

June 4, 2026

City of Madison Community Development Division
Suite 300, 215 Martin Luther King, Jr. Blvd.
Madison, WI 53703-3348
Attn: John Vogt, Community Development Specialist

**RE: 2026 Affordable Rental Housing Development: Non-Tax Credit (ARHD-NTC)
RFP #15030-0-2026 | The Nautilus | 225-229 Nautilus Drive, Madison WI 53705**

Dear Mr. Vogt and Members of the Community Development Division,

Housing First LLC and Northernstar Companies LLC are pleased to submit this proposal in response to the City of Madison's 2026 Affordable Rental Housing Development: Non-Tax Credit RFP (RFP #15030-0-2026). We are requesting \$1,602,823 in City of Madison ARHD-NTC gap financing to support the acquisition and moderate rehabilitation of 225-229 Nautilus Drive, an 8-unit, two-bedroom multifamily property in the Faircrest neighborhood on Madison's west side, to be known as The Nautilus.

This proposal is not simply a request for affordable housing financing. It is a response to an active and time-sensitive displacement threat facing 8 lower-income households in an appreciating Madison neighborhood. The property is currently listed for sale. Without intervention under an affordability framework, a market-rate acquisition of this asset is the most likely outcome, one that would displace all current residents, eliminate 8 units of naturally occurring affordable housing, and return a property that has served lower-income households for decades to a market that has conclusively priced them out.

The cost of gentrification is not hypothetical here. It is immediate. Property values in the Faircrest area continue to appreciate, and market rents for comparable two-bedroom units in Madison average \$1,595 per month, a figure that already exceeds the 50% AMI rent ceiling and approaches the 60% AMI cap. The 8 households currently living at The Nautilus pay an average of \$1,282 per month. That gap between what they pay and what the market demands is not a buffer, it is the margin that a market-rate buyer would eliminate on day one.

Our proposal permanently closes that gap.

The Nautilus is proposed as a permanently affordable, fully rehabilitated, energy-efficient rental community serving households at 40–50% of Area Median Income, rents that are genuinely affordable relative to Madison's market, not simply compliant with AMI ceilings that the market has already exceeded. All 8 units will be permanently deed-restricted under a Land Use Restriction Agreement with no expiration date, directly advancing the City's Housing Forward goals of combating displacement and increasing housing choice in perpetuity.

We acknowledge that our subsidy ask is significant relative to unit count. We ask the City to consider it in full context. The ask is large because the asset is expensive, driven upward by the same appreciation pressure that makes preserving it so urgent. It is large because the rents are genuinely affordable, underwritten at levels that serve real housing need rather than engineered to minimize the gap. And it is large because the commitment is permanent, not a 40-year window, but an indefinite restriction that protects the City's investment and these households for as long as the building stands.

Rather than inflate rent assumptions or overstate the property's conventional debt capacity, Housing First LLC sized the first mortgage to exactly what this asset can responsibly underwrite at affordable rents, \$400,000 at current market terms, and requests City gap financing for the honest remainder. That remainder is the quantifiable cost of affordability in an appreciating market where gentrification is not a distant risk but an active force already reshaping what lower-income households can afford and where they can live. It is precisely what this program was designed to fund.

The rehabilitation scope is comprehensive and mission-aligned: individual air source heat pump systems replacing two shared gas furnaces, heat pump water heaters in each unit, a rooftop photovoltaic solar array, Energy Star windows, air sealing and insulation upgrades, full kitchen and bathroom renovations, roof replacement, and LED lighting throughout. These investments are not cosmetic, they are designed to reduce long-term operating cost exposure, stabilize utility costs for residents, and protect the project's financial sustainability without future subsidy escalation.

The development team brings complementary and directly relevant experience. Housing First LLC is led by an Associates in Commercial Real Estate (ACRE) program graduate and current Baker Tilly Open Access Fellow with active expertise in affordable housing finance and community development. Northernstar Companies LLC, co-developer, is also led by an ACRE graduate and owns and self-manages approximately 75 units of naturally occurring affordable housing in income-challenged Milwaukee communities, with deep experience serving BIPOC and lower-income households and established partnerships with community-serving organizations.

We are committed to this project, to these residents, and to the City of Madison's mission of creating and preserving affordable housing that endures. The risk of making this investment is manageable and bounded. The cost of gentrification to these 8 households, and to the next building, and the one after that, is not. We respectfully request your favorable consideration of this proposal.

Enclosed please find our complete application materials including the project narrative, NTC Budget Workbook, and all required attachments per Attachment F of the RFP.

