

DANE COUNTY APPLICATION FOR 2025 NON-LIHTC FUND

This application should be used for project seeking Dane County Non-LIHTC funds. **Applications must be submitted electronically to DCDHS Division of Housing Access by 12:00 p.m. (CST) on September 5, 2025.** Upload application materials to the [Dane County AHDF Dropbox](#).

APPLICATION SUMMARY


ORGANIZATION NAME	Zapata Housing Cooperative		
MAILING ADDRESS <small>If P.O. Box, include Street Address on second line</small>	722 Moorland Rd, Madison, WI 53713		
TELEPHONE	608-239-8500	LEGAL STATUS <input type="checkbox"/> Private, Non-Profit <input type="checkbox"/> Private, For Profit <input checked="" type="checkbox"/> Other: LLC, LLP, Sole Proprietor (Housing Cooperative) Federal EIN: <u>92-1722519</u> Unique Entity Identifier (UEI): JJYGHDRYJ6N7	
FAX NUMBER	n/a		
NAME CHIEF ADMIN/ CONTACT	Paul Schechter		
INTERNET WEBSITE (If applicable)	https://www.zapata.coop/		
E-MAIL ADDRESS	zapatacooperative@gmail.com info@sunnysidedevelopment.org		

PROJECT NAME: Please list the project for which you are applying.

PROJECT NAME	PROJECT CONTACT PERSON	PHONE NUMBER	E-MAIL
Zapata Cooperative	Malachi Persche	608-717-8758	persche917@gmail.com

FUNDS REQUESTED: Please list the amount and source of funding for which you are applying.

TOTAL PROJECT COST	AMOUNT OF COUNTY FUNDS REQUESTED	PERCENT OF COUNTY FUNDS TO TOTAL PROJECT COST
\$1,113,993	\$ 78,242	7.0%



 Signature of Chief Elected Official/Organization Head

Paul Schechter

 Printed Name

Executive Director
 Sunny Side Development

 Title

9/5/2025

 Date

PROJECT DESCRIPTION

- A. **PROJECT NAME AND LOCATION:** Indicate the name, address, and census tract where the project will be located. Attach maps to the application indicating the location of the proposed project.

Project Name:	Zapata Housing Cooperative
Project Address:	722 Moorland Rd
City, State, Zip:	Madison, WI 53713
Parcel Number:	070936404387
Census Tract:	15.02
Project Type:	<input type="checkbox"/> New construction <input type="checkbox"/> Preservation of Existing Income & Rent-restricted Rental Housing <input checked="" type="checkbox"/> Improvement of Existing Rental Stock through acquisition and/or rehab

- B. **JURISDICTION:** Indicate the name of the jurisdiction where the project will be located, i.e., City, Town, or Village. Is the jurisdiction supportive of the project? Describe any meetings that have been held with municipal staff, applicable municipal committees, and neighborhood/community groups.

The project is located in the City of Madison, which has demonstrated strong support by committing \$551,000 from its Affordable Housing Fund. The development team has met regularly with Community Development Division staff, presented to the CDBG Committee, and received Common Council approval in June 2022. In addition, the team has conducted outreach with neighborhood and community groups.

- C. **MUNICIPAL PARTNERSHIPS:** Please describe any partner resources the municipality will be dedicating to support your project including, but not limited to tax increment financing; reducing or eliminating permitting or impact fees; local housing funds; density bonus; land dedication or reduced land costs, etc.

The City of Madison has supported the project with a \$551,000 award from its Affordable Housing Fund and has also waived park impact fees due to the affordable units. These commitments reflect the City's strong partnership and investment in making the cooperative successful.

Is the project eligible for municipal affordable housing resources? If not, please indicate why the project is not eligible.

Yes. The project is eligible for municipal affordable housing resources and has already received a \$551,000 award from the City of Madison's Affordable Housing Fund.

- D. **PROJECT DESCRIPTION:** Provide a detailed description of the project. If the project will preserve an existing low-income housing project, include if the project has, and will continue to have, a rental assistance contract, or includes income and rent-restricted units.

Zapata Cooperative is a recently established affordable housing cooperative located at 722 Moorland Road in Madison. Since acquiring and rehabilitating the property in 2023, the co-op has been operating successfully and is now home to fifteen residents. Members live in a combination of single-room occupancy units and a 1BR family suite, with rents of \$450 for standard SRO units, \$460 for larger SRO units, and \$675 for the family suite. Rents are inclusive of all utilities. These rents are well below market and are permanently affordable to households at or below 60% of area median income.

The co-op was founded by and for Latiné immigrant families who face significant barriers in the private rental market, including language, documentation, and credit history requirements. Zapata has built a bilingual, inclusive, and culturally grounded community where meals, childcare, household labor, and decision-making are shared. Weekly house meetings foster democratic governance, collective meals, and celebrations that strengthen cultural identity and a sense of belonging. Members are not simply tenants—they are co-owners and stewards of the home, creating a supportive environment where families and individuals can thrive.

This project experienced budget overruns due to unexpected cost increases while sources of funding remained fixed. This was primarily due to unrealistically optimistic pricing estimates, which resulted in a total subsidy per unit of only $\$551,000 / 12 = \$45,916$ per unit, which is approximately one third of subsidy requested by other affordable housing projects. Despite this, the project still incorporates state-of-the-art HVAC technology, significantly increased insulation and weather-sealing, triple pane windows, fully ADA units and common spaces, and other assets that provide social and environmental benefits, but such costs are more than expected. We have borrowed as much money as possible from other Use line-items including all of the operating reserves and all of the developer fee, but two contractors still have outstanding balances owed. Also, after taking occupancy, three new construction needs have emerged: a) an additional large refrigerator; b). a commercial hood vent; and c). offstreet parking. Regarding the offstreet parking, the City has asked that the existing driveway be removed and replaced with green space. Residents prefer to park on-site due to safety concerns with parking on busy, dimly-lit Moorland so the co-op's architect has developed a compromise design using permeable pavement and landscape screening in the front yard. This solution addresses stormwater and aesthetic concerns while preserving resident parking, but it carries additional costs that exceed the project's original budget. Providing the funding needed to finish this project completely would provide many benefits to the co-op and broader neighborhood.

