

<b>RFP COVER PAGE SIGNATURE AFFIDAVIT</b>	
<b>NAME OF FIRM:</b>	MSP Real Estate
<b>STREET ADDRESS:</b>	1295 Northland Drive Suite 270
<b>CITY, STATE, ZIP</b>	Mendota Heights, MN 55120
<b>CONTACT PERSON:</b>	Mark Hammond
<b>PHONE #:</b>	(612) 868-9997
<b>FAX #:</b>	
<b>EMAIL:</b>	mhammond@msphousing.com

In signing this proposal, we also certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a proposal; that this proposal has been independently arrived at without collusion with any other proposer, competitor or potential competitor; that this proposal has not been knowingly disclosed prior to the opening of proposals to any other proposer or competitor; that the above statement is accurate under penalty of perjury.

The undersigned, submitting this proposal hereby agrees with all the terms, conditions, and specifications required by the County in this Request for Proposal, and declares that the attached proposal and pricing are in conformity therewith.



Signature

Mark Hammond  
Name (type or print)

Director of Development

Title

6/05/2018  
Date

- Addendums** -This firm hereby acknowledges receipt / review of the following addendum(s) (if any)

Addendum #\_\_\_\_\_ Addendum #\_\_\_\_\_ Addendum #\_\_\_\_\_ Addendum #\_\_\_\_\_

**Department of Administration  
County of Dane, Wisconsin  
Request for Proposal  
Affordable Rental Housing  
Affordable Housing Development Fund  
RFP #118054**



**Due Date:**

**June 6, 2018**

**Prepared by:**

**Mark Hammond**

**MSP Real Estate, Inc.**

**1295 Northland Dr., Suite 270**

**Mendota Heights, MN 55120**

**612-868-9997**



June 5, 2018

Carolyn A. Clow  
215 Martin Luther King Jr. Blvd  
Room 425 Madison, WI 53703

RE: Affordable Rental Housing Affordable Housing Development Fund  
Bid/RFP #118054

Dear Ms. Clow,

MSP Real Estate Inc. is pleased to present our application for Dane County's 2018 Affordable Housing Development Fund for The Grove housing development. This development has received an award of tax credits from WHEDA for the 2018 application round. The development will be 112 family units of which 95 will be set aside as affordable housing units. We have in place many great partnerships for this project, including DCHA, MUM, Porchlight, and CAC, which have a strong track record of helping to meet Dane County housing objectives.

As evidenced by the bifurcated loan commitment from the City of Madison 2017-2018 Affordable Housing fund in the amount of \$3,000,000, this is a project that the City of Madison has identified as a priority.

However, despite our award of tax credits and funding support from the City of Madison, this project will require additional funding support to ensure it remains a viable project that can be brought to fruition. It's location in a stable neighborhood with excellent linkages including transportation and parks means that project is burdened by a very high land cost. Moreover, there is a substantial 5,000 square foot commercial space requirement that was necessary to secure land use approvals. Finally, the compact urban site requires additional underground parking to ensure its viability, but this parking comes at an additional cost.

We are hereby requesting \$591,346 in Dane County Affordable Housing Funds to fully insure the completion of this development from the unknowns that remain in construction costs, tax credit equity pricing, rising bank debt interest levels and the further unknowns of our ability to secure an award of funding from the Federal Home Loan Bank this year. A Dane County Funding Award will allow us to keep our first mortgage debt at levels necessary to meet WHEDA tax credit programmatic requirements and bank underwriting risk tolerance levels. The requested level of Affordable Funding support would equal approximately 2.56% of the total funding sources.

If you have any questions regarding our enclosed application, please don't hesitate to contact me at (612) 868-9997.

We look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Hammond". The signature is fluid and cursive, with the first name "Mark" being more prominent than the last name "Hammond".

Mark Hammond  
Director of Development

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*Real Estate, Inc. ▪ Construction, Inc. ▪ Development Company, Inc. ▪ Property Management, LLC*  
1295 Northland Drive, Suite 270 Mendota Heights, MN 55120 • 952-351-4540 • [www.msphousing.com](http://www.msphousing.com)

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## 4.1 Overview Development Team

MSP Real Estate specializes in developing and operating senior and multifamily developments in the Midwest. Over the past 30 years, MSP has developed approximately 40 projects in the Midwest and has substantial experience using TIF, tax-exempt bond financing, tax credits, and other financing tools to reposition sites into vibrant communities. We are a long term owner with a strong track record of getting complicated projects across the finish line and exceeding expectations in the communities in which we work. Please review more detailed information below.

### Overview Proposed Development

The proposed development is a 112-unit multifamily affordable rental development known as The Grove to be located at 204 Cottage Grove Road in Madison, Wisconsin. The 112 units will include 17 market rate and 95 income-restricted units in two four-story elevator buildings with underground garage parking. This development will provide a much needed housing option to the east side of Madison to assist in the city's commitment to enhance the number of affordable housing options to the residents of Madison.

Twenty three of the subject's income restricted apartment units will provide supportive housing options for persons reentering society from prison, veterans, and/or homeless/nearly homeless persons. Residents of these units will have supportive services provided by Community Action Coalition for South Central Wisconsin, Inc., Porchlight, and Madison-Area Urban Ministry. The rent for these units will be set at the 30% CMI level.

The subject is to be constructed on an infill site located in an established neighborhood and generally requires minimal infrastructure improvements. The site offers a good walk score with good linkages to the surrounding community and the needs of a family development. See Section 4.3 for more detailed information about this project.

## MSP COMPANIES

REAL ESTATE

CONSTRUCTION

DEVELOPMENT

PROPERTY MANAGEMENT

HERITAGE SENIOR LIVING



***MSP is a multifaceted real estate company with offices in Mendota Heights, Minnesota and in Madison and West Allis Wisconsin*** that offers a full spectrum of real estate services including site acquisition, brokerage, development, construction, property management and asset management.

- MSP Real Estate was founded in 1988 by Milo Pinkerton, whose philosophy is to develop high quality properties in strategic markets to ensure the best investment for us, our partners and the communities in which we build. The current portfolio includes 2,450 units of affordable and market rate housing, senior independent housing and assisted living and memory care housing in three states, Wisconsin, Minnesota and Indiana.

In August 2015, MSP acquired a 6-building office park in Mendota Heights, Minnesota, adding 420,000 square feet to our growing portfolio.

- MSP Real Estate Company has become one of the Midwest's leading developers of senior housing communities. To date, we have developed over 1,900 units of senior housing in 20 communities in Wisconsin and Minnesota. The development arm of MSP Real Estate has focused on senior housing campuses that provide a continuum of care for its residents. These communities consist of mixed-income independent senior apartments, assisted living, and memory care. In addition, we specialize in Section 42 Affordable Housing Tax credit and market rate developments.
- MSP Construction, Inc. is responsible for general contracting services for MSP developments. Acting as our own General Contractor allows us to save costs and ensure quality on our development projects.
- MSP Property Management, LLC was formed in 2006 to provide professional property management services to its affordable housing and market-rate housing portfolio in Minnesota and Wisconsin.
- Heritage Senior Living was founded in 2000 and has become an industry leading manager of assisted living and memory care communities. Heritage Senior Living's vision is to complement MSP's current portfolio of independent senior apartments by creating a series of assisted/memory care campuses that allow residents to age in place.

MSP Companies is poised to take another giant leap forward, as we continue to expand our footprint as an industry leader in the Upper Midwest region. We are fully committed to improving the design of our housing by providing better products and services for the people we serve.

### MSP Real Estate, Inc.

MSP Real Estate, Inc. (MSPRE) and its subsidiaries Heritage Senior Living LLC, MSP Development Company, Inc., MSP Construction, Inc. and MSP Property Management, LLC, make up a full service real estate development company.

Established in 1988 by Milo Pinkerton, MSPRE has assembled a team with experience and tenacity. We are a long-term owner that owns over 90 percent of what we have built. Our philosophy is to develop high quality properties in strategic markets to ensure the best investment for us, our partners and the communities in which we build.



MSPRE has experience with public/private development projects utilizing TIF, HOME Funds, Federal Home Loan Bank funding, CBDG, Metropolitan council grants, and DTED grants. MSPRE has extensive knowledge of real estate development gained over the past 30 years with 40 projects totaling over \$300 Million in value.

### MSP Development

#### Senior Housing Development

MSP has become one of the Midwest's leading developers of senior housing communities, ranking 72<sup>nd</sup> in the nation's largest providers of senior housing. To date, we have developed over 1,900 units of senior housing in 20 communities in Wisconsin and Minnesota. MSPRE has developed senior condominiums, independent apartments, assisted living and memory care housing.

Over the past 10 years, MSPRE has focused on developing senior housing campuses that provide a continuum of care for its residents. These communities consist of mixed-income independent senior apartments, assisted living and memory care residences.





## Overview

### Affordable Housing Development

MSPRE specializes in Section 42 Affordable Housing Tax credit development. To date, MSPRE has received over \$17 Million in tax credit allocations in three Midwestern states, creating projects worth a total cost of over \$100 Million. This portfolio consists of approximately 1,000 units of senior housing and 470 units of family housing.

MSPRE has experience developing properties using both 9% tax credits and 4% tax credits with tax exempt bond financing.

### Market Rate Housing Development

Louisiana Oaks Apartments is a 200-unit market rate development in St. Louis Park, Minnesota. This property was recognized as the 2002 MADACS Awarding- winning ("Property Excellence Award – Best New Development – Market Rate") in the Twin Cities. (This property was sold in April 2015).



### MSP Acquisitions

In 2015 MSP acquired the Mendota Heights Business Center in Mendota Heights, MN. With this acquisition of this 6-building office center MSP added 420,000 square feet of office space to the portfolio.



## Overview

### Heritage Senior Living

Founded in 2000, Heritage Senior Living is an industry leading manager of assisted living and memory care communities. Today we own and operate fifteen communities in Wisconsin totaling over 1,032 units/beds. We are one of the fastest growing Assisted Living companies in the region and now employ over 675 people.



### MSP Construction

MSP Construction, Inc. is responsible for general contracting service for MSP developments. Acting as our own General Contractor allows us to save costs and ensure quality on all our development projects.

In 2012 MSP Construction built over 330 units with construction projects costs totaling over \$38 Million. MSP Construction has constructed over \$140 Million since our first project in 2002.

Since 2015 MSP construction has completed three new projects, with construction costs totaling over \$38 Million.



### MSP Property Management

MSP Property Management, LLC (MSPPM) was formed in 2006 to more fully service its affordable housing and market-rate housing in Minneapolis and Northwest Wisconsin. MSPPM currently manages over 640 units in 6 locations.

## Milo Pinkerton, President

**Milo has developed more than 2500 units spanning over 30 years.** Milo's unique background of architecture, finance, real estate and construction has enabled MSP projects to be of consistent high quality, on time and on budget.

Heritage Senior Living was formed in 2000, as a health care housing company for independent, assisted and memory care seniors and has since grown to the country's 72nd largest operation. Every year Heritage is constructing over \$30 Million in purpose-built housing, primarily in Wisconsin.



Milo is primarily responsible for overseeing and directing all aspects of the MSP Family of Companies, ensuring steady growth, consistent profitability and increasing cash flows annually. Milo works hands on with the development and construction company and coordinates management and direction of Heritage and MSPPM through its various staff directors.

Prior to forming MSP Real Estate, Inc. Milo was vice president and manager of special projects for ITT Real Estate Services, where he was in charge of the disposition of \$50 Million of troubled real estate nationwide. Milo was also project director with a regional development/construction company, Orville E. Madsen and sons, based in Madison, Wisconsin, in charge of developing over 450 units.

Milo has a Master's of Science in Business, Real Estate Investment from the University of Wisconsin and a Master of Architecture Degree from the University of Minnesota. He is licensed in Minnesota and Wisconsin as a real estate broker.

## Management Team

### Mark Hammond, Director of Development and General Counsel

**Mark Hammond, as Director of Development & General Counsel**, leads all real estate development activities and assists the company in identifying and overseeing legal issues in other core business units.

