall you stating that a re-zoning of the site WOULD be required. My recollection from the discussion is that with the current UMX zoning what we are proposing is allowable and no rezoning would be needed.

Can you please confirm which is correct so I can touch base with Julie to ensure we are all on the same page.

Thanks so much. I hope you have a great weekend!

Mark





Application  
Supplement - FOE  
Application  
New Construction

# Thank You

Your application has been saved. You will receive an email notification that includes a link to make subsequent changes to this application.

Application Number: **FOE-2AE06-20683**

Program: **New Construction**

Sponsor: **Focus on Energy**

Created By: **Mark Binkowski on 7/13/2021 9:18:25 AM**

Project Name: **St John's Redevelopment**

Project Location: **322 East Washington Avenue**  
**Madison, WI 53703**

Business Customer: **St. John's Lutheran Church**

Your unique application number is listed below:

**FOE-2AE06-20683**

You can make additional updates to your application at any time by clicking the above application number. You will also receive a confirmation email that contains this link to allow you to make further modifications.

Return to Application

## St. John's Lutheran Church St. John's Redevelopment

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Response Submission Due Date: August 18, 2021 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:**

#### **Land Use and Community Engagement**

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

**Response:** The feedback received during the DAT meeting was generally positive and no major red flags were raised. Zoning noted the following approvals would be needed: UDC, Plan Commission, Conditional Use. They also called attention to the City's new bird glass and EV charging ordinances. The engineering feedback was implementational, noting the need for a CSM, amongst other items. The only concern expressed was the approval of the 2 bonus stories. It was noted that the neighborhood may have objections to the height and the subjective standards required to receive those 2 bonus stories. There was also a comment to pay attention to how the building meets the sidewalk given the slope to avoid large blank walls, which is something we've been paying close attention to with our architect.

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

**Response:** The neighborhood meeting was surprising in the relatively few questions or comments that were received by the neighbors. Of the 14 neighbors in attendance only a few offered feedback. There was some concern that the development team would look to convert the project to market rate as quickly as possible, which we assured them was not our goal, not in line with St. John's mission and its ownership, and not allowable under WHEDA and City restrictions. There was also a question about impact on traffic and the surrounding neighborhood, which is an issue the development team will study closely as part of its Traffic Demand Management Plan. Alder Heck asked about our plans for supportive services. Interestingly, there were no significant concerns raised about the proposed 10 story height. The most vocal neighbor stated the project looked very encouraging.

3. Please provide an update on the response to the proposed project from Alders Heck and Benford. What issues or concerns with the project did they identify? How will those be addressed?

Response: Alder Heck's response to the concept for the project has been generally supportive, although he has refrained from making many direct comments given the preliminary nature. His focus has been implementational, outlining the process for the neighborhood meetings and steering committee. Although the project is entirely within Alder Heck's district, the development team has reached out to Alder Benford since the dividing line between the district runs along East Washington. To date we have not heard back from Alder Benford and therefore do not have any feedback.

#### Energy Efficiency

1. The City expects awardees to continue working with Focus on Energy's New Construction Energy Design Assistance throughout the building design process. The City will incorporate commitments into the term sheet. Please provide an update on the status of this project's Whole Building Analysis Summary Results Report, if available. If the Results Report is not yet available, please send ASAP by September 2, 2021. What is the highest feasible Bundle Level that to which this project can commit? Do you anticipate that this project can commit to meeting the 20% savings of projected energy usage calculated over the Focus on Energy program baseline?

Response: At this time the Whole Building Analysis Summary Results Report is not yet completed. We continue to work with Focus on Energy's team, specifically one of Willdan's engineers, Joey Rohrer, to provide them the necessary plans, details and information so they can continue their analysis. Based on the above, I am not familiar with the calculated 20% projected savings, and believe that may be in reference to another project.

#### Renewable Energy

1. Please summarize any feedback provided by Focus on Energy's Renewable Energy team on the project's proposed minimum 30 kW solar photovoltaics (PV) array system and sizing.

Response: The project is not currently proposing to include a 30 kW solar PV system. I believe this may be in reference to another project. We will continue working with Focus on Energy to understand and evaluate their recommendations to maximize the energy savings from the project.

2. Will the proposed project incorporate any Renewable Energy systems in addition to the solar PV? e.g., solar thermal, biogas, biomass and wind). Please describe.

Response: The development and design team are still working with Focus on Energy to identify the feasibility of any specific renewable energy systems. That goal will need to be balanced against the challenges posed by a lot line to lot line development and high construction costs.

