

Dane County Affordable Housing Development Fund  
RFP #118054



FAIR OAKS  
APARTMENTS

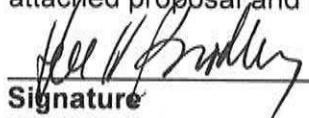
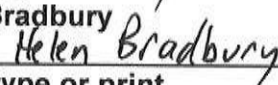


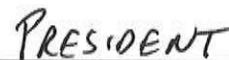
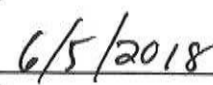
**RFP COVER PAGE  
SIGNATURE AFFIDAVIT**

<b>NAME OF FIRM:</b>	Stone House Development, Inc.
<b>STREET ADDRESS:</b>	1010 East Washington Ave., Suite 101
<b>CITY, STATE, ZIP</b>	Madison, WI, 53703
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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**  
Helen Bradbury  
  
\_\_\_\_\_  
**Name (type or print)**

  
\_\_\_\_\_  
**Title**  
  
\_\_\_\_\_  
**Date**

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

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



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The following is a response to the Dane County's Affordable Housing Development Fund Request for Proposal #118054. This proposal stipulates that it is predicated upon the terms and conditions of this RFP and any supplements or revisions thereof. The proposed project is called The Fair Oaks Apartments.

The Fair Oaks Apartments, located at 134 S. Fair Oaks Avenue in Madison, will be an 80 unit multi-family development with 68 affordable apartments, 16 of which will be geared toward individuals and families in need of supportive services. These supportive services will focus on assisting families that are homeless and/or those at risk of becoming homeless and military veterans.

The Fair Oaks Apartments will be developed, owned and managed by Stone House Development, Inc. and/or its affiliates. Stone House has developed and been the management agent of 22 affordable housing projects throughout the state of Wisconsin with eleven being in the Madison area. In addition, Stone House provides third party property management services to multi-family properties. The most comparable is the Revival Ridge Apartments, which is owned by the City of Madison Development Authority (CDA), and of which Stone House has been the management agent since 2009.

Stone House's knowledge of the Madison market is a direct result of their ownership and management of these similar properties. Two properties close to this site, City Row and Park Central, have maintained full occupancy for six and eight years respectively. The long waiting lists for these properties and high demand for affordable housing in the City of Madison is a testament to the strong demand for affordable housing in Madison.

Most recently, Stone House opened the Breese Apartments in January of 2018. The site is located less than 3 miles from the proposed location. The Breese Apartments unit mix is very similar to what is proposed for Fair Oaks as it also provides supportive services to homeless families and military veterans. The supportive services provided at The Breese are provided by The Road Home and the Dane County Veterans Service office. These agencies will also be

providing the necessary supportive services to the residents of Fair Oaks including on-site supportive services by The Road Home in a provided office within the development.

In addition, Stone House opened the Pinney Lane Apartments in early 2016. This site is located less than 2 miles from the proposed location. The lease up was extremely successful and the property has maintained 100% occupancy since opening and has a long waiting list. The Pinney Lane Apartments has also maintained a successful partnership with Movin' Out, who provides supportive services and is located within the development.

The Fair Oaks Apartments will be a four story, new construction building with underground parking. The exterior will be a combination of brick and siding. The building is an L shape with the outdoor gathering spaces for residents geared toward Starkweather Creek.



As the site plan illustrates the project offers 11 three-bedroom townhouses with private entrances (the doors are marked with a brown dot). The communal space is protected from streets and includes grille stations, a playground and resident garden plots. Entrance to the underground parking is off Gateway Place and low traffic side street.



The apartment interiors include all energy star appliances including washers and dryers in every unit. Flooring is vinyl plank and each apartment includes spacious cabinets and ample storage. Standard market rate apartment amenities such as window coverings and walk-in closets are included as well.



A large community room is an important feature in every Stone House project, including Fair Oaks Apartments. The space allows for informal gatherings of residents, scheduled events such as pot-lucks and the like. The community room is adjacent to the outdoor grilling and picnic area.



Two features standard in every Stone House project are an exercise room and a business center. Residents who cannot afford gym membership can enjoy free use of the space at a time that is convenient for them. The business centers include computers, printers and fax machines for use by all residents.





## Project Location and Area Amenities Map



## Access to Public Transportation

Madison Metro transit is available 7 days per week within .3 of a mile from the site with ample routes to childcare, grocery, shopping and the like.

**134 South Fair Oaks Avenue**  
Madison, Wisconsin, 53704  
Commute to **Downtown Madison**

🚗 14 min 🚌 28 min 🚲 26 min 🚶 60+ min [View Routes](#)

[Favorite](#) [Map](#) [Nearby Apartments](#)

[Looking for a home for sale in Madison?](#)

**Walk Score 61** **Somewhat Walkable**  
Some errands can be accomplished on foot.

**Transit Score 51** **Good Transit**  
Many nearby public transportation options.

**Biker's Paradise 94**  
Flat as a pancake, excellent bike lanes.

[About your score](#)  
[Add scores to your site](#)

A small map showing the location of 134 South Fair Oaks Avenue in Madison, Wisconsin. The map includes various icons for amenities such as schools, parks, and public transportation. The location is marked with a blue pin.

## 4.2 – Development and Service Team Background

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### Utilizing Section 42 Tax Credits

Twenty of the twenty-two Stone House developed properties utilize highly competitive Section 42 tax credits through the state allocating agency, WHEDA, while the other two properties provide a portion of affordability through WHEDA financing. Stone House is a leading developer of affordable tax credit properties in Madison. The Fair Oaks Apartments applied for and received an allocation of LIHTC (low income housing tax credits), one of the largest hurdles in affordable housing developments.

