

*units will receive higher consideration. Projects that include a longer affordability term will also receive higher consideration.*

### **Building Description**

Oak Ridge Senior Apartments will consist of a single 4 story elevator building with underground parking facilities containing 71 one, two, and three bedroom apartments targeted towards senior residents. Approximately 85% of the building (60 units) will be reserved for low income residents who earn no more than 60% of Dane County's median income, and 8 units will be designated for the lowest income individuals earning up to 30% of the County Median Income. Units will maintain their affordability for a 30 year period, following the guidelines of the Low Income Housing Tax Credit Program. This will be maintained via a recorded Land Use Restriction Agreement guaranteeing affordability for entirety of the 30 year period.

The project will also offer seven three bedroom units targeted to "grandfamilies", which are discreet family units in which children reside with and are raised primarily by their grandparents. According to "The State of Grandfamilies in America", a 2015 report by advocacy group the National Center on Grandfamilies, there are currently 7.8 million grandfamilies living in the United States. The same report indicates that 21% of grandparents acting as a child's legal guardian are currently living below the Federal Poverty Line. Elderly adults who lead family units and act as legal guardians for minors are clearly underserved by current rental housing options, as affordable larger units (3+ bedrooms) are difficult to come by, and it is nearly impossible to locate an affordable three bedroom unit within a senior housing community. Our project's seven affordable three bedroom, 1,350 square foot units will allow grandparents to provide ample living space for their grandchildren and will enable these non-traditional families to thrive at Oak Ridge Senior Apartments.

We anticipate that two apartment units within the project will be designed to be fully handicap-accessible, and an additional two units will be accessible for those with sensory impairments. Oak Ridge Senior Apartments will contain 15 supportive units targeted towards veterans or individuals who require supportive services. To provide these service JT Klein Company has entered into a Memorandum of Understanding with the Community Action Coalition of South Central Wisconsin to place and support the homeless, those who require supportive services, and veterans in these units. Please see the table below for a detailed description of the project's unit mix, including a count of supportive, handicap-accessible, and sensory impaired-accessible units.

The project will offer on-site management including a leasing office. Common space features will include an exercise room, business center, beauty salon, and resident community room with a full kitchen and bathroom. The exterior of the building will consist of top quality brick and cement board siding, and high quality construction materials will be used throughout the project. Units will feature stainless steel Energy Star appliances and low flow faucets and fixtures, and market rate and affordable units will have identical interior finishes.

### **Neighborhood Description**

Oak Ridge Senior Apartments is located in Middleton, WI at the center of Middleton's growing Parmenter Corridor neighborhood. The Parmenter Corridor neighborhood offers a variety of nearby linkages and amenities including parks and sports fields, restaurants and grocery, banking services, and education and municipal facilities. The property is located directly across the street from a three field

softball complex, which offers convenient recreation and social opportunities. More park facilities are available .36 miles East of the site at Parkside Heights Park and .76 miles Northeast at Middleton Hills Neighborhood Park-South, which offer picnic areas, walking trails, and playground equipment. The Pheasant Branch Conservancy contains 160 acres of hiking, bike paths, and green space and is accessible via the Pheasant Branch Trail just .38 miles South of the site. Further recreation facilities are available at the Walter R. Bauman Aquatic Center .64 miles Southeast of the property. This public outdoor swimming facility costs \$3.50 for senior full day admission. A variety of chain and local restaurants serve the neighborhood, including several within walking distance of the site. These include Fitzgerald's (.09 miles East), Culver's (.19 miles Southeast), and Falbro Brothers Pizza (.25 miles Northeast). Additionally, the property is just .77 miles East of a Copps grocery store. Banking services are also readily available .20 miles Northeast of the site at Middleton Community Bank.

The Parmenter neighborhood is very well served by public bus service, with the nearest bus stop to the property being an easy walk of less than .20 miles located at the intersection of Parmenter Street and Donna Drive. While few seniors work and commute, a large percentage do not drive so availability of public transportation is crucial to the success of the project. The City of Madison's Metro Transit system serves the Parmenter Corridor with three routes that run North/South along Parmenter Street: Route 70, Route 71, and Route 72. These routes offer transport throughout the City of Middleton as well as direct service to downtown Madison and the State Capitol; further destinations throughout the greater Madison area are available via connections at Metro Transit's four major transfer points. Metro Transit also offers Paratransit bus service to individuals with disabilities; scheduled Paratransit pick up and drop off is available at any location throughout the system to all disabled individuals.