#### Sustainable Building Design Elements

1. Please 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](#). Relevant elements and strategies include, but are not limited to

- a. Design for equitable communities
- b. Optimize energy use
- c. Protect and conserve water
- d. Optimize building space and material use
- e. Enhance indoor environmental quality (IEQ)
- f. Optimize operational and maintenance practices.

**Response:** The primary focus of the project is to create more affordable housing units for the local underserved community. The site location provides walkable access to neighborhood amenities and convenient access to multiple public bus lines within a one block radius. All parking for the project will be structured below grade to minimize the footprint of the development. The project will be WI Green Built compliant and utilize a number of strategies to create an energy efficient building. The exterior of the building will be clad using a combination of regionally sourced masonry materials with some metal accent areas. The exterior wall systems will use a rain screen strategy to provide continuous insulation along with the air & vapor barrier. The façade will use a variety of low-E glazing types, while the selected residential window units will be energy star compliant. The project is studying two mechanical system types, energy star rated high efficiency furnaces or heat pumps, for the residential units to optimize energy performance. High efficiency boilers will be used for hot water, with occupancy and daylighting sensors throughout. LED lighting will be used throughout the project. All appliances will be energy star qualified. The building will be evaluated for solar access for PV or hot water rooftop systems along with Focus on energy's review. Plumbing fixtures will be low flow fixtures, and a vegetative green roof system will be used to control storm water runoff and increase on site retention capacity. The project will use low VOC finishes and formaldehyde free cabinetry. The design team is collaborating with St. John's on the reuse of existing interior materials and finishes for the church space. The parking will be separated from the interior occupied spaces to control air pollutants and will have an exhaust system with CO2 monitoring. The project will control with local erosion control standards and will participate in waste and recycling programs to minimize landfill waste.

## Financial

1. Project sources do not equal total development costs. Please resubmit a budget workbook reflecting a development budget that is adequately funded, with equal sources and uses. Reflect any unidentified financing or needed gap in one of the "Other-Specify Lender/Grantor" spaces. Please also:
  1. Reflect the additional two stories and updated unit mix, if applicable, or an alternative model.  
**Response:** Please see updated budget workbook.
  2. Show construction fees (profit, overhead, etc.) broken out from total construction costs.  
**Response:** Please see updated budget workbook.
  3. Demonstrating debt service paid on the City cash flow loan out of available cash flow after deferred developer fee has been repaid.

Response: Please see updated budget workbook. The proforma now includes DS payments on 50% of the requested \$1,950,000 in AHF funds, amortized for 30 years at 2.75% interest, beginning at the time the deferred developer fee is repaid.

2. Based upon the proformas submitted and discussions with staff, the project still appears to have a significant gap of at least \$5M. Please provide a detailed plan for filling this funding gap. Did the development team submit an application to Dane County for AHDF funds? If not, please explain.

Response: The funding gap is currently based on budgeted construction costs that have been fluctuating dramatically in recent months and saw significant inflation this year. The development team will work closely with several contracting partners to analyze the construction budget to control the construction costs to help reduce the funding gap. Every \$1 savings in construction costs reduces the gap by \$0.55 after accounting for the lost equity credits. Therefore, if we are able to reduce the construction budget from \$185,000 per unit to \$175,000 per unit the gap is further reduced by \$693,000. Additionally, the development team is currently pursuing several different alternative financing sources. Lorrie Heinemann with MDC has stated this project fits well with the criteria for the Dane Workforce Housing Fund. We believe there will be \$2,000,000 in available funds from that source, with the possibility of an additional \$1,000,000 if MDC completes their Fund II this fall as planned. Discussions are also being had with the Evangelical Lutheran Church in America and its Mission Investment Fund. There are also several legislative items at the state and federal level currently being discussed that would dramatically increase the amount of available tax credit equity should they come to fruition. An application to Dane County for AHDF funds was not made due to a misunderstanding in when the due date for submissions was.

3. With a proposed additional two stories, could a higher number of market rate units be considered so as to balance the high cost of downtown, high rise development?

Response: The additional two stories increases the total number of market rate apartments from 16 to 21. Unfortunately, due to the need to maintain WHEDA's scoring standards the total ratio of market rate to affordable apartments remains the same, with only 16% of the total units being market rate. The relatively small number of additional market rate apartments does not dramatically impact the project's financials.

4. The development budget appears to exceed the WHEDA cost cap, as calculated by the WHEDA maximum cost model. Please explain how the development team will overcome this barrier in submitting a tax credit application to WHEDA.