With County support, Zapata Cooperative can complete these remaining improvements, align the property with community and City expectations, provide adequate operating reserves, and fully realize its vision of affordable, culturally rooted, and environmentally sustainable housing. Unlike traditional rental housing, Zapata does not rely on project-based rental assistance. Its affordability is guaranteed through the cooperative model, which eliminates landlord profit, and through a Land Use Restriction Agreement that ensures permanent affordability for generations to come.

What is the proposed affordability period for the project?

The project will be permanently affordable. Zapata Cooperative has executed a Land Use Restriction Agreement (LURA) to ensure that all units remain affordable to households at or below 60% of area median income for the life of the property.

E. GREEN TECHNOLOGIES/SUSTAINABILITY: Indicate if the project will be pursuing any of the listed energy and sustainability standards. Submit certification of registration for any selected certification.

Tier 1	
<input type="checkbox"/>	Zero Energy Ready Homes
<input checked="" type="checkbox"/>	WI Green Built Gold Plus
<input type="checkbox"/>	Phius CORE
<input type="checkbox"/>	Enterprise Green Communities (EGC) Plus
Tier 2	
<input type="checkbox"/>	Green Built Gold Net Zero

<input type="checkbox"/>	Phius Zero
<input type="checkbox"/>	Living Building Challenge
<input type="checkbox"/>	LEED Zero Energy

- F. **WORK PLAN WITH TIMELINE AND MILESTONES:** In the space below, provide a work plan for how the project will be organized, implemented, and administered. Include a timeline and accomplishments from initiation through project completion. Add in extra quarters as needed. Examples of milestones are: acquisition, bid packages released, bids awarded, site preparation, excavation, construction begins, substantial completion, certificate of occupancy, lease-up begins, etc.

ON OR BEFORE	MILESTONES
March 14, 2023	Acquisition closed
March 15, 2023	Start of main renovation
November 2024	Substantial completion of main renovation
May 2026	Driveway improvements
May 2026	Kitchen improvements

- G. **TENANT ACCESS TO PROPERTY MANAGEMENT:** Describe access to property management staff on site (e.g., include anticipated office hours of property management, if staff will live on-site.)

Zapata Cooperative is self-managed by its resident members, with support from the nonprofit development partner. As a housing cooperative, members who live on site are in charge of maintenance, responding to project requests, and finances. Property management staff are therefore on site at all times, since members both live in the cooperative and collectively oversee its operations. Weekly house meetings provide a formal venue for management decisions, while elected officers such as the Treasurer and Maintenance Coordinator are available on an ongoing basis to respond to resident needs. Because management is embedded within the cooperative community, tenants have direct and immediate access to those responsible for property oversight.

- H. **ALTERNATIVES TO EVICTION:** Describe the project's approach to successfully utilizing alternatives to eviction, both pre- and post filing, such as payment plans, mediations, etc. to avoid evictions.

Zapata Cooperative is committed to housing stability and views eviction as a last resort. The cooperative's bylaws and tenant selection plan provide several alternatives to eviction. When a member falls behind on rent or other obligations, payment plans are offered and repayment schedules can be negotiated at house meetings. Members also have the opportunity to bring concerns to mediation within the cooperative, with support from elected officers such as the Treasurer or Membership Coordinator.

Because governance is democratic and decisions are made collectively, members are given multiple opportunities to resolve issues through dialogue and cooperative problem-solving before any formal action is taken. Written warnings and cure periods are built into the bylaws to ensure fairness and to allow members time to remedy concerns. Only after these steps are exhausted would eviction proceedings be considered. This structure ensures that alternatives

such as payment arrangements, mediation, and cooperative accountability are the primary tools used to maintain stable, affordable housing for all residents.

- I. LANGUAGE & INFORMATION ACCESS:** Describe project's policies and procedures for ensuring services and information will be made available to all applicants and tenants, including those with limited English proficiency and individuals who may have physical, hearing, speech, or visual impairments that require special accommodations.

Zapata Cooperative was founded by and for Latiné immigrant families, and bilingual access is central to its operations. All key documents—including bylaws, leases, and house policies—are available in both English and Spanish, and interpretation is provided at meetings as needed. Outreach and tenant selection materials are likewise bilingual, and Spanish speaking members are available to assist applicants with limited English proficiency throughout the application and membership process.

The cooperative also ensures accessibility for individuals with physical, hearing, speech, or visual impairments. The rehabilitation includes an ADA-accessible unit and an accessible bathroom, and an accessible ramp. Reasonable accommodations are made to support residents' full participation in cooperative life. Zapata Cooperative strives to ensure that information and services are available to all applicants and residents regardless of language ability or disability status.

J. SITE CONTROL:

- a. Date Site Control Secured (or anticipated): March 2023
- b. Site Specific application without Site control (check if no site control): ☐
- c. Check if Site is Yet-To-Be Identified (targeted area proposal): ☐

IF PROJECT DOES NOT HAVE IDENTIFIED SITE, SKIP TO S.