Respectfully submitted,

Yasmin Rucker
Principal, Housing First LLC

On behalf of:
Housing First LLC
Northernstar Companies LLC

Application for 2026 Affordable Rental Housing Development: Non-Tax Credit Development (ARHD-NTC) RFP

This application form should be used for proposals to Affordable Rental Housing Development: Non-Tax Credit Development in the 2026 application cycle. See RFP for deadline and submission instructions.

Key Information:

Lead Applicant/Developer:	Housing First LLC		
Name of Development:	The Nautilus		
Site Address:	225-229 Nautilus Drive Madison, WI, 53705	Amount of Funds Requested:	\$1,602,823
Total Number of Units:	8	Number of Units 60% AMI or less:	8
Mailing Address:	2238 N 52 nd Street Milwaukee, WI, 53208		
Telephone:	414-839-1424		
Admin Contact:		Email Address:	
Lead Project Contact:	Yasmin Rucker	Email Address:	yasmindrucker@gmail.com
Financial Contact:		Email Address:	
Website:			
Legal Status of Maj. Owner:	☒ For-profit ☐ Non-profit ☐ Housing Cooperative		
Federal EIN:	42-2880407	SAM/UEI #:	*
* If seeking federal funds			

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file an Individual Developer Affirmative Action Plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <https://www.cityofmadison.com/civil-rights/contract-compliance/affirmative-action-plan/individual-developers>.

LOBBYING RESIGTRATION

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF, or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying by registering with the City Clerk's at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained on the Community Development Division Funding Opportunities Website for this RFP. If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

SIGNATURE OF APPLICANT

Enter Name: Yasmin Rucker

Date: 06/01/2026

By submitting this application, I affirm that the statements and representations are true to the best of my knowledge.

By entering your initials in this box **YR** you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Requirements Checklist

Please attest that the following statements are true and that the RFP requirements will be met:

Geographic Eligibility

- ☒ Project site meets the geographic eligibility requirements (see page 10 of RFP).
- ☒ Site control is secured or the site is owned or controlled by the City of Madison or Dane County.

Unit Mix & Affordability

- ☒ At a minimum, the Project agrees to a Period of Affordability that is at least 40 years secured by a Land Use Restriction Agreement (LURA).
- ☒ Project will create affordable housing defined as units at or below 60% AMI.
- ☒ Project site is located within the City of Madison.
- ☒ Proposal will create or rehab a minimum of four new net units (less any existing units demolished).

Property Management

- ☒ The Project will be continuously supported by property management sufficient to carry out responsibilities associated with managing tenant relations, handling property maintenance and repairs, collecting rent, screening tenants, and ensuring legal compliance.
- ☒ Property management staff have undergone training, including fair housing training.
- ☒ Property manager, or designated responsible point person, will be registered as an emergency contact with Building Inspection and will respond in a timely and sufficient manner to inquiries, concerns or complaints from tenants, neighboring properties and City of Madison law enforcement, legal counsel, building inspection and civil rights officials
- ☒ The Applicant is not the sole or part owner of any property which is subject of an unresolved dispute, legal complaint or enforcement action involving agencies of city government.
- ☒ Rent increases will be limited to 2% annually for lease renewals.
- ☒ Non-renewal of leases will only be issued in response to serious lease violations or a repeated pattern of minor violations and will contain written notification to the tenant with an opportunity to appeal.
- ☒ Project will utilize a Tenant Selection Plan (TSP) and Affirmative Marketing Plan (AMP) that is consistent with the City of Madison TSP/AMP Standards for all units in the development throughout the period of affordability.

Sustainability & Resilience (new construction only)

- ☐ Project has enrolled in Focus on Energy's Income-Qualified Housing (IQH) Track (Energy Design Assistance) to obtain an analysis of the proposed project that will identify energy efficiency strategies and financial incentives.

Sustainability & Resilience (rehab proposals only)

- ☒ Project has obtained an Energy Audit to identify energy efficiency strategies, financial incentives, and rebates.

OR

As a non-traditional multifamily building (cooperative or SROs), the Project has consulted with the City of Madison Office of Sustainability to explore the most appropriate building evaluation and energy efficiency prioritization options.

- ☐ If present, the Project will replace all knob and tube wiring.
- ☐ If present, the Project will replace all wood, propane, or oil heating systems with high-efficiency gas or electric heating systems.
- ☒ Project will replace all non-LED lightbulbs with LED bulbs.