Response: Attached to this submission is a completed Appendix F for this project. The total adjusted cost limit is \$277,911. The \$2,326,000 in construction costs for the nonresidential space (i.e. the Church's first floor space) will be organized into a separate condominium unit and not included in WHEDA's calculation of total project costs. That brings the total construction costs to \$33,595,566 (\$35,921,566 - \$2,326,000), or \$266,631 per unit. That is below the anticipated WHEDA maximum cost cap.

5. Will the site be sold to the Project LLC at a cost?

Response: St. John's is committed to fulfilling its mission by providing the maximum number of affordable apartments on its site. The Church will be contributing its land into the Project LLC at no cost so that it can be considered additional land equity from a lender's perspective.

6. The application states that rents are between 90-100% of maximum LIHTC rents, but the unit mix table suggests that all rents are underwritten at 100% of maximum LIHTC rents. Is this an error? Please expand on why the development team believes that this is necessary and achievable for the 50%+ units?

Response: The current proforma assumes the rents are underwritten at 100% of maximum LIHTC rents. This is a result of the need to maximize the available construction financing by creating as much revenue as possible, which is difficult with 85% of the units at or below a 60% CMI level. At the time that the final construction budget is established the team will look to reduce those rent levels, specifically on the 50 – 60% CMI units, to the extent feasible.

7. What utility allowance assumptions is the development team using for the one, two, and three bedroom units?

Response: The following utility allowance assumptions are being used:  
Studio: \$74; 1 BR: \$83; 2 BR: \$107; 3 BR: \$131

8. Underground parking at \$150-\$175 per month for appears high for a building that will primarily serve low-income tenants, and it is significantly higher than parking rates in other City-funded developments in this area of Madison. Please explain how this amount was determined for parking and elaborate on why a discount or sliding scale cannot be achieved.

Response: The estimated rental cost for the underground parking is based on the prevailing market rate in the surrounding area for structured parking, using both ULI's portfolio and competitor's properties for comparison. Unfortunately the expensive nature of constructing underground parking requires a higher monthly cost. Even at those rates the parking still costs more to construct than can be recovered through rent. Given the property's location blocks from the Capitol Square and adjacent to the Mifflin bike boulevard and E Wash bus routes, the development team is planning to minimize the amount of parking constructed and is targeting considerably less than 1 stall per bedroom.

9. How much financial incentive do you anticipate receiving from Focus on Energy for the proposed solar PV array and incorporation of strategies recommended by the New Construction Energy Design Assistance team?

Response: I believe this question is regarding another project, as at this time no PV array has been proposed. At the time that Focus on Energy has completed their analysis

the development team will work with them to understand the potential financial incentives available.

10. Based on the submitted project budget, it appears that the development team anticipates being able to access 100% of tax credit equity during construction. Has the development team been successful in securing this arrangement in the past? If not, please describe how the development team will ensure that construction costs are adequately funded prior to stabilization/conversion.

Response: Based on conversations with Baker Tilly we expect approximately 70% of the tax credit equity to be accessed during construction. The remaining 30% would be held back until lease up and stabilization (roughly 90% occupancy). A portion of that 30% covers the required rent up and operating reserves. WHEDA will oversize their construction financing, providing a "bridge loan" for the 30% gap, which then gets paid down at the time the remaining tax credit equity is released.

11. Is the "non-residential construction" line item inclusive of construction fees attributable to the build out of the parking garage and church space?

Response: the "non-residential construction" line item is the budgeted cost for the construction of St. John's space on the ground floor, which includes any related contractor overhead / profit for that scope.

#### Unit Mix/Scoring

1. Please provide a unit mix update if changed from the initial application. Be sure to include the market rate units in the total units line, e.g., 98 units.

Response: Please see updated unit mix tables, comparing the previous 8 story building to the current 10 story project, included with this response.

- a. The development as proposed is heavily skewed toward 1 BR units (83%). The application also states a plan to work with the architect to incorporate more 2 BR units across various income levels. Were you able to accomplish that with the additional two stories presented at DAT?

Response: At this time the architect is still studying the floor plans to understand how to construct more two bedroom units without significantly lowering the overall unit count.

- b. The unit mix only provides for two 3BR units. Please explain the challenge of including 3BR units on this site that meet WHEDA's criteria under Serves Largest Families. Do you think the application will remain competitive while foregoing five points in the WHEDA self-score?