- K. ZONING:** Provide the current zoning classifications of the site and describe any changes in zoning, variances, special or conditional use permits, or other items that are needed to develop this proposal. Indicate if the project is consistent with any local comprehensive plans, and the anticipated timeline for obtaining any necessary approvals

The property at 722 Moorland Road is zoned TR-C4 under City of Madison zoning code. Cooperative housing is a permitted use in this district; however, the project required a Conditional Use Permit (CUP) at the time of acquisition. The CUP was approved by the City, with one condition requiring removal of the two existing driveways in front of the garages that were converted to bedrooms.

To meet this requirement while still accommodating residents' parking needs, our architect has proposed a compromise design using permeable pavement and landscape screening at the front of the property. This approach satisfies City goals for stormwater management and neighborhood character while maintaining limited on-site parking for members.

Due to cost constraints, the cooperative has not yet been able to implement the driveway redesign. With County support, this work is anticipated to be completed in 2026, fulfilling the CUP

condition. Other than this outstanding item, the project is consistent with the City of Madison Comprehensive Plan, and no further zoning actions or approvals are anticipated.

- L. **CAPITAL NEEDS:** For projects that include rehabilitation, have you completed a capital needs assessment for this property? If so, summarize the scope and cost; and attach a copy of the capital needs assessment. If a capital needs assessment has not been completed, please detail the scope and cost of work to be completed, and how necessary rehabilitation work was determined.

The rehabilitation scope was developed based on a professional home inspection conducted in February 2023, contractor input, and a detailed scope of work. These assessments identified immediate code and safety issues as well as long-term capital needs.

Over the past two years, the rehabilitation of the property has been completed. Work included major interior upgrades, garage conversions to create new bedrooms, siding and insulation replacement, roof work, HVAC improvements, ADA accessibility upgrades, and extensive air sealing and insulation verified through blower-door testing. These investments addressed the deficiencies noted in the inspection and brought the property into compliance for long-term cooperative use.

The only outstanding item from the original scope is the driveway requirement tied to the Conditional Use Permit. The City directed that the two driveways in front of the converted garages be removed, which would create difficulties for the members. The co-op's architect has developed a compromise design using permeable pavement with landscaping and screening. This solution balances City requirements with residents' need for limited on-site parking but carries additional costs that were not included in the original budget. The cost of the updated driveway design is \$38,320.

Furthermore, after several months of living in the property, members have identified a few additional livability needs, including an additional larger and energy efficient refrigerator (\$2,825) and an exhaust hood above the cooktop. (\$3,200). There is also an invoice for the new heat pump HVAC system (\$24,096.98)

With County support, the cooperative can complete these final improvements, fully satisfy the CUP condition, and stabilize the project for the long term.

- M. **UNITS:** In the space below, please list each site (street address) and building where the work will be undertaken. For each address, list the number of units by size, income category, etc. Use additional pages as needed.

ADDRESS #1:		# of Bedrooms					Projected Monthly Unit, including Utilities				
% of County Median Income (CMI)	Total # of Units	# 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%											
40%											
50%											
60%		11	1				\$450-460	\$675			
Total Units		11	1				Notes: "Studios" are SRO's				

*40% = 31 to 40% CMI, 50%=41%-50% CMI, 60%=51-60% CMI

N. SITE AMENITIES: Check all that apply.

<input type="checkbox"/>	Community Building, square feet:
<input checked="" type="checkbox"/>	Community Room, square feet: the common kitchen and dining room are 804 sq ft
<input checked="" type="checkbox"/>	Garages, number: 1 and monthly rent: the garage is used for storage and bikes
<input checked="" type="checkbox"/>	Surface parking, number: 7 and monthly rent: parking is not charged
<input type="checkbox"/>	Underground parking, number and monthly rent:

O. OTHER SITE AMENITIES: In the following space, describe the other site amenities for tenants and/or their guests.

In addition to providing deeply affordable housing, Zapata Cooperative offers shared amenities that build community and enhance quality of life for residents. The property includes large common areas, a shared kitchen, and dining space where members cook and eat meals together. The backyard is being converted into a community garden, providing space for growing food and creating a natural gathering area. Indoor amenities include shared laundry facilities, multiple bathrooms, and communal living rooms that support the cooperative's emphasis on collective life.

As part of the Conditional Use Permit (CUP) condition, the front yard will be redesigned with permeable pavement and landscaping, which will both improve stormwater management and create an attractive, welcoming outdoor space for residents and visitors. These shared amenities—gardens, kitchens, gathering spaces, and outdoor improvements—are integral to the cooperative model, encouraging social connection and mutual support among residents.

P. RELOCATION: Will any businesses, including churches and non-profits, or residential tenants (owner or renter 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.

No businesses, non-profits, or residents were displaced as part of this project. The property at 722 Moorland Road was a single-family home at the time of acquisition, and it was vacant prior to rehabilitation. Therefore, no temporary or permanent relocation was required, and no relocation assistance was necessary.

LOCATION

Q. NEIGHBORHOOD AMENITIES: Describe the neighborhood in which the project will be located noting access to social, recreational, educational, commercial, health, and other municipal services and facilities.

Zapata Cooperative is located in Madison's Badger Rock neighborhood, a diverse and centrally located area with excellent access to social, commercial, and municipal services. The property is also close to the new Centro Hispano, which provides cultural, educational, and youth programming. Residents have easy

access to multiple grocery stores, restaurants, and retail on the south side of Madison and in Fitchburg, including culturally relevant businesses such as Mercado Marimar.

The site is served by Madison Metro Transit routes 16 and G with a stop less than two blocks away, providing convenient bus connections to employment centers, downtown Madison, and the University of Wisconsin campus and Madison College.