Design & Accessibility

- ☒ The Project will meet all applicable City of Madison minimum housing standards and building codes.
- ☐ (new construction only) The Project will ensure that all common spaces, offices, and areas accessible to tenants, including first floor units and elevator accessible units, are fully visitable.

- ☐ (new construction and serves families) The Project will include at least one on-site play space for children, either indoor or outdoor, unless deemed infeasible due to site constraints.

Development Team & Financing

- ☒ The Project proposes to use realistic and feasible sources of funding in its financial model.
- ☒ The Project capital budget and scope of work is based on sound cost projections.
- ☒ The Project's operating budget includes a complete list of reasonable expenses, including property management and adequate cash flow over the period of affordability.
- ☒ The Applicant's team members will play active roles in all aspects of the development process.

Preferences Summary

Mark a summary selection of the RFP preferences you are committing to as part of this application, above and beyond baseline RFP requirements. You will have the opportunity to further describe your commitments in subsequent application questions.

Geographic Preferences

- ☒ Proposal is located within Preferred TOD area.
- ☒ Proposal has excellent proximity to amenities such as employment, grocery stores, health facilities, schools, childcare facilities, and parks.

Unit Mix & Affordability

- ☒ Project is electing permanent affordability.

Property Management

- ☒ Property management has experience working in the Madison affordable housing market.
- ☒ Property management has experience engaging with community organizations that provide outreach and services to households facing barriers to housing and are at least likely to apply.

Sustainability & Resilience

- ☐ (new construction) Project will select energy efficiency options that will yield at least 20% projected Energy Use Intensity (EUI) savings over baseline energy code.
- ☒ Will use ENERGY STAR certified appliances, equipment, and materials.
- ☐ HVAC system and appliances will be fully electric.
- ☒ Proposal includes photovoltaic array
- ☒ Proposal optimizes building design to accommodate maximized future photovoltaic capacity (e.g. solar ready for photovoltaic expansion)
- ☒ Proposal includes additional energy efficiency, renewable energy, and/or decarbonization features that exceed minimum requirements, such as EV charger installation, etc.

Sustainability & Resilience – Rehab Only

- ☒ Project will insulate and air seal attic at R-49
- ☒ Project will achieve an air infiltration (ACH50) rate of 3.
- ☒ Project will insulate wall cavity at R-20.
- ☒ Project will install or replace fans with a minimum of 50 CFM in bathrooms and 300 CFM in kitchens.
- ☐ Project will install ducted air source heat pumps.
- ☒ Project will obtain a more in-depth energy assessment, such as an ASHRAE Level 2 Analysis.

Design & Accessibility

- ☒ Proposal incorporates universal design guidelines to the greatest extent possible.
- ☐ Proposal exceeds minimum code requirements of a percentage of units classified as Type A units, or Type B units convertible to Type A.
- ☐ (rehab only) The Project will make all common spaces, offices, and areas accessible to tenants, including first floor units and/or elevator accessible units, will be fully visitable.
- ☐ (rehab only & serves families) The Proposal will add on-site play space for children, either indoor or outdoor.

Development Team & Financing

- ☒ Proposal provides minimum 24% stake in all aspects of the development for emerging developers and/or ACRE graduates
- ☐ Proposal is from a non-profit entity, currently providing services or development within the Madison community

Overview

1. Describe the following aspects of the proposed development:

Type of Construction:

☐ New Construction

☒ Rehab

Type of Project:

☒ Family

☐ Senior

☐ Rental Cooperative

Are you proposing to acquire property?

☒ Yes

☐ No

Total number of units: 8

Total number of affordable units ($\leq 60\%$ AMI): 8

Percentage of units that are affordable ($\leq 60\%$ AMI): 8

Total amount of AHF requested per affordable unit: **\$200,353**

2. Period of Affordability Commitment:

☒ Permanent Affordability (electing waiver of shared appreciation in long-term deferred note)

☐ 40 years – Baseline requirement

3. Provide a brief overview of the intent of your proposal. Why are you proposing this specific development? What aspects of your proposal do you consider to be unique and creative components that advance goals of the City's guiding policy documents (pg. 6 of RFP)?

Housing First LLC proposes the acquisition and comprehensive rehabilitation of 225–229 Nautilus Drive, an existing 8-unit multifamily property in Madison, to be known as The Nautilus. The intent of this proposal is to preserve and permanently restrict a naturally occurring affordable housing property, located in a Transit Oriented Development area that is at risk of gentrification. The property is currently serving lower-income households at below-market rents, while substantially upgrading its physical condition, energy performance, and long-term sustainability.