### Public / Private Joint Ventures

Stone House will be the managing member of the Fair Oaks Apartments ownership entity, as well as the property manager. As such, Stone House will provide construction and operating guarantees, as it has in all past projects. Maintaining long term relationships with investors, partners, lenders and WHEDA is a high priority at Stone House.

The Park Central Apartments, which is located 2 miles from the proposed project, was financed with tax exempt bonds in 2008. It is an excellent example of a public/private partnership in that Stone House partnered with Commonwealth Development to obtain CDBG financing.

The Pinney Lane Apartments, also located in Madison, successfully partnered with Movin Out in 2016. Movin Out is not only a partner in the development but is also the supportive service provider for the disabled residents.

### Developing Multi-Family Properties for Low-Income Households

Stone House Development, Inc. is a Madison based real estate developer and property management firm specializing in the infill development of affordable rental housing. Stone House is wholly owned by Helen Bradbury and Richard Arnesen and was founded in 1996. Since 1996 we have completed twenty-two affordable housing developments throughout the state of Wisconsin with the most recent LIHTC property being The Breese Apartments in Madison. Our vast history with low income housing tax credit properties shows our experience and capacity to successfully develop affordable housing properties.

## Development of Permanent Supportive Housing with Supportive Services

Stone House began developing properties with supportive housing services in 2016 with the Pinney Lane Apartments by providing supportive services through Movin Out for disabled residents and through the Madison based Veterans Service Office for military veterans.

Additionally, Stone House Development partnered with The Road Home as the supportive service provider for homeless families at the recently opened Breese Apartments as well as the Dane County Veterans Service Office for military veterans. These two most recent supportive housing partnerships will again be used at the Fair Oaks Apartments where The Road Home will be provided with an on-site office to allow them to provide their services on a daily basis.

## Property Management

Stone House Development has been providing property management services to affordable multi-family properties since its inception in 1996. In addition to providing full management services to properties we own and develop, we also provide property management to third party affordable housing owners. Successful management of LIHTC apartments is key in the long-term success of these properties. We provide full service management that includes accounting, tenant relations, marketing, maintenance, Section 42 compliance and facilities management. Stone House will be the long-term property management provider for the Fair Oaks Apartments.

Stone House's owners are Helen Bradbury, President, and Richard Arnesen, Vice President. Key management staff members include, Kasie Setterlund, Director of Operations, and David Michlig, in-house CPA and Controller. Kasie and Dave have each been with Stone House for over 18 and 20 years respectively.

## Development Project Portfolio

Project Name	# of Units	City	Type of Project	Year Opened
The Breese Apartments	65	Madison	WHEDA Financed, Mixed Income	2018
The Lyric Apartments	138	Madison	WHEDA Financed, Mixed Income	2017
Pinney Lane Apartments	70	Madison	Tax Credit, Mixed Income	2016
Arbor Crossing Apartments	80	Village of Shorewood Hills	WHEDA Financed, Mixed Income	2013
City Row Apartments	83	Madison	Tax Credit, 100% Affordable	2010
The Madison Mark Apartments	112	Madison	Tax Credit, Mixed Income	2005
The Overlook at Hilldale Apartments	96	Madison	Tax Credit, 100% Affordable	2011
The Overlook at Midtown Apartments	88	Madison	Tax Credit, 100% Affordable	2010
Park Central Apartments	76	Madison	Tax Credit, 100% Affordable	2008
Prairie Park Apartments	96	Madison	Tax Credit, Mixed Income	2003
Hanover Square Apartments	65	Madison	Tax Credit, Mixed Income	2002
Hubbard Street Apartments	51	Milwaukee	Tax Credit, Mixed Income	2005
Castings Place Apartments	55	Milwaukee	Tax Credit, Mixed Income	2007
East High Apartments	55	Wausau	Tax Credit, Mixed Income	2005
Wausau East Townhomes	24	Wausau	Tax Credit, Mixed Income	2008
Flats on the Fox	64	Green Bay	Tax Credit, Mixed Income	2008
Jefferson School Apartments	36	Jefferson	Tax Credit, Mixed Income	2001
Marshall Apartments	55	Janesville	Tax Credit, Mixed Income	1998
Mineral Point School Apartments	11	Mineral Point	Tax Credit, Mixed Income	1999
Shoe Factory Apartments	50	Beaver Dam	Tax Credit, Mixed Income	2000
New Glarus School Apartments		New Glarus	Tax Credit, Mixed Income	1997
Amity Apartments	36	West Bend	Tax Credit, Mixed Income	2002
<b>TOTAL</b>	<b>1341</b>			

## Development Experience

- **The Breese Apartments**

This 65 unit mixed income, multi-family development is located on the east side of the Capitol in Madison, Wisconsin adjacent to the Lyric Apartments. 16 of the units are targeted to those needing supportive services. This property provides office space for The Road Home who provides supportive services to nine families who live at the property. The Dane County Veterans office is the supportive services provider for our Veteran residents. This is the most recent project completed by Stone House Development and opened in December 2017.



- **The Lyric Apartments**

This 138 unit high rise mixed income, mixed use multi-family development is located on the east side of the Capitol in Madison, Wisconsin. This development also contains 70,000 square feet of commercial space spanned over 3 floors. This development opened in August 2017.



- **Pinney Lane Apartments, Madison, Wisconsin**

Pinney Lane Apartments opened in March 2016. This 70 unit mixed income multi-family development is located on the east side of Madison. This is a certified Green Built Home property and contains 4,000 square feet of commercial space currently being leased by Movin' Out. Movin' Out is also the supportive services provider for our disabled residents. The Dane County Veterans office is the supportive services provider for our Veteran residents.