Overall, the location offers residents ready access to jobs, schools, transit, healthcare, shopping, and recreation, while being situated in a neighborhood with a strong Latiné presence that aligns with the cooperative's cultural mission.

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

Type of Amenities & Services	Name of Facility	Distance from Site
Full-Service Grocery Store	Walmart Supercenter	1.8 mi
Public Elementary School	Southside Elementary	0.4 mi
Public Middle School	Badger Rock Middle School	0.4 mi
Public High School	La Follette High School	4.5 mi
Job-Training Facility, Community College, or Continuing Education Programs	Madison College - Goodman South Campus	1.4 mi
Childcare	Mis Primeros Pasos al Exito Family Daycare	0.1 mi
Public Library	Goodman South Madison Library	1.5 mi
Neighborhood, Community, or Senior Center	Badger Rock Neighborhood Center	0.4 mi
Full Service Medical Clinic or Hospital	Access Community Health Center	1.6 mi
Pharmacy	Walgreens	1.6 mi
Public Park or Hiking/Biking Trails	Rimrock Park	0.4 mi
Banking	Summit Credit Union	0.5 mi
Retail	Walmart Supercenter	1.8 mi
Other (list the amenities)	Centro Hispano	1.4 mi
	Mercado Marimar	1.7 mi

R. TRANSPORTATION: Identify the travel time and cost via public transportation or public automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers.

Zapata Cooperative is well-served by both public transit and road access. Madison Metro Transit Route 16 stops within two blocks of the property and provides peak hour service to points between the UW Hospital and Fitchburg Center, reaching downtown Madison in approximately 10 minutes. Metro Transit Route G stops within two blocks of the property and provides service between the South Transfer Point and Monona, with connections to Routes B, H, and O at the South Transfer Point, serving a wide variety of destinations. Some employers in the 53713 zip code include Walmart, Starbucks, Pick n Save, Target, Petsmart, Dunkin, KFC, Wendy's, Pizza Hut, SSM Health, UW Health, Kwik Trip, Dollar Tree, several landscaping companies, and several hotels. Madison Metro fares are \$2.00 per single ride, with weekly/monthly passes available, and further discounts for low-income riders.

By automobile, the cooperative is located just off the Beltline Highway (U.S. 12/18), providing rapid access to a broad range of employment opportunities within a 20 minute drive, including

nearly all of the City of Madison along with the economic centers of Fitchburg, Monona, Middleton, Verona, Oregon, Cottage Grove, and Sun Prairie.
The combination of nearby bus service and automobile connectivity ensures that residents can reach a wide variety of lower-income and entry-level jobs throughout Madison and Dane County.

IF PROJECT HAS IDENTIFIED SITE, SKIP TO Y

TARGET AREA ONLY (NO IDENTIFIED SITE)

S. GENERAL AREA OF PROPOSED SITE:

Explain why this area was chosen.

T. PROPOSED HOUSING TYPE: Describe the type of housing project you propose to develop (i.e., new construction, preservation, or acquisition and rehab).

U. PROPOSED UNITS: Number of Units and proposed rent/income restrictions you anticipate developing in target area.

V. TARGET AREA AMENITIES: Identify the distance the following amenities that exist in the area which you have identified. If an amenity/service does not exist within that area, determine and list the next location.

Type of Amenities & Services	Name of Facility	In Targeted Area? (yes/no)
Full-Service Grocery Store		
Public Elementary School		
Public Middle School		
Public High School		
Job-Training Facility, Community College, or Continuing Education Programs		
Childcare		
Public Library		
Neighborhood, Community, or Senior Center		

Full Service Medical Clinic or Hospital		
Pharmacy		
Public Park or Hiking/Biking Trails		
Banking		
Retail		
Other (list the amenities)		

- W. **NEIGHBORHOOD ENGAGEMENT:** Describe your familiarity with this neighborhood and community. Have you previously worked with the Neighborhood Association or elected representatives? Describe the response of the Association or elected representative(s), if applicable. What issues or concerns with the anticipated project have been identified, if any? How will these be addressed?

- X. **SUPPLY:** Are there adequate sites available in this targeted area that can feasibly be identified and developed within the timeframe listed in the Guidelines? Please explain how you anticipate selecting a site.

PROJECT APPROACH

- Y. **PARTNERHIPS:** In the space below, provide information on any partnerships that have been or will be formed in order to ensure the success of the project.

Zapata Cooperative has built strong partnerships to ensure the success and long-term sustainability of the project. The City of Madison provided \$551,000 from its Affordable Housing Fund, demonstrating significant municipal support. Financing has also been secured through Shared Capital Cooperative, a national CDFI specializing in cooperative development, which provided construction and permanent financing. A grant for accessibility improvements was awarded through the Disability Opportunity Fund. Grants for energy efficiency improvements and solar were awarded through Backyard Solar, Elevate Energy, and Focus on Energy.

Community outreach and membership recruitment have been strengthened through partnerships with Centro Hispano, Latino Academy of Workforce Development, and Worker Justice Wisconsin.

Professional partners have also played a key role, including a local Latiné-owned contracting business discovered through the City of Madison's MBE contractor list, and the co-op's architect, Ed Kuharski, who designed the renovation as well as the proposed driveway redesign.