Mark's primary responsibility is the identification and management of new development opportunities in senior housing campuses, MSP's core business category. His secondary focus is identifying market-rate multifamily and tax credit affordable housing opportunities. Mark actively manages all aspects of the development process, including site acquisition and approval, financing, design and value engineering, construction, and lease-up.



Prior to joining MSP, Mark worked at Weber Holdings, where he co-led the development of a \$50M mixed-use, full-block redevelopment project, and a \$30M adaptive reuse conversion of an 1898-built chocolate factory into a 67-room boutique hotel. During these two development projects, Mark simultaneously asset managed a 300,000 square foot Class A office campus and a 150,000 square foot industrial portfolio. Prior to his time at Weber Holdings, Mark interned with the Acquisitions group of leading institutional real estate advisor Bentall Kennedy, where he assisted a small team that placed approximately \$500M in equity in 2011.

Mark has served on numerous boards that promote economic development and revitalization. He is also active with the University of Wisconsin Real Estate Alumni Association and is a member of the State of Wisconsin Bar Association.

Mark holds a Bachelor's Degree in Economics, an MBA in Real Estate, and a Juris Doctor, all from the University of Wisconsin-Madison.

### Lars Johnson, Chief Financial Officer



**Lars Johnson, as Chief Financial Officer** has over seventeen years of accounting experience in the health care industry. He was formerly the Vice President of Finance at Southview Senior Communities located in the Minneapolis / St. Paul area. His background includes health maintenance organization, financial analysis and accounting. In addition, he spent nearly a decade in public accounting working with clients on financial modeling, strategic planning, feasibility studies and serving clients as an interim CFO/Controller.

Lars holds a Bachelor of Arts degree in business administration and a Masters of Business Administration from the University of St. Thomas. He is an active CPA licensed by the Minnesota Board of Accountancy. He is a member of the American Institute of Certified Public Accountants (AICPA) and the Minnesota Society of Certified Public Accountants (MNCPA.) He has also served Care Providers of Minnesota as both a board member and on the reimbursement committee.

## **Brian Martin, Vice President of Asset Management**

**Brian Martin, as Vice President of Asset Management** combines the functions of asset management and property management into one role. He is responsible for the following areas of operations for MSP Property Management and Heritage Senior Living:

- Property Management
- Asset Management
- Maintenance
- Information Technology



Brian has been in Real Estate Management for over 11 years. He began his career as a site manager in the Madison area overseeing a 60-unit tax credit property as well as a market-rate campus housing portfolio. In 2010 he was promoted to Area Manager and was responsible for a portfolio of 20 properties and over 1200 units. During his time as Area Manager, Mr. Martin oversaw the successful completion of over 12 new lease up properties in Wisconsin and Iowa. In early 2014 Mr. Martin was promoted to the position of Regional Manager and then a year later to Regional Asset Manager where he was responsible for a portfolio of roughly 50 properties and more than 3350 units throughout Wisconsin, Illinois and Iowa. His experience covers market rate, tax-exempt bond, HUD Section 8 and HOME, USDA Rural Development and Low Income Housing Tax Credit financed development.

## **Jim Rodgers, Director of Finance**

**Jim Rodgers, as Director of Finance**, is responsible for the financial management of a portfolio of properties under ownership of the MSP / Heritage Companies. Responsibilities include but are not limited to, securing construction and permanent financing and refinancing for new and existing properties, production of annual operating budgets, analysis of acquisition opportunities, and providing efficiencies in operations for all of the MSP and Heritage owned real estate.

Prior to his role with MSP / Heritage, he was employed at the Wisconsin Housing and Economic Development Authority for 21 years as an Asset Manager, Loan Officer and Low Income Housing Tax Credit Underwriter. During his time there, Jim was an integral part of a team that administered the Low Income Housing Tax Credit program which produced over 20,000 units of affordable housing across the State of Wisconsin. He also underwrote and closed over \$120 million in affordable multifamily housing which included lending for the production of assisted living facilities.

Jim has a Master's of Science in Business, Real Estate Investment, and a Masters Business Administration, Finance from the University of Wisconsin-Madison.

## **Steven Saucke, Vice President / Construction**



Steve has been in the construction industry for more than 40 years. Originally in residential construction, Steve prided himself on designing and building the best home for each and every client. In 1997, he was offered a position as a Project Manager for a multi-family developer, building market-rate apartments. As the need for secure, affordable senior housing grew in the Midwest, Steve moved in that direction, overseeing the construction of the two largest senior housing facilities in the State of Iowa and multiple senior independent, assisted living, and memory care facilities throughout Wisconsin.

Now, with MSP Construction, Inc., Steve manages all aspects of construction, from site development through to turnkey completion.

**Liz Johnson, Area Property Manager** is responsible for the property management of a portfolio of properties under ownership of the MSP Companies. Liz is also responsible for management of our third-party tax credit compliance company

Prior to her role with MSP, she was employed at Oakbrook Corporation as a property manager. There she managed a portfolio of 120 units of senior and family tax credit properties in WI. Prior to Oakbrook, she was a realtor for Shorewest Realtors for 10 years.

Liz currently holds certifications as a tax credit specialist and a certified occupancy specialist and has an associates in Science-Nursing degree from Cardinal Stritch University.



## 4.2 Past Projects (1) Team Experience in obtaining Section 42 Tax Credits

As our Tax Credit project lists demonstrate on the following pages, since 1991, MSP Real Estate has secured awards for tax credits for 22 total projects in the Midwest:

- 17 projects in Wisconsin that have provided over 900 units of senior housing and 212 units of family housing
- 5 projects in the Midwest outside of Wisconsin, totaling 83 units of senior and 260 units of family housing.

Since 1991, MSP Development has been applying for and securing awards for Low Income Housing Tax Credits allocated by the Wisconsin Housing and Economic Development Authority (WHEDA). MSP Development is consistently rated as one of the top scoring developers within WHEDA's scoring matrix.

MSP Real Estate has assembled a team of seasoned professionals and consultants to augment our in-house team. We have consistently worked with this team on past projects and intend to continue these working relationships in order to ensure project success. Our team includes the following:

-Outside Legal Counsel:

Foley & Lardner (Madison, WI) - Wayman Lawrence & Katie Rist

-Accounting:

SVA (Madison, WI) – Glen Weyenberg, Mike Kendhammer

-Architecture:

Dimension IV (Madison, WI) – Jerry Bourquin

-Engineering:

CJ Engineering (Milwaukee, WI) – Chris Jackson

Finally, our long term relationships with our accounting partners, tax credit equity syndicators, our banking partners and City leaders has also allowed us to consistently score well in the WHEDA scoring criteria and put all the pieces cohesively together which is necessary to move a tax credit award from concept to product delivery. We have partnered with a total of six different tax credit syndicators on our past tax credit awards.

Again, as our project lists demonstrate on the following pages, MSP Development has been and remains a prolific development company. Our last award for tax credits that was fully completed (2015) was for a 40 unit family deal in Chippewa, WI that is now fully leased up. Additionally, we have received recent tax credit awards in 2017 for a 58 unit senior project and in 2018 for 112 unit family project both located in Madison, WI.

On our assisted living side of our business model we just completed the construction with a Grand Opening on March 30, 2017 for another senior campus in Delafield WI. Our Delafield project contains 45 units of independent senior market rate apartments, 43 assisted living units and 36 memory care units. And we completed another senior campus located in Kimberly (Appleton) WI in July 2017. Our Kimberly senior campus project contains 45 independent senior market rate

apartments, 47 assisted living and 44 memory care units.

Mark Hammond, our Development Director, continues to look for new opportunities for MSP Development's continued growth which includes WHEDA tax credit application sites for the 2019 low income housing tax credit round.

Please review our complete list of developments completed on the following pages:



**TAX CREDIT Elderly (Section 42) APARTMENTS**

<b><u>Project Names/ Locations</u></b>	<b><u>Number of Units</u></b>	<b><u>Financing</u></b>	<b><u>Completion Date</u></b>
<b><u>Normandy Square Apartments</u></b> Madison, WI	<b>58</b>	<b>TBD</b>	<b>TBD</b>
<b><u>Middleton Senior Apartments</u></b> Middleton, WI	56	US Bank	October 2012
<b><u>New Berlin Senior II</u></b> New Berlin, WI	34	JP Morgan	December 2012
<b><u>Chippewa Senior Apartments II</u></b> Chippewa Falls, WI	24	HOME	October 2011
<b><u>West Allis Senior Apartments</u></b> West Allis, WI	122	WHEDA Bond	April 2009
<b><u>Monona Senior Apartments</u></b> Monona, WI	88	WHEDA Bond	September 2009
<b><u>Lincoln Village</u></b> Port Washington, WI	49	BankMutual Conventional	December 2002
<b><u>Homestead Village</u></b> Chippewa Falls, WI	48	WPS Conventional	February 2000
<b><u>Deer Creek Village</u></b> New Berlin, WI	145	US Bank Conventional	October 2001
<b><u>Silver Creek Village</u></b> Glendale, WI	65	WHEDA Bond	August 2000
<b><u>Lexington Village</u></b> Greenfield, WI	120	Wells Fargo Conventional	December 1998
<b><u>Silver Lake Pointe</u></b> Mounds View, MN	83	Wells Fargo Conventional	September 1995
<b><u>Courtyard</u></b> West Allis, WI	63	Wells Fargo Conventional	September 1995
<b><u>Mill View</u></b> Kiel, WI	24	Rural Development	March 1995
<b><u>Station House</u></b> Antigo, WI	40	Rural Development	1991
<b><u>Village Plaza</u></b> Paddock Lake, WI	<u>24</u>	Rural Development	1991
<b>Total Completed</b>	<b>985</b>		
<b>Total in Progress</b>	<b>58</b>		
<b>Total Units</b>	<b>1,043</b>		

**MSP REAL ESTATE, INC.**  
**TAX CREDIT FAMILY (SECTION 42) APARTMENTS**

<u>Project Names/ Locations</u>	<u>Number of Units</u>	<u>Financing</u>	<u>Completion Date</u>
<b><u>The Grove</u></b> Madison, WI	112	TBD	TBD
<b><u>The Landing Apartments</u></b> Chippewa Falls, WI	40	Conventional	June 2016
<b><u>Meadow Ridge Apartments</u></b> Waukesha, WI	70	Conventional Town Bank	October 2014
<b><u>New Berlin City Center</u></b> New Berlin, WI	102	Enterprise	December 2012
<b><u>Silverlake Commons</u></b> Mounds View, MN	50	MHFA	February 1999 Sold 2017
<b><u>Cityside Townhomes</u></b> Marshall, MN	50	MHFA	April 1997 Sold 2017
<b><u>Parkside Townhomes</u></b> Redwood Falls, MN	30	FNMA	February 1997 Sold 2017
<b><u>Valley Farms Apartments</u></b> Westfield IN	92	Rural Development	May 1996
<b><u>Lincoln Square Apartments</u></b> Chisholm, MN	38	Conventional	August 1995 Sold 2013
	472		
<b>Total Completed</b>	472		
<b>Total in Progress</b>	112		
<b>Total Units</b>	584		