- **Arbor Crossing Apartments, Shorewood Hills, Wisconsin**

Arbor Crossing Apts opened in August 2013. This 80 unit mixed income multi-family development is located in the Village of Shorewood Hills. The project is certified as a Green Built Home and is using many green building features such as water source in floor radiant heat and solar domestic hot water. This project also contains 10,000 square feet of commercial space and is fully leased. The total project cost was \$16,000,000.



- **The Overlook at Hilldale, Madison, Wisconsin**

The Overlook at Hilldale opened in September 2011 and was fully leased by October 2011. This 96 unit affordable, multi-family development is centrally located in Madison. The project is certified as a Green Built Home and is using many green building features such as water source in floor radiant heat, solar domestic hot water and unique recycled finishes such as carpet made from recycled bottles. The total project cost was \$18,000,000.



- **City Row Apartments, Madison, Wisconsin**

City Row Apartments opened in late summer of 2010 and is located on Madison's near east side and offers 83 units of affordable housing. The property was the first WHEDA project closed in the state of Wisconsin in 2009 utilizing TCAP funds. The project is certified as a Green Built Home and is the first Energy Star-qualified multifamily high-rise building in Wisconsin and only the 17th in the nation. This project opened on time and on budget with a cost of \$16,500,000.



- **The Overlook at Midtown, Madison, Wisconsin**

The Overlook at Midtown opened on time and on budget in late summer of 2010. This project is certified Green Built and contains 88 apartments. This is an affordable housing tax project on Madison's west side. The project cost was \$16,000,000.



- **Park Central Apartments, Madison, Wisconsin**

The Park Central Apartments is an urban infill development, and is proudly the first certified multi-family Green Built Home in the state of Wisconsin. This 100% affordable, new construction project consists of 76 apartments. Phase I of this project was completed in March 2008 and phase II was completed in June 2008. This project was completed on time and on budget with a final cost of \$11,420,000.



- **Wausau East Townhomes, Wausau, Wisconsin**

Wausau East Townhomes is an urban infill development featuring 24 townhouse style apartments. This new construction, mixed income project was completed on time and on budget in September 2008. The total project cost was \$4,480,000.





- **Flats on the Fox, Green Bay, Wisconsin**

The Flats on the Fox is an 8-story urban infill development located in downtown Green Bay. This new construction, mixed income project features 64 units and two commercial spaces. The Flats on the Fox was completed on time and on budget in September 2008. The total project cost was \$11,350,000.



- **Castings Place Apartments, Milwaukee, Wisconsin**

Castings Place Apartments is an urban infill development located in Milwaukee's 5<sup>th</sup> Ward. This new construction, 55 unit with a commercial suite project was completed on time and on budget in August, 2007. The total project cost was \$10,680,000.



- **Hubbard Street Lofts, Milwaukee, Wisconsin**

This 51 unit mixed income apartment project is an urban infill, new construction project in Milwaukee's Brewer's Hill neighborhood. Construction was completed on time and on budget in January, 2006. Total project cost was \$7,500,000.



- **The Madison Mark, Madison, Wisconsin**

The Madison Mark is a twelve-story, downtown, mixed-income rental property of 112 units and 12,000 square feet of commercial space. This project represents the first significant affordable housing property in downtown Madison. The financing for the project includes TIF from the City of Madison, Section 42 affordable housing credits, and two subordinate, gap-financing loans from WHEDA as well as conventional debt financing. The project opened on time and on budget in February 2005. The project cost was \$22,000,000.



## 4.3 – Project Description

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The proposed project is a new construction building containing 80 units, 68 of which will be reserved as affordable housing with a 30-year affordability period. The impact this will have on the neighborhood is a positive and necessary one as one of the top neighborhood goals per the Neighborhood Plan is to ensure the availability of quality, affordable housing.

The proposed site is located at 134 S. South Fair Oaks Avenue, Madison, Wisconsin. The nearest large cross street to the site is Atwood Avenue. We have chosen this site because it is in a well-established residential neighborhood with parks, schools, public transportation and shopping. The project is geographically located to maximize access to jobs, transit, schools and other key amenities. The Goodman Center, which provides an array of services to the community, is a short walk from the site. The site offers the benefits of proximity to jobs with residential amenities. These features are key in choosing locations for affordable housing. The building will also have office space for a service provider from the non-profit The Road Home, who will have a full-time position serving residents of The Fair Oaks Apartments.

The project will cost \$16,982,000 to construct. As the attached Sources and Uses of Funds shows it will be financed by a permanent mortgage from WHEDA in the amount of \$4,850,000; an additional WHEDA loan of \$500,000 repaid through cash flow; City of Madison TIF in the amount of \$322,000; City of Madison Affordable Housing Fund financing in the total amount of \$1,350,000; equity of \$8,960,000; and a deferred developer's fee of \$250,000. In spite of maximizing all other available sources of financing, the project has a funding gap of \$750,000. This shortfall is primarily due to rising construction costs and declining equity pricing. The County funding in the amount of \$750,000 would close that gap. The developer proposes that the County purchase the land in the amount of \$750,000 and lease it to the project for \$1 per year.

Construction for the project could begin as early as September 2018. All City of Madison zoning approvals have been secured. Both the TIF and the Affordable Housing Fund financings have

been secured. WHEDA is in the process of finalizing their loans and the developer has two equity options it is considering. The project would maintain its affordability for thirty years.

Unit Mix

**Affordable Housing Units**

Size	Affordability	Quantity
1	50% CMI	16
1	60% CMI	8
2	50% CMI	17
2	60% CMI	8
3	50% CMI	3

**Affordable & Supportive Housing Units**

Size	Affordability	Quantity	Type of Supportive Housing
1	30% CMI	8	Military Veteran
3	Project Based Vouchers*	8	Homeless Families

**Market Rate Units**

Size	Quantity
0	12

Total Affordable Units = 68

Total Market Rate Units = 12

Total Units = 80

*\*These are Section 42 Low Income units with attached Project Based Vouchers. This limits the tenant rent portion to 30% of their income, providing the utmost level of affordability.*

**FAIR OAKS APARTMENTS**  
**MADISON, WISCONSIN**

**Sources and Uses of Funds**

**SOURCES:**

WHEDA Perm Loan	4,850,000
WHEDA Sub Loan	500,000
TIF	322,000
City of Madison	1,350,000
Tax Credit Equity	8,960,000
Deferred Development Fee	250,000
<b>TOTAL SOURCES:</b>	<b>16,232,000</b>

**USES:**

Acquisition	750,000
Construction - Apartments	12,000,000
Construction - Commercial building rehab	600,000
Contingency	600,000
Contaminated Soil Remediation	150,000
Misc. Permits and Owner Items	50,000
Construction Interest	285,000
Construction Inspector	10,000
Loan Origination Fees	125,000
WHEDA Loan Documentation Fee	15,000
Accounting	15,000
Legal / Developer Attorney	50,000
Design	220,000
Engineering / Survey	50,000
Real Estate Taxes	25,000
Constr. Insurance	40,000
Title Policy	16,000
Market Study	7,000
Appraisal	5,000
Environmental Reports and Testing	50,000
Development Fee	1,492,000
Tax Credit Fees	100,000
Personal Prop / Pre-Opening Costs	62,000
Org Legal	5,000
Rent up Reserve	50,000
Operating Reserve	175,000
Syndication fee	35,000
<b>TOTAL USES:</b>	<b>16,982,000</b>

**Funding Gap** (750,000)

**FAIR OAKS APARTMENTS**  
**MADISON, WISCONSIN**

Income and Expense Proforma

<i>GROSS INCOME</i>	<i>STABILIZED YEAR</i>
RESIDENTIAL INCOME	854,580
COMMERCIAL INCOME	18,000
LESS VACANCIES	(59,821)
<b><i>NET INCOME</i></b>	<b>812,759</b>
LAUNDRY / MISC. INCOME	14,400
PARKING INCOME	43,200
LESS VACANCIES	(4,032)
<b><i>OPER. INCOME</i></b>	<b>759,191</b>
LESS OPER. EXP.	(441,316)
<b><i>NET OPER. INC.</i></b>	<b>317,875</b>
<b><i>DEBT SERVICE</i></b>	<b>(382,468)</b>
<i>DEBT COVERAGE (First Mtge Only)</i>	1.2960
<i>DEBT COVERAGE (all)</i>	1.1112
<b><i>CASH FLOW</i></b>	<b>42,543</b>

Stone House actively supports the County’s Housing First goals and will continue to do so at The Fair Oaks Apartments. By working directly with The Road Home, a 17-year-old Madison based nonprofit organization dedicated to providing opportunities for homeless children and their families, we will be housing homeless families into eight 3-bedroom apartments with voluntary supportive services. The demand for affordable 3-bedroom apartments in Dane County is at an all-time high. By working through the Housing First initiative and The Road Home we will ensure that homeless families that are the most vulnerable receive a housing priority.

These eight 3-bedroom apartments that are set aside for homeless families will have Project Based Section 8 vouchers through the Dane County Housing Authority. The Fair Oaks Apartments successfully received these vouchers through an RFP process. These project-based vouchers will allow families to receive vouchers without applying through the tenant-based voucher system, which typically has a very long waiting period. Tenants will pay 30% of their income as rent which keeps them as affordable as possible.

### Homeless Outreach and Services

The Road Home will be provided with an on-site office at the Fair Oaks Apartments for its exclusive use. This office will be staffed by The Road Home social workers for ongoing case management. The Road Home works in conjunction with numerous agencies such as the Salvation Army and the YWCA to place homeless families into affordable housing. These agencies work together to find suitable housing for families in need through the Dane County Homeless Services Consortium list.

Per the executive director of The Road Home, Kristin Rucinski, “our case management services are very holistic with the main goal of helping families maintain housing.” The case managers will work with directly with residents. These case managers are social workers well trained in best practices in assisting with all the areas of living that affect housing stability.

The Road Home has expressed its support for this project due to its ideal family-oriented location and their understanding of the quality of the project. The proximity to schools, playgrounds, jobs, public transportation, a grocery store and a stable, single family neighborhood are all factors that make this project attractive. The Road Home has seven years of experience operating a similar program called Housing and Hope, which is permanent supportive housing for 15 families at each of two locations with on-site case managers.

### Screening Policies

Stone House ensures our resident screening policy seeks to advance the housing needs of homeless families instead of creating a barrier. All too often these families face obstacles that prevent them from qualifying for housing. These obstacles include poor or lack of rental history and credit, low income to rent ratio and/or criminal background.

Stone House Development will implement the same tenant selection criteria plan that we did at The Breese Apartments which also has 3-bedroom apartments reserved for homeless families. This tenant selection plan allows the participation in supportive services in lieu of a cosigner. This means that in instances where an applicant would not qualify unless they have a cosigner, their participation in supportive services will make up for their lack of meeting the resident selection criteria, such as credit, evictions and poor rental history. This will help those that are vulnerable to housing obstacles secure housing as qualified cosigners may often be hard for them to obtain. In addition, there will not be an "automatic denial" for those applicants that owe a previous landlord money or have a past eviction on their record.