- Z. **FAIR TENANT SELECTION CRITERIA:** Will the project incorporate the tenant selection criteria detailed below? Check all that apply, and attached copy of proposed tenant screening criteria for project. **Acceptance of all criteria is required for funding.**

General Screening Process – will not deny applicants based on the following:

	Yes	No	
AI R E Q U I R E D F O R F U N D I N G	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Inability to meet a minimum income requirement if the applicant can demonstrate the ability to comply with the rent obligation based on a rental history of paying at an equivalent rent to income ratio for 24 months
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Lack of housing history
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Membership in a class protected by Dane County fair housing ordinances and non-discrimination ordinances in the municipality where the project is located.
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Wisconsin Circuit Court Access records
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Inability to meet financial obligations other than housing and utilities necessary for housing (gas, electric, water).
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Credit score
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Information on credit report that is disputed, in repayment, or unrelated to a past housing or utility (gas, electric, and water only) obligations.
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Owing money to a prior landlord or negative rent payment history if the tenant's housing and utility costs were more than 50% of their monthly income.
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Owing money to a prior landlord or negative rent or utility payment history if applicant does one of the following: (1) establishes a regular record of repayment of the obligation; 2) signs up for automatic payment of rent to the housing provider; or (3) obtains a representative payee.
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Any eviction filing if it meets any of the following: (1) eviction filing was dismissed or resulted in a judgement in favor of the applicant; (2) eviction filing which was settled with no judgement or write of recovery issued (e.g., stipulated dismissal); or (3) eviction filing that resulted in judgement for the landlord more than two years before the applicants submits the application.
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Criminal activity, except: (i) a criminal conviction within the last two years for violent criminal activity or drug related criminal activity resulting in a criminal conviction, and (ii) if the program or project is federally assisted, criminal activity for which federal law currently requires denial. (<i>Violent criminal activity</i> is defined in 24 C.F.R § 5.100 and means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage. "Drug related criminal activity" is defined in Wis. Stat. s. 704.17(3m)(a)(2). "Drug-related criminal activity" means criminal activity that involves the manufacture or distribution of a controlled substance. "Drug-related criminal activity" does not include the manufacture, possession, or use of a controlled substance that is prescribed by a physician for the use of by a disabled person, as defined in s. 100.264(1)(a), and manufactured by, used, by or in the possession of the disabled person or in the possession of the disabled person's personal care worker or other caregiver.)

- AA. **DENIAL PROCESS:** Will the project incorporate the denial process detailed below?
Acceptance is required for funding.

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

1.	Prior to a denial based on a criminal record, the housing provider shall provide the applicant access to a copy of the criminal record at least five days prior to the in-person appeal meeting and an opportunity to dispute the accuracy and relevance of the report, which is already required of HUD assisted housing providers. See 24 C.F.R. § 982.553(d), which applies to public housing agencies administering the Section 8 rent assistance program.
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2.	Prior to a denial based on a criminal record, the housing provider shall provide the applicant the opportunity to exclude the culpable family member as a condition of admission of the remaining family members.
3.	Prior to a denial decision, the housing provider is encouraged to meet with the applicant to review their application and make an individualized determination of their eligibility, considering: (a) factors identified in the provider's own screening policies, (b) if applicable, federal regulations, and (c) whether the applicant has a disability that relates to concerns with their eligibility and an exception to the admissions rules, policies, practices, and services is necessary as a reasonable accommodation of the applicant's disability. In making a denial decision, the housing provider shall consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial on other family members who were not involved in the action or failure.
4.	The property manager will base any denial on sufficient evidence. An arrest record or police incident report is not sufficient evidence. Uncorroborated hearsay is not sufficient evidence.
5.	Denial notices shall include the following: a) The reason for denial with details sufficient for the applicant to prepare a defense, including: i) The action or inaction forming the basis for the denial, ii) Who participated in the action or inaction, iii) When the action or inaction was committed, and iv) The source(s) of information relied upon for the action or inaction. b) Notice of the applicant's right to a copy of their application file, which shall include all evidence upon which the denial decision was based. c) Notice of the applicant's right to copies of the property manager's screening criteria. d) Notice of the right to request an in-person appeal meeting on the denial decision by making a written request for a hearing within 45 days. The housing provider is not required to hold the unit open while the appeal is pending. e) Notice of the right to have an advocate present at the in-person appeal meeting and of the right to be represented by an attorney or other representative. f) Notice of the right to present evidence in support of their application, including, but not limited to evidence related to the applicant's completion or participation in a rehabilitation program, behavioral health treatment, or other supportive services.
6.	If the applicant requests an in-person appeal meeting, the hearing will be conducted by a person who was not involved in or consulted in making the decision to deny the application nor a subordinate of such a person so involved.
7.	The in-person appeal meeting shall be scheduled within ten working days of the request, unless the applicant requests a later date.
8.	A written decision on the application shall be provided to the applicant within ten working days after the in-person appeal meeting.

BB. TENANCY ADDENDUM: Affirm the project will include the following provisions within all tenant leases or as an addendum to all tenant leases? **This is required to be eligible for project funding.**

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

a.	Security Deposits. The amount of a security deposit shall not be more than one month's rent.
b.	Late Fees and Other Fees. Late fees must be set forth in the rental agreement. Late fees shall not exceed 5% of the tenant's portion of the monthly rent.

c.	<p>All other fees. All other fees must be directly related to the cost for a specific amenity or service provided to the tenant and comply with all applicable laws. Non-essential services must be transparently identified, and allow tenant to opt out of services if tenant chooses. Junk fees are prohibited and defined as unnecessary, deceptive, or poorly disclosed charges not tied to a legitimate service or cost, and that place an undue burden on tenants. (For example, application fees above \$25 dollars pursuant to Wis. Stat. § 704.085, compounding fees, penalty fees, eviction filing fees, attorney's fees, processing fees, convenience fees for payment, pest control fees, insurance fees, administrative fees or any fees that encompass basic tenancy service.)</p>
d.	<p>Rights of Youth to Access Common Spaces. Youth under the age of 18 are allow to use and enjoy common areas without supervision. This does not preclude reasonable rules in ensure the safety of children and youth.</p>
e.	<p>Written Notice for Termination of Tenancy. Landlord or landlord's agent must serve written notice upon the tenant specifying the grounds (e.g., the dates of relevant event/s, names of parties, reasoning, source of information and relevant documents) for the action at least 30 days before the termination of tenancy, unless shorter timeframe is required by federal funding. Termination for imminent threat of serious physical harm under WI Statute § 704.16(3) and criminal activity under WI Statute § 704.17(3m) are exempted from this requirement.</p>
f.	<p>Good Cause for Termination. A tenancy may not be terminated during or at the end of the lease unless there is good cause. Good cause is defined in include the following: (i) a serious violation of the lease; (ii) repeated minor violations of the lease; or (iii) a refusal to re-certify program eligibility. Repeated means a pattern of minor violations, not isolated incidents. Termination notices and procedures shall comply with Chapter 704 of Wisconsin Statutes and federal law, when applicable. Written notice is required for non-renewal and shall include the specific grounds for non-renewal and the right of the tenant to request a meeting to discuss the non-renewal with the landlord or landlord's property management agent within fourteen (14) days of the notice. If requested, the landlord or property management agent will meet with the tenant to discuss the non-renewal, allow the tenant to respond to the alleged grounds for non-renewal, and pursue a mutually acceptable resolution.</p>
g.	<p>Reasonable Guest Rules. Tenants have the right to have guests. In the event the property management establishes rules related to guests, they must be reasonable. Unreasonable rules include, but are not limited to the following: (1) Prior authorization of guests by the property management, unless the guest is staying for an extended period of time (e.g. more than 2 weeks); (2) Prohibition on overnight guests; (3) Requiring that the resident be with the guest at all times on the property. (4) Requiring guests to show ID unless requested by the tenant. (5) Subjecting caregivers, whether caring for a child or children, or an adult with disabilities, to limitations on the number of days for guests.</p> <p>Landlord may ban a person who is not a tenant from the rental premises if the person has committed violent criminal activity or drug related criminal activity at rental premises. No person shall be banned from the rental premises without the consent of the tenant unless the following have taken place:</p> <p>(1) A notice of the ban is issued to the tenant stating the:</p> <ul style="list-style-type: none"> (a) name of the person banned, (b) grounds for the ban including, (i) the specific facts detailing the activity resulting in the ban; (ii) the source of the information relied upon in making the ban decision; and (iii) a copy of any criminal record reviewed when making the ban decision; and (c) the right of the tenant to have a meeting to dispute the proposed ban, discuss alternatives to the ban, and address any unintended consequences of the proposed ban. <p>(2) If requested, a hearing on the ban has taken place to provide the tenant an opportunity to dispute the proposed ban, discuss alternatives of the ban, and address any unintended consequences of the proposed ban.</p> <p>A tenant may not invite or allow a banned person as a guest on the premises, provided the Landlord has followed the proper procedure and given notice to Tenant as set forth herein.</p>

	<p>A tenant who violates the guest policy may be given a written warning detailing the facts of the alleged violation. The written warning shall detail the violation, and warn the tenant that repeated violations may result in termination of tenancy. Tenants that repeatedly violate the guest policy, (e.g. three (3) or more violations within a twelve (12) month period) may be issued a notice of termination in accordance with state and federal law.</p> <p>Nothing in this policy limits a person's right to pursue a civil order for protection against another individual.</p>
h.	<p>Parking Policies. Parking policies and practices must comply with applicable laws. Vehicles shall not be towed to a location that is more than 6 miles from the rental premises, unless there is not a towing company with a tow location available within 6 miles.</p>

CC.PARTNERING TO END HOMELESSNESS: In the space below, indicate the project's willingness to partner with Homeless Services Consortium (HSC) member agencies and to end homelessness for individuals and /or families by providing a preference for households experiencing homelessness.

Zapata Cooperative is not establishing a formal set-aside for households experiencing homelessness. The cooperative was founded by and for Latiné immigrant families, many of whom already face housing insecurity and barriers in the private rental market due to language, immigration status, or lack of rental history. In this way, the co-op is already serving vulnerable populations that are at risk of homelessness.

While Zapata fully supports the mission of the Homeless Services Consortium, the cooperative's model relies on resident participation and shared governance rather than supportive services providers. For this reason, Zapata is focusing its efforts on sustaining deeply affordable housing for immigrant families and other marginalized community members who otherwise would be excluded from stable housing opportunities.

Total # of Project Units	# of Units Targeted to Individuals/Families experiencing homelessness	% of Units Targeted to Individuals/Families experiencing homelessness
n/a	n/a	n/a

Describe the process and anticipated timeline for outreach, application submittal, and tenant screening for HSC-set aside units. Also, indicate support that will be made available to potential applicants during the application process (e.g., transportation to application site, assistance gathering required documents).

n/a

Describe how the project will work with partners to provide households with rental subsidies or maintain rents at or below 30% rent limits for the period of affordability.

n/a

What additional barriers can the project remove to ensure households experiencing homelessness are able to access targeted units (e.g. waiving of screening criteria).

n/a

SUPPORTIVE SERVICES:

DD. **SUPPORTIVE SERVICES SUMMARY:** Please provide a summary of supportive services below. Subsequent questions will ask for more detailed information:

Supportive Services Partner:	n/a		
Total annual budget for supportive services at project:	n/a		
Amount of annual funding project and/or developer will provide directly to supportive services at project:	n/a		
Full-Time Equivalent position(s) dedicated to providing services at project:	n/a		
Number of estimated weekly on-site hours of supportive services provided by identified partner:	n/a		
Project will provide on-site services in a dedicated space:	<input type="checkbox"/>	Yes	<input type="checkbox"/> No

EE. **SUPPORTIVE SERVICES:** Describe the experience and qualifications of the organization that will be providing supportive services.

n/a

FF. Complete the table for supportive units proposed:

% of County Median Income (CMI)	# of Bedrooms					
	Total # of Units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs
≤30%						
40%						
50%						
60%						

GG. **PREFERENCES:** If the project will be targeting a set number of units, will the project require that these households meet additional preferences? Indicate all anticipated preferences below.

<input type="checkbox"/>	Persons with disabilities	<input type="checkbox"/>	Veterans
<input type="checkbox"/>	Household experiencing chronic homelessness	<input type="checkbox"/>	Individuals recovering from physical abuse, domestic violence, dating violence, sexual assault or stalking
<input checked="" type="checkbox"/>	Other:		Marginalized immigrant populations

If the project will provide a preference for more than one target population, describe the approach that will be taken to apply preferences to tenant selection.

n/a

HH. **SCOPE OF SERVICES:** Detail the services that will be provided to tenants and approaches supportive service partner(s) will use to address the needs of tenant population. Indicate if services are targeted only to the supportive housing units, or are available to the broader tenant population.

n/a

II. **SERVICES STRATEGIES:** Detail strategies the services partner(s) will use to engage tenants to support their housing retention, including tenants who have potential lease violations or whose housing is in jeopardy.

n/a

JJ. **SERVICES STAFF TRAINING:** Detail specific trainings that staff are provided/will be provided and their frequency, in particular, trainings focused on case management basics, community networking, progressive engagement, trauma informed care, harm reduction, de-escalation, and/or trainings related to cultural competency.

n/a

KK. **TENANT ACCESS:** Describe how tenants will access services. For example, will services be on-site at development in designated space or by referral to off-site community supports.

n/a

If services provided are referral to off-site community supports, please detail how tenants will receive information on supportive services that are available to them before and after needs arise:

n/a

LL. **SERVICES SCHEDULE:** Detail the frequency of services provided and/or a proposed schedule of when on-site services are available to tenants (e.g., Monday – Friday, 8:30-4:30 p.m.):

n/a

MM. SERVICES COLLABORATION: How will the supportive services partner identify and collaborate with other community service providers in the target area:

n/a

NN. SUPPORTIVE SERVICES FUNDING: Identify sources that will be used to fund supportive services at the development. Describe structure of funding, including annual amounts, and all proposed sources.

<input type="checkbox"/>	Portion of developer fee	<input type="checkbox"/>	Annual Operating Support
<input type="checkbox"/>	Payments out of available cash flow	<input type="checkbox"/>	Other:

n/a

OO. PERFORMANCE DATA: Provide relevant performance data that provides insight into the supportive service partner's experience serving the target tenant population(s), and the outcomes for their tenants. Metrics could include the number of individuals served in a related program in a year, housing retention rates for individuals served in that program, connections to employment, etc.

n/a

PP. PROPERTY MANAGEMENT AND SERVICES PARTNER COLLABORATION: Describe how the supportive services partner, property manager, and the respondent will work together to ensure the best outcomes for tenants, such as housing retention (e.g., regular meetings between property management staff and supportive services provider to identify potential issues before they rise to the level of a noticed lease violation, joint training on trauma informed services, or de-escalation). If applicable, provide an example of how this partnership has worked to keep a tenant housed in other developments.

n/a

EXPERIENCE AND QUALIFICATIONS

QQ. EXPERIENCE AND QUALIFICATIONS: Describe the experience and qualifications of your organization related to the development of multifamily housing for low-income households.

Sunny Side Development brings extensive experience in the development and preservation of affordable housing for low-income households, with a particular emphasis on cooperative and community-led ownership models. Its Executive Director, Paul Schechter, has more than 20 years of experience in real estate development, finance, and cooperative housing. He has successfully

structured projects using complex capital stacks that include municipal, state, and federal funding, conventional and CDFI loans, LIHTC, FHLB AHP, and other grants.

In Madison, Sunny Side Development has led or partnered on multiple cooperative housing projects, including Zapata Cooperative, Red Pine Co-op, and ReJenerate Housing Cooperative. Prior to founding Sunny Side, Paul led the development of housing cooperatives in Houston, which are shining examples of cooperative housing in Houston's urban core and still provide affordable housing today, more than 15 years since their founding. He guided projects from acquisition and rehabilitation through permanent stabilization. His work has consistently centered immigrant, working-class, and vulnerable populations who face systemic barriers to stable housing.

Sunny Side has demonstrated capacity in all phases of development: site acquisition, financial packaging, municipal approvals, construction oversight, and long-term compliance. The organization also provides technical assistance in cooperative governance, ensuring that resident-led entities are well-supported to manage their properties sustainably.

RR. PROPERTY MANAGEMENT: Describe the experience and qualifications of the organization that will be handling the ongoing property management.

The original concept of Zapata Cooperative was initiated by bilingual Mexican immigrants who lived in another Madison housing cooperative. They led the charge on organizing the new cooperative and some of them now live at Zapata Cooperative and are teaching other residents the values of cooperative living. Property management at Zapata Cooperative is handled directly by its resident members under the cooperative governance model, with technical assistance and oversight from Sunny Side Development. Unlike conventional rental housing, the cooperative structure places management authority in the hands of the member-owners themselves. Residents elect officers to handle day-to-day responsibilities such as maintenance, finances, and membership, while all major decisions are made democratically at weekly house meetings. This model has been successfully adopted in the City of Madison by 23 other housing cooperatives whose average age is over 51 years old. It is an elegant yet simple form of affordable housing that has a decades-long track-record of providing permanently affordable housing.

If a Property Manager has yet to be identified, please describe how one will be selected.

n/a

PROJECT FINANCING

SS. BUDGET SUMMARY: Indicate the sources and uses of all funds for this project.

SOURCE	AMOUNT
City of Madison AHF	\$551,000
Shared Capital Cooperative	\$390,000
Efficiency Navigator	\$35,000
Focus on Energy	\$3,465
Disability Opportunity Fund	\$10,000
Backyard Solar	\$7,548
Predevelopment Loan	\$20,000

USES	AMOUNT
Property Acquisition	\$492,399
Rehabilitation	\$469,956
Soft Costs	\$138,162
Reserves	\$14,475

Dane County Non-LIHTC	\$78,242
Construction Period Cashflow	\$18,738
TOTAL	\$1,113,993

TOTAL	\$1,113,993

Which of the identified sources have been secured?

All except Dane County Non-LIHTC Fund

TT. FUNDS NEEDED: In the space below, please describe why Dane County funds are needed to ensure the viability of this project.

Dane County funds are needed to complete the final phase of rehabilitation and ensure the long-term viability of Zapata Cooperative. While the co-op successfully acquired and rehabilitated the property with support from the City of Madison Affordable Housing Fund, Shared Capital Cooperative, and philanthropic contributions, cost overruns and new requirements have left critical work unfinished.

The most urgent outstanding item is the driveway redesign required under the Conditional Use Permit (CUP). The City has directed removal of the two existing driveways in front of converted garages. To balance City requirements with residents' need for parking, the co-op's architect developed a compromise solution using permeable pavement with landscape screening. This approach addresses stormwater and neighborhood character concerns but carries costs not covered in the original budget.

In addition, residents have identified a need for additional refrigeration and kitchen storage to support shared meals for a 15-person household. These improvements are essential to cooperative living and cannot be funded through current operating revenue.

Without County support, the cooperative cannot fulfill the CUP condition or complete these final infrastructure needs, leaving the project vulnerable to compliance issues and undermining the stability of the community. With County funding, Zapata Cooperative will be able to fully satisfy City requirements, strengthen the shared kitchen infrastructure, and ensure that this deeply affordable, culturally rooted cooperative remains viable for the long term.

UU. OPERATING BUDGET: Complete the 20-Year Operating Budget, identifying the income and expenses, use additional pages as necessary. An Excel file may be submitted in lieu of the Operating Budget provided that it contains all of the same column and row headers.

OPERATING BUDGET

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INCOME										
Gross Potential Rent	67,860	69,217	70,602	72,014	73,454	74,923	76,421	77,950	79,509	81,099
Vacancy	3,393	3,461	3,530	3,601	3,673	3,746	3,821	3,897	3,975	4,055

Other Income										
Total Income	64,467	65,756	67,071	68,413	69,781	71,177	72,600	74,052	75,533	77,044
OPERATING EXPENSES										
Marketing										
Payroll										
Other Administrative Costs	2,980	3,069	3,161	3,256	3,354	3,455	3,558	3,665	3,775	3,888
Management Fees										
Utilities	5,527	5,693	5,863	6,039	6,220	6,407	6,599	6,797	7,001	7,211
Security										
Maintenance Expenses	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
Property Taxes	7,111	7,324	7,544	7,771	8,004	8,244	8,491	8,746	9,008	9,278
Insurance	7,295	7,514	7,740	7,972	8,211	8,457	8,711	8,973	9,242	9,519
Reserves for Replacement	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Total Operating Expenses	34,513	35,441	36,396	37,380	38,393	39,437	40,512	41,620	42,760	43,935
Net Operating Income	29,954	30,316	30,675	31,033	31,388	31,740	32,088	32,433	32,773	33,109
Debt Service	26,573	26,573	26,573	26,573	26,573	26,573	26,573	26,573	26,573	26,573
Asset Management										
Cash Flow	3,381	3,743	4,103	4,460	4,815	5,167	5,516	5,860	6,201	6,537
	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
INCOME										
Gross Potential Rent	82,721	84,375	86,063	87,784	89,540	91,331	93,157	95,020	96,921	98,859
Vacancy	4,136	4,219	4,303	4,389	4,477	4,567	4,658	4,751	4,846	4,943
Other Income										
Total Income	78,585	80,157	81,760	83,395	85,063	86,764	88,499	90,269	92,075	93,916
OPERATING EXPENSES										
Marketing										
Payroll										

Other Administrative Costs	4,005	4,125	4,249	4,376	4,508	4,643	4,782	4,925	5,073	5,225
Management Fees										
Utilities	7,428	7,650	7,880	8,116	8,360	8,611	8,869	9,135	9,409	9,691
Security										
Maintenance Expenses	10,751	11,074	11,406	11,748	12,101	12,464	12,838	13,223	13,619	14,028
Property Taxes	9,557	9,843	10,139	10,443	10,756	11,079	11,411	11,754	12,106	12,469
Insurance	9,805	10,099	10,402	10,714	11,035	11,366	11,707	12,058	12,420	12,793
Reserves for Replacement	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Total Operating Expenses	45,145	46,391	47,675	48,997	50,359	51,762	53,207	54,695	56,228	57,807
Net Operating Income	33,440	33,765	34,085	34,398	34,704	35,002	35,292	35,574	35,847	36,109
Debt Service	26,573	26,573	26,573	26,573	26,573	26,573	26,573	26,573	26,573	26,573
Asset Management										
Cash Flow	6,867	7,193	7,512	7,825	8,131	8,429	8,720	9,002	9,274	9,537