**HERITAGE SENIOR LIVING, LLC**  
**ASSISTED/ALZHEIMER'S FACILITIES**

<b><u>Project Names/Location</u></b>	<b><u>Number of Units</u></b>	<b><u>Number of Beds</u></b>	<b><u>Financing</u></b>	<b><u>Completion Date</u></b>
<b><u>Heritage Kimberly</u></b> (45 Independent, 47 Assisted Living/ 44 Memory Care) Kimberly, WI	<b>136</b>	<b>136</b>	<b>Conventional</b>	<b>June 2017</b>
<b><u>Heritage Lake Country</u></b> (45 Independent, 43 Assisted Living/ 36 Memory Care) Delafield, WI	<b>124</b>	<b>124</b>	<b>Conventional</b>	<b>March 2017</b>
<b><u>Heritage Port Washington</u></b> (45 Assisted Living/ 20 Memory Care) Port Washington, WI	<b>65</b>	<b>69</b>	<b>Conventional</b>	<b>November 2015</b>
<b><u>Heritage Court Waukesha</u></b> (Memory Care) Waukesha, WI	<b>36</b>	<b>38</b>	<b>Conventional</b>	<b>October 2014</b>
<b><u>Heritage Elm Grove</u></b> (61 Assisted Care/ 36 Memory Care) Elm Grove, WI	<b>97</b>	<b>106</b>	<b>10-Year WHEDA</b>	<b>June 2014</b>
<b><u>Heritage Monona Phase II</u></b> (28 Assisted Care/ 40 Memory Care) Monona, WI	<b>68</b>	<b>75</b>	<b>10-Year WHEDA</b>	<b>November 2012</b>
<b><u>Heritage Middleton</u></b> (43 Assisted Care/ 36 Memory Care) Monona, WI	<b>79</b>	<b>85</b>	<b>10-Year WHEDA</b>	<b>December 2012</b>
<b><u>Heritage Monona</u></b> (37 Assisted Care/ 38 Memory Care) Monona, WI	<b>75</b>	<b>86</b>	<b>WHEDA Bond</b>	<b>September 2009</b>
<b><u>Heritage Court West Allis</u></b> (Memory Care) West Allis, WI	<b>38</b>	<b>40</b>	<b>MSP</b>	<b>September 2009</b>
<b><u>Heritage West Allis</u></b> (Assisted Care) West Allis, WI	<b>40</b>	<b>46</b>	<b>WHEDA Bond</b>	<b>August 2009</b>
<b><u>Heritage Court</u></b> (Memory Care) Eau Claire, WI	<b>34</b>	<b>36</b>	<b>MSP</b>	<b>October 2007</b>
<b><u>Heritage Court</u></b> (Memory Care) Menomonee Falls, WI	<b>34</b>	<b>36</b>	<b>Conventional</b>	<b>November 2004</b>
<b><u>Heritage at Deer Creek</u></b> (43 Assisted Care/ 33 Memory Care) New Berlin, WI	<b>76</b>	<b>82</b>	<b>HUD</b>	<b>January 2004</b>
<b><u>Heritage at Oakwood Hills</u></b> Eau Claire, WI	<b>39</b>	<b>49</b>	<b>Conventional</b>	<b>December 2002</b>
<b><u>Lexington Heritage</u></b> Greenfield, WI	<b>20</b>	<b>24</b>	<b>Conventional</b>	<b>February 2000</b>
<b>TOTAL</b>	<b>961</b>	<b>1032</b>		

#### **4.2 (2). Team Experience in Public/Private Partnerships**

##### **West Allis Tax Credit Independent and Heritage West Allis Assisted Living and Memory Care**

2008-Heritage West Allis, a 200 unit senior housing campus developed at the former Laidlaw Bus depot. MSP was selected by the City based on their response to an RFP and conveyed the land for \$1. Milo Pinkerton and the City obtained a Brownfield Grant to help offset costs related to building demolition and removing an underground leaking fuel tank. MSP also financed this development with tax credits and tax exempt bonds from WHEDA. The \$25,000,000 development consists of a 4 story 122 unit independent tax credit senior building interconnected to a 2 story 40 unit assisted living and single story 38 unit memory care community. Construction took nearly 16 months and the project leased up ahead of schedule in just under 18 months.

Contact Information: John Stibal- Director of Community Development (414)302-8462



(Picture of our West Allis Senior Tax Credit Independent Building)

##### **Monona Tax Credit Independent and Assisted Living and Memory Care and Phase II Assisted Living**

In 2008 and 2012 Heritage Monona a two phase senior housing campus was developed at the former Garden Circle apartments in Monona, WI. MSP was selected by the City based on their response to an RFP and conveyed the land for \$1 and provided \$2,400,000 in tax increment financing. MSP also financed this development with tax credits and tax exempt bonds from WHEDA. The \$28,000,000 development consists of a 4 story 88 unit independent tax credit senior building interconnected to a 2 story 75 unit assisted living memory care building and a phase 2 two story 68 unit assisted living and memory care community. Construction took 12 months and the project leased up at a record pace ahead of schedule in just under 9 months (Phase 1) and 12 months respectively (Phase II).

Contact Information: Sonja Reichertz- Monona Economic Development Director (608)222-2525



(Main Entrance to Monona Senior Campus)

### **Middleton Independent Tax Credit and Heritage Assisted Living and Memory Care**

2012- Heritage Middleton a 135 unit senior housing campus developed at a vacant sentry store in Middleton, WI. MSP put the site under contract in 2011 and worked with the City to help remove an eyesore on the gateway to Madison through Middleton. The site required excavation and haul off of approximately 10 feet of soil and replacing that soil with engineered fill. This was due to the site previously sitting at the edge of a lake bed. The City provided \$2,100,000 in tax increment financing and Dane County provided a low interest loan in the amount of \$460,000. MSP also financed this development with tax credits and a 7/10 loan from WHEDA. The \$18,000,000 development consists of a 4 story 56 unit independent tax credit senior building interconnected to a 2 story 79 unit assisted living memory care community. The project is extremely dense on a site of only 2.2 acres, but fits the urban design standards encouraged by the City. Construction took 12 months and the project has been full with a long waiting list on the affordable independent side since almost day one of certificate of occupancy.

Contact Information: Mike Davis-City Administrator 608-821-8358





(View of Senior Independent Tax Credit building at Middleton Campus)

### **Heritage Elm Grove – Assisted Living/Memory Care**

Built in 2014, Heritage Elm Grove is a 97 unit Assisted Living and Memory Care community that replaced the former Tapco manufacturing facility in Elm Grove, WI. This project represents another successful public/private partnership between MSP and a municipality. Despite its urban location as a second ring suburb of Milwaukee, the Village of Elm Grove for decades had maintained its independence from obtaining municipal water and served its water needs through wells. MSP worked with the Village and the neighboring City of Brookfield to run a water line to MSP's property which was paid for through TIF for the project in the amount of \$900,000. This allowed MSP to install the fire suppression system necessary to service the building and the water main was sized to service the needs of most of the Village allowing other users to connect to the system which will help the redevelopment of the downtown business district in the years to come. The Village provided an additional \$600,000 in TIF to offset demolition costs and provide for remediation of substandard soils.

Contact Information- David DeAngelis- Village of Elm Grove Administrator- 262-782-6700



(Main Entrance Heritage Elm Grove)

**City Center New Berlin** consisting of City Center at Deer Creek, Heritage at City Center and City Center at Deer Creek Phase II. City Center Phase I consists of 3 (34) unit mixed income apartment buildings. The \$22,000,000 first phase is 85% tax credit affordable and 15% market rate. The project opened 100% pre-leased. Heritage at City Center was also constructed in 2012 and features 34 units for seniors. The project has a similar affordable component and like the general occupancy apartments opened 100% pre-leased. The great success of our first phase led us to start construction of a second phase of 75 apartments in December 2013. This project is 80% market rate and 20% affordable and features 1, 2 and 3 bedroom units.

Contact Information: Greg Kessler- Director of Community Development 262-797-2445



#### 4.2(3) Team Experience in developing multifamily housing for low-income households

As indicated in our staff profiles, our current team has a unique blend of experience and educational background with low income multifamily and senior housing developments:

- Milo Pinkerton has long term expertise and success with this unique development program. Over the past 30 years, Milo has developed a reputation for high integrity and delivering results to partners and other stakeholders.

MSP Real Estate has a team of seasoned real estate development professionals with a combined 69 years of direct housing and/or real estate development experience. This means that we not only bring deep knowledge and experience, but also have ample staffing to provide dedicated project management to each new project under development.

<u>Team Member</u>	<u>Years of Tax Credit / Housing Experience</u>
Milo Pinkerton	30
Jim Rodgers	24
Mark Hammond	8
Danny DiFrancesco	7

As previously stated, MSP Real Estate has assembled a team of seasoned professionals and consultants to augment our in-house team. We have consistently worked with this team on past projects and intend to continue these working relationships in order to ensure project success. Our team includes the following:

-Outside Legal Counsel:

Foley & Lardner (Madison, WI) - Wayman Lawrence & Katie Rist

-Accounting:

SVA (Madison, WI) – Glen Weyenberg, Mike Kendhammer

-Architecture:

Dimension IV (Madison, WI) – Jerry Bourquin

-Engineering:

CJ Engineering (Milwaukee, WI) – Chris Jackson

We have partnered with a total of six different tax credit syndicators on our past tax credit awards.



#### **4.2 (4) Developing Permanent Supportive Housing**

While MSP Development has not designed developments solely as a permanent supportive housing model we have incorporated supportive service partnerships with past developments like 'The Grove' proposal. These developments set aside a portion of the building's apartments for homeless individuals or those with disabilities, and then services are offered in order to support these residents housing stability. Locally, we have partnered with Movin' Out on three past projects, New Berlin City Center (11 units), Middleton Senior (9 units) and Meadow Ridge Waukesha (6 units). Movin' Out coordinated the delivery of services both on and off-site that allowed residents with special needs assistance to stabilize their living situation and live more independently.

## 4.2 (5) Property Management Overview

### MSP Property Management



1295 Northland Drive Ste 270  
Mendota Heights MN 55120

6234 Maywood Avenue  
Middleton WI 53562

952-351-4540

608-858-1086

952-935-7202

608-831-7429

[www.msphousing.com](http://www.msphousing.com)

List of MSP Property Managed Properties: 6 Senior and 4 Family projects.

Project Name	Location	Number of Units	Senior/Family	Tax Credit Yes/No
New Berlin Senior II	New Berlin WI	34	Senior	Yes
Chippewa Senior II	Chippewa Falls WI	24	Senior	Yes
Homestead Village	Chippewa Falls WI	48	Senior	Yes
Silver Creek Village	Glendale WI	65	Senior	Yes
Lexington Village	Greenfield WI	120	Senior	Yes
Courtyard	West Allis WI	63	Senior	Yes
Meadow Ridge	Waukesha WI	70	Family	Yes
New Berlin City Center	New Berlin WI	102	Family	Yes
The Landing	Chippewa WI	40	Family	Yes
Central Pointe	New Berlin WI	75	Family	No
<b>Total</b>		<b>641</b>		

MSP Property Management and Heritage Senior Living Management have their accounting staff located at offices located in Mendota Heights, MN with property management staff located in offices in Madison and West Allis, WI.

MSP Property Management, LLC (MSPPM) was formed in 2006 to provide professional property management services to its affordable housing and market-rate housing portfolio in Minnesota and Wisconsin. MSPPM currently manages over 640 units in 6 locations throughout Wisconsin. In 2017, 3 family properties (130 units) were sold in Minnesota that MSPPM also managed.

**MSP Property Management**, will be the property manager of record for RFP: #118054.

## Heritage Senior Living Management



1295 Northland Drive Ste 270  
Mendota Heights MN 55120

952-351-4540  
952-935-7202  
[www.heritagesenior.com](http://www.heritagesenior.com)

7901 W National Ave  
West Allis WI

414-302-9700  
414-302-9705

List of Heritage Senior Living Managed Properties: 5 Senior and 11 Assisted Living/Memory Care projects.

Project Name	Location	Number of Units	Senior/Assisted Living/Memory Care	Tax Credit Yes/No
Middleton Senior	Middleton WI	56	Senior	Yes
Monona Senior	Monona WI	88	Senior	Yes
West Allis Senior	West Allis WI	122	Senior	Yes
Deer Creek Village	New Berlin WI	145	Senior	Yes
Lincoln Village	Port Washington WI	49	Senior	Yes
Lexington Heritage	Greenfield WI	20	Assisted Living	No
Heritage Oakwood Hills	Eau Claire WI	39	Assisted Living	No
Heritage West Allis	West Allis WI	40	Assisted Living	No, WHEDA Bond Units
Heritage Deer Creek	New Berlin WI	43 33	Assisted Living Memory Care	No
Heritage Monona	Monona WI	43 38	Assisted Living Memory Care	No, WHEDA Bond Units
Heritage Monona Phase II	Monona WI	28 40	Assisted Living Memory Care	No, WHEDA Bond Units
Heritage Middleton	Middleton WI	43 36	Assisted Living Memory Care	No, WHEDA 7/10 Units
Heritage Elm Grove	Elm Grove WI	61 36	Assisted Living Memory Care	No
Heritage Port Washington	Port Washington WI	45 20	Assisted Living Memory Care	No
Heritage Court	Menomonee Falls WI	34	Memory Care	No
Heritage Court	Eau Claire	34	Memory Care	No
Heritage Waukesha	Waukesha	36	Memory Care	No
Heritage Lake Country	Delafield	124	IL/AL/MC	No
Heritage Kimberly	Kimberly	136	IL/AL/MC	No
<b>Total</b>		1,389		

Heritage Senior Living was founded in 2000 and has become an industry leading manager of assisted living and memory care communities. Heritage Senior Living's vision is to complement MSP's current portfolio of independent senior apartments by creating a series of assisted/memory care campuses that allow residents to age in place. These communities consist of mixed-income independent senior apartments, assisted living, and memory care housing.

MSP Property Management and Heritage Senior Living Management accounting staff, human resources, compliance, regional property & maintenance staff are leveraged and share oversight of both sides of these Milo Pinkerton owned management companies.

**Team Experience in providing property management services for housing with Section 42 low income housing tax credits.**

Since 2006 both MSP property management and Heritage Senior Living have managed the complexities of Low Income Housing Tax Credit Compliance.

**Staff knowledge of program requirements –**

All team members are kept up to date on any State or Federal Policy changes and Compliance Department attends Training on a regular basis according to the needs of the State Agency and their recommendations. Property management staff do attend WHEDA compliance seminars on an as needed basis.

**Staff stability–**

All properties and departments are staffed according to pro forma, unit count and state recommendations. Our human resource department has the designated position of 'Recruiter' for all our management company staffing needs when employment vacancies need to be filled.

**Processing certifications and recertifications –**

All Certs and Recerts are completed in a timely manner according to the regulations set by the State Agency and/or Funding Program. Compliance Resources (Becky Haag) provides additional third party quality assurance (compliance) oversight.

**Fees current or past due–**

All state agencies requiring fee's for Annual Reporting or Processing Utility Approvals are up to date.

## Tenant files completeness and organization –

All tenant files are third-party audited for accuracy by Compliance Resources (Becky Haag) and MSP/Heritage Senior Living management outlines all file set-up so organization and completeness is the same, no matter which property you walk onto.

Responsiveness to federal and state housing compliance issues including AG 134, Equal Opportunity, affirmative fair marketing practices, 504 and LIHTC. –

All Federal and State Housing Audits or Issue Responses are handled according to the time limit provided per notification. Our goal at MSP/Heritage Senior Living is to turn around any audit items prior to or earlier than the deadlines provided.

## Compliance History-Number and quality of 8823's issued –

MSP Property Management has been managing affordable and market rate housing since 2006. Heritage Senior Living Management has been managing assisted living, memory care and independent affordable senior housing since 2000. **In the past 5 years there have only been a few minor tenant file issues that required resolution related to missing documentation only. No substantial reportable recapture of credit issues has ever been reported on these managed properties to the IRS.** Each state has their own standards of practice on when/why to issue an 8823's but we have experienced the same results with our Minnesota based properties that interface with the Minnesota Housing Authority. (These properties sold in 2017.)

Liz Johnson, our area property manager has multiple years' experience with tax credit compliance. She continually monitors the site staff for tax credit compliance and reporting requirements as mandated by the Wisconsin Housing Economic Development Authority.

Our third party consultant, Becky Haag, Compliance Specialists (21 years' experience) reviews ALL tenant files for tax credit compliance as well as recertification compliance.

MSP Property Management provides all property management functions including Tax Credit certification, recertification, ongoing compliance, all accounting functions, day to day management and maintenance. MSP Property management has grown in size and oversight starting with 66 units in 2 projects in 2006 to over 640 units in 10 projects in Wisconsin in 2018. We did sell 3 multifamily properties comprising 130 total affordable family units in Minnesota in 2017 that were also managed by MSP Property Management.

Lars Johnson, our Chief Financial Officer, heads up an accounting team that employs 6 full time accountants with over 100 years combined of accounting experience.

Brian Martin, Jim Rodgers and Liz Johnson have over 37 plus years combined Asset Management and Property management experience. They monitor monthly reports related to rent collection, occupancy, budget to actual costs, leasing status, work orders and tax credit compliance, along with addressing ongoing inspections and reporting for state and lender requirements. Most of our sites are then staffed with on-site managers and maintenance staff dependent on needs of individual properties.

We have within the MSP Property Management and Heritage Senior Living management umbrella 19 full time maintenance staff to take care of the day to day physical plant operations for all our properties.

Finally, our tax credit compliance quality control is provided by Becky Haag from Compliance Specialists. Becky has been providing compliance monitoring services for tax credit properties for over 21 years.

## 4.2 (6) Past Projects Provisions for Supportive Services

MSP is committed to identifying the right services provider to meet the objectives of the funding source whether it be city, county or federal tax credits funding that requires a supportive housing component to the development.

Some past examples of supportive housing MSP has provided include; in 2013 MSP partnered with Movin' Out on our successful 70 unit family tax credit project, Meadow Ridge Apartments, located in Waukesha, WI. The project reserved six (6) units for residents who are seniors or adults with physical and/or development disabilities that rely on supportive services that are planned and delivered by Movin' Out. MSP worked with both Movin' Out and Care Wisconsin to provide the following (ongoing) supportive services to the residents of Meadow Ridge:

- Maintain independence in the home and the community
- Home maintenance
- Meal planning/groceries
- Assist individuals with future housing and personal care needs
- Locate health and housing assistance

Another illustrative past example is MSP's 2015 tax credit application, The Landing Apartments. For this project in Chippewa, WI, MSP partnered with West Central Wisconsin Community Action Agency, Inc., (WestCap) and Veterans Assistance Foundation, Inc. to provide the following (ongoing) supportive services to the residents:

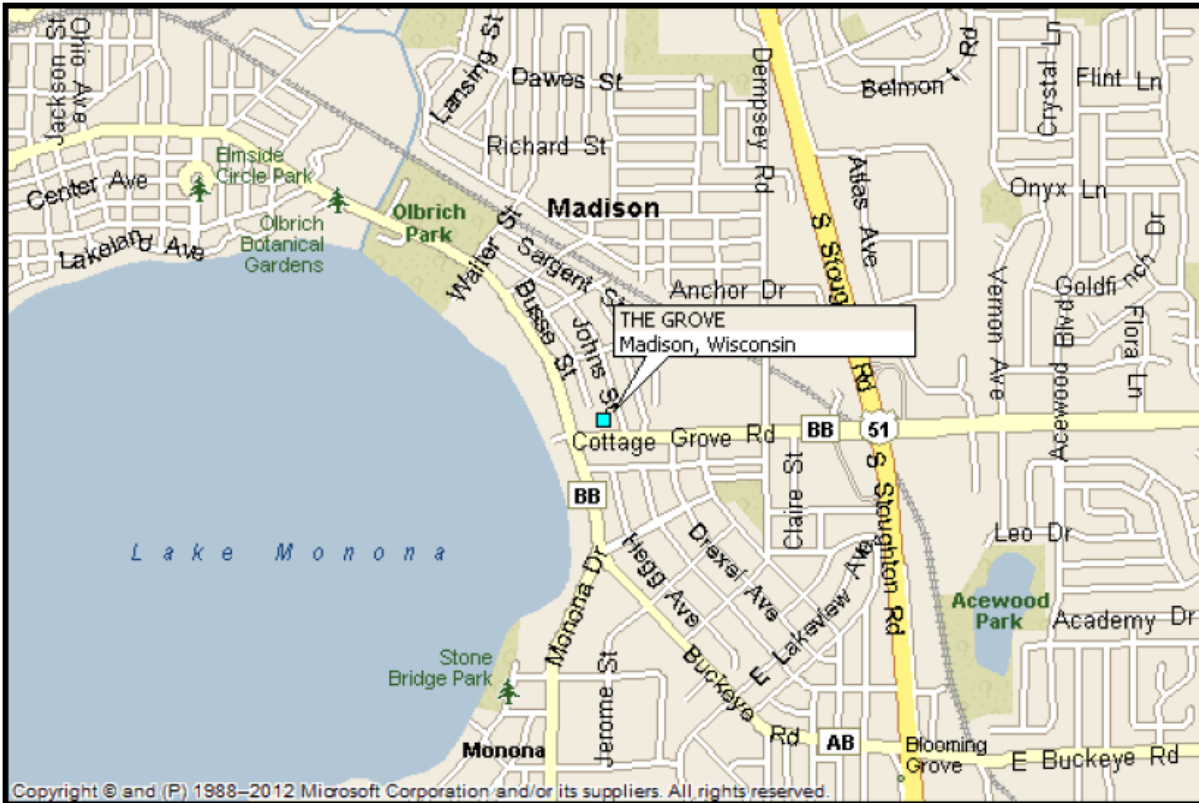
- Housing Assistance Programs
- Food Access and Resources Program
- Energy Assistance
- Jumpstart Transportation
- Adult Education
- Literacy
- Skills Enhancement

Veteran's Assistance Foundation will provide the following services:

- Staff support to ensure safety and supervision as needed
- Community involvement/relationships
- Organization, communication, coordinating transportation
- Medication assistance and medical advocacy
- Financial support (assist each tenant with personal checking account as needed)

### 4.3 Project Description

The proposed development is a 112-unit family project. The majority of the units (95) will target residents with incomes between 30% to 60% of the Dane County median income and an additional 17 units available to market rate households. The Grove will be located at 204 Cottage Grove Road on the eastside of Madison, Wisconsin. The Grove is to be built on an infill site located in a fully developed area of Madison with improved land parcels located immediately adjacent to and across the street from the subject site. The Grove is situated near the northwest corner of the intersections of Cottage Grove Road and Atwood Avenue in Madison, WI.



The subject site was chosen due to its close proximity to jobs, public transportation and a continued need for affordable housing in the area. Furthermore, the site was chosen because of its unique mix of being transit oriented yet with great connections to the stable Eastmorland neighborhood. The site is within 1/4 mile of bus routes 16, 31, 37, 38 and the Monona Express. The subject is located in a commercial district at the edge of a residential neighborhood. The site has a 56 walk score which is labeled as "Somewhat Walkable" and some errands can be accomplished on foot and an 87 bike score which is classified as "Very Bikeable" and has excellent bike lanes to get around the City of Madison. The site is also well located near parks and other amenities including the future Pinney Library to be located a few blocks east.

See table on next page for additional nearby linkages to this site highlighting the locational attributes of this site.



Linkages			
Linkage Type	Nearest (in miles)	Name	# Within two miles
Community Center	0.5	Lussier Family East YMCA	1
Medical Clinic	1.4	Wildwood Family Clinic	3
Hospital	1.0	Dean Clinic	1
Shopping Center	0.3	Lake Edge Shopping Center	4
Pharmacy	0.0	Walgreens Pharmacy	9
Grocery Store	1.0	Woodman's	3
Convenience Store	0.0	Walgreens	10+
Public Library	0.0	Pinney Library	2
Public Park	0.3	Lake Edge Park	10+
Place of Worship	0.2	St. Luke's Episcopal Church	10+
Public Elementary School	0.5	Frank Allis Elementary	8
Public Middle School	0.6	Whitehorse Middle School	3
Public High School	0.9	Monona Grove High School	3
Licensed Child Day Care	0.8	Play Haven Child Care	9
Post Office	1.1	US Post Office	1
Banking Institution	1.0	Associated Bank	10+
Bus Stops	0.0	Cottage Grove & Atwood	10+

Sources: Yahoo! Local, Google Maps, Walkscore

**Walkscore: 56 (Somewhat Walkable)**

The following is a physical description of the proposed development.

Improvement Summary		
General Description	Building Construction	Parking
Two apartment buildings Completion 2020	Four-story buildings Wood-frame construction Cement board & masonry exterior Flat, membrane roof	148 parking spaces 88 underground garage spaces \$30/garage space 60 dedicated exterior spaces
112 total apartments 54 one-bedroom apartments 42 two-bedroom apartments 16 three-bedroom apartments	Underground garage Secured common entries 16 3BR units with private entries Elevators	1.32 spaces per unit, average for family apartments with similar unit mix
Approx. 5,000 SF commercial		
Common Amenities		
Indoor		Outdoor
Community room w/kitchen On-site leasing office Free internet service	Tenant storage Bike storage	Playground

Information about unit finishes, amenities, and utilities is as follows:

Unit Finishes		
Unit Finishes	Kitchen Finishes	Bathroom Finishes
Vinyl plank flooring in living rooms, dining rooms, and kitchens Ceiling fans Mini-blinds	Wood cabinets Vinyl plank flooring Stainless steel appliances Granite counter tops	Vinyl flooring Wood vanity Granite countertops Medicine cabinet Fiberglass tub/shower surround Exhaust fan
Unit Amenities		
Unit Amenities	Kitchen Amenities	
Central air conditioning Patio/balcony In-unit washer/dryer	Oven/range Refrigerator Range hood	Garbage disposal Dishwasher Microwave oven
Utilities		
Tenant-paid	Owner-paid	
Unit electric	Heat, air conditioning, domestic hot water, and water and sewer	

The 112 units will include 17 market rate and 95 income-restricted units. The apartments will target residents with incomes at or below 30% to 60% of the county median income with rents ranging from \$430 to \$1,037 dollars for the rent restricted units.

**The project will contain 8 – three bedroom 30% units and 8- three bedroom 50% units.**

**The project will have a minimum 30-year affordability period.**

Proposed Rent Schedule & Estimated Market Rents						
Unit Type	Square Feet	Count	Proposed Rent	Proposed Rent/SF	Estimated Market Rent	Estimated Market Rent/SF
1 BR/1 BA - 30% AMI	673	7	\$424	\$0.63	\$1,095	\$1.63
1 BR/1 BA - 30% AMI	685	8	\$424	\$0.62	\$1,100	\$1.61
1 BR/1 BA - 40% AMI	685	1	\$584	\$0.85	\$1,100	\$1.61
1 BR/1 BA - 50% AMI	685	28	\$744	\$1.09	\$1,100	\$1.61
1 BR/1 BA - 60% AMI	685	5	\$870	\$1.27	\$1,100	\$1.61
1 BR/1 BA - 60% AMI	710	1	\$870	\$1.23	\$1,110	\$1.56
1 BR/1 BA - 60% AMI	735	1	\$870	\$1.18	\$1,115	\$1.52
1 BR/1 BA - 60% AMI	772	1	\$880	\$1.14	\$1,130	\$1.46
1 BR/1 BA - Market	772	2	\$1,100	\$1.42	\$1,130	\$1.46
2 BR/1 BA - 50% AMI	960	1	\$891	\$0.93	\$1,415	\$1.47
2 BR/1 BA - 50% AMI	990	1	\$891	\$0.90	\$1,425	\$1.44
2 BR/1 BA - 50% AMI	1,007	6	\$891	\$0.88	\$1,430	\$1.42
2 BR/1 BA - 60% AMI	1,007	12	\$1,008	\$1.00	\$1,430	\$1.42
2 BR/1 BA - 60% AMI	1,022	2	\$1,033	\$1.01	\$1,435	\$1.40
2 BR/1 BA - 60% AMI	1,066	5	\$1,033	\$0.97	\$1,450	\$1.36
2 BR/1 BA - Market	1,066	7	\$1,300	\$1.22	\$1,450	\$1.36
2 BR/2 BA - Market	1,066	2	\$1,300	\$1.22	\$1,510	\$1.42
2 BR/2 BA - Market	1,114	2	\$1,325	\$1.19	\$1,525	\$1.37
2 BR/2 BA - Market	1,140	3	\$1,350	\$1.18	\$1,535	\$1.35
2 BR/2.5 BA +Den - Market	1,375	1	\$1,500	\$1.09	\$1,635	\$1.19
3 BR/2 BA* - 30% AMI	1,274	8	\$585	\$0.46	\$1,600	\$1.26
3 BR/2 BA* - 50% AMI	1,274	8	\$1,029	\$0.81	\$1,600	\$1.26

AMI - Area Median Income

**Total Units: 112**

\*All three-bedroom units have a private entry

The rent and utility allowance for each unit is as follows:

	<b># UNITS</b>	<b>Sq Ft</b>	<b>Rent</b>	<b>Utility Allowance</b>	<b>Total Rent</b>
1 BR/1 BA -30%	7	673	430	49	\$479
1 BR/1 BA -30%	8	685	430	49	\$479
1 BR/1 BA -40%	1	685	590	49	\$639
1 BR/1 BA -50%	28	685	750	49	\$799
1 BR/1 BA -60%	5	685	876	49	\$925
1 BR/1 BA -60%	1	710	876	49	\$925
1 BR/1 BA -60%	1	735	886	49	\$925
1 BR/1 BA -60%	1	772	886	49	\$935
1 BR/1 BA Market	2	772	1,100	0	\$1,100
2 BR/1 BA -50%	1	960	895	63	\$958
2 BR/1 BA -50%	1	990	895	63	\$958
2 BR/1 BA -50%	6	1007	895	63	\$958
2 BR/1 BA - 60%	12	1007	1,012	63	\$1,075
2 BR/1 BA - 60%	2	1022	1,037	63	\$1,100
2 BR/1 BA - 60%	5	1066	1,037	63	\$1,100
2 BR/1 BA- MKT	7	1066	1,300	0	\$1,300
2 BR/2 BA- MKT	2	1066	1,300	0	\$1,300
2 BR/2 BA- MKT	2	1114	1,325	0	\$1,325
2 BR/2 BA- MKT	3	1140	1,350	0	\$1,350
2 BR/2.5 BA + Den- MKT	1	1375	1,500	0	\$1,500
3 BR/2 BA – 30%	8	1274	587	77	\$664
3 BR/2 BA – 50%	8	1274	1,031	77	\$1,108
-----	-----				
Total Units	112				
Total LIHTC Units	95				
Total Market Units	12				

The proposed development costs and funding sources are as follows: (The Dane County Affordable Housing Development funds would be used to fund hard construction costs for the development).

1. USES	TOTAL	2. SOURCES	
=====	COST	=====	
LAND/SITE UTILITIES	2,000,000	FIRST MORTGAGE	6,085,000
SITE WORK	80,000	SECOND MORTGAGE	0
CONSTRUCTION @	16,667,441	DANE COUNTY FUNDS	591,346
CONTINGENCY	500,000	CITY OF MADISON 50% AHF	1,500,000
ARCHITECT/ENGINEER	323,848	CITY OF MADISON 50% AHF	1,500,000
INTERIM/CONSTRUCTION	537,000	DEFERRED DEVELOPER FEE	990,757
PERMANENT FINANCING	166,700	TAX CREDIT PROCEEDS	11,650,502
SOFT COSTS	315,137	FHLB	750,000
SYNDICATION COSTS	9,500		
DEVELOPMENT FEE & OH	2,067,979		
RESERVES/LEASE-UP	400,000		
<b>TOTAL USES</b>	<b>23,067,605</b>	<b>TOTAL SOURCES</b>	<b>23,067,605</b>

The proposed development proforma will contain a small amount of commercial rental income, (a requirement of the City of Madison zoning requirements) and underground parking income.

	<b>STABILIZED</b>				
	2022	2023	2024	2025	2026
	----	----	----	----	----
GROSS RENTAL INCOME	\$1,207,717	\$1,231,871	\$1,256,509	\$1,281,639	\$1,307,272
OCCUPANCY	93%	93%	93%	93%	93%
-----	-----	-----	-----	-----	-----
NET RENTAL INCOME	\$1,123,177	\$1,145,640	\$1,168,553	\$1,191,924	\$1,215,763
RETAIL SPACE (\$5/SF NNN)	\$26,112	\$26,634	\$27,167	\$27,710	\$28,264
PARKING	\$35,814	\$36,531	\$37,261	\$38,006	\$38,766
-----	-----	-----	-----	-----	-----
EFFECTIVE GROSS INCOME	\$1,185,103	\$1,208,805	\$1,232,981	\$1,257,641	\$1,282,794
REAL ESTATE TAX	(\$147,084)	(\$151,497)	(\$156,041)	(\$160,723)	(\$165,544)
OPERATING EXPENSE @	(\$433,696)	(\$446,707)	(\$460,108)	(\$473,911)	(\$488,129)
ANNUAL REPLACEMENTS	(\$34,608)	(\$35,646)	(\$36,716)	(\$37,817)	(\$38,952)
<b>NET OPERATING INCOME</b>	<b>\$569,715</b>	<b>\$574,956</b>	<b>\$580,116</b>	<b>\$585,190</b>	<b>\$590,169</b>
<b>D C R - FIRST</b>	1.39	1.40	1.41	1.42	1.43
<b>D C R - FIRST &amp; SECOND</b>	1.18	1.19	1.20	1.21	1.22

Since 50% of the City of Madison Affordable Housing Funds (Source Table prior page) require a fully amortizing loan payment the debt coverage ratio on the First Mortgage Debt and the Second Mortgage Debt combined (City of Madison 50% AHF) is just above WHEDA program minimum parameters regarding debt service coverage ratio (1.175). The Dane County Funds allow The Grove to reduce its debt service load and stay within the debt coverage parameters established by WHEDA tax credit programmatic requirements. This reduced debt service load also allows for lender loan approvals to The Grove as the proforma indicates adequate cash flow to provide adequate debt coverage above needed risk tolerance levels typically above 1.15 to 1.20 for the majority of the lending community.

#### 4.4 Housing First

The Grove will further the county's goal of Housing First by the following:

- Using a less stringent 'B' screening criteria for residents who apply for our 30% affordable units.
- Providing permanent housing with reduced barriers to entry related to income guidelines and less stringent tenant screening practices. (The Grove will have 23 units at the 30% CMI rent and income level).
- Delivering a variety of supportive services via three separate supportive services agencies that have agreed to partner with our development.
- Standard housing lease without mandated therapy or services compliance. Lease term however must be at a minimum a 6 month term which is a requirement of the Section 42 LIHTC program rules.

Selection criteria will be adjusted to reduce barriers to entry and provide otherwise unqualified applicants with an opportunity to secure housing. Please review section 4.7 Tenant Screening Policies for further details on how The Grove is adjusting its policies to move toward a Housing First model.

Supportive services will be provided to all residents at The Grove at no cost and no obligation. Please review section 4.6 Supportive Services Plan for further details on what services are available and how the residents can access these supportive services.

The lease for the residents at The Grove will be our standard residential lease. Six month minimum lease terms may be available but programmatic Section 42 rules require minimum lease terms of six months. Our lease will not have any clauses that require residents to use the supportive services that are available or any additional provisions that are not part of a standard residential lease.

## 4.5 Targeted Population

Future residents that we anticipate receiving supportive services at The Grove are those individuals and families at the 30% county median income level. Targeted supportive services will be provided to Veterans, Homeless/Nearly Homeless that meet Federal Poverty Guidelines and Prison ReEntry individuals. The supportive services available to the residents of The Grove Apartments will be provided for by the following non-profit agencies: Community Action Coalition (CAC), Madison-Area Urban Ministry (MUM) and Porchlight.

Twenty Three (23) units at 30% CMI that will have 'supportive services' provided by outside agencies:

- 5-10 units for homeless/nearly homeless
- 1-3 units prison reentry housing
- 5-10 units for Veterans

MSP Real Estate, Inc. is working with the Community Action Coalition For South Central Wisconsin, Inc. (CAC), Madison-area Urban Ministry (MUM), and Porchlight to connect prospective residents to the supportive services they require. MSP Real Estate will be contracting with its property management arm, MSP Property Management, LLC (MSPPM) to manage the property and assist with marketing the supportive services outreach that is available. MSP Property Management, LLC will have a marketing plan in place where they will provide information to our 30% residents about the supportive services available from the agencies we have partnered with.