The project will acquire the property at \$1,450,000 and complete a full rehabilitation with a total development cost of approximately \$2,108,235. Upon completion, all 8 units will be income- and rent-restricted in perpetuity under a Land Use Restriction Agreement (LURA), serving households at or below 60% of Area Median Income. The proposed rent structure is designed to reflect genuine affordability relative to Madison's rental market, with the majority of units priced at or below the 40–50% AMI rent ceiling, well below the current market average of \$1,595 per month for a two-bedroom unit in the area.

City gap financing is requested to bridge the difference between total development cost and available conventional debt, consistent with the ARHD-NTC Program's purpose.

The Nautilus is proposed because it represents one of the clearest opportunities in Madison to preserve naturally occurring affordable housing before it is lost to market-rate conversion or deterioration; a direct response to the displacement prevention and housing stability goals articulated in Housing Forward and the Consolidated Community and Neighborhood Development Plan 2025–2029.

The property is currently operating at rents averaging approximately \$1,282 per month, meaningfully below Madison's market average, and is home to lower-income households who would face significant displacement pressure if the property were sold to a market-rate buyer. By acquiring and permanently restricting the property now, this proposal locks in affordability before that displacement occurs.

The property's existing brick construction, 8-unit scale, and low-slope roof make it ideally suited for the comprehensive energy rehabilitation envisioned. The building has two shared furnaces serving all 8 units — a structural inefficiency that this project will eliminate by converting to individual, all-electric mini-split heat pump systems, giving each household direct control of their own heating and cooling costs. The low-slope roof is an optimal surface for the photovoltaic array proposed to cover all common area electrical loads.

The Nautilus advances multiple goals across the City's guiding policy documents in ways that are both distinctive and complementary:

1. Permanent Affordability as a Foundation

Rather than electing the 40-year minimum period of affordability, The Nautilus commits to permanent affordability under Option 2 of the ARHD-NTC financing terms. This directly advances The City's goal to increase housing choice and combat displacement by ensuring that these 8 units serve lower-income Madison households indefinitely.

2. Decarbonization of a Naturally Occurring Affordable Building

The 2024 City of Madison Sustainability Plan calls for deep decarbonization of the existing building stock. The Nautilus delivers this within the affordable housing sector, a population often left behind in energy transition efforts. Through implementation of individual mini-split heat pumps replacing shared fossil fuel furnaces, heat pump water heaters in each unit, a rooftop photovoltaic array, Energy Star windows, air sealing and insulation upgrades, and LED lighting throughout. The low-slope roof is being designed as solar-ready infrastructure for future PV expansion within a permanently affordable framework, directly advancing sustainability.

3. Individual Utility Metering as an Affordability Tool

The conversion from shared furnaces to individual per-unit HVAC systems is not merely a sustainability feature; it is an affordability mechanism. By enabling each household to control and pay for their own energy use, the project reduces the risk of utility cost pass-through to tenants and provides long-term housing cost stability that supports the displacement prevention goals of the City of Madison.

4. Preservation of Existing Affordable Households

Current tenants are lower-income households paying below-market rents. This proposal prioritizes their stability by rehabilitating in place, maintaining rents below market upon completion, and implementing a Tenant Selection Plan consistent with City of Madison standards; directly advancing the anti-displacement and housing stability objectives of the Consolidated Plan 2025–2029 and Dane Forward: A Five-Year Plan to Prevent and End Homelessness.

4. Describe how this development fills gaps or addresses barriers that are otherwise not being addressed:

1. Naturally occurring affordable housing is at risk of loss. The property currently operates at an average rent of \$1,282/month, below Madison's market average of \$1,595. Without acquisition and permanent restriction, this property is susceptible to market-rate conversion upon sale, eliminating 8 units of unsubsidized affordable housing with no replacement mechanism.
2. The ARHD-NTC program explicitly identifies this gap The RFP states one of its five program goals as: "Preserving existing naturally-occurring affordable housing in the City by supporting rehabilitation that ensures long-term income- and rent-restrictions." This property fits that goal precisely.
3. Non-tax-credit financing fills a structural gap in the affordable housing toolkit LIHTC projects require substantial syndication infrastructure and typically pencil at larger scales. This 8-unit acquisition/rehab is too small for LIHTC but too impactful to leave unaddressed. The ARHD-NTC program exists specifically for this gap.
4. Permanent affordability is rare The RFP treats permanent affordability as a preference, not a requirement. We are committing to permanent restriction addresses a gap the market and most subsidized programs do not fill.