## 4.5 – Targeted Population

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Stone House fully supports utilizing the “by name list” of homeless persons prioritized for housing maintained by the Dane County Homeless Services Consortium. The Road Home, our supportive services provider for homeless families, uses this list for housing referrals and will continue to do so for the Fair Oaks Apartments. The Road Home will provide referrals to us for those at the top of the list that are the most vulnerable in terms of homelessness.

### Very Low-Income Families

The 68 affordable apartments at the Fair Oaks Apartments will serve low to moderate income individuals and families. Eight of these apartments, all three bedrooms, will be targeted to very low-income families experiencing homelessness. These eight apartments will also have project-based Section 8 vouchers. This will financially assist homeless families by allowing them to pay 30% of their income towards rent. This is an extremely valuable tool that ensures families are paying affordable rent in comparison to their income and provides a permanent housing to those the most vulnerable.

The homeless families served will be those that are chronically homeless, meaning they are either 1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, or 2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past 3 years. These conditions include mental illness and alcohol and drug addictions.

### Military Veterans

Eight one-bedroom apartments will be targeted to military veterans. Although homelessness is not a requirement as it is for the three bedrooms, more often than not many military veterans in need of affordable housing are homeless. These apartments will provide valuable financial assistance as they are reserved for those veterans that earn less than 30% of the Dane County Median Income. These Veterans will receive supportive services through the Dane County Veterans Service Office.

## 4.6 – Supportive Services Plan

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Stone House is committed to working with our supportive services providers, The Road Home and the Dane County Veterans Service Office, to ensure our resident screening practices and property management services fulfill the housing needs of this vulnerable population in need of quality, affordable housing. This includes 8 three-bedroom apartments for homeless families and 8 one-bedroom apartments for military veterans.

The funding of these supportive service providers is provided through the operations of the Fair Oaks Apartments. The Road Home will be paid an annual fee to help off-set expenses of the on-site social worker for the homeless families. In addition, an on-site office will be donated to The Road Home. This office is essential for our homeless families to have services available to them without typical barriers such as transportation to social service agencies.

In addition to supportive services, it is essential that the housing is affordable. The eight 3-bedroom apartments for homeless families will have project-based Section 8 vouchers for each apartment limiting the tenants portion of the rent to 30% of their income. The eight 1-bedroom apartments for military veterans will be at 30% of the Dane County Median Income through the Low-Income Housing Tax Credit program.

Attached is the Memorandum of Understanding between the Fair Oaks Apartments and each supportive service provider. These MOU's outline our agreement and the services each agency will provide to our residents. Please note participation in supportive housing services are voluntary and not required of our residents. In addition, residents may also seek supportive services through other agencies.

The success of our residents in obtaining and sustaining housing is of utmost importance to us. We are fully committed to their needs in achieving long term stable housing.



## Supportive Housing Checklist for Homeless Residents

Project Name: Fair Oaks Apartments

Developer / Management Agent: Stone House Development, Inc.

Target Population: Homeless and At Risk Homeless (8 Three Bdrm Apts with Project Based Vouchers)

- Characteristics of the specific target population (Homeless / Risk of Homelessness)

The target population will be families with children that are either homeless or at the risk of becoming homeless.

- How we are addressing the local housing priorities and needs

Households with incomes below the poverty level account for the vast majority of people entering homelessness in the City of Madison. The number of homeless children and youth in the school district has climbed more than 2-1/2 times since the 2004-2005 school year, from 485 to 1,263 in the 2012-2013 school year, according to district statistics.<sup>1</sup>

"We're learning more and more that the trauma created by having to go through homelessness stays with them the rest of their lives," Amy Noble, a social worker with the school district, told participants at Homelessness in Dane County, a summit hosted Tuesday by Leadership Greater Madison.<sup>1</sup>

The need for affordable housing targeted to homeless families is evident and there is a strong need. Our plan places a priority on helping families that are facing homelessness by creating 8 three bedroom apartment homes targeted for homeless and at risk homeless families and provides them with valuable, on-site, supportive services with The Road Home.

- Evidence of outreach activities and engagement with targeted long term support partner

The Fair Oaks Apartments has entered into a "Memorandum of Understanding" with The Road Home for outreach as they will be our long term support partner for our homeless / at risk homeless families. Please see this "MOU" for further details.

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<sup>1</sup> Pat Schneider, The Capitol Times, October 2013

- Screening and Affirmative Marketing

All supportive housing units will be marketed affirmatively. While most housing leads will come from The Road Home, other agencies specializing in assisting homeless families will also be contacted in the event of an unfilled vacancy. The local Section 8 office will also be made aware of any unfilled vacancies.

While the screening criteria will be the same for all of our applicants, we do have an exception policy that will ease the constraints of the screening criteria. Very often, due to income or past eviction issues, applicants will need to secure a qualified cosigner to be eligible for housing. Since a cosigner would likely be difficult to obtain for someone that is homeless, we allow one or more of the following to be used in lieu of a cosigner.

- 1) A signed case management plan with The Road Home or any other social service agency
- 2) Proof of a protective payee responsible for the tenants monthly bill paying
- 3) Proof of a Section 8 voucher

Additionally, Stone House Development does not base tenant application approval on credit scores.

- How supportive housing services will be made available to tenants and the role of the service provider

Please see the attached "Memorandum of Understanding" with The Road Home for details. It is also to be noted that residents will have their choice of service provider, regardless of the MOU we have with The Road Home. The on-site management office will provide residents with listings of other local service providers and can assist them in making contact with the agency of their choice.

- Waiting List Policy

The waiting list protocol will maintain a chronological list on a first-come first- served basis. It is the policy of Stone House Development, Inc. to maintain waiting lists for any interested parties. These leads may come from the supportive service provider, any other social service agencies / providers, or as a result of our affirmative marketing. These waiting lists consist of names, eligibility/preference details and contact information. Interested parties do not have to fill out an application or be screened to be on the waiting list.

In addition to typical eligibility content (such as income and student status), the supportive housing needs of the applicant will also be listed. Those needing supportive services will be placed on a "Supportive Housing" waiting list. All supportive housing prospects will be considered a preference for any supportive units that come available.

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between The Road Home (Supportive Services Provider) and Stone House Development, Inc. (Management Agent) and 134 Fair Oaks, LLC (Owner), represents the referral and outreach agreement to connect potential homeless family residents with local and necessary services and resources.

### TERMS & DETAILS

- 8 units of affordable housing three bedrooms at the Fair Oaks Apartments will be targeted to households with children that are homeless or at the risk of becoming homeless.
- The Road Home, Stone House Development, Inc. and 134 Fair Oaks, LLC commit to accommodating the delivery of supportive services for units that are rented to homeless families from the onset of pre-leasing through the duration of the Land Use Restriction Agreement (LURA).
- The Road Home understands that while it is the primary supportive services provider for homeless families at the Fair Oaks Apartments, tenants will have a choice of service provider regardless of this agreement.
- Fair Oaks Apartments will pay The Road Home \$10,500 per year in supportive service fees. This fee will cover supportive services and referral services for the homeless families at The Fair Oaks Apartments.

### SERVICES OFFERED

The Road Home will provide the following services to meet the needs of the homeless families that rely on supportive services.

- **Housing Referrals:** The Road Home will provide referrals during the initial phases of preleasing through the duration of the project. These referrals will be made directly to the management agent and will be for families that are homeless or at risk of becoming homeless. Additionally, the management agent will provide at least a 45 day notice to The Road Home when an availability occurs or will be occurring. If the apartment is not rented after 30 days of homeless family outreach marketing, the unit will be opened up to the general public. If rented to the general public, the unit will once again be targeted to homeless families when it next becomes available.
- **Supportive Services:** The Road Home provides supportive services and outreach to homeless / at risk homeless families in Dane County, including potential and future tenants of the Fair Oaks Apartments. The Road Home is committed to advocate for homeless families and provide them with quality services and programs.

These services include, but are not limited to:

- a. Identify the housing needs of homeless/at risk homeless and assist with emergency shelter services during the application for tenancy process for Fair Oaks Apts.
- b. Assist applicants with the housing application process at the Fair Oaks Apartments.
- c. Provide financial guidance (and assistance when possible) with the financial needs of the tenants/applicants for rent, security deposit, etc.

- d. Provide ongoing and onsite case management services for the needs of the families to assist with their success in obtaining and maintaining housing.
- e. Act as a support liaison between tenant(s) and Landlord if the need arises.
- f. Assist with access to community and educational resources.

IMPLEMENTATION

The Road Home is committed to developing long-term relationships with homeless families with children that can change lives. They work with families, not only to relieve the immediate crisis of homelessness, but also to build skills, resources and relationships that set the stage for long-term success.

Each family works closely with a professional case manager to secure housing, employment and other resources such as childcare, health/mental health care, and children's educational and recreational programs. These services will be provided on-site at the Fair Oaks Apartments and will also be available at The Road Home central office in Madison, WI.

Please note that referrals from other social service and supportive service agencies will be taken and marketing outreach will be done with numerous agencies specializing in the placement of homeless families with children. Residents will have their choice of supportive service providers.

AGREED:

*HOMELESS SERVICES PROVIDER:*

Kristin Rucinski, Executive Director  
Name, Title

 11/8/17  
Signature and Date

*OWNER & MANAGEMENT AGENT*

Helen H. Bradbury, President  
Name, Title

 11/17/2017  
Signature and Date



## Supportive Housing Checklist for Military Veterans

Project Name: Fair Oaks Apartments

Developer / Management Agent: Stone House Development, Inc.

Target Population: Veterans in Need of Supportive Services (8 one bedroom units / 30% CMI)

- Characteristics of the specific target population (Veterans)

The target population will be military veterans in need of supportive services.

- How we are addressing the local housing priorities and needs

The persistent shortage of affordable housing in Madison is a challenge to many, including veterans. Housing providers, like Fair Oaks Apartments, able to generate more housing for veteran will help ease that housing shortage.

Many veterans need a wide range of supportive services and benefit from having local service providers. These veterans may have a number of factors standing in their way of securing long term housing. These potentially include mental illness, a substance disorder, or chronic medical problem. The Dane County Veterans Service Office will not only provide apartment referrals, but will also assist with finding veteran tenants links to health care and employment providers, case management and social enrichment, all designed to improve stability and support economic self-sufficiency.

- Evidence of outreach activities and engagement with targeted long term support partner

The Fair Oaks Apartments has entered into a "Memorandum of Understanding" with The Dane County Veteran Service Office for outreach as they will be our long term support partner for our veteran tenants. Please see this "MOU" for further details.

- Screening and Affirmative Marketing

All supportive housing units will be marketed affirmatively within Dane County. While most housing leads will come from The Dane County Veterans Service Office, other agencies specializing in assisting veterans will also be contacted in the event of an unfilled vacancy. The local Section 8 office will also be made aware of any unfilled vacancies.

While the screening criteria will be the same for all of our applicants, we do have an exception policy that will ease the constraints of the screening criteria. Very often, due to income or past

eviction issues or lack of housing references due to active duty, applicants will need to secure a qualified cosigner to be eligible for housing. Since a cosigner can be difficult to obtain, we allow one or more of the following to be used in lieu of a cosigner.

- 1) A signed case management plan with any veteran specialized social service agency
- 2) Proof of a protective payee responsible for the tenants monthly bill paying
- 3) Proof of a Section 8 or VASH voucher

Additionally, Stone House Development does not base tenant application approval on credit scores and will not penalize the applicant's lack of housing history due to active duty.

- How supportive housing services will be made available to tenants and the role of the service provider

Please see the attached "Memorandum of Understanding" with the Dane County Veterans Service Office for details. It is also to be noted that residents will have their choice of service provider, regardless of the MOU we have with the Dane County Veterans office. The on-site management office will provide residents with listings of other local service providers and can assist them in making contact with the agency of their choice.

- Waiting List Policy

The waiting list protocol will maintain a chronological list on a first-come first-served basis. It is the policy of Stone House Development, Inc. to maintain waiting lists for any interested parties. These leads may come from the supportive service provider, any other social service agencies / providers, or as a result of our affirmative marketing. These waiting lists consist of names, eligibility/preference details and contact information. Interested parties do not have to fill out an application or be screened to be on the waiting list.

In addition to typical eligibility content (such as income and student status), the supportive housing needs of the applicant will also be listed. Those needing supportive services will be placed on a "Supportive Housing" waiting list. All supportive housing prospects will be considered a preference for any supportive units that come available.



## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between Dane County Veterans Service Office (Supportive Services Provider) and Stone House Development, Inc. (Management Agent) and 134 Fair Oaks, LLC (Owner), represents the referral and outreach agreement to connect potential Veteran residents with local Veteran specific services and resources.

### TERMS & DETAILS

- 8 units of affordable housing at the Fair Oaks Apartments will be targeted to households that include at least one household member that is an eligible military veteran that may rely on supportive services planned, offered and delivered by Dane County Veterans Service Office.
- The Dane County Veterans Service Office, Stone House Development, Inc. and 134 Fair Oaks, LLC commit to accommodating the delivery of supportive services for units that are rented to military veterans from the onset of pre-leasing through the duration of the Land Use Restriction Agreement (LURA).
- The Dane County Veterans Service Office understands that while it is the primary supportive services provider for veterans at the Fair Oaks Apartments, tenants will have a choice of service provider regardless of this agreement.

### SERVICES OFFERED

The Dane County Veterans Service Office will provide the following services to meet the needs of the veteran residents that rely on supportive services.

- **Housing Referrals:** The Dane County Veterans Service Office will provide referrals during the initial phases of preleasing through the duration of the project. These referrals will be made directly to the management agent. Additionally, the management agent will provide at least a 45 day notice to the Dane County Veterans Service Office when an availability occurs or will be occurring. If the apartment is not rented after 30 days of veteran outreach marketing, the unit will be opened up the general public. If rented to the general public, the unit will once again be targeted to veterans when it next becomes available.
- **Supportive Services:** The Dane County Veterans Service Office provides supportive services and outreach to veterans in Dane County, including potential veteran tenants of the Fair Oaks Apartments. The Dane County Veterans Service Office is committed to advocate for veterans, provide quality services and programs for them and their families.

These services will help veteran tenants maintain independence in their home and community, assist with housing and personal needs, locate health and housing assistance, evaluate eligibility on financial benefits and assist in coordinating caregiver rolls.

These services include, but are not limited to:

- a. VAP – Veterans Assistance Program for Homeless Veterans
- b. Liaison for veterans with other organizations, including but not limited to, other veteran specific organizations
- c. Assistance in obtaining military records and awards

- d. Health & Disability Benefits
- e. Financial Assistance
- f. Programs and benefits for recently discharged veterans
- g. Educational Benefits
- h. Disabled veteran services and claims
- i. Death benefits and arrangements
- j. Veterans treatment court

IMPLEMENTATION

Veteran tenants may receive self-directed, community-based supportive services from Dane County Veterans Service Office or from any provider of their choice. Existing and prospective residents will be offered a brochure and contact information to the Dane County Veterans Service Office.

Dane County Veterans Service Office offers prospects and tenants a central source of information, assistance and access to community resources for veterans, as well as their families. Personalized assistance is available over the telephone or by appointment.

The management agent, Stone House Development, will also ensure that all veteran tenants have the contact information for the Dane County Veterans Service office as well as other veteran specific supportive service providers.

ACCREDITATIONS & MEMBERSHIPS

The Dane County Veterans Service Office is accredited to represent claimants before the US Department of Veterans Affairs through the following organizations:

- |  |   |
|--|---|
| American Legion  | National Association of County Veterans Service Officers    |
| Disabled American Veterans                               | County Veterans Service Officers Association of Wisconsin   |
| Military Order of the Purple Heart                       | WI State Association of County Veterans Service Commissions |
| National Association of County Veterans Service Officers | Madison Veterans Council                                    |
| The Retired Enlisted Association                         |   |
| Veterans of Foreign Wars                                 |   |
| Vietnam Veterans of America                              |   |
| Wisconsin Department of Veterans Affairs                 |   |

AGREED:

VETERAN SUPPORTIVE SERVICES PROVIDER:

DANIEL A. CONNERY, VETERANS SERVICE  
Name, Title DIRECTOR

 11/15/2017  
Signature and Date

OWNER & MANAGEMENT AGENT

Helen H. Bradbury, President  
Name, Title

 11/16/2017  
Signature and Date

## 4.7 – Tenant Screening Policies

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The Fair Oaks Apartments will support Housing First initiatives and immediate housing needs by using broad tenant screening policies. These expanded tenant screening policies and procedures assisted many homeless families move in to Stone House’s Breese Apartments this year. These screening polices were created with input from The Road Home, the City of Madison CDA, the Dane County Housing Authority as well as representatives from the Salvation Army and YWCA. Based on the success of this project we will be implementing the same screening policies at the Fair Oaks Apartments.

Our expanded tenant screening policies meet the criteria listed in Attachment E of the RFP. We agree to the following:

**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:

X 1) A lack of housing history

X 2) A credit score of less than 550 provided the applicant has a cosigner or is enrolled in a credit repair program.

X 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.

X 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.

X 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.

Stone House will implement a tenant selection criteria plan that allows the participation in supportive services in lieu of a cosigner. This means that in instances where an applicant would not qualify unless they have a cosigner, their participation in supportive services will make up for the lack of meeting the resident selection criteria. This will help those that are vulnerable to housing obstacles secure housing, as qualified cosigners may often be hard to obtain.

At the Fair Oaks Apartments, we will continue to use this expanded tenant selection criteria, as well as provide applicants opportunities to provide input to us on their individual situation(s) and circumstances that may not easily be described on a standard rental application. The additional information often provides a more complete portrait of an applicant's history and reasoning behind "flaws" in their housing or credit history. As an example of the success of this tenant screening plan, only one household at The Breese Apartments was denied housing and it was based on a lengthy and current criminal and drug conviction record.

## 4.8 – Funding Leverage

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The funding gap for the project is projected to be \$750,000 with a total project cost of \$16,982,000, which equates to a 4% shortfall. When the project was initially underwritten the price equity participants would pay per LIHTC was at least 5% higher than it is in today's market. This factor, combined with construction cost increases resulting from natural disasters, has caused the gap. Recognizing the volatility in the equity market, WHEDA has made additional "soft financing" in the amount of a \$500,000 loan repayable out of cash flow available to the project. Stone House has sought and received the maximum amount of TIF and City of Madison funding that is available. Stone House has competitively bid the construction contract and, based on prior experience, believes that any additional cost reductions will adversely affect the quality of the project. In addition, Stone House has developed twenty prior affordable projects and has a strong relationship with equity investors. The project received an allocation of 9% credits in the 2018 round. The pricing offered by its equity partner for this project is as favorable as it can be.

The project will contain 68 affordable apartments with 76% of them offered to individuals and families with incomes at or below 50% of the Dane County median income, including 8 three bedrooms with Project Based Vouchers. The remaining affordable units will be at or below 60% of the Dane County median income. There will be 115 affordable housing bedrooms in the project. The County funding requested is approximately \$6,500 per bedroom to facilitate a thirty-year period of affordability. As the project is outside the County jurisdiction, Stone House is proposing that the \$750,000 in County funds be in the form of a land loan. The developer currently owns the site and proposes to sell it to the County for \$750,000 and lease it back for \$1 per year. The land was purchased by Stone House in February, 2017.

**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 # 25848

Paid until 9/4/2018

Date Signed: 6/5/2018

*Neil W. Priddy*  
Officer or Authorized Agent

Stone House Development  
Business Name

**REFERENCE DATA SHEET**

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>	Movin' Out		
<b>STREET ADDRESS:</b>	902 Royster Oaks Dr. Suite 105		
<b>CITY, STATE, ZIP</b>	Madison, WI 53714		
<b>CONTACT PERSON:</b>	David Porterfield	<b>EMAIL:</b>	dp@movin-out.org
<b>PHONE #:</b>	(608) 251-4446	<b>FAX #:</b>	608-261-9661
<b>Product(s) and/or Service(s) Used:</b>	Supportive Services for tenants at the Pinney Lane Apartments		
<b>NAME OF FIRM:</b>	Veteran Affairs		
<b>STREET ADDRESS:</b>	210 Martin Luther King Jr. Blvd.		
<b>CITY, STATE, ZIP</b>	Madison, WI 53703		
<b>CONTACT PERSON:</b>	Daniel Connery	<b>EMAIL:</b>	connery@countyofdane.com
<b>PHONE #:</b>	608-266-4158	<b>FAX #:</b>	608-266-4156
<b>Product(s) and/or Service(s) Used:</b>	Supportive Services for tenants at the Pinney Lane and Breese Apartments		
<b>NAME OF FIRM:</b>	The Road Home Dane County		
<b>STREET ADDRESS:</b>	128 E. Olin Avenue, Suite 202		
<b>CITY, STATE, ZIP</b>	Madison, WI 53713		
<b>CONTACT PERSON:</b>	Kristin Rucinski	<b>EMAIL:</b>	kristinr@trhome.org
<b>PHONE #:</b>	608-294-7998 x 302	<b>FAX #:</b>	
<b>Product(s) and/or Service(s) Used:</b>	Supportive Services for tenants at the Breese Apartments		

**Designation of Confidential and Proprietary Information**

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.

Section	Page Number	Topic
4.3	19	Project Description- Project Sources and Uses of Funds
4.3	20	Project Description- Income and Expense Pro Forma

Check mark :  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.

*Helen H. Bradbury*  
**Signature**  
Helen H. Bradbury  
**Name (type or print)**

PRESIDENT  
**Title**  
6/5/2018  
**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.