The Parmenter neighborhood is convenient to Middleton public schools, with Middleton High School, E.G. Kearney Middle School, and the Clark Street Community School all within 1 mile of the site. This close proximity to highly rated Middleton Public Schools is ideal for grandfamilies targeted to live in the project's three bedroom units. The neighborhood is also close to City of Middleton municipal facilities including the Middleton Police Department and City of Middleton Municipal Court .30 miles Southeast of the property. Though the area is currently underserved by general healthcare providers, UW Health offers several specialty clinics .58 miles South of the site.

Upon arrival of the new Meriter ambulatory facility the neighborhood will become extremely accessible to high quality healthcare services. Meriter has already gained approval from the City of Middleton to construct its new ambulatory clinic just one block West from the subject site. This clinic, "the largest outpatient project that Meriter has done to date", will initially be 60,000-80,000 square feet on 13 acres and is planned to reach 250,000 square feet when complete. The new healthcare facility will provide many additional jobs and improved health services to the Parmenter neighborhood, significantly improving the attractiveness of the area for residential use and increasing the number of people who frequent the neighborhood. Our project will support the new Meriter clinic by providing affordable senior housing within steps of the new facility, allowing elderly residents to live in exceptionally close proximity to high quality medical care. Please see the attached document containing selections from the 2008 Parmenter Area Concept Plan, which illustrates the location of the new Meriter facility as well as outlines the City of Middleton's vision for future development in the neighborhood surrounding the new medical complex.

The subject property is thus supported by a wide variety of local linkages including medical services, parks and recreation, and public transportation, making the location extremely well-suited for the construction of senior affordable housing.

**Project Information and Unit Mix**

SITE ADDRESS	UNIT TYPE	NUMBER OF UNITS	NUMBER OCCUPIED BY LMI HOUSEHOLDS	SUP. UNITS
Oak Ridge Senior Apartments 7635 Lisa Lane, Middleton, WI	Elderly	71	60	15
	NUMBER OF STORIES:	4	ELEVATOR? <input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	NUMBER OF HANDICAPPED ACCESS UNITS	2	NUMBER OF UNITS ACCESSIBLE FOR SENSORY IMPAIRED	2

UNIT	SQUARE FOOTAGE	NUMBER OF BEDROOMS	NUMBER OF UNITS	MONTHLY UNIT RENT	UTILITY ALLOWANCE	TOTAL HOUSING COST
1 A (30%)	690	1	8	378	87	465
1 B (50%)	715	1	15	663	87	750
1 C (50%; 60% voucher)	740	1	7	771	87	858
1 D (60%)	740	1	3	763	87	850
1 E (MKT)	770	1	7	950	0	950
2 A (50%)	966	2	12	778	102	880
2 B (50%)	1,026	2	4	798	102	900
2 C (60%)	1,080	2	4	978	102	1,080
2 D (MKT)	1,080	2	4	1,200	0	1,200

UNIT	SQUARE FOOTAGE	NUMBER OF BEDROOMS	NUMBER OF UNITS	MONTHLY UNIT RENT	UTILITY ALLOWANCE	TOTAL HOUSING COST
3 A (60%)	1,350	3	7	930	120	1,050
Total:			71 Units			
			60 Affordable Units			

**4.4 Housing First**

*Provide a detailed description of how the project will further the county's goal of Housing First, including outreach to the chronically homeless population, tenant screening policies, and potential services to support the target population*

JT Klein Company and the Dane County Housing Authority will work together with Dane County Department of Health Services and Community Action Coalition of South Central Wisconsin (CAC) to forward the County's goals of Housing First. CAC's mission is to provide Housing First by placing at-risk individuals and veterans in permanent housing and if necessary providing them with the supportive services that help them maintain their housing and promote housing stability. Additional supportive services for these at-risk residents will be provided by Dane County Department of Human Services and GreenPath, Inc. These three service providers have entered into Memorandums of Understandings with JT Klein Company to provide a wide range of services including Financial Literacy Programs, Employment and Job Seeking Services, and Benefit Access Services. These services can be time limited or long term depending on the individual, and are tailored to the specific needs of the individual or veteran. CAC and Oak Ridge Senior Apartments will not require housing to be contingent upon receiving services unless it associated with the requirements of the HUD VASH voucher program. All residents will comply with standard lease agreements and provisions and CAC will help residents understand the responsibilities associated with such agreements.

Specifically, CAC addresses Housing First through the following services:

*Case Management*

Housing Case Management provides participants with one-on-one support related to maintaining housing stability. Case Management services are a "neighborhood based" and will be delivered off-site in a variety of community locations including Oak Ridge Senior Apartments. Case management is provided either in a short term program of 1 to 3 months, or a longer program consisting of 6 months and up to 1 year.

Case Management services offered by CAC include:

- Financial Assistance
- Supportive Housing
- Self-Sufficiency Programs
- Assistance Locating Housing and Referral
- Individual Housing Consultation
- Landlord/Tenant Mediation
- Budget Consultation
- Direct Rent Assistance

#### *Financial Assistance*

Financial assistance is available for participants who need short-term help with a housing situation. Assistance is available to eligible participants in the form of entry costs (security deposits), or homelessness prevention (eviction deterrence). Additional services to prevent homelessness include landlord/tenant mediation, budget consultation, and working with residents to create a Housing Stability Plan.

#### *Supportive Housing*

This long-term, permanent supportive housing program is for homeless persons with documented disabilities. Intensive case management is provided along with supportive services including alcohol and drug abuse services, mental health counseling, health related services, education assistance, child care, transportation, household goods/cleaning supplies and furniture. Caseworkers assist participants on developing an Individual Service Plan (ISP) focused on supporting individuals through permanent housing, stabilizing income, securing employment, and increasing self-sufficiency by maximizing the individual's ability to live independently.

#### *Self-Sufficiency*

CAC's Family Self-Sufficiency and Building Bridges programs work in partnership with DCHA and United Way of Dane County. These programs provide case management for households enrolled in the Section 8 Housing Choice Voucher program and focus on increasing employment and education opportunities for these individuals. This project will contain eight Section 8 Project Based Vouchers.

### **4.5 Targeted Population**

*Provide a detailed description of how the project will serve the targeted populations listed above.*

Oak Ridge Senior Apartments will serve Dane County's elderly population, providing high quality housing options for both low income and market rate senior citizen renters. The elderly population of Dane County is slated to increase significantly in the upcoming years due to broader national demographic trends. As the baby boom generation ages, there continues to be significant local demand for affordable housing for Dane County residents aged 55 and older. In the City of Middleton, where this project is located, 27.3% of City residents are currently over the age of 55 according to data from the 2014 American Community Survey. These aging residents represent well over a quarter of the local population and are the basis for the current high demand for senior housing in the Middleton area, as

many individuals are in the process of downsizing from single family homes. This demand is projected to increase significantly in the upcoming years as the population continues to age; currently a further 11.8% of the Middleton population is between the ages of 45-55. This means that almost 40% of Middleton residents are currently eligible or will be eligible for senior housing within the next ten years, based on 2014 data.

We can see tangible effects of this trend in the local real estate market: Heritage Middleton, an affordable senior building funded by the County in 2010, was 100% occupied in 3 months and currently has a 2-3 year waiting list for independent living apartments. Oak Ridge Senior Apartments will help to meet the growing demand for affordable senior housing in Dane County by providing a high quality affordable project in a growing neighborhood with strong amenity linkages.

Additionally, this project will specifically target “grandfamilies”, or households consisting of senior adults and their grandchildren. A 2015 National Center on Grandfamilies report indicates that there are currently 7.8 million of these alternative family units in the United States, and that 21% of grandparents who act as a child’s legal guardian are currently living under the Federal Poverty Line. Selections from the 2015 report, including statistics concerning grandfamilies living in poverty, are included with this RFP. This project’s affordable three bedroom units will allow grandparents to provide a viable home for their live-in grandchildren and will enable these non-traditional families to thrive.

#### **4.6 Supportive Services Plan**

*Provide a detailed description of how supportive services will be secured for the tenants of any property developed as part of this project. The description should detail the types of services that will be provided, any project partners who will be involved in providing those services and how the services will be funded. Responses should be specific in describing the partnership arrangements for any supportive services.*

A supportive services plan will be prepared, submitted and approved by Dane County Department of Human Services. A sample plan from a previous project (Meadow Ridge Middleton) is included with this RFP. In addition to working with the Department of Human Services, JT Klein Company has agreed to enter into a partnership with the Community Action Coalition of South Central Wisconsin. CAC will work directly with potential residents and the management agent to qualify tenants and provide or coordinate supportive services to those tenants which may include veterans. A copy of the CAC’s Programs and Services informational pamphlet as well as a guide to CAC’s Supportive Services for Veteran Families program (SSVF) are included with this RFP.

#### **4.7 Tenant Screening Policies**

*Provide a detailed description of the tenant screening policies that will be used in evaluating potential tenants and how the proposed policies will enhance access for persons with issues such as credit problems, past homelessness, evictions and other traditional barriers to housing.*

Oak Ridge Senior Apartments will be managed by the Oakbrook Corporation, who is responsible for all leasing and tenant qualification. Oakbrook Corporation is the industry leader in providing property management services to Section 42 properties in the Midwest. For this affordable development Oakbrook will use more relaxed qualification and screening policies than it does for market rate properties. These

policies will enhance access to the property for persons that would normally not qualify to live in a typical market rate project. Oakbrook has committed to follow the three tenant qualification policies listed below:

- Typically, a market rate renter is required to show that their income is at least three times the rent; Oakbrook understands that this may be unrealistic in an affordable project and have adapted their standard policy so as to have a 45% rent to income requirement instead of the typical 33%.
- When qualifying potential tenants for affordable units, student loan debt and unpaid medical expenses will not be considered.
- If applicants meet all qualifications but have a subpar credit history, Oakbrook will consider these individuals with a higher security deposit and/or allow them to provide a co-signer with acceptable credit. In some cases, exceptions have been made for disabled applicants who have a representative payee.

A detailed Oakbrook Corporation management plan and tenant selection criteria checklist is included in the following pages of this RFP.

Additionally, we will utilize of the Dane County Housing Authority's flexible tenant screening criteria policies which allow for potential residents to complete various programs in order to satisfy any application requirements that they may not currently meet. A copy of DCHA's most recent tenant screening policy is included with this RFP.

#### **4.8 Funding Leverage**

*Responses should clearly indicate the amount of county funding requested compared to the total project costs, and describe the other sources of funds that will support the project. Responses should discuss how the county's contribution will enhance affordability of housing units. Responses will be evaluated such that the response with the lowest county cost per affordable unit bedroom will receive the highest points.*

JT Klein Company, Inc. is requesting \$20,000 per unit for the 60 affordable housing units contained in the project, totaling \$1,200,000 in funding. On an affordable unit bedroom basis this equates to 94 affordable bedrooms funded or \$12,766 per bedroom. The total development costs for Oak Ridge Senior Apartments are \$12,485,151, making the County's contribution equal to approximately 9.6% of total funding sources.

The project will also be applying for and expects to receive Tax Increment Financing from the City of Middleton totaling approximately \$1,562,000. The City of Middleton recently provided \$2,100,000 in TIF to a 95 unit WHEDA-supported mixed income project located next door to the subject site (Meadow Ridge Middleton, also a JT Klein Company project), and we believe that Oak Ridge Senior Apartments is also likely to receive significant financing from the City. TIF will represent approximately 12.5% of the project costs.

We anticipate that the project will obtain a first mortgage in the amount of \$2,100,000. The permanent first mortgage represents approximately 16.8% of the project's funding sources. JT Klein Company, Inc. is additionally deferring \$353,291 of its developer fee, which accounts for approximately 3% of the total funding sources and 28% of the total development fee. The remaining 58.1% of the project funding sources will come from the sale of Low Income Housing Tax Credits. By securing and leveraging such a

wide variety of funding sources Oak Ridge Senior Apartments becomes significantly more competitive in the LIHTC application process, a key strategy for this project. The County's contribution will be a significant component of this leverage. County funds will be used primarily to support the project's 30% AMI units, which are one bedroom units that rent for approximately \$380 per month. Comparable market rate one bedrooms in Middleton rent for over \$1,050 per month, illustrating that without these contributions projects like Oak Ridge Senior Apartments would not be financially feasible at the targeted rents.

Crucially, this project will be highly competitive in WHEDA's 2017 Low Income Housing Tax Credit application, as the building will receive the maximum allowable points in the Credit Usage as well as Financial Participation Categories. These two categories are significantly weighted in the WHEDA LIHTC application process, and projects that score well in these sections has significant competitive advantage compared to other applicants. Oak Ridge Senior Apartments is designed to score very highly in the Financial Participation Category due to the extensive outside funding sources proposed. These outside sources include City of Middleton TIF, Dane County Affordable Housing Development Fund resources, and HOME Funds. The inclusion of County funding will be instrumental in illustrating the additional sources of funding required by the Financial Participation Category, which will help to maximize the number of points the project receives in this category. Further, the project will also score highly in the Credit Usage Category, which is implemented by WHEDA to reward projects that most efficiently create the highest number of affordable units for the least amount of credits. As WHEDA's incentive for efficiency mirrors County goals expressed in this application, we have designed the project to include the largest possible number of affordable units attainable with the proposed funding sources.

Dane County's support of Oak Ridge Senior Apartments will illustrate the County's commitment to providing affordable housing to the fastest-growing low income segment of the population, and will be crucial in setting the project up to be awarded an allocation of Section 42 tax credits from WHEDA. Securing Tax Credits will truly leverage the County's support of this project, and will result in the investment of \$6.8 million in Federally-funded Tax Credit proceeds right here in Dane County.