

GENERAL APPLICATION

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2025-14027: **Financing for Affordable Homeownership Development, Programs, and Services.**

Applications must be submitted electronically to the City of Madison Community Development Division by **noon on September 26, 2025**. Email to: cddapplications@cityofmadison.com. Any questions, contact mdavila-martinez@cityofmadison.com.

APPLICANT INFORMATION

Applicant Name: Madison Area Community Land Trust (MACLT)	
Proposal Contact Name:	Olivia Williams (until Nov 21)/ Amber Kolner (after Nov 21)
Email (Proposal Contact):	Olivia@maclt.org Amber@maclt.org
Financial Contact Name:	Jody Knauss
Email (Financial Contact):	finance@maclt.org
Legal Status: ☒ Non-Profit ☐ Private/For-Profit ☐ Other	
Federal EIN:	39-1680095
Registered on SAM? ☒ Yes ☐ No	SAM/ UEI #: 785543500
Community Housing Development Organization?	☐ Yes ☐ No ☒ CHDO Application Attached [submitted in August]

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>.

LOBBYING REGISTRATION

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

Name Olivia Williams, Executive Director Date: Sep 21, 2025


box SIGN 1X3WZ3L4-46R9YWJ9

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 **ORW** you are electronically signing your name as the submitter of the application and agree to the terms listed above.

ORGANIZATIONAL CAPACITY: COMPLETE ONCE

1. Describe your agency's experience with **current or past awards**, including challenges, successes, opportunities, and areas of improvement. If you are a **new applicant**, explain your capacity to undertake the proposed project and identify any resources, partnerships, or expertise you will rely on.

MACLT has successfully administered City of Madison housing development and service awards for 30+ years. The current staff team completed 3 homes as the developer with City of Madison Affordable Housing Fund (AHF) dollars between 2020 and 2023. MACLT is currently a partner on 3 projects (7 homes) with AHF dollars as a partner to the primary developers (Kaba Bah, and WPHD). MACLT also has experience administering CDBG funds through the Minor Home Repair Program as well as the CINH program from 2021 to 2025. MACLT's Housing Director and Finance & Operations Director have demonstrated success in distributing and reporting on CDBG via the City of Madison. These projects have allowed us to expand and improve our portfolio of permanently affordable homes while strengthening our capacity to manage publicly funded projects.

One challenge we have experienced with the housing development funds is that acquisition-rehab projects are becoming more difficult to execute in the hot housing market unless there is a friendly seller. Opportunities for acquiring naturally-occurring affordable housing (NOAH) arise intermittently, sometimes with a friendly seller willing to have a longer closing timeline or to sell below market-rate. Typically about once or twice a year we are confronted with an opportunity from a friendly seller, but we do not always have funds available. Being ready for these opportunities means that MACLT must apply for funds during the Housing Forward RFP to have them available for acquisition-rehab opportunities. For these reasons, we list project #3 as an acquisition-rehabilitation project.

We also recognize that the need to expand permanently-affordable homeownership is growing faster than we can develop housing with our staff of 4. Our current collaborations with Kaba Bah and the the Wisconsin Partnership for Housing Development on new construction projects have allowed us to expand our pipeline of permanently affordable homes, and we are excited to join them as a co-applicant again on their proposals this year as well as a new developer team. We also have been expanding our team's capacity to lead new construction projects, with 3 staff going through multiple trainings on housing development. Our new development team including Threshold Builds and Vierbicher has allowed us to make significant headway in pre-development process for what will be the largest project MACLT has seen in nearly 2 decades: the 12 townhomes at the Starkweather Plat. All of these partnerships have allowed us to take on more ambitious development projects than we could alone.

2. Do you or any team members have outstanding legal matters or ongoing litigation? If so, provide brief details. Specifically, list:
 - a. Any foreclosure, default, or bankruptcy within the past ten years.
 - b. Any litigation related to financing or construction projects within the past five years.

- c. Any Chronic Nuisance Abatement or Nuisance Case notifications issued by the Madison Police Department or Building Inspection within the past five years.
- d. Any unresolved Building Inspection citations resulting in Municipal Court Complaints within the past five years.
- e. Any litigation with the City of Madison, or within the State of Wisconsin, within the past five years.

No. Neither our organization nor any team members have any outstanding legal matters or ongoing litigation.

PROPOSAL #3

1. PROJECT SUMMARY

Name of Proposal:	1 Acquisition-Rehabilitation Project	
Proposal Type:	Development - Acquisition / Rehabilitation	
Proposal Summary:	MACLT will acquire and rehabilitate one home in a transitional neighborhood, adding to our existing portfolio of 64 single-family homes that serve 53 children and families across Dane County. Like all homes in our portfolio, this home will be kept permanently affordable through resale restrictions in a ground lease, helping to stabilize home values and preserve affordability in areas where housing costs are rising. By removing the home from the speculative market, MACLT ensures that long-term affordability benefits not just today's buyers, but future generations. This home will provide a first-time homebuyer opportunity for a family who might otherwise only be able to rent, enabling them to build modest wealth, gain long-term stability, and establish roots in the community. MACLT will provide ongoing support to homeowners, including guidance on maintenance, financing, and access to downpayment assistance through our lending partners. The home will incorporate energy- and water-saving features to reduce ongoing costs. By offering these features at an affordable price point, the home helps create intergenerational benefits, strengthens community stability, and supports broader equitable homeownership goals in Madison.	
Number of households served:	1	
Amount Requested from CDD:	\$200000	
Total Proposal Budget:	\$597537	

1A. DEVELOPMENT PROPOSAL ONLY

Specify the target price of project homes (estimate):	\$ <u>330,000</u>
Will the homes be permanently affordable? [Yes/No]	<u>yes</u>
Do you have site control? [Yes/No]	<u>no</u>
If yes, what is the site address:	
Is the site currently occupied?	_____
If proposing to build on Owl Creek Vacant Lots detailed above, list addresses of lots. If interested in all six lots, write "All".	_____

2. PROJECT DESIGN

List any features that make your proposal unique.

- For **Development Proposals** - Provide a detailed description of the **sustainability** and **accessibility** features incorporated into the project design, including their estimated incremental costs to construction. If any of the required sustainability or accessibility features **cannot** be met, explain why they are not feasible for this project.