Additionally, The Grove apartments will provide a high quality housing option with strong amenity linkages to the surrounding community for residents at the 30% to 60% CMI income level as well as market rate residents.

As part of our application for Federal Home Loan Bank (FHLB) funds (Due June 15<sup>th</sup>, 2018) we will be committing to the option of providing additional 'SPECIAL NEEDS' reservation of housing for residents of special needs populations defined as individuals with

- Physical
- Mental
- Developmental Disabilities

If FHLB funds are awarded to The Grove then this commitment WILL BE a 'hard set-aside' requirement meaning that these 'SPECIAL NEEDS' units can only be filled with residents with these identified special needs and would remain open for occupancy should management be unable to fill the unit with residents identified with such needs. **This would require then that 19 units be used to fulfill this special needs set-aside requirement.**

The Grove and MSP Real Estate are committed to striking what we feel is an appropriate balance in terms of serving Dane County's homeless population while also providing safe and affordable housing to all Dane County residents that qualify for our units based on income limits. As discussed elsewhere in this application and evidenced by our various MOU's, we have partnered



with three agencies that are part of the Dane County Homeless Services Consortium (HSC): Community Action Coalition, Madison-area Urban Ministry and Porchlight. These agencies may refer residents to The Grove that may also be listed on the community by-name housing list. Additionally, with our efforts to secure project base vouchers from the Dane County Housing Authority for 8 of our 23 - 30% units this may provide further support and access to individuals/families that are listed on the community by-name housing list. So while The Grove is not currently directly participating in HSC, we have multiple partnerships in place that will ensure we are able to advance the County's goals via the HSC.

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

MSP Real Estate, Inc. is proposing a one hundred and twelve (112) unit family housing project in the City of Madison, WI. Of the 112 units being proposed, 95 of those units are reserved for residents at or below sixty (60) percent of the county median income. Twenty Three (23) units will be set aside for residents at the thirty (30) percent or less county median income level. Supportive services are specifically targeted to those 30% units.

MUM has agreed to provide monthly direct on-site case management visits as a condition of The Grove accepting their referrals. This will be provided at no additional cost. MUM's services already include a lengthy follow-up period, typically ranging from 6 months to a year and sometimes up to 2 years for prison reentry individuals. MUM also agreed to only refer individuals to The Grove that are active participants in their "Circles of Support" program.

CAC supportive services includes only coordination of existing services that CAC already provides in the community. CAC will be able to refer prospective residents to The Grove Apartments and offer case management services through its Supportive Services for Veterans Families (SSVF) program. Other services from CAC may include referrals to community partners for job training, or employment, and assistance for applying for VA programs and services.

Porchlight supportive services will be provided through its own existing services and outreach and will make referrals to The Grove for our 30% set-aside apartments. These referrals will be made based on Porchlight's assessment of the referrals needs and the current availability of housing at The Grove. The referrals we expect to receive from Porchlight will be both for our one and three bedroom 30% units for individuals/families.

Porchlight has case managers at the main office located at 306 N. Brooks St, Madison WI that will work with families as requested and needed to assist with transfers from a Porchlight unit to The Grove as those prospective applicants are available and will provide one follow-up call to ensure this transition is completed successfully.

#### **Supportive Service Availability**

Residents living in our 30% units will receive marketing information from our on-site property manager about the services our supportive service partners can provide to individuals and families that need these services. Additionally, our supportive services partners will refer prospective residents to The Grove Apartments through their own outreach in the community. Irrespective of this outreach residents will have a choice of who the service provider will be, regardless of the supportive housing management plan in place. See on pages 39 & 40 a more detailed description of the types of supportive services each of our partners can provide to prospective 30% residents of The Grove Apartments:

**Community Action Coalition** through its own existing contracts and services will make referrals to The Grove Apartments for our 30% set-aside apartments. These referrals will be made based on a CAC assessment of the referrals needs and the current availability of housing at The Grove Apartments. The referrals we expect to receive from CAC will be for the one bedroom and three bedroom 30% units for individuals/families qualified to receive supportive services under the Supportive Services for Veterans Families (SSVF). To provide these services MSP Real Estate has entered into a Memorandum of Understanding (MOU) with CAC to work together at The Grove Apartments in order to provide supportive services to residents. This relationship will further the mission of the CAC by providing housing and supportive services to those in need in Dane County.

Supportive Services for Veterans Families (SSVF) provides case management and temporary financial assistance to low-income veterans (single individuals and those with families) to assist homeless vets, or nearly-homeless individuals and families and/or to help them maintain stable (decent, safe) housing.

Case Management/Supportive services that can be provided to individuals/families receiving SSVF assistance can include the following:

Services include:

- Assistance locating and securing housing – referrals to prevent homelessness
- Housing Consultation
- Information and referral
- Landlord/tenant mediation
- Budget Consultation
- Family Support

Additional Services include:

- Financial Assistance. CAC helps participants acquire and improve the skills they need to increase their financial security. CAC provides assistance for individuals experiencing a short-term financial crisis and for those interested in improving their financial literacy and money-management skills.
- Housing Support. CAC has limited funds to help those who need financial assistance due to a housing crisis. Financial assistance is provided through a monthly drawing for Homelessness Prevention on the 2nd Wednesday of the month and one for Rapid Re-Housing on the 3rd Wednesday of the month. After talking to an Intake worker, individuals may be eligible for financial assistance. Households selected during the monthly drawings will be contacted immediately about selection. Households not selected will not be contacted but are welcome to inquire about selection and to enter into the next month's drawing if still eligible.
- Telephone Assistance. CAC has programs to assist with getting a new telephone installed or to help with past-due phone bills (landlines only). CAC also provides financial assistance and budget consultation to help households maintain or establish internet and phone service in a time of financial stress.

**See support letter and Memorandum of Understanding from CAC in Attachment F.**

**Madison-area Urban Ministry (MUM)** located at 2300 S. Park Street, Suite #2022, Madison, WI 53713 (in the Villager Mall – Atrium) offers an array of direct services programs for individuals and families impacted by the criminal justice system. MUM provides re-entry services and referrals to assist former prisoners with transition from incarceration to community. Through MUM's programs and advocacy they will make referrals to The Grove Apartments for our 30% one bedroom set-aside apartments. These referrals will be made based on MUM's assessment of the referrals needs and the current availability of housing at The Grove Apartments.

MUM offers referral assistance to members of the general public as well as to former prisoners. The majority of MUM's clients are formerly incarcerated people. MUM can refer clients to landlords and/or to sources that may be able to help secure housing. MUM holds monthly service fairs and provides caseworkers to link formerly incarcerated people to community resources. MUM matches returnees to 'Circles of Support' conducted by volunteers who meet weekly with the former prisoner to help with transition from prison to community.

### **Circles of Support**

Circles of Support match returning citizens with volunteers in the community who are there to listen, encourage and share what they know about local activities and resources, and to help the returnee stay accountable for, and focused on, their goals. Circles provide a safe place where the Core Team Member can be heard, encouraged, and respected while they discuss the challenges they may be experiencing as they transition back into the community. Each Circle is comprised of four or five trained volunteers (Circle Members) who meet regularly with a formerly incarcerated person (the Core Member). The volunteers are able to provide them with alternative solutions to problems and mentoring as they work through the challenges.

**See support letter from Madison area Urban Ministry in Attachment F.**

**Porchlight**, whose main office is located at 306 N. Brooks St, Madison WI has case managers that will work with families as requested and needed to assist with transfers from a Porchlight unit to The Grove Apartments.

Porchlight through its own existing services and outreach will make referrals to the Grove Apartments for our 30% set-aside apartments. These referrals will be made based on Porchlight's assessment of the referrals needs and the current availability of housing at The Grove Apartments. The referrals we expect to receive from Porchlight will be both for our one and three bedroom 30% units for individuals/families.

**See support letter from Porchlight in Attachment F.**

Finally, our non-profit (ownership) partner in The Grove will be the Dane County Housing Authority. Dane County Housing Authority has signed a Memorandum of Understanding (MOU) with MSP Real Estate to provide information to the residents of The Grove about the RFP NO. 118054

services available at the Dane County Housing Authority for the affordable residents it serves. Additionally, Dane County Housing Authority has committed 8 project based vouchers to The Grove to mainly assist with rental housing costs for those residents at the 30% CMI level. We fully anticipate that these 30% voucher assisted units will be rented immediately at The Grove. See Attachment F – Additional Info Supportive Services for a full list of the services that Dane County Housing Authority provides.

#### 4.7 Tenant Screening Policies:

MSPPM Property Management LLC has extensive knowledge in qualifying and making sure residents are eligible for tax credit or market rate units they are applying for. MSPPM has over 12 years of experience providing management services in the state of Wisconsin and the Midwest. MSPPM will find eligible tenants through various advertising and outreach efforts. For all of our market rate and tax credit units at or above 40% CMI MSPPM will be employing a criteria 'A' screening tool based on income, credit worthiness and criminal background checks.

For our 30% targeted 'supportive housing' units ONLY MSPPM will qualify those residents based on a less stringent set of criteria than what is used in our 'A' screening practices. This 'B' tenant screening tool will allow MSPPM to provide more housing choices for applicants in the 30% CMI level and will affirmatively market these units to the specifically targeted populations being proposed for these 30% units. The 'B' tenant screening policies allow for greater flexibility to mitigate housing barriers associated with challenged applicants.

Alternative 'B' Tenant Screening Tool for The Grove Apartments (Madison WI):

##### Income

##### **Test Monthly Income > 2 Times Rental Amount**

If No, other considerations:

- Co-signor
- Ability to provide proof of past ability to pay amount of rent
- Verification of ability to pay through case manager or program source acceptable to landlord

##### Prior Tenant History

##### **Test – Less than 3 eviction filings in the last 5 years**

##### **Test – Only 1 eviction judgement in the last 5 years accepted if has the following:**

- Co-signor
- Written payment plan with landlord owed money and proof that payment plan is being adhered too.

Behavioral Evictions – Denial if within the last 5 years. No Co-signor opportunity is available to applicants denied for this reason.

##### Landlord References

Test – Need 1 year of satisfactory landlord reference or 3 years of satisfactory reference in the last 5 years.

- If no history will need co-signor
- Multiple adult member households with only one member references acceptable application may be approved
- 5 day notices for rent can be disregarded with applicant if they have HUD-VASH Voucher
- 5 day for drugs/alcohol or other behavior acceptable with written verification of case management support

### Criminal Background Check

Test – Deny for violent felony convictions within the last 50 years but allow for appeals and consideration for extenuating circumstances


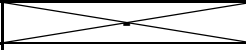
Test – Deny for non-violent felony convictions within the last 15-30 years but allow for appeals and consideration for extenuating circumstances

Test – Use in-house Yardi criteria for misdemeanor convictions that require a 5,7,15 or 30 year lookback. (See table next page)

Test – All registered Sex Offenders/Sex Crimes will be denied



**MSP 'B' SCREENING CRITERIA CRIMINAL OFFENSES**

CRIMINAL RECORDS				
Offenses	Felony (Years)	Misdemeanor (Years)	Patterns of Misdemeanors	Return Records
1) Alcohol Related	7	0		ALWAYS
2) Arson	50	15		
3) Assault &/or Battery	50	7		
4) Bad Checks	15	7		
5) Burglary	50	7		
6) Crimes Against Animals	15	7		
7) Crimes Against Children	50	7		
8) Crimes Against Gov't or Gov't Officials	30	0		
9) Crimes Involving Computers (Cybercrime)	15	0		
10) Destruction/Damage/Vandalism of Property	30	15		
11) Disturbance to Peace & Order	15	0		
12) Domestic Crimes	30	15		
13) Drug	15	7		
14) Drug - Sale, Manufacture, Distribution	30	15		
15) Embezzlement	30	0		
16) Fraud	30	0		
17) Gambling	15	0		
18) Harassment	30	7		
19) Homicide	50	15		
20) Kidnapping	50	15		
21) Organized Crime/Conspiracy	50	0		
22) OUI, OVI, DWI	15	0		
23) Petty Theft	15	7		
24) Purposefully Obstructs, Impairs or Perverts the Law	30	7		
25) Robbery	30	7		
26) Sex Crimes - Other	50	30		
27) Sex Crimes Against a Person	50	30		
28) Theft/Larceny	30	15		
29) Traffic Violations	15	-		
30) Trespassing	30	0		
31) Weapons	30	7		
32) Incarceration (Due to Conviction) Release Date	30	0		
33) Any Offense Not Listed	5	5		

#### 4.8 Funding Leverage

Increasing construction costs and future unknowns with tax credit pricing continued to drive demand for alternative low cost funding sources to lower overall debt load to a project to ensure its completion.

The Dane County Affordable Housing Funds will complete (fill the gap) the funding level required to ensure the development completes its construction budget with no shortfalls and stays within the minimum debt coverage ratio requirements of WHEDA. The Dane County Affordable Housing Funds will also enhance the project's ability to reduce the first mortgage debt and provide a greater number of deeper rent subsidized LIHTC units. The Grove apartments will be providing 23 – 30% CMI units and 1– 40% CMI unit.

Without access to sources of financing such as Dane County Affordable Housing Funds, City of Madison Affordable Funds, Federal Home Loan Bank Funds and Low Income Housing Tax Credits projects such as The Grove Apartments could not offer approximately 85% of its apartments at rent levels at 60% or below the county median income. We have designed the project to include the largest possible number of affordable units attainable with ALL of the proposed funding sources (including the 23-30% units).

Source	Amount	Percentage of Total Project Cost
Investor Equity	\$11,650,502	50.51%
First Mortgage	\$ 6,085,000	26.38%
City of Madison AHP Funds	\$ 3,000,000	13.01%
Deferred Development Fee	\$ 990,757	4.30%
FHLB – AHP Note	\$ 750,000	3.25%
Dane County Funds	\$ 591,346	2.56%
Total Sources	\$23,067,605	100%

The total development costs for The Grove Apartments is \$23,067,605.

Other funding leverage we have secured at this time is an award of \$3,000,000 AFR Note (13.01% of the development costs) from the City of Madison.

We have an approved award for Low Income Housing Tax Credits that would provide an estimated \$11,650,502 in tax credit equity or 50.51% of the development costs based on current modeling and feedback from our tax credit equity syndicators. This dollar amount of equity however is not confirmed at this time. It is subject to potential changes (positive or negative) in tax credit market pricing until the time of firm commitment not expected to occur until late 2018 or early 2019.

We are requesting \$591,346 in Dane County Affordable Housing Funds or \$3,840 for each of the 154 affordable bedrooms in this development to fully ensure the completion of this development from the unknowns that remain in construction costs, tax credit equity pricing, rising bank debt interest levels and our ability to secure an award of funding from FHLB. This level of affordable

funding support would equal approximately 2.56% of the total funding sources. This level of county support will ensure that 15 – one bedroom and 8 – three bedroom 30% CMI units along with 8 – three bedroom 50% units are constructed to further advance the affordable housing goals of Dane County.

<b>RFP COVER PAGE SIGNATURE AFFIDAVIT</b>	
<b>NAME OF FIRM:</b>	MSP Real Estate
<b>STREET ADDRESS:</b>	1295 Northland Drive Suite 270
<b>CITY, STATE, ZIP</b>	Mendota Heights, MN 55120
<b>CONTACT PERSON:</b>	Mark Hammond
<b>PHONE #:</b>	(612) 868-9997
<b>FAX #:</b>	
<b>EMAIL:</b>	mhammond@msphousing.com

In signing this proposal, we also certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a proposal; that this proposal has been independently arrived at without collusion with any other proposer, competitor or potential competitor; that this proposal has not been knowingly disclosed prior to the opening of proposals to any other proposer or competitor; that the above statement is accurate under penalty of perjury.

The undersigned, submitting this proposal hereby agrees with all the terms, conditions, and specifications required by the County in this Request for Proposal, and declares that the attached proposal and pricing are in conformity therewith.



**Signature**

**Mark Hammond**  
Name (type or print)

Director of Development  
**Title**

6/05/2018  
**Date**

**Addendums** -This firm hereby acknowledges receipt / review of the following addendum(s) (If any)

Addendum # \_\_\_\_\_ Addendum # \_\_\_\_\_ Addendum # \_\_\_\_\_ Addendum # \_\_\_\_\_

**VENDOR REGISTRATION CERTIFICATION**

Per Dane County Ordinance, Section 62.15, "Any person desiring to bid on any county contract must register with the purchasing manager and pay an annual registration fee of \$20."

Your completed Vendor Registration Form and Registration Fee must be received for your bid to be considered for an award. Your bid/response may not be evaluated for failure to comply with this provision.

Complete a registration form online by visiting our web site at [www.danepurchasing.com](http://www.danepurchasing.com). You will be prompted to create a username and a password and you will receive a confirmation message, then log back in and complete the registration. Once your registration is complete you will receive a second confirmation. Retain your user name and password for ease of re-registration in future years.

Payment may be made via credit card on-line or by check in the mail or in person at the Purchasing Division office. If paying by check make check payable to Dane County Treasurer and indicate your federal identification number (FIN) on the subject line.

**CERTIFICATION**

The undersigned, for and on behalf of the **PROPOSER, BIDDER OR APPLICANT** named herein, certifies as follows:

- This firm is a paid, registered vendor with Dane County in accordance with the bid terms and conditions.

Vendor Number **#26855**

Paid until 4/02/2019

Date Signed: 4/02/2018

**Mark Hammond**  
Officer

**MSP Real Estate Inc.**  
Business Name

<b>REFERENCE DATA SHEET</b>	
Provide company name, address, contact person, telephone number, and appropriate information on the product(s) and/or service(s) used for three (3) or more installations/services with requirements similar to those included in this solicitation document	
<b>NAME OF FIRM:</b>	City of Madison, Department of Planning and Community
<b>STREET ADDRESS:</b>	30 W Mifflin St, Suite 800
<b>CITY, STATE, ZIP</b>	Madison, WI 53701
<b>CONTACT PERSON:</b>	Jim O'Keefe <b>EMAIL: jokeefe@cityofmadison.com</b>
<b>PHONE #:</b>	608-266-7851 <b>FAX #: 608-261-9661</b>
<b>Product(s) and/or Service(s) Used:</b>	Affordable Housing Development Funds Public/Private Partnership
<b>NAME OF FIRM:</b>	City of Monona, Planning and Economic Development Department
<b>STREET ADDRESS:</b>	5211 Schluter Road
<b>CITY, STATE, ZIP</b>	Monona, WI 53716
<b>CONTACT PERSON:</b>	Sonja Reichertz <b>EMAIL: sreichertz@ci.monona.wi.us</b>
<b>PHONE #:</b>	608-222-2525 <b>FAX #:</b>
<b>Product(s) and/or Service(s) Used:</b>	Affordable Housing/Senior Housing Public/Private Partnership
<b>NAME OF FIRM:</b>	City of West Allis, Department of Development
<b>STREET ADDRESS:</b>	7525 W Greenfield Ave, Room 220
<b>CITY, STATE, ZIP</b>	West Allis, WI 53214
<b>CONTACT PERSON:</b>	John Stibal <b>EMAIL: jstibal@westalliswi.gov</b>
<b>PHONE #:</b>	414-302-8462 <b>FAX #: 608-829-4445</b>
<b>Product(s) and/or Service(s) Used:</b>	Affordable Housing/Senior Housing Public/Private Partnership

<b>Designation of Confidential and Proprietary Information</b>		
<p>The attached material submitted in response to this Response includes proprietary and confidential information which qualifies as a trade secret, as provided in Sect 19.36(5), Wisconsin State Statutes, or is otherwise material that can be kept confidential under the Wisconsin Open Records law. As such, we ask that certain pages, as indicated below, of this response be treated as confidential material and not be released without our written approval. Attach additional sheets if needed.</p>		
<b>Section</b>	<b>Page Number</b>	<b>Topic</b>
4.3 Project Description	31 - 34	Rent table, Sources and Uses Table, 5 year proforma
4.8 Funding Leverage	45	Funding leverage narrative, Table of Sources

This firm is not designating any information as proprietary and confidential which qualifies as trade secret.

**Prices always become public information when responses are opened, and therefore cannot be designated as confidential.**

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in Sect. 134(80)(1)(c) Wis. State Statutes, as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

**In the event the Designation of Confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the Designation of Confidentiality.**

Failure to include this form in the response may mean that all information provided as part of the response will be open to examination or copying. The County considers other markings of confidential in the response document to be insufficient. The undersigned agree to hold the County harmless for any damages arising out of the release of any material unless they are specifically identified above.



**Signature**

**Mark Hammond**  
**Name (type or print)**

**Director of Development**

**Title**

**6/05/2018**

**Date**



## Tenant Screening Worksheet

**Check the criteria below that you can agree to include in your formal tenant screening process.**

The property manager for the project will not deny an applicant based solely on:

- 1) A lack of housing history
- 2) A credit score of less than 550 provided the applicant has a cosigner or is enrolled in a credit repair program.
- 3) Information on a credit report that is or has been formally disputed, in repayment, or unrelated to a past housing or housing utility obligation.
- 4) The applicant owes money to a prior landlord for rent or damages or to a utility company provided the applicant has entered into a payment arrangement with the debtor and is current on the repayment arrangement.
- 5) The applicant has a criminal conviction other than for a violent criminal action or other activity that would threaten the health, safety or right to peaceful enjoyment of others.

**Additional Information for Supportive Services**

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the "MOU") is made this 1st day of December, 2017 (the "Effective Date"), by and between the Community Action Coalition For South Central Wisconsin, Inc.(CAC), and MSP Real Estate, Inc or its assigns. (Developer).

### WITNESSETH

**WHEREAS**, the Developer is the developer of a proposed One Hundred and Twelve (112) unit multifamily housing development named The Grove Apartments to be located at 204 Cottage Grove Road in the City of Madison, County of Dane, Wisconsin (the "Project").

**WHEREAS**, the Developer or its principal will have an interest in the owner of the Project (the "Project Owner").

**WHEREAS**, CAC is an independent, non-profit 501(c)3 organization which, through a grant provided by the U.S. Department of Veterans Affairs, provides supportive services to low income Veteran families and seniors in or transitioning to permanent housing. Through the Supportive Services Veterans Families (SSVF) Program, CAC provides eligible Veteran families and seniors with outreach, case management and assistance in obtaining VA and other benefits, which may include healthcare, daily living services, financial planning, transportation, legal services, childcare and housing consultation. CAC may also provide time-limited payments to third parties (e.g., landlords, utility companies, moving companies and licensed childcare providers) if these payments help Veterans' families stay in or acquire permanent housing on a sustainable basis.

**WHEREAS**, to be eligible for services under the SSVF Program, families and senior individuals must:

- 1) Have a member who served in the military on active duty and received an honorable discharge;
- 2) Be low-income (i.e., earning at/or less than 30% of the area median income); and
- 3) Be homeless or be at imminent risk of becoming homeless (per HUD definitions)

**WHEREAS**, the intent of this Memorandum is to confirm the mutual desire and commitment of CAC and Developer to initiate a collaborative relationship to ensure eligible veterans are aware of the availability of affordable housing units in the Project, refer Veterans to the Project and those units and to further the goal of the SSVF Program to promote housing stability among low income Veteran families and seniors.

**WHEREAS**, the Developer is seeking financial support for the Project from the Wisconsin Housing and Economic Development Authority through the Section 42 Low Income Housing Tax Credit Program (LIHTC).

**WHEREAS**, the Developer wishes to proactively establish an area referral network that includes CAC.

**NOW THEREFORE**, the Developer and CAC agree:

- 1) The Project intends to provide approximately 23 supportive housing units at rents affordable to those earning 30% or less of the area median income. More specifically the project will have 15 One and 8 Three bedroom units available at the 30% income level. The target population for these supportive housing units is families whose incomes qualify for 30% rent restricted units and qualify to receive supportive services under the Supportive Services for Veterans Families program (SSVF).
- 2) Should the Project be developed, the Project Owner and/or its property management agent will, during lease-up and whenever one of the supportive housing units is vacant, contact CAC as well as other area local partners asking for referrals of prospective residents who are low income and are veterans. This contact will be made by the Project Owner or the onsite property management agent staff via email or phone.
- 3) The Project Owner's property management agent will establish a waiting list of prospective residents based on referrals described above.
- 4) The Project Owner and its property management agent will endeavor to make existing and prospective residents aware of services and resources available to them from CAC by provision of a tenant resource area within the common area of the Project.
- 5) CAC acknowledges that neither the Developer nor the Project Owner will provide supportive services to residents of the Project. Instead, the Project Owner will refer residents to CAC and other area local partners who will then assist these residents in locating required services and funding appropriate to their individual needs. CAC will provide these residents local or State Veteran-specific services and resources.
- 6) Residents will not be required to receive any services in order to reside in the Project. Residents that desire to receive services will have their choice in service provider(s).
- 7) CAC will refer prospective veteran residents to the Project. If a resident of the Project chooses to receive services from CAC, CAC will provide case management services through its SSVF program. Services may include referrals to community partners for job training, or employment, and assistance for applying for VA programs and services.
- 8) CAC shall provide the Project Owner and its agents with brochures and other materials in order for Project Owner to make residents aware of services offered by CAC. CAC also will include the Project on a list of housing options for low income veterans seeking housing.

## **Administrative Provisions**

### **Duration**

This MOU is subject to the Project receiving an award of LIHTC, with operations expected to commence on March 1, 2019. If the Project does not receive an award of LIHTC by April 30th, 2018 this MOU shall automatically terminate and be of no further force and effect. The initial term of this MOU shall commence upon the Project's receipt of the LIHTC award and shall renew one year from commencement of leasing operations at the Project. This MOU shall be automatically extended for one-year terms throughout the Project's LIHTC compliance period. Either party may terminate this MOU with 30 days' notice at the end of the initial term or at the end of any one-year term thereafter. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable.

### **Relationship of Parties**

CAC is an independent, non-profit 501(c)3 and will not provide wages, taxes or fringe benefits such as health insurance, paid vacation or any other benefit to any MSP Real Estate Inc. or its assigns and MSP Property Management LLC employees.

### **Indemnification**

MSP Real Estate Inc. or its assigns agrees to indemnify and hold CAC and its directors, officers, agents, volunteers and employees against any and all claims, losses, expenses, fees (including reasonable attorney's fees) and judgments that may be asserted against CAC that result from or are in anyway related to the negligence or misconduct of MSP Real Estate Inc. or its assigns and MSP Property Management LLC, its directors, officers, agents, volunteers and employees.

CAC agrees to indemnify and hold harmless MSP Real Estate Inc. or its assigns and MSP Property Management LLC and its directors, officers, agents, volunteers and employees against any and all claims, losses, expenses, fees (including reasonable attorney's fees) and judgments that may be asserted against MSP Real Estate Inc. or its assigns and MSP Property Management LLC that result from or are in any way related to the negligence or misconduct of CAC, its directors, officers, agents, volunteers and employees. MSP Real Estate Inc. or its assigns will submit a Certificate of Insurance to CAC that indicates General Liability. In addition, MSP Real Estate Inc. or its assigns will provide an updated certification for the next year after January 1, 2018.

### **Amendments**

This MOU may be amended when such an amendment is agreed to in writing by all parties. The amendment will be effective on the date a copy is signed by all parties.

### **Confidentiality**

It is agreed that by virtue of entering into this MOU each party will have access to certain confidential information regarding the other party's operations related to this Project. MSP Real Estate Inc. or its assigns recognizes that CAC has and will have data, records and other proprietary information which are valuable, special and specific to the participants. MSP Real Estate Inc. or its assigns and CAC recognize that their staff will not at any time or in any manner, either directly or indirectly, use any information for its own benefit, or divulge, disclose, or communicate in any manner any information to any third party without the prior written consent

of the other party. MSP Real Estate Inc. or its assigns and CAC will protect said information and treat it as strictly confidential. Unauthorized disclosure of confidential information shall be considered a material breach of this MOU. Where appropriate, client releases will be secured before confidential client information is exchanged. Confidential client information will be handled with the utmost discretion and judgment. The confidentiality provision of this MOU shall remain in full force and effect after the termination of the MOU.

**Records:** MSP Real Estate Inc. or its assigns recognizes that any records, notes, data, that are in the CAC office are considered CAC property as they related to MSP Real Estate Inc. or its assigns business and will be maintained as such.

**Payment for approved services:** CAC will process the payments to third party vendors through its regular accounting procedures. No payments will be made directly to MSP Real Estate Inc. or its assigns or MSP Property Management LLC.

**Nondiscrimination**

There shall be no discrimination of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, age, handicap, ancestry, or national origin in the operation of the Project.

**Notices:** All notices required or permitted under this MOU shall be in writing and shall be deemed delivered in person, electronically (i.e. email and/or attachment) or deposited in the U.S. Mail, postage prepaid and addressed as follows:

For CAC: Community Action Coalition For South Central Wisconsin, Inc.  
1717 N. Stoughton Road  
Madison, WI 53704-2605

For Developer: MSP Real Estate, Inc. or its assigns  
1295 Northland Drive Suite 270  
Mendota Heights MN 55120

**Signatories:**

MSP Real Estate, Inc.

Community Action Coalition For South  
Central Wisconsin, Inc.

By: Milo Pinkerton

By: Jim Schroeder

Date: 11/02/2017

Date: 10/31/2017

Name: Milo Pinkerton

Name:

Title: President

Title: Executive Director

Office: 952-351-4542

Office: 608-246-4730 ext. 217

Email: [milo@msphousing.com](mailto:milo@msphousing.com)

Email: [jschroeder@cacscw.org](mailto:jschroeder@cacscw.org)

June 21, 2017

Mr. Mark Hammond  
Director of Development MSP Real Estate  
7901 W. National Ave.  
West Allis WI 53214

RE: 2018 WHEDA Tax-Credit Rental Housing Development – 204 Cottage Grove Rd

Dear Mr. Hammond,

Community Action Coalition for South Central Wisconsin (CAC) is a nonprofit organization that provides services to Dane, Jefferson, and Waukesha County. The mission is to develop economic and social capacities of individuals, families, and communities to reduce poverty in the counties mentioned. The services CAC provides in Dane County include financial assistance (housing support), homelessness prevention services, housing case management, food security programs, and a clothing center. Included in these services are supportive services to veteran individuals and families. The location of your proposed project located at 204 Cottage Grove Road does fall within our targeted service area for providing supportive services.

It is understood that 204 Cottage Grove Road will be an affordable rental development that will create approximately 17 – one bedroom and 9 – 3 three bedroom units for individuals/families who are at 30% of the Dane County median income.

As discussed with you and Jim Rodgers last week CAC will include 204 Cottage Grove Road on the weekly housing vacancy listing of housing options that are appropriate for the participants within the CAC service area. CAC will make referrals to 204 Cottage Grove Road as a housing option when appropriate. CAC operates a supportive services program specifically for veterans. If the veterans are accepted into housing at 204 Cottage Grove Road CAC will be able to extend its resources and support to these individuals/ families should MSP become a successful applicant to the 2018 Low Income Tax Program at WHEDA.

CAC strongly supports the proposed apartment community that MSP intends to build as a new affordable housing option that does not currently exist in the community.

If you have any questions feel free to call me at (608) 246-4730 x217.

Sincerely,



Jim Schroeder  
Executive Director  
Community Action Coalition for South Central Wisconsin

June 21, 2017



Mr. Mark Hammond  
Director of Development MSP Real Estate  
7901 W. National Ave.  
West Allis WI 53214

RE: 2018 WHEDA Tax-Credits Rental Housing Development – 204 Cottage Grove Rd

Dear Mr. Hammond,

Madison-area Urban Ministry (MUM) is a nonprofit interfaith social justice organization. MUM promotes interfaith cooperation and collaboration, convenes and links people of faith communities to engage in social action and advocates for low income people. Current MUM programs include several prisoner re-entry initiatives (Circles of Support, The Journey Home, Returning Prisoner Simulation and Voices Beyond Bars) which provides the basis for the 'support services' that MUM would provide to prison reentry individuals residing at 204 Cottage Grove Road.

My understanding is that 204 Cottage Grove Road will be an affordable rental development that will create approximately 17 – one bedroom and 9 – three bedroom units for individuals/families who are at 30% of the Dane county median income limit.

MUM will extend its resources and support to individuals/families that are anticipated to live at 204 Cottage Grove Rd should it become a successful applicant as part of 'prison reentry' outreach initiative of the City of Madison's 2018 Rental Housing Development RFP.

MUM strongly supports the proposed apartment community that MSP intends to build as a new affordable housing option that does not currently exist in the community that will provide necessary additional prison reentry housing options in the City of Madison.

If you have any questions feel free to call me at (608) 836-7338.

Sincerely

A handwritten signature in black ink, appearing to read "Linda Ketcham", with a stylized flourish at the end.

Linda Ketcham  
Executive Director  
Madison-area Urban Ministry





June 21, 2017

Mr. Mark Hammond  
Director of Development MSP Real Estate  
7901 W. National Ave.  
West Allis WI 53214

RE: 2018 WHEDA Tax-Credit Rental Housing Development – 204 Cottage Grove Rd

Dear Mr. Hammond,

**PORCHLIGHT, INC.**

306 N. BROOKS STREET  
MADISON, WI 53715  
608.257.2534  
FAX 608.257.2507

Porchlight is a nonprofit organization that strives to decrease homelessness by providing shelter, housing and other supportive services throughout the Dane County area. The services Porchlight provides in Dane County include emergency shelter, food, employment services, counseling and affordable transitional and permanent housing to homeless individuals in the Dane County area. The location of your proposed project, located at 204 Cottage Grove Road, does fall within our targeted service area for providing supportive services.

It is understood that 204 Cottage Grove Road will be an affordable rental development that will create approximately 17 – one bedroom and 9 – three bedroom units for individuals/families who are at 30% of the Dane county median income should MSP Real Estate become a successful applicant to the 2018 Low Income Housing Tax Program at WHEDA.

As discussed with you and Jim Rodgers last week Porchlight will make referrals to 204 Cottage Grove Road as a housing option when appropriate that will include at least one supportive services follow-up call. Porchlight operates supportive services for men and women with serious mental illness issues, veterans and adults in recovery from drug and alcohol addictions. Porchlight owns and manages its own affordable housing units and places the majority of residents who are in need of housing in a Porchlight owned and operated building. Porchlight will refer our longer term housing residents that no longer require Porchlight's more intensive case management services into this new housing option which in turn will free up Porchlight units for those in need of more intensive services offered by Porchlight.

Porchlight strongly supports the proposed apartment community that MSP intends to build as a new affordable housing option that does not currently exist in the community.

If you have any questions feel free to call me at (608) 257-2534.

Sincerely,  
*Karla Thennes*

Karla Thennes  
Executive Director  
Porchlight



## **The Grove Apartments & Dane County Housing Authority (DCHA)**

The Development will have 23 units set aside for households at or below 30% of the county median income (“Very-Low Income Units”). These Very-Low Income Units will receive supportive services as necessary provided by outside supportive service providers. Any resident of a property developed in partnership with DCHA is considered a client of the entire organization. As part of DCHA’S marketing program and service program, new residents receive a detailed explanation of and access to all of DCHA programs.

Programs currently offered by DCHA:

1. DCHA maintains and ‘Affordable Units Listings’ which is updated monthly and distributed to program participants. The Grove apartments will be part of this update.
2. DCHA will serve as a referral agency for emergency shelter and assistance.
3. DCHA will serve as a referral agency to organizations that provide eviction prevention funds.
4. DCHA administers the Section 8 Housing Choice Program. This program provides a housing subsidy that is paid directly to the Landlord by DCHA on behalf of the family. The family pays the difference between the contract rent charged by the landlord and amount subsidized by the housing authority.
  - a. DCHA will use it’s best efforts to supply 8 project based rental vouchers for 1 and 3 bedroom 30% units at The Grove apartments.