Response: In order to provide the level and number of affordable apartments being created in this project it is necessary to maximize the density on this small site. That means the floor plans need to be very efficient, which is difficult to do with 3 bedroom units. Additionally, the targeted populations and expected demographics for this property given its location in the heart of downtown and



with limited outdoor space makes it less likely to attract a significant number of families with children. In order to score the 5 points from WHEDA for “serves large families” the 3 bedroom units need to have a private entrance. With St. John’s locating on the ground floor of this development and the significant grades on the site it is not feasible to create apartment units at grade, and thus adding more 3 bedrooms on the upper floors would still not allow the project to score those 5 points. Based on the provided scoring spreadsheet we still believe the project will be competitive for the 4% credits without those 5 points.

2. The unit mix table in the application shows rents for 2BR 30% units and Studio market rate units, but neither of those units are proposed to be included in the unit mix. Is this an error or just for informational purposes?

**Response:** That is an error. Please see the updated unit mix comparison attached to this response.

3. Provide an update on what percentage of Type A and Type B (universal design) units are expected to be provided in the development.

**Response:** 2% of the units will be Type A, or 3 units, and the rest of the units will be Type B. Units will be designed to comply with WHEDA standards for universal designs for new construction.

## Supportive Housing

1. The application references that LSS would dedicate a part time staff person to the development to serve the 23 supportive housing units on the property. What percent FTE is anticipated for this position? Please provide an update on the status of discussions with LSS on the level of financial support they need to appropriately staff this development.

**Response:** Based on the current unit mix and number of 30% CMI units, LSS is anticipating they would need to staff this with a one-half FTE, or 20 hours per week. That person would have a dedicated on site office. LSS has preliminary suggested a budget of \$50,000 for this level of service coordination, which is higher than was previously discussed. The development team is continuing conversations with LSS to understand the specifics of their service coordination model and what the final ongoing annual cost will be, likely between \$25,000 - \$50,000.

2. Is below market rental rate space for the non-profit service providers on-site the same or less rent than currently charged?

**Response:** St. John’s will own their first-floor space in a separate condominium unit. Any rent they charge to their partner organizations will not flow to the broader project and therefore is not reflected in the project’s cash flows. St. John’s will determine the appropriate rental rate for any space based on its desire to continue supporting these organizations as well as what is financially feasible.



## Other

1. The application states a minimum rent to income ratio of 3:1. This is inconsistent with most developments which require between 1.5 to 2.5x rent to income ratio. In order to reduce barriers to affordable housing for low-income households, would this project consider a lower level of income to rent ratio more consistent with similar nearby developments, especially where the applicant can demonstrate history of successful payment of a similar rent level?

**Response:** The development team will consider a lower rent to income ratio for those units at lower CMI levels, likely between 2.0x – 2.50x. As noted in the application we will not deny a tenant solely based on the minimum required rent to income ratio but will also take into account their history and current ability to make consistent rent payments.

2. What percent of the managing member will St. John's Lutheran Church maintain? Will the church have a controlling interest in the managing member?

**Response:** The final partnership percentages have not yet been determined, although it is very likely that St. John's will retain a majority ownership position. Even if St. John's ownership interest is not a majority, the managing member will be structured such that any significant decisions require unanimous consent of the members. This structure will ensure that St. John's retains significant and impactful control over the property they have owned for 165 years and will continue to be a key feature of.

3. Internet service has quickly become an industry standard in affordable housing development in the past few years. The City's RFP requires that in-unit internet service at low or no cost to residents, in accordance with earning critical points in WHEDA's QAP.

**Response:** In-unit internet service will be provided to all units. The development team will work with service providers to understand how best to provide service at low cost to residents.

4. The Property Manager listed is Urban Land Interests, which does not appear on WHEDA's certified manager list. Has ULI been more recently recertified?

**Response:** At this time Urban Land Interests is not certified with WHEDA. Urban Land Interests is pursuing this certification and will meet the required WHEDA standards in the timeline required.

**HOUSING INFORMATION & UNIT MIX**

48. 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. Please state utility allowance assumptions & source in the notes.

<b>ADDRESS #1:</b>		<b>8 STORY BUILDING</b>									
% of County Median Income (CMI)	Total # of units	# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
		# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	23	2	21	0	0	0	541	580			
40%	0	0	0	0	0	0					
50%	35	2	30	2	1	0	902	966	1160	1340	
60%	24	2	19	2	1	0	1083	1160	1392	1608	
<b>Affordable Sub-total</b>	<b>82</b>	<b>6</b>	<b>70</b>	<b>4</b>	<b>2</b>	<b>0</b>					
80%	0	0	0	0	0	0					
<b>Market*</b>	16	0	12	4	0	0		1625	2300		
<b>Total Units</b>	<b>98</b>	<b>6</b>	<b>82</b>	<b>8</b>	<b>2</b>	<b>0</b>	Notes/Utility Allowance Assumptions: Please note that the total unit count is not including the market rate units. Total residential units in the project is 98. The development team is continuing to work with Potter Lawson to identify opportunities to create more two bedroom units across the various income levels in order to serve a wider variety of tenants.				

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

<b>ADDRESS #2:</b>		<b>10 STORY BUILDING</b>									
% of County Median Income (CMI)	Total # of units	# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
		# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	29	2	27	0	0	0	541	580			
40%	0	0	0	0	0	0					
50%	44	2	39	2	1	0	902	966	1160	1340	
60%	32	2	27	2	1	0	1083	1160	1392	1608	
<b>Affordable Sub-total</b>	<b>105</b>	<b>6</b>	<b>93</b>	<b>4</b>	<b>2</b>	<b>0</b>					
80%	0	0	0	0	0	0					
<b>Market*</b>	21	0	16	5	0	0		1625	2300		
<b>Total Units</b>	<b>126</b>	<b>6</b>	<b>109</b>	<b>9</b>	<b>2</b>	<b>0</b>	Notes/Utility Allowance Assumptions: Please note that the total unit count is not including the market rate units. Total residential units in the project is 126. The development team is continuing to work with Potter Lawson to identify opportunities to create more two bedroom units across the various income levels in order to serve a wider variety of tenants.				

\*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**

APPLICANT &amp; PROJECT NAME:

St. John's Redevelopment - St. John's Lutheran Church - V2

## 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:						
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
WHEDA	\$ 13,140,000	N	4.35%	35	35	\$731,651
AHP Loan (List FHLB):						
FHLB	\$ 900,000	Y				
Total City Request (AHF, TIF, federal funds, etc.)						
AHF, TIF, other	\$ 2,750,000					
Other-Specify Lender/Grantor:						
MDC Dane Workforce Housing Fund	\$ 2,000,000	N	4.00%	17	35	\$106,266
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
REMAINING GAP	\$ 3,143,751					
Tax Credit Equity	\$ 12,487,815					
Historic Tax Credit Equity						
Deferred Developer Fees	\$ 1,500,000					
Owner Investment	Final Amount TBD					
Other-Specify:						
Contributed Land Equity	Final Amount TBD					
<b>Total Sources</b>	<b>\$ 35,921,566</b>					

Do you plan on submitting an application for TIF?

Yes

## Construction Financing

Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
WHEDA	\$ 13,140,000	4.35%	35
Bridge Loan-Lender Name:			
Tax Credit Equity:			
Federal (4%) + State (4%)	\$ 12,487,815		
<b>Total</b>	<b>\$ 25,627,815</b>		

Estimated pricing on sale of Federal Tax Credits:

\$0.90

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

\$0.77

Remarks Concerning Project Funding Sources:

We are working on final pricing as the costs have been fluctuating in the current pricing environment. We are pursuing other funding sources to close the gap, including: additional City resources, ELCA Mission Investment Funds, Dane CO Workforce Housing fund, and private donations from a capital campaign. The amount of owner equity and deferral of the developer fee will be determined at the time these other sources are known.

APPLICANT:

St. John's Redevelopment - St. John's Lutheran Church, V2

## 2. PROJECT EXPENSES

Enter the proposed project expenses

### Acquisition Costs

#### Amount

Land	\$0
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

### Construction:

Construction/Rehab Costs	\$24,817,050
Construction Profit	\$1,334,250
Construction Overhead	\$533,700
General Requirements	\$0
Construction Supervision	\$0
FF&E/Personal Property	\$85,000
Demolition	\$375,000
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$1,354,250
Other (List)	

Non-residential construction	\$2,326,000
------------------------------	-------------

### Architectural & Engineering

Architect - Design	\$650,000
Architect - Supervision	\$0
Engineering	\$50,000
Other (List)	
	\$0

### Interim/Construction Costs

Builder's Risk/Property Insurance	\$30,000
Construction Loan Interest	\$1,167,441
Construction Loan Origination Fee	\$0
Real Estate Taxes	\$20,000
Park Impact Fees	\$84,975
Other Impact Fees	\$0
Other (List)	

construction loan documentation and inspection	\$30,000
--	----------

### Financing Fees

Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$197,100
Credit Enhancement	\$0
Other Permanent Loan Fees	\$55,500

### Soft Costs

Appraisal	\$7,200
Market Study	\$7,500

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


Total Cost:

\$0

Environmental Reports	\$10,000
Survey	\$10,000
Permits	\$10,000
Lease-Up Period Marketing	\$65,000
Tax Credit Fees - Application	\$146,475
Tax Credit Fees - Compliance	\$0
Tax Credit Fees - Allocation	\$0
Accounting/Cost Certification	\$40,000
Title Insurance and Recording	\$15,000
Relocation	\$0
FF&E	\$0
Capital Needs Assessment (if rehab)	\$0
Legal	\$100,000
Other (List)	
miscellaneous	\$10,000
<b>Fees:</b>	
Bridge Loan Fees	\$0
Organizational Fees	\$30,000
Syndication Fees	\$0
Total Development Fee	\$1,500,000
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
	\$0
<b>Reserves Funded from Capital:</b>	
Lease-Up Reserve	\$100,000
Operating Reserve	\$760,125
Replacement Reserve	\$0
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
<b>Other: (List)</b>	
	\$0
<b>TOTAL COSTS:</b>	<b>\$35,921,566</b>

APPLICANT: **St. John's Redevelopment - St. John's Lutheran Church, V2**

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	1,623,096	1,655,558	1,688,669	1,722,442	1,756,891	1,792,029	1,827,870	1,864,427	1,901,716	1,939,750	1,978,545	2,018,116	2,058,478	2,099,648	2,141,641	2,184,474
Less Vacancy/Bad Debt	113,617	115,889	118,207	120,571	122,982	125,442	127,951	130,510	133,120	135,782	138,498	141,268	144,093	146,975	149,915	152,913
<b>Income from Non-Residential Use*</b>	169,020	172,400	175,848	179,365	182,953	186,612	190,344	194,151	198,034	201,995	206,034	210,155	214,358	218,645	223,018	227,479
<b>Total Revenue</b>	1,678,499	1,712,069	1,746,311	1,781,237	1,816,862	1,853,199	1,890,263	1,928,068	1,966,629	2,005,962	2,046,081	2,087,003	2,128,743	2,171,318	2,214,744	2,259,039
<b>Expenses:</b>																
Office Expenses and Phone	19,285	19,864	20,459	21,073	21,705	22,357	23,027	23,718	24,430	25,163	25,917	26,695	27,496	28,321	29,170	30,045
Real Estate Taxes	192,857	198,643	204,602	210,740	217,062	223,574	230,281	237,190	244,305	251,635	259,184	266,959	274,968	283,217	291,714	300,465
Advertising, Accounting, Legal Fees	38,571	39,728	40,920	42,148	43,412	44,714	46,056	47,437	48,861	50,326	51,836	53,391	54,993	56,643	58,342	60,092
Payroll, Payroll Taxes and Benefits	77,785	80,119	82,522	84,998	87,548	90,174	92,879	95,666	98,536	101,492	104,537	107,673	110,903	114,230	117,657	121,186
Property Insurance	46,285	47,674	49,104	50,577	52,094	53,657	55,267	56,925	58,632	60,391	62,203	64,069	65,991	67,971	70,010	72,111
Mtc, Repairs and Mtc Contracts	161,601	166,449	171,443	176,586	181,883	187,340	192,960	198,749	204,711	210,853	217,178	223,694	230,404	237,317	244,436	251,769
Utilities (gas/electric/fuel/water/sewer)	94,500	97,335	100,255	103,263	106,361	109,551	112,838	116,223	119,710	123,301	127,000	130,810	134,734	138,776	142,940	147,228
Property Mgmt	100,632	103,651	106,760	109,963	113,262	116,660	120,160	123,765	127,478	131,302	135,241	139,298	143,477	147,781	152,215	156,781
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	37,800	38,934	40,102	41,305	42,544	43,821	45,135	46,489	47,884	49,320	50,800	52,324	53,894	55,511	57,176	58,891
Support Services	19,285	19,864	20,459	21,073	21,705	22,357	23,027	23,718	24,430	25,163	25,917	26,695	27,496	28,321	29,170	30,045
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	788,601	812,259	836,627	861,726	887,577	914,205	941,631	969,880	998,976	1,028,945	1,059,814	1,091,608	1,124,356	1,158,087	1,192,830	1,228,615
<b>Net Operating Income</b>	889,898	899,810	909,684	919,511	929,284	938,994	948,632	958,188	967,653	977,017	986,267	995,395	1,004,386	1,013,231	1,021,914	1,030,424
<b>Debt Service:</b>																
First Mortgage	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
asset management fee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
MDC Workforce Housing Fund Loan	90,000	90,000	90,000	106,266	106,266	106,266	106,266	106,266	106,266	106,266	106,266	106,266	106,266	106,266	106,266	
<b>Total Debt Service</b>	826,651	826,651	826,651	842,917	842,917	842,917	842,917	842,917	842,917	842,917	842,917	842,917	842,917	842,917	842,917	736,651
<b>Total Annual Cash Expenses</b>	1,615,252	1,638,910	1,663,278	1,704,643	1,730,494	1,757,122	1,784,548	1,812,797	1,841,893	1,871,862	1,902,731	1,934,525	1,967,273	2,001,004	2,035,747	1,965,266
<b>Total Net Operating Income</b>	63,247	73,159	83,033	76,594	86,367	96,077	105,715	115,271	124,736	134,100	143,350	152,478	161,469	170,314	178,997	293,773
<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>	63,247	73,159	83,033	76,594	86,367	96,077	105,715	115,271	124,736	134,100	143,350	152,478	161,469	84,404		0
<b>Cash Flow</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	85,910	178,997	293,773
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	47,764	47,764	47,764

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

<b>DCR Hard Debt</b>	1.22	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.32	1.34	1.35	1.36	1.37	1.38	1.40	1.41
<b>DCR Total Debt</b>	1.08	1.09	1.10	1.09	1.10	1.11	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.14	1.15	1.31

**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:

pet fees assumed for 32 units at \$30 per month; parking

APPLICANT:

### 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	2,228,163	2,272,726	2,318,181	2,364,544	2,411,835	2,460,072	2,509,273	2,559,459	2,610,648	2,662,861	2,716,118	2,770,441	2,825,849	2,882,366
Less Vacancy/Bad Debt	155,971	159,091	162,273	165,518	168,828	172,205	175,649	179,162	182,745	186,400	190,128	193,931	197,809	201,766
<b>Income from Non-Residential Use*</b>	232,028	236,669	241,402	246,230	251,155	256,178	261,301	266,528	271,858	277,295	282,841	288,498	294,268	300,153
<b>Total Revenue</b>	2,304,220	2,350,304	2,397,310	2,445,257	2,494,162	2,544,045	2,594,926	2,646,824	2,699,761	2,753,756	2,808,831	2,865,008	2,922,308	2,980,754
<b>Expenses:</b>														
Office Expenses and Phone	30,947	31,875	32,831	33,816	34,831	35,876	36,952	38,061	39,202	40,379	41,590	42,838	44,123	45,446
Real Estate Taxes	309,479	318,763	328,326	338,176	348,321	358,771	369,534	380,620	392,039	403,800	415,914	428,391	441,243	454,480
Advertising, Accounting, Legal Fees	61,895	63,752	65,665	67,634	69,664	71,753	73,906	76,123	78,407	80,759	83,182	85,677	88,248	90,895
Payroll, Payroll Taxes and Benefits	124,822	128,567	132,424	136,396	140,488	144,703	149,044	153,515	158,121	162,865	167,750	172,783	177,966	183,305
Property Insurance	74,274	76,502	78,797	81,161	83,596	86,104	88,687	91,347	94,088	96,911	99,818	102,812	105,897	109,074
Mtc, Repairs and Mtc Contracts	259,322	267,102	275,115	283,368	291,869	300,625	309,644	318,934	328,502	338,357	348,507	358,963	369,731	380,823
Utilities (gas/electric/fuel/water/sewer)	151,645	156,194	160,880	165,706	170,678	175,798	181,072	186,504	192,099	197,862	203,798	209,912	216,209	222,695
Property Mgmt	161,485	166,329	171,319	176,459	181,753	187,205	192,821	198,606	204,564	210,701	217,022	223,533	230,239	237,146
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	60,658	62,478	64,352	66,283	68,271	70,319	72,429	74,602	76,840	79,145	81,519	83,965	86,484	89,078
Support Services	30,947	31,875	32,831	33,816	34,831	35,876	36,952	38,061	39,202	40,379	41,590	42,838	44,123	45,446
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	1,265,473	1,303,437	1,342,540	1,382,817	1,424,301	1,467,030	1,511,041	1,556,372	1,603,063	1,651,155	1,700,690	1,751,711	1,804,262	1,858,390
<b>Net Operating Income</b>	1,038,747	1,046,867	1,054,770	1,062,440	1,069,861	1,077,015	1,083,885	1,090,452	1,096,697	1,102,601	1,108,141	1,113,297	1,118,046	1,122,364
<b>Debt Service:</b>														
First Mortgage	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651	731,651
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
asset management fee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
MDC Workforce Housing Fund Loan			0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	736,651	736,651	736,651	736,651	736,651	736,651	736,651	736,651	736,651	736,651	736,651	736,651	736,651	736,651
<b>Total Annual Cash Expenses</b>	2,002,124	2,040,088	2,079,191	2,119,468	2,160,952	2,203,681	2,247,692	2,293,023	2,339,714	2,387,806	2,437,341	2,488,362	2,540,913	2,595,041
<b>Total Net Operating Income</b>	302,096	310,216	318,119	325,789	333,210	340,364	347,234	353,801	360,046	365,950	371,490	376,646	381,395	385,713
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow</b>	302,096	310,216	318,119	325,789	333,210	340,364	347,234	353,801	360,046	365,950	371,490	376,646	381,395	385,713
AHF City Interest Loan	47,764	47,764	47,764	47,764	47,764	47,764	47,764	47,764	47,764	47,764	47,764	47,764	47,764	47,764

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

<b>DCR Hard Debt</b>	1.42	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.50	1.51	1.51	1.52	1.53	1.53
<b>DCR Total Debt</b>	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.42	1.43	1.43

#### Assumptions

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

## Appendix F

### WHEDA Multifamily Maximum Cost Model: 2021

WHEDA limits total development cost for any one development for both HTC and lending. This is a threshold item and applications exceeding the allowed maximum will be rejected. Public housing authorities are exempt if they are the primary applicant and HOPE VI or Choice Neighborhood Initiative grant is a source of funds. Tribal housing authorities are exempt if they are the primary applicant and NAHASDA or similar funding is a source of funds. Development costs attributable to employment-related Community Service Facilities and 4% transaction developer fee above the current limit for 9% transaction will be excluded from the calculation of the maximum cost.

The model is based on historical data from Wisconsin's HTC program and uses regression modeling with combinations of variables listed below to predict costs. A development is limited to the Maximum Per-Unit Cost calculated below.

The model automatically provides a fifteen percent (15%) allowance above the predicted cost. The absolute cost maximum is \$311,573/unit for New Construction and Adaptive Reuse, or \$260,097 for Acquisition/Rehab

Note: Supportive Housing and projects addressing the rehabilitation of foreclosed and/or abandoned SF homes/duplexes automatically receive an additional 10% allowance above the predicted cost. The absolute cost maximum is \$342,731/unit for New Construction & Adaptive Reuse and \$286,106 for Acquisition/Rehab.

*Insert development name, application number, unit mix, employment-related Community Service, or 4% transaction developer fee above the current limit for 9% transaction costs immediately below, and complete the cells highlighted in yellow in column E*  
*Submit a printed copy of this document with your LIHTC application*

Name:	St John's Redevelopment	
Application #:	PROSPECTIVE	
Number of Acquisition-Rehab Units:	0	
Number of New Construction Units:	126	
Number of Adaptive Reuse Units:	0	
Development costs attributable to employment-related Community Service Facility	\$0	
<b>For 4% transactions only</b> , enter any developer fee above the current limit for 9% transactions	\$0	

A	Is the development located in the City of Milwaukee?	No
B	Is the development located in the City of Madison?	Yes
C	Is the development located in one of the metropolitan counties listed on the Metro Counties page (excluding Milwaukee and Madison)?	No
D	Is the development located on Wisconsin Tribal Lands?	No
E	Is this a primarily new construction development?	Yes
F	Is this a primarily adaptive reuse development?	No
G	Is this a rehabilitation development with per per-unit rehabilitation costs between \$25,000 and \$50,000?	No
H	Is this a rehabilitation development with per per-unit rehabilitation costs in excess of \$50,000?	No
I	Does this development primarily contain supportive housing units?	No
J	Does this development primarily address the rehabilitation of foreclosed or abandoned single family homes or duplexes?	No
K	Does this development primarily contain single-family homes and duplexes?	No
L	Gross square feet in this development	133,800
M	Total number of units in this development	126

Calculated Cost Limit	241661.581
15% Allowance	\$36,249
Subtotal	\$277,911
Adjusted Cost Limit (not to exceed \$311,573 per-unit for New Construction and Adaptive Reuse, or \$260,097 for Acquisition/Rehab)	\$277,911
Allowance for supportive housing developments and those addressing foreclosed/abandoned homes	\$0
<b>Maximum Per-Unit Cost for this Development</b>	<b>\$277,911</b>



## **Wisconsin Metropolitan Counties**

Brown	Milwaukee
Calumet	Outagamie
Chippewa	Ozaukee
Columbia	Pierce
Dane	Racine
Douglas	Rock
Eau Claire	Shawano
Fond du Lac	Sheboygan
Iowa	St. Croix
Kenosha	Washington
Kewaunee	Waukesha
La Crosse	Winnebago
Marathon	