- If you are proposing **additional** sustainability or accessibility features that exceed the standard requirements, specify:
 - The specific features being added
 - How many units will include these enhancements
 - The estimated incremental cost associated with these enhancements
- For **Programs/Services** - What innovative or unique elements will your program include to enhance its impact or reach? For example, describe any targeted partnerships, culturally specific approaches, scalability features, or methods of tailoring services to meet the diverse needs of the community (e.g., income levels, racial/ethnic groups, or other demographics). How do these features set your program apart from others?

The home described here will be brought up to at least the minimum standards for acquisition-rehab required by CDD, and more if the budget allows.

3. PROJECT READINESS

Provide a summary of the steps already completed and those remaining to demonstrate project readiness.

- For **development proposals**, include land acquisition, financing, zoning approvals, or other pre-construction milestones. Reminder that multi-family proposals have additional requirements including pre-application meeting and DAT meeting that should be included in the timeline.
- For **programs and services**, include steps such as participant outreach plans, hiring and training staff, securing partnerships, timeline for utilizing funds, or developing program materials.

MACLT is prepared to act quickly on acquisition-rehabilitation opportunities, recognizing that naturally-occurring affordable housing (NOAH) acquisitions are increasingly difficult in the current hot housing market. Opportunities arise intermittently—typically once or twice a year—with a friendly seller willing to sell below market or allow a longer closing timeline. Being ready to pursue these opportunities requires having funds available in advance, which is why MACLT is applying through the Housing Forward RFP to secure funding for this acquisition-rehab project.

To expand opportunities for permanently-affordable homeownership, MACLT is launching a campaign in 2026 to engage older homeowners across the city, encouraging them to sell or donate their homes to MACLT as they downsize. This proactive outreach is designed to generate acquisition-rehabilitation opportunities and ensure that homes acquired through this program serve families in greatest need while maintaining long-term affordability.

4. PROJECT FEASIBILITY – Developer/Administrator Capacity

Identify team members / partnerships for this project, along with their relevant training, certifications, licenses, experience, and contribution to the proposed project.

Developer: MACLT, including the new Executive Director (to be hired this fall), with the assistance of Deaken Boggs, Housing Director, and Jody Knauss, Finance and Operations Director.

Accountants: Our Finance and Operations Director, with assistance from Andrew Browne at Common Good Bookkeeping Cooperative

MACLT's Housing Development Advisory Committee: a committee of 9 housing professionals who guide MACLT staff on this and other projects.

Consultant: Olivia Williams will consult on the project as needed to see it through to completion after her role as ED is over at MACLT.

5. PROJECT FEASIBILITY – Financial Capacity

Explain your approach to fulfilling financial obligations for the proposal, including any secured funding:

- For **development proposals**: Address developer equity, construction financing, other funding sources you are leveraging, and subsidy needs.
- For **programs/services proposals**: Address management of program costs, staff compensation, other sources of funding you are leveraging, and operational sustainability.

MACLT brings proven experience in acquisition and rehabilitation. This summer, as an example, MACLT acquired and fully rehabilitated two homes within the land trust, acting as general contractor for both projects, and finishing rehabilitation within 2 months. These completed projects give us significant confidence in our ability to execute this project quickly, effectively, and within budget, while maintaining the high-quality, long-term affordability standards required for our homeowners.

MACLT also maintains an Acquisition Fund with \$100,000 in equity currently, which can be applied directly to the purchase of eligible properties. In addition, MACLT has established relationships with Forward Community Investments and Lake Ridge Bank to provide construction financing as needed, ensuring that funding gaps can be addressed quickly.

6. PROJECT FEASIBILITY – Project Management and Timeline

Provide a project timeline for the contract term, including key milestones:

- For **development proposals**: real estate acquisition, bid process, construction start/end, marketing, and unit sale completion, etc. (2 year-max timeline)
- For **programs/services proposals**: marketing, outreach, service delivery, completions, etc. (annual timeline)

February–April 2026

- Housing Forward funding secured
- Launch campaign to engage older homeowners and other potential sellers to identify acquisition opportunities

May–December 2026

- Secure site control (purchase agreement or option) with interested sellers
- Conduct preliminary property inspections and due diligence
- Develop rehabilitation scope, budget, and schedule
- Finalize construction financing

January–December 2027

- Construction/rehabilitation phase
 - Complete major repairs, health and safety improvements, and accessibility upgrades
 - Upgrade systems as needed (HVAC, plumbing, electrical)
 - Conduct ongoing inspections and quality control to meet CLT standards
- Complete punch list items and final inspections
- Prepare units for sale, including marketing to eligible income-qualified buyers
- Host buyer orientations and application intake
- Complete unit sales and closings under the CLT ground lease
- Conduct post-sale follow-up to ensure smooth transition and homeownership support

7. COMMUNITY NEED

Alignment: Explain how your project aligns with the City's goals for affordable housing and community development and identify the target population served for your project (including income levels and demographic factors). Note if your proposal aligns with any of the preferences identified in the RFP.

This acquisition rehab project aligns closely with the City of Madison's goals for affordable housing, neighborhood stabilization, and equitable homeownership opportunities. By rehabilitating a single-family home in a transitional neighborhood and keeping it permanently affordable through MACLT's Community Land Trust model, the project addresses the City's priorities of preventing displacement, preserving existing housing stock, and expanding access to homeownership for low- and moderate-income households.

The home will serve a first-time homebuyer household with income at or below 80% of Area Median Income (AMI), targeting populations that have historically faced barriers to homeownership, including single-parent families, households of color, and individuals with permanent disabilities. MACLT employs an equity-based selection system to ensure that households most in need benefit from these opportunities, reflecting the City's stated preference for projects that serve underserved populations and promote economic stability in vulnerable neighborhoods.

By preserving affordability, providing long-term support to homeowners, and reducing housing costs through energy-efficient improvements, this project advances the City's goals of community development, wealth-building, and intergenerational housing stability. This MACLT home will not only meet the immediate housing needs of the buyer but also provide benefits to future families for decades, reinforcing the City's vision for inclusive and sustainable neighborhoods.

Economic Mobility: How will your proposal help participants or residents achieve economic mobility, particularly in underserved communities?

- For **development proposals**, explain how the project aligns with the income levels of the area (describe what the median income of the census tract where the development will be located) and promotes generational wealth-building and well-being.
- For **programs/services proposals**, describe how your program fosters financial empowerment and economic mobility through education, support, or direct assistance.

Homeownership retention is just as important for building generational wealth as the initial step of purchasing a home. Many MACLT homeowners are the first in their families to own a home, and our staff provide critical post-purchase support to ensure their long-term success. This support is a proven strategy—community land trust programs nationwide have demonstrated a 90% reduction in foreclosure risk compared to conventional homeownership.

Post-purchase support at MACLT includes a range of services to ensure the success of our homeowners, including providing one-on-one information on homeownership-related issues like estate planning, refinancing, home maintenance, winterization, refinancing, connection to other social service agencies, and preparation for selling the home. MACLT homeowners also have the opportunity to participate in a committee of MACLT homeowners as well as the opportunity to serve on MACLT's Board of Directors.

Expand: Explain how your project will expand opportunities for first-time homebuyers and reduce existing disparities in rates of homeownership between different segments of the Madison population.

MACLT's model is specifically designed to reduce disparities in homeownership rates between different segments of the population. Through our equity-based buyer selection policy, adopted in 2020, we prioritize first-generation buyers, households at risk of displacement, and those with permanent disabilities. This system has produced measurable results: the average income of our buyers has dropped from 60% to 49% of AMI, and the percentage of homeowners of color has increased from 39% to 67%. For comparison, in Dane County overall, 84% of residents are white and only 16% are people of color.

By affirmatively marketing to communities of color, low-income households, survivors of domestic abuse, and people with disabilities— and by working closely with referral partners such as Centro Hispano, Multicultural Catholic Charities Center, Urban Triage, and The Road Home, MACLT ensures that those historically excluded from homeownership have real access to these opportunities. We also provide bilingual marketing materials, offer translation services at orientations, and connect buyers with lending partners who can assist with ITIN mortgages and downpayment assistance, further breaking down barriers to entry.

SUBMIT THE FOLLOWING QUESTIONS FOR EACH PROJECT PROPOSAL.

PROPOSAL #1

1. PROJECT SUMMARY	
Name of Proposal:	Voit Townhomes
Proposal Type:	Development - New Construction
Proposal Summary:	Madison Area Community Land Trust (MACLT) is developing 12 owner-occupied single-family attached townhomes on a roughly 1 acre parcel of land (Lot 10 at the Starkweather Plat) on Madison's east side, for which MACLT has an option to purchase for \$1. The development will include two buildings with 6 attached homes each, a shared parking lot, and green space managed by a new Home Owners Association made up of the residents. This project will be residential construction under the Wisconsin Uniform Dwelling Code, and it will be most closely associated with Type VB construction, and is single-family construction. The homes will be two stories tall and all homes will use universal design principles to attain a livable accessible standard, including an accessible full bathroom and bedroom on the main floor. Ten of the homes will be 18 ft wide with three bedrooms total, and two of the homes will be 20 ft wide with four bedrooms total. The homes will have wood floors, solid-surface countertops, en-suite bathrooms, and a dedicated parking space per home. The homes will have unfinished full basements with egress windows and toilet stacks to allow for easy basement finishing over time if desired. Pending funding from the City of Madison, all of the homes will be affordable below 80% area median income (AMI) and at least 4 of the homes will be affordable below 50% AMI.

Affordability will be preserved through resale price restrictions in a ground lease with MACLT, ensuring lasting impact for future homeowners. The homes will be highly efficient and Energy Star certified to reduce energy costs for homeowners, and all homes will be livable accessible with a bedroom and full bathroom on the first floor. Over the last 2 years, MACLT has been building capacity and expertise to complete this project and has secured \$395,000 in pre-development and capacity-building funding for this project from the TruStage Foundation, Roots and Wings Foundation, Madison Community Foundation, and the Catholic Campaign for Human Development. Additionally, Dane County has committed \$970,000 in capital funding, and MACLT has also applied for \$600,000 from FHLB Chicago. If the FHLBC funds are secured, MACLT anticipates building 6 homes targeting <50% AMI, 2 homes targeting <60% AMI, and 4 homes targeting <80% AMI. As Community Land Trust homes, affordability will be preserved in perpetuity through resale price restrictions in a ground lease with MACLT, ensuring lasting impact for future homeowners. On average, MACLT homes sell every 15 years, meaning that each home will serve on average two families after 15 years, three families after 30 years, and four families after 45 years. In this way, this development will have a long-term impact, affecting generation after generation of low-income buyers into the future.	
Number of households served:	12
Amount Requested from CDD:	\$ 2,538,050
Total Proposal Budget:	\$7,285,050

1A. DEVELOPMENT PROPOSAL ONLY

Specify the target price of project homes (estimate):	\$ \$269,000 (average)
Will the homes be permanently affordable? [Yes/No]	<u>YES</u>
Do you have site control? [Yes/No]	<u>YES</u>
If yes, what is the site address:	Lot 10, Starkweather Plat, City of Madison.
Is the site currently occupied?	<u>NO</u>
If proposing to build on Owl Creek Vacant Lots detailed above, list addresses of lots. If interested in all six lots, write "All".	<u>N/A</u>

2. PROJECT DESIGN

List any features that make your proposal unique.

- For **Development Proposals** - Provide a detailed description of the **sustainability** and **accessibility** features incorporated into the project design, including their estimated incremental costs to construction. If any of the required sustainability or accessibility features **cannot** be met, explain why they are not feasible for this project.

- If you are proposing **additional** sustainability or accessibility features that exceed the standard requirements, specify:
 - The specific features being added
 - How many units will include these enhancements
 - The estimated incremental cost associated with these enhancements
- For **Programs/Services** - What innovative or unique elements will your program include to enhance its impact or reach? For example, describe any targeted partnerships, culturally specific approaches, scalability features, or methods of tailoring services to meet the diverse needs of the community (e.g., income levels, racial/ethnic groups, or other demographics). How do these features set your program apart from others?

Designed for Accessibility, Aging in Place, and Versatility:

The homes will be two stories tall and all homes will incorporate universal design principles to attain a livable accessible standard, including an accessible full bathroom, and bedroom on the main floor. The two larger 4BR homes will additionally have laundry on the main floor. Not only will these homes be accessible for those with disabilities looking to purchase a home, but they will provide opportunities for aging in place to increase housing stability of our homeowners long-term. The full basements will each include an egress window and passive radon ventilation to make it easier to finish the basement and add another bedroom. This will make the homes even more versatile as families grow and their needs change.

All-electric, Energy-efficient Design:

The 12 homes will be as green and energy-efficient as economically feasible while maintaining a high level of affordability. At a minimum, the project will feature high-performance building envelopes with spray foam at box sills, R-21 insulated exterior walls, R-11 party wall batts, R-60 attic insulation, and a combination of spray foam and poly-iso rigid insulation for the segments of flat roof. Triple-pane windows (U-0.16) and fully sealed window/door installations, along with AeroBarrier air sealing, will achieve passive house–level airtightness.

Each home will include all-electric, high-efficiency systems: heat pump heating/cooling, heat pump water heaters, heat pump dryers, ERVs for ventilation, and backup electric resistance heat. Sitewide, a shared electrical panel will support outdoor lighting and EV charging infrastructure, furthering long-term energy savings. All roofs will be PV solar-ready. Additionally, the project will incorporate natural landscaping techniques that would incorporate native plants and not require fertilizer and pesticides. Threshold Builds, our design-build partner, has significant experience and passion for energy-efficient design.

The above specifications **are already achievable with \$200,000 in City of Madison funds per unit (\$2,400,000 total award)**, and already exceed Energy Star standards for new home construction.

If additional Funds are available to support the cost, MACLT would build to the DOE Zero Energy Ready Home Program standard and secure Energy Star certification. The additional features this standard would require include EV Ready parking spaces for each home (12 spaces), and continuous insulation. **We estimate this additional cost at: \$138,050, or \$11,504 per unit, bringing us to our total request of \$2,538,050 from the City of Madison for these townhomes.**

Estimated cost breakdown:

\$18,000 total for 12 EV-ready parking spots on site

\$103,500 total in additional insulation, including:

- \$90,000 to add 2" continuous insulation (CI) to exterior walls

- \$7,500 total in additional rim/flooring insulation
- \$6,000 in additional party wall insulation

\$2,000 in energy modeling costs

\$2,000 in HERS (Home Energy Rating System) test/rating costs for Energy Star New Construction certification

= \$125,500

+10% Contingency (\$12,550)

= \$138,050 total, or \$11,504 per unit

MACLT is additionally exploring funding opportunities from Solar for Good, Focus on Energy, and an anonymous donor to incorporate PV solar panels as part of the initial construction (estimated cost: \$273,000 total). Due to the uncertainty of these funds and the high cost of this feature, we have not incorporated solar panels into the proposed budget.

3. PROJECT READINESS

Provide a summary of the steps already completed and those remaining to demonstrate project readiness.

- For **development proposals**, include land acquisition, financing, zoning approvals, or other pre-construction milestones. Reminder that multi-family proposals have additional requirements including pre-application meeting and DAT meeting that should be included in the timeline.
- For **programs and services**, include steps such as participant outreach plans, hiring and training staff, securing partnerships, timeline for utilizing funds, or developing program materials.

In 2023, MACLT secured a purchase contract for a parcel (lot 10) at the Starkweather Plat (the former Voit property). In 2024, the Starkweather Group (the owner of the entire Voit property) gained approval from the City of Madison for the re-zoning and platting for the entire Starkweather Plat. MACLT began working on architectural design at the end of 2024 and had a DAT meeting on Dec 5, 2024. Following this meeting, the Starkweather Group modified the plat and the shape of Lot 10 for ease of design of townhomes and to reduce infrastructure costs to MACLT. The final plat for the Starkweather Plat includes the new Lot 10 shape. MACLT worked with MACLT's Housing Development Advisory Committee to refine the site plan and floorplans throughout 2025. In preparation for the FHLBC funding application, Threshold Builds retrieved preliminary bids for pricing, and MACLT received construction financing approval from Lake Ridge Bank. MACLT and Threshold Builds are now finalizing the design with Vierbicher as civil engineer, and beginning the entitlements process in 2025 to begin construction in April 2026.

DAT Meeting - 12/5/2024

Pre-application meeting with CDD - 8/20/2025

Additional anticipated timeline details are below:

- Preliminary Plat / Final Plat - 10/20/2025
- Plan Commission - 12/15/2025
- Common Council - 01/06/2026
- Site Plan Verification Submittal - 01/19/2026
- Final Plat Submittal to DOA and City - 01/19/2026

- Site Plan Approval - 04/17/2026
- Final Plat Approval/Recording - 04/17/2026

4. PROJECT FEASIBILITY – Developer/Administrator Capacity

Identify team members / partnerships for this project, along with their relevant training, certifications, licenses, experience, and contribution to the proposed project.

The project development team includes

- Developer: MACLT, with development consultation from Threshold Builds and Olivia Williams
- Architect & Builder: Threshold Builds LLC
- Civil Engineer: Vierbicher
- Attorney: Dan O’Callaghan, Carlson Black O’Callaghan & Battenberg LLP
- Accountants: MACLT Finance and Operations Director, with assistance from Andrew Browne at Common Good Bookkeeping Cooperative
- MACLT’s Housing Development Advisory Committee: a committee of 9 housing professionals who guide MACLT staff on this and other projects.
- Consultant: Olivia Williams will consult on the project as needed to see it through to completion after she exits her role as Executive Director at MACLT November 21.
- Seller: Starkweather LLC: Master developer of the entire Voit farm site that contains MACLT’s parcel. Seller will build the roads and infrastructure up to Lot 10.

5. PROJECT FEASIBILITY – Financial Capacity

Explain your approach to fulfilling financial obligations for the proposal, including any secured funding:

- For **development proposals**: Address developer equity, construction financing, other funding sources you are leveraging, and subsidy needs.
- For **programs/services proposals**: Address management of program costs, staff compensation, other sources of funding you are leveraging, and operational sustainability.

Over the past two years, MACLT has secured \$395,000 in pre-development and organizational capacity-building funding from private foundations to build capacity for this project. MACLT is prepared to spend up to \$271,00 of this secured funding as developer equity in pre-development and initial development costs. Dane County has committed \$970,000 in capital dollars, and MACLT has applied for \$600,000 from the Federal Home Loan Bank of Chicago. Construction financing of up to \$3.4 million has been committed by Lake Ridge Bank. The necessary final funds are expected to be secured from the City of Madison through this RFP. A minimum of \$2.4M is needed, and \$2,538,050 is needed to achieve the sustainability standards detailed above. The project pencils out without the FHLBC funds as well, but more of the homes would be targeted to 80% AMI without FHLBC funds, instead of the majority being below 60% AMI.

6. PROJECT FEASIBILITY – Project Management and Timeline

Provide a project timeline for the contract term, including key milestones:

- For **development proposals**: real estate acquisition, bid process, construction start/end, marketing, and unit sale completion, etc. (2 year-max timeline)
- For **programs/services proposals**: marketing, outreach, service delivery, completions, etc. (annual timeline)

04/2026 - Permitting complete, plan approval, and subdivision recorded. Construction begins

06/2026 - Marketing begins
03/2027 - Unit sale completion
(see answers to #3 above for additional dates)

7. COMMUNITY NEED

Alignment: Explain how your project aligns with the City's goals for affordable housing and community development and identify the target population served for your project (including income levels and other demographic factors). Note if your proposal aligns with any of the preferences identified in the RFP.

MACLT's proposed project directly aligns with the City of Madison's goals for affordable housing and equitable community development by creating new, permanently affordable homeownership opportunities for households most at risk of being excluded from the housing market. Our CLT model ensures long-term affordability through ground leases and resale restrictions, allowing public investment to serve generation after generation of low-income families.

The Voit Townhome project will create 12 new homes that are permanently-affordable below 80% AMI, with at least 4 of permanently serving families below 50% AMI. This focus on deeply affordable housing aligns with City preferences for projects that serve very low-income residents. Families served will include first-generation homebuyers, single-parent households, and people with disabilities—groups disproportionately burdened by Madison's housing affordability crisis. Since adopting a need-based point system in 2020, MACLT has increased the share of buyers of color from 39% to 67%, while lowering the average buyer income from 60% AMI to 49% AMI, demonstrating our commitment to reaching households most in need.

The City's housing goals also emphasize sustainable, accessible, and community-oriented development. The Voit homes will be built to high sustainability standards and incorporate universal design principles, reducing both energy costs and physical barriers for residents. As a Community Land Trust, MACLT goes beyond construction by offering post-purchase support and ensuring resident participation in organizational decision-making. The project's homeowners' association will be governed entirely by low-income residents, fostering leadership, stability, and long-term stewardship.

By preserving permanent affordability, this project ensures that the City of Madison's resources create a compounding impact over time. Each home will serve multiple families over the coming decades, multiplying the benefit of public investment while addressing racial and economic disparities in homeownership. This alignment with the City's affordable housing and community development priorities makes MACLT's Voit project a powerful and sustainable solution for Madison's housing crisis.

Economic Mobility: How will your proposal help participants or residents achieve economic mobility, particularly in underserved communities?

- For **development proposals**, explain how the project aligns with the income levels of the area (describe what the median income of the census tract where the development will be located) and promotes generational wealth-building and well-being.
- For **programs/services proposals**, describe how your program fosters financial empowerment and economic mobility through education, support, or direct assistance.

The homes will create long-term pathways to economic mobility for low- and moderate-income households, particularly those who have historically been excluded from homeownership opportunities. They will allow

first-time and first-generation buyers to build equity and stability while keeping housing permanently affordable for future generations. Each family will have the opportunity to accumulate savings through predictable housing costs, avoid displacement, and pass on housing security to their children. The project also promotes broader economic well-being by reducing the ongoing costs of homeownership with the energy efficiency measures we have incorporated into the project budget.

The project will be located in Census Tract 27, which has a median household income of approximately 64% of Area Median Income (AMI) according to FFIEC 2024 data. The development directly aligns with the income levels of the surrounding neighborhood while adding affordable homeownership units to the supply, and providing ownership opportunities to households who might otherwise remain long-term renters.

With the MACLT resale formula, we anticipate that owners of homes in this project will be able to build approximately \$100,000 in wealth or equity in 15 years of owning one of these homes. This is significantly higher than the savings a renter would be expected to have over that time (research shows renters save approximately \$100 per year on average).

Homeownership retention is just as important for generational wealth-building as is the initial step of home purchasing. Many of our homeowners are the first in their families to own a home, and MACLT staff are an important resource to ensure their overall success as homeowners. This post-purchase support is one reason that CLT programs across the United States have demonstrated a 90% reduction in foreclosure risk compared to conventional homeownership.

Post-purchase support at MACLT includes a range of services to ensure the success of our homeowners, including providing one-on-one information on homeownership-related issues like estate planning, refinancing, home maintenance, winterization, refinancing, connection to other social service agencies, and preparation for selling the home. MACLT homeowners also have the opportunity to participate in a committee of MACLT homeowners as well as the opportunity to serve on MACLT's Board of Directors.

Expand: Explain how your project will expand opportunities for first-time homebuyers and reduce existing disparities in rates of homeownership between different segments of the Madison population.

MACLT's model is specifically designed to reduce disparities in homeownership rates between different segments of the population and to provide permanent access to affordable homes in desirable neighborhoods. Our unique structure permanently retains affordability for future owners through a ground lease and resale formula that keeps the subsidy in the home while allowing for equity gains of each low-income buyer over generations, and keeps homes affordable in desirable places in the City of Madison. This development will be along a frequent bus route, and near all major amenities.

By affirmatively marketing to communities of color, low-income households, survivors of domestic abuse, and people with disabilities— and by working closely with referral partners such as Centro Hispano, Multicultural Catholic Charities Center, Urban Triage, and The Road Home, MACLT ensures that those historically excluded from homeownership have real access to these opportunities. We also provide bilingual marketing materials, offer translation services at orientations, and connect buyers with lending partners who can assist with mortgages and downpayment assistance, further breaking down barriers to entry.

Lead Applicant:

Madison Area CLT Corp

1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2023 Actual.

Account Description	2023 Actual	2024 Budget	2025 Proposed
A. PERSONNEL			
Salary (including benefits)	178,440	327,451	377,606
Taxes			
Subtotal A	178,440	327,451	377,606
B. OPERATING			
All "Operating" Costs	80,725	78,047	194,435
Subtotal B	80,725	78,047	194,435
C. SPACE			
Rent/Utilities/Maintenance	7,063	7,108	8,400
Mortgage/Depreciation/Taxes			
Subtotal C	7,063	7,108	8,400
D. SPECIAL COSTS			
Subcontracts			
Deposits to Reserves			
Debt Service (Excl Mortgage)			
Other: (Specify)			
Property Dev & Maintenance Assistan	752,688	144,883	135,000
Subtotal D	752,688	144,883	135,000
Total Operating Expenses:	1,018,916	557,489	715,441
REVENUE			
Direct Public Grants			403
Direct Public Support	691,004	143,066	
Indirect Public Support			
Miscellaneous Revenue	450,012	292,008	541,957
Restricted Funds Released			
Program Income	131,394	51,970	195,098
Total Income	1,272,410	487,044	737,458
Net Income	253,494	(70,445)	22,017

Applicant	Madison Area CLT Corp
Project 1 Co-Applicant	0
Project 2 Co-Applicant	0
Project 3 Co-Applicant	0

Property Address	Project Type	Anticipated Sales Price
1 Lot 10, Starkweather Plat	Permanently-Affordable Townhomes at the Voit Pro	\$ 269,000.00
2 (acquisition-rehab, site unknown)	Acquisition-Rehab single-family 3bd / 1ba	\$ 330,000.00
3	0 bd / ba	

Program Summary

		Project #1	Project #2	Project #3
Total Proposed	Project Name	townhomes at the Voit Proper	Acquisition-Rehab single-family	0
13	Units	12	1	0
\$ 7,882,587.00	Total Uses	\$ 7,285,050.00	\$ 597,537.00	\$ -
\$ 7,882,587.00	Total Sources	\$ 7,285,050.00	\$ 597,537.00	\$ -
		Per Unit Costs Below		
\$ 606,352.85	Total Dev. Cost + Trans Cost	\$ 607,087.50	\$ 597,537.00	\$ -
\$ 606,352.85	Total Dev. Funding	\$ 607,087.50	\$ 597,537.00	\$ -
\$ 324,769.23	Committed Sources	\$ 345,583.33	\$ 75,000.00	\$ -
\$ 281,583.62	Pending Source	\$ 261,504.17	\$ 522,537.00	\$ -
\$ 210,619.23	CDU Funding	\$ 211,504.17	\$ 200,000.00	\$ -
\$ 70,964.38	Pending: Other Source	\$ 50,000.00	\$ 322,537.00	\$ -
\$ -	Pending: Other Source	\$ -	\$ -	\$ -

Note that all figures present below row 30 are estimates intended to provide general insight into the potential affordability of the proposed homes. While the table includes scenarios of household at 60% and 50% of the Area Median Income (AMI), applicants are only required to ensure affordability for households at or below 80% AMI. Applicants may also include pass-through assistance to the homebuyer—structured as a second mortgage—from the allocation provided to the developer as part of the affordability calculation.

	Is this affordable to a 4-person household at:	Is this affordable to a 4-person household at:	Is this affordable to a 4-person household at:	
80% AMI	yes	yes		< must at least meet this requirement
60% AMI	yes	no		
50% AMI	no	no		

Affordability Assumptions : must input anticipated sales price first.

Notes

Project #1: Permanently-Affordable Townhomes at the Voit Property on Madison's East Side 38bd / 26ba	AMI	80%	60%	50%	
	Household Size	4-person	4-person	4-person	< select dropdown
	Annual Income	\$ 103,850.00	\$ 77,880.00	\$ 64,900.00	
	Monthly Household Income	\$ 8,654.17	\$ 6,490.00	\$ 5,408.33	
	Affordability Cap as a % of Income	30%	30%	30%	< Some lenders use 28 percent, FHA can allow up to 31 percent. This is mortgage DTI limit only, not aggregate DTI.
	Monthly "Affordable" Expenditure Cap	\$ 3,028.96	\$ 2,271.50	\$ 1,892.92	
	Down Payment	\$ 37,690.00	\$ 37,690.00	\$ 37,690.00	
	HBAD	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	< include any down payment
	Other: (insert name here of dpa)				< include any down payment
	Other: (insert name here of dpa)				< include any down payment
	Other: (insert name here of dpa)				< include any down payment
	Buyer Contribution	\$ 2,690.00	\$ 2,690.00	\$ 2,690.00	< at least 1%
	House Price	\$ 269,000.00	\$ 269,000.00	\$ 269,000.00	
	Down Payment	\$ 37,690.00	\$ 37,690.00	\$ 37,690.00	
	Interest Rate	6.90%	6.90%	6.90%	< edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	< traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	< Make sure to get the decimals right. For example, \$18 of tax per \$1000 of value is 0.018
	Estimated Annual Homeowners Insurance (An	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	\$ 3,028.96	\$ 2,271.50	\$ 1,892.92	
Project #2: Acquisition-Rehab single-family 3bd / 1ba	AMI	80%	60%	50%	
	Household Size	4-person	4-person	4-person	< select dropdown
	Annual Income	\$ 103,850.00	\$ 77,880.00	\$ 64,900.00	
	Monthly Household Income	\$ 8,654.17	\$ 6,490.00	\$ 5,408.33	
	Affordability Cap as a % of Income	30%	30%	30%	< select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	\$ 2,596.25	\$ 1,947.00	\$ 1,622.50	
	Down Payment	\$ 38,300.00	\$ 38,300.00	\$ 38,300.00	
	HBAD	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	< include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	< include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	< include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	< include any down payment
	Buyer Contribution	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	< at least 1%
	House Price	\$ 330,000.00	\$ 330,000.00	\$ 330,000.00	
	Down Payment	\$ 38,300.00	\$ 38,300.00	\$ 38,300.00	
	Interest Rate	6.90%	6.90%	6.90%	< edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	< traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (An	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	\$ 2,596.25	\$ 1,947.00	\$ 1,622.50	
Project #3: bd / ba	AMI	80%	60%	50%	
	Household Size	0	0	0	< select dropdown
	Annual Income	#N/A	#N/A	#N/A	
	Monthly Household Income	#N/A	#N/A	#N/A	
	Affordability Cap as a % of Income	30%	30%	30%	< select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Down Payment	\$ -	\$ -	\$ -	
	HBAD	\$ -	\$ -	\$ -	< include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	< include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	< include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	< include any down payment
	Buyer Contribution	\$ -	\$ -	\$ -	< at least 1%
	House Price	\$ -	\$ -	\$ -	
	Down Payment	\$ -	\$ -	\$ -	
	Interest Rate	6.90%	6.90%	6.90%	< edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	< traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (An	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ -	\$ -	\$ -	
	Output: Monthly PMI	\$ -	\$ -	\$ -	
	Output: Monthly Property Taxes	\$ -	\$ -	\$ -	
	Output: Total Expense (PTI)	\$ 125.00	\$ 125.00	\$ 125.00	
	Difference (Cap minus Expenditures)	#N/A	#N/A	#N/A	< in solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI

Area Median Income by Household Size (2025)	80%	60%	50%
1-person	\$ 72,700	\$ 54,540	\$ 45,450
2-person	\$ 83,100	\$ 62,340	\$ 51,950
3-person	\$ 93,500	\$ 70,140	\$ 58,450
4-person	\$ 103,850	\$ 77,880	\$ 64,900
5-person	\$ 112,200	\$ 84,120	\$ 70,100
6-person	\$ 120,500	\$ 90,360	\$ 75,300
7-person	\$ 128,800	\$ 96,600	\$ 80,500
8-person	\$ 137,100	\$ 102,840	\$ 85,700

**City of Madison | Community Development Division
2025 Financing for Affordable Homeownership Development,
Programs and Services RFP #2025-14027**

MADISON AREA COMMUNITY LAND TRUST (MACLT)

Acquisition- Rehabilitation Project (Development - Acquisition/Rehab)

Response Submission Due Date: October 31, 2025 at Noon Central Time.

Instructions to applicants:

Please respond briefly and succinctly to the questions below, in-line, unless otherwise specific (e.g. if additional documentation is requested), with a maximum 1/3 page response per question. Use this Word document to record your answers and return the completed document to CddApplications@CityOfMadison.Com with cc: to MDavila-Martinez@CityOfMadison.Com. Please refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Questions:

1. For your acquisition/rehab proposal, you note interest in identifying properties within a “transitional neighborhood.”
 - a. Can you clarify which geographic areas or neighborhoods MACLT is focusing on for potential acquisition?
 - b. What criteria are you using to define or select a “transitional” neighborhood, and how does that align with your goals for long-term affordability and community stability?

For acquisition/rehab opportunities, MACLT is focusing on areas that offer strong access to transit, employment centers, schools, and community resources, while still being affordable enough to fit within the available project budget and serve buyers at or below 70% of area median income (AMI).

We are particularly interested in neighborhoods where housing costs are rising but affordability and diversity can still be preserved—places that might be described as “transitional.” Using the City’s Equitable Development Report (2019) as a guide, MACLT will identify areas showing early indicators of cost escalation

or displacement risk (called "Accelerating" and "Adjacent" in the report). By acquiring homes in these neighborhoods, we can help maintain long-term affordability and stabilize community composition before affordability is lost, while keeping affordability close to transit and resources.

2. The proposal refers to an outreach campaign to engage older homeowners who may be interested in selling their homes to MACLT.
 - a. Can you elaborate on what this engagement is intended to look like in practice?

MACLT's outreach to older or long-term homeowners builds on our successful Pay It Forward program, which encourages mission-aligned sellers to sell their homes to the land trust so that the homes remain affordable permanently.

MACLT's 2026 strategic initiatives include an amplification of this existing program by expanding outreach. This outreach campaign will include:

Direct mail and digital communications highlighting the impact of selling a home to the CLT ("your home can remain a home for working families for generations").

Community presentations and partnerships with neighborhood associations, faith communities, and senior organizations.

Individual consultations for homeowners interested in learning how the process works, including fair-market purchase and the long-term community benefits.

Since 2020, three of MACLT's four acquisition-rehab homes have been Pay It Forward homes, demonstrating that this model is our most effective tool for acquiring properties in Madison's highly competitive market.

**City of Madison | Community Development Division
2025 Financing for Affordable Homeownership Development,
Programs and Services RFP #2025-14027**

MADISON AREA COMMUNITY LAND TRUST (MACLT)

Voit Townhomes (Development – New Construction)

Response Submission Due Date: October 31, 2025 at Noon Central Time.

Instructions to applicants:

Please respond briefly and succinctly to the questions below, in-line, unless otherwise specific (e.g. if additional documentation is requested), with a maximum 1/3 page response per question. Use this Word document to record your answers and return the completed document to CddApplications@CityOfMadison.Com with cc: to MDavila-Martinez@CityOfMadison.Com. Please refrain from submitting additional documentation not specifically requested at this time or using alternative formats.

Questions:

1. Can you clarify MACLT's role in managing or subsidizing the costs associated with maintaining common areas within the development?
 - a. How are you ensuring that HOA fees remain affordable for homeowners while still maintaining adequate reserves and the long-term quality of the shared spaces?

MACLT ensures HOA fees remain affordable while maintaining adequate reserves by integrating HOA costs into overall home affordability modeling from the start of the project.

During development, MACLT will work with the project's architect and general contractor, Threshold Builds—including partners Jake DeHaven and Sean Myers—to project the long-term costs of maintaining common elements such as roofs, siding, snow removal, private refuse to ensure that proper reserve contributions are built into HOA dues and budgets from the beginning to ensure funds are available for future repairs and replacements.

These initial and projected dues are included in MACLT's monthly housing cost and debt-to-income calculations (PITI + HOA) to confirm that homes remain affordable for households at targeted AMI levels. This proactive modeling approach ensures that HOA fees are sufficient to sustain the long-term quality of shared spaces while keeping total homeowner costs within affordability standards.

- b. What financial mechanisms or governance structures are in place to balance affordability and sustainability in the ongoing management of common areas?

MACLT will balance affordability and sustainability in the ongoing management of common areas through a combination of ground lease provisions, HOA governance structures, and long-term financial oversight. While the HOA will be homeowner-led, the ground lease will require the HOA to share annual financial statements with MACLT and allow MACLT to request a reserve study if concerns arise about long-term maintenance or reserves.

To protect affordability, MACLT may establish an annual approval range for HOA fees—setting reasonable minimum and maximum limits to ensure dues remain sufficient for maintenance but do not become burdensome to homeowners. In the event of a catastrophic repair need, HOA governing documents may allow for special assessments to be paid in installments, reducing immediate financial strain on homeowners.

MACLT brings significant experience to this role, having supported two existing condominium associations within our land trust portfolio over many years. Our staff have provided financial guidance to those associations throughout their lifespan, ensuring awareness of reserve funding requirements by Fannie Mae and Freddie Mac, and helping address deferred maintenance before it becomes critical. This proactive stewardship approach—combining technical assistance, financial oversight, and periodic intervention authority—ensures that the HOA remains both financially stable and aligned with MACLT's mission of long-term affordability and quality maintenance.

2. Your proposal references an application to the Federal Home Loan Bank's Affordable Housing Program (AHP) as a potential funding source. Can you provide an update on the status of that application?
 - a. If funding is not secured through AHP, what contingency plans or alternate funding sources would MACLT pursue to fill the resulting gap?

MACLT has not yet heard an update on the AHP award, but should know more in the next 1.5 months. MACLT has multiple versions of the proforma to ensure the project will be financially viable whether AHP funds are secured or not and can share these in-depth internal budgets by request. A summary is provided below:

The AHP funding (\$600,000) is not required for the project to meet all of the City of Madison's standards and to reach incomes of 80% AMI. The AHP funding is only needed to reach lower incomes. Therefore, if AHP funding is not secured, MACLT will sell the homes at higher prices to fill the \$600,000 gap. In either case, MACLT will still be able to use \$970,000 from Dane County, which helps make the budget easier to manage if AHP is not secured.

With AHP (\$600,000), we are planning for: 4 homes below 80% AMI, 2 homes below 60% AMI, and 6 homes below 50% AMI

Without AHP, we are planning for: 8 homes below 80% AMI and 4 homes below 50% AMI.

While the budget format given for the original grant application submission only allowed for one universal unit price, MACLT anticipates the range of sale prices below based on income targets.

Target home prices in the current internal project budget (subject to change):

50% AMI: \$195,000 for a 3BR home and **\$210,000** for a 4BR home*

60% AMI: \$250,000 (3BR only)*

80% AMI: \$335,000 for a 3BR home and **\$355,000** for a 4BR home*

*All of these sale prices assume \$35,000 in HBAD down-payment assistance and \$10,000 in DPP+ down-payment assistance, reducing the first mortgage amount to buyers by \$45,000.

The differences between the target pricing of a 50% AMI home and 80% AMI home is a \$140,000 price difference. Therefore, it is easy to make up about \$500,000 of the potential loss of AHP funding by selling higher-priced homes to higher incomes, while still keeping 100% of the homes affordable below 80% AMI.

MACLT also is prepared to reduce our developer fee by up to \$100,000 in the non-AHP scenario. We would also seek \$100,000 in funds from United Way's housing fund to support the project if AHP funding is not provided, in order to keep the originally anticipated developer fee.

3. The proposal outlines incremental costs associated with sustainability and accessibility measures. Can you clarify where those cost estimates were derived from (e.g., contractor quotes, prior projects, industry benchmarks, or design consultant projections)?

The incremental cost estimates for achieving DOE Zero Energy Ready Home (ZERH) and ENERGY STAR New Construction certification were developed by MACLT and Threshold Builds using a combination of soft bids from subcontractors, historical cost data from recent Threshold Builds projects (such as [252 Dunning St](#), a passive house certified multifamily building), and select industry benchmarks for high-performance construction in the Midwest.

While the industry standard of 10% contingency was added to the estimates given in the submitted application, final pricing may vary based on material and labor market conditions at the time of construction, particularly if tariffs or supply chain impacts increase costs for insulation materials, electrical components, or testing services.

- a. How are those costs integrated into your overall development budget and home sale pricing to ensure the project remains affordable while meeting the City's requirements?

MACLT determines affordable home prices by starting with the target household income—based on local HUD Area Median Income (AMI) limits—and ensuring total monthly housing costs do not exceed 30% of income. Using an internal pricing model, MACLT calculates monthly costs including principal, interest, taxes, insurance (PITI), and condominium or homeowner fees, if applicable. From this analysis, MACLT identifies the maximum affordable home price for each target AMI tier and household size, then determines the subsidy needed to bridge the gap between that price and total development costs. MACLT's resale formula is modeled into the future to ensure each home remains permanently affordable for subsequent buyers while maintaining financial stability for the initial homeowner. From this process, MACLT created a development budget, from which Threshold Builds worked backwards to fit the Scope of Work within MACLT's budget.

MACLT and Threshold Builds are confident that the City's baseline requirements can be achieved at the proposed subsidy level, which is essential to maintaining long-term affordability. The project's baseline construction costs, excluding optional sustainability upgrades, were developed by Threshold Builds and their subcontractors in May 2025 through preliminary bids that informed MACLT's financing applications with Lake Ridge Bank and the Federal Home Loan Bank of Chicago. These baseline costs fit within MACLT's development budget, assuming a \$200,000 per-unit subsidy from the City of Madison and a \$970,000 grant from Dane County. The scope of work meets ENERGY STAR standards, and certification could be achieved without increasing the City subsidy, though it may require modest value-engineering to the construction budget or a reduction in MACLT's developer fee.

To achieve the higher standard of DOE Zero Energy Ready Home (ZERH) design, the project *does* require the additional incremental subsidy to match the incremental costs to meet these higher standards. If additional costs are added, additional income is needed in the budget. These additions were shown in the submitted budget. Expenses to meet DOE ZERH standards were listed in cell Q79 of the Dev Budget tab, and the total request from CDD includes the incremental subsidy estimated at \$11,504 per unit, added to the baseline subsidy of \$200,000 per unit.