5. Describe the potential financial risks associated with this development, and how you plan to proactively address those risks:

Risk 1: Below-Market Rents Create a Structural Income Gap By Design

The most significant financial risk in this proposal is also its most important feature: The Nautilus is deliberately underwritten at rents below what the market would bear and below what AMI band ceilings would permit. The proposed rent structure serves households at 40–50% AMI, producing gross annual income meaningfully below what a market-rate buyer would achieve at this property. This income gap is not a weakness in the proposal but it is the direct cost of permanent affordability, and it is precisely what the City of Madison ARHD-NTC subsidy is designed to bridge.

Without gap financing, this deal does not pencil at affordable rents. With it, the project achieves a stabilized DSCR above 1.23x, operates sustainably over a 30-year horizon, and delivers permanent affordability that no market-rate acquisition could or would provide. The City's deferred loan at zero percent interest with no current debt service is the instrument that makes the income gap manageable — and the permanent LURA is what ensures that investment is protected in perpetuity.

Risk 2: Permanent Affordability Means the Developer Absorbs Long-Term Income Constraints

Housing First LLC is electing permanent affordability which means no sunset, no refinancing event that erodes restrictions, no future conversion. This is a financial risk the developer is accepting on behalf of the community in perpetuity. The zero-percent deferred structure of the City loan, repayable only upon sale or transfer, directly aligns the City's investment with that commitment. The subsidy does not exit the deal until the affordability does and the affordability never does.

Location / Geographic Eligibility

6. Address of Proposed Site: **225-227 Nautilus Drive, Madison, WI, 53705**
7. In which areas on the Affordable Housing Targeted Area Map is the site located? Select all that apply.
- ☒ Preferred TOD Area
 - ☐ Eligible Core Transit Area
 - ☐ Preservation & Rehab Area
 - ☐ Limited Eligibility Area
8. Neighborhood the site is located in: Faircrest
9. Date Site Control Secured: 06/02/2026
10. Explain why this site was chosen. How does it align with the Program Goals and Objectives (pg. 6 of RFP), and how will it benefit residents living in this location?

225–229 Nautilus Drive was identified because it represents a rare convergence of factors that make it an ideal candidate for affordable housing preservation: an existing naturally occurring affordable property, currently serving lower-income households at below-market rents, in an established west side neighborhood with direct transit access and proximity to major employment, now available for acquisition before market forces eliminate its affordability permanently.

The property is a 1965-built, solidly constructed brick 8-unit building in the Faircrest neighborhood. Its physical condition, scale, and ownership transition create a time-sensitive preservation opportunity that aligns precisely with the ARHD-NTC program's purpose.

The RFP identifies five program investment approaches. This site directly addresses three of them:

"Preserving existing naturally-occurring affordable housing in the City by supporting rehabilitation that ensures long-term income- and rent-restrictions." This is the primary alignment. The property currently operates at an average rent of \$1,282/month, well below the Madison market average of \$1,595. Without intervention, a market-rate buyer would likely increase rents to market upon acquisition, displacing current tenants. This proposal permanently restricts all 8 units before that occurs.

"Increasing the supply of affordable rental housing that ensures long-term affordability and sustainability." By committing to permanent affordability under Option 2 of the ARHD-NTC financing terms, The Nautilus converts 8 units of at-risk naturally occurring affordable housing into permanently deed-restricted affordable housing which is a net gain in the stock of long-term affordable units in Madison.

"Improving housing stability and limiting the involuntary displacement of existing residents, so long as those areas are very well served by higher-frequency public transit routes." The property is located near the bus line serving Madison's west side, with proximity to major employers, consistent with the transit access language in this program goal.

Existing tenants benefit from security of tenure. The rehabilitation is designed to be phased to minimize displacement, and upon completion all units remain affordable under a permanent LURA with annual rent increases capped at 2% per the RFP requirements.

Post-rehabilitation, residents will benefit from individual HVAC systems giving each household direct control over their heating and cooling costs, eliminating the shared furnace arrangement currently in place. Installation of heat pump water heaters, Energy Star appliances, and low-flow plumbing fixtures provide a direct affordability benefit beyond rent.

Each unit includes one space in a detached garage and a storage locker, and the buildings feature basement laundry for tenant use. These amenities will be retained through rehabilitation.

11. If the site is in a Limited Eligibility Area, describe how the relevant concerns will be addressed:

N/A

- | Type of Amenity | Name of Facility | Distance from Site (in miles) |
|--|-----------------------------------|-------------------------------|
| Full Service Grocery Store | Woodmans Grocery Store | 1.18 miles |
| Public Elementary School | John Muir Elementary | 0.7 miles |
| Public Middle School | Hamilton Middle School | 1.5 miles |
| Public High School | Vel Phillips Memorial High School | 0.9 miles |
| Full Service Medical Clinic or Hospital | Alina Medical Center | 0.9 miles |
| Public Library | Madison Public Library | 1.7 miles |
| Public Park with playground equipment or athletic facilities, or hiking/biking trail | Garner Park | 0.6 miles |
| Job-Training Facility, Community College, or Continuing Education Programs | East-West Healing Arts Institute | 0.4 miles |
| Childcare | Koala T-Kare | 0.4 miles |

13. Current zoning of the site: SR-V1
Generalized Future Land Use designation of the site: _____

- ☐ Zoning Map Amendment ☐ Conditional Use Permit ☐ To be determined ☒ Not Applicable

- | |
|-----|
| N/A |
|-----|

- | |
|-----|
| N/A |
|-----|

- [illegible]

For units currently occupied and identified as potentially displaced above, describe the relocation requirements, plan, and assistance that will be implemented:

0

18. Describe the existing use of the site and identify if a Phase I Environmental Site Assessment has been completed. Identify any environmental remediation activities planned, completed, or underway, and/or any existing conditions of environmental significance:

Housing First LLC is committed to maintaining all current tenants who wish to remain at TheNautilus throughout and after rehabilitation. No permanent displacement is anticipated or intended.

Rehabilitation will be phased one building at a time. Tenants in the active construction building will be temporarily relocated to hotel accommodations at developer expense for the duration of work affecting their unit. All tenants have the right of first return to their unit upon completion at the same or lower rent.

Because no permanent displacement is planned, temporary hotel costs are the sole relocation expense anticipated and are budgeted accordingly in the development pro forma.

Unit Mix & Affordability

19. Provide the following information for your proposal. If this is a scattered site or phased proposal, list each address or phase in its own table by attaching additional pages.

ADDRESS #1:		225-229 Nautilus Drive					Projected Monthly Unit Rents, Including Utilities				
							Utilities included: ☐ Water/Sewer ☐ Electric ☐ Gas ☐ Free Internet In-Unit ☐ Washer/Dryer ☒ Other: _____				
		# of Bedrooms									
% of Area Median Income (AMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	UA Studio:	UA 1 BR:	UA 2 BR:	UA 3 BR:	UA 4 BR:
							\$	\$	\$	\$	\$
							\$ Rent Studios	\$ Rent 1 BRs	\$ Rent 2 BRs	\$ Rent 3 BRs	\$ Rent 4 BRs
≤30%		0	0		0	0					
40%	2	0	0	2	0	0			1205		
50%	6	0	0	6	0	0			1307		
60%	0	0	0	0	0	0					
Affordable Sub-total	8	0	0	8	0	0					
80%	0	0	0	0	0	0					
Market*	0	0	0	0	0	0					
Total Units	14	0	0	14	0	0	Notes/Utility Allowance Assumptions:				
							Utilities Allowance Used: ☐ CDA ☐ DCHA				

*40% = 31-40% AMI; 50% = 41-50% AMI; 60% = 51-60% AMI; 80% = 61-80% AMI; Market = >81% AMI.

Property Management

20. Describe how property management will be administered at the property. How it will be ensured that all federal, state and local laws, including but not limited to the Fair Housing Act, will be applied. If using a property management company, describe the entity's experience with the unique needs of the Madison affordable housing market.

Housing First LLC will serve as the owner-developer with direct oversight of all property management operations at The Nautilus Commons. Prior to closing, the development team will conduct a competitive selection process to identify and engage a qualified property management company with demonstrated experience in Madison's affordable housing market and familiarity with income-restricted rental compliance requirements.

The selected property management company will be responsible for day-to-day operations including tenant selection, rent collection, maintenance coordination, lease enforcement, and annual income certification of all households in accordance with the LURA restrictions.

Fair Housing and Legal Compliance

The following will be implemented and maintained throughout the life of the project:

- A written Tenant Selection Plan consistent with Fair Housing Act requirements, Wisconsin Open Housing Law, and City of Madison Equal Opportunities Ordinance, which provides protections beyond federal law including source of income as a protected class
- Marketing of all available units through channels that affirmatively reach protected classes including households with housing vouchers
- Annual Fair Housing training required for all property management staff
- Grievance and reasonable accommodation procedures in place for all tenants

- Annual income recertification and rent limit compliance monitoring submitted to the City of Madison as required under the LURA

Property Management Selection Criteria

The selected firm will be evaluated on demonstrated experience with:

- Income-restricted affordable housing compliance in Wisconsin
- Madison's local rental market and tenant population
- Working with households at 40–60% AMI including voucher holders
- City of Madison reporting requirements under the ARHD program

A property management agreement will be executed prior to construction completion and submitted to the City upon request.

21. Describe the affirmative marketing strategy to engage target populations. Have you engaged with community organizations that provide services to historically peripheralized households in development of this proposal?

Affirmative Marketing Strategy

The Nautilus will implement an affirmative marketing plan designed to reach households least likely to apply without targeted outreach, consistent with Fair Housing Act affirmative marketing requirements and the City of Madison's Equal Opportunities Ordinance.

Marketing will include:

- Listing on the City of Madison's affordable housing waitlist and 211 Wisconsin housing resource directory
- Outreach to Madison-area organizations serving historically peripheralized households including BIPOC communities, immigrants and refugees, individuals exiting homelessness, and households with housing vouchers
- Multilingual marketing materials distributed through community organizations, libraries, and community centers on Madison's west side
- Acceptance of Section 8 / Housing Choice Vouchers affirmed explicitly in all marketing materials
- Partnerships with Dane County Human Services and local resettlement organizations for referrals

Community Organization Engagement

At the time of this application, the property is fully occupied and no permanent displacement is planned. Formal partnerships with community organizations serving historically peripheralized households have not yet been established, as the immediate priority has been tenant stability and retention.

However, Housing First LLC is committed to actively engaging Madison-area community organizations prior to any unit turnover. Targeted outreach will be coordinated with organizations including but not limited to:

- Tenant Resource Center of Dane County
- Community Action Coalition of South Central Wisconsin
- Journey Mental Health Center
- Porchlight Inc.

A formal community partnership plan will be developed and executed within 90 days of loan closing.

Sustainability & Resilience

22. Briefly describe in what ways the project will incorporate sustainability, energy efficiency, decarbonization/electrification, and/or green building design:

The Nautilus is designed around a comprehensive energy efficiency and decarbonization strategy informed by a pre-construction energy audit being conducted in partnership with Focus on Energy, Wisconsin's statewide energy efficiency program.

Key sustainability components include:

- Individual heating systems per unit - removal of two shared gas furnaces serving all 8 units and replacement with individual unit-controlled systems, eliminating shared mechanical infrastructure and giving each household direct control over their energy consumption
- Photovoltaic solar array - rooftop solar installation on the low-slope roof to offset common area electrical loads including lighting, laundry, and exterior fixtures
- Heat pump water heaters - individual energy-efficient water heaters in each unit replacing existing systems

- Energy Star windows - full window replacement with double-pane Energy Star rated units
- Air sealing and insulation - attic, rim joist, and unit separation wall insulation upgrades
- LED lighting - full building interior and exterior conversion
- Low-flow plumbing fixtures - WaterSense rated toilets, showerheads, and faucet aerators in all 8 units
- Solar-ready electrical infrastructure - panel capacity and conduit sized for future PV expansion
- Focus on Energy partnership - energy audit completed prior to construction to maximize rebate capture and prioritize highest-impact efficiency measures

23. If applicable, describe below any renewable energy systems to be included in the development:

The Nautilus will incorporate a rooftop photovoltaic (PV) solar array installed on the existing low-slope roof surface of the property. The system will be sized to offset common area electrical loads including hallway lighting, exterior lighting, and basement laundry facilities shared by tenants.

The low-slope roof profile of both buildings is well-suited for solar panel installation and has been identified as a primary factor in site selection for this renewable energy component.

Additionally, the electrical infrastructure throughout the rehabilitation will be designed as solar-ready - with panel capacity and conduit sized to accommodate future expansion of the PV system to serve individual unit loads as technology costs decline and financing opportunities emerge.

24. Size of solar array commitment (in Kw), if applicable: **The photovoltaic array will be sized based on findings from the Focus on Energy energy audit currently scheduled, which will assess actual common area electrical loads and optimal roof capacity for the two-building complex. Final system sizing will be determined prior to construction commencement.**

25. Indicate sustainable design features and equipment included in the proposed development that will help to reduce fossil fuel consumption, achieve decarbonization, and improve air quality:

Sustainability Design Features & Equipment	YES	Comments
a. Air-source or ground source heat pumps	☒	
b. Full electrification of all appliances and HVAC systems	☐	
c. Electric or heat-pump water heaters	☒	
d. Electric stoves	☒	
e. Installed EV charging station(s)	☐	
f. Battery storage	☐	
g. Solar ready for future photovoltaic installation	☒	
h. Other:	☒	Air sealing and Insulation upgrades.
i. Other:	☒	Elimination of shared hvac preventing cross air circulation

26. Parking:

Total number of parking stalls:	8 detached
i. Underground/Wrapped/Podium stalls	
ii. Surface stalls	
Parking ratio	1:1
Monthly parking cost	0
Will parking cost vary by AMI level	☐ Yes ☒ No

Rehabilitation Proposals

The following questions are for rehabilitation proposals only. Please enter "N/A" if this is not a rehabilitation proposal.

26. For rehab proposals, which of the following have been completed to determine the scope of work for this property so that it will meet the RFP requirements upon completion (including minimum housing code, rehabilitation standards, lead

based paint & asbestos abatement, etc.)? Note: All outstanding Building Code violations on file with the City Building Inspection Unit must be incorporated into the preliminary scope of work attached and submitted with this application.

- ☒ Self-performed Minimum Housing Code Inspection
- ☐ General Contractor Cost Estimation
- ☒ Property Purchase Inspection
- ☐ Capital Needs Assessment

27. For rehab proposals, please describe the extent of the scope of work (e.g., minor, moderate, major/gut rehab). If proposal includes rehabilitation of occupied properties will be phased over more than a year, please describe the phasing plan.

The proposed rehabilitation of The Nautilus is classified as a moderate rehabilitation. The existing structure, unit layouts, and room configurations will remain intact. The scope is focused primarily on building systems replacement, energy efficiency upgrades, and cosmetic interior improvements — not structural reconfiguration.

Primary scope includes:

- Removal of two shared gas furnaces and installation of individual air source heat pump systems per unit
- Heat pump water heaters in each unit
- Rooftop photovoltaic solar array for common area loads
- Full roof replacement
- Energy Star window replacement throughout
- Air sealing and insulation upgrades
- Kitchen renovations — cabinets, countertops, and Energy Star appliances
- Bathroom renovations — vanity, tub/shower surround, and flooring
- Low-flow plumbing fixtures throughout
- LED lighting building-wide
- Low-VOC interior finishes throughout

Occupied Units & Phasing

Both buildings are currently occupied. Rehabilitation will be phased one building at a time. The tenants in the active construction building will be temporarily relocated to hotel accommodations at developer expense for the duration of work affecting their units. All tenants have right of first return upon completion.

Total rehabilitation is anticipated to be completed within twelve months of construction commencement. A formal phasing plan is not required.

28. For rehab proposals with potential existence of Lead Based Paint, was the property constructed before 1978? If so, will you assume Lead Based Paint or obtain a Lead Based Paint Risk Assessment?

As the property was constructed in 1965 and therefore predates 1978, the potential presence of lead based paint must be addressed. Housing First LLC will coordinate with a certified lead risk assessor to have a formal lead based paint risk assessment completed as part of pre-construction due diligence in compliance with HUD Lead Safe Housing Rule requirements and applicable federal, state, and local regulations.

29. For rehab proposals with potential existence of Asbestos, will rehab activities disturb any asbestos containing materials? If so, have you obtained an Asbestos Pre-Renovation Risk Assessment?

As the property was constructed in 1965, the potential presence of asbestos-containing materials is acknowledged. Housing First LLC will coordinate with a certified asbestos inspector to have a formal asbestos survey completed as part of pre-construction due diligence prior to any disturbance of existing building materials, in compliance with EPA and Wisconsin DNR requirements.

Design & Accessibility

30. If applicable, describe interior common area amenities that will be available to tenants and guests (e.g., community room(s), lounges, play spaces, exercise room, business center, etc.):

n/a

31. If applicable, describe exterior amenities that will be available to tenants and guests (e.g., community gardens, patio, green space, etc.):

The Nautilus will offer the following exterior amenities for tenants and guests:

- Detached garage parking — one dedicated garage stall per unit providing secure covered parking for all 8 households
- Green space - maintained lawn and landscaping providing outdoor space for tenant use
- Bicycle storage - secure exterior bike parking will be incorporated into the rehabilitation scope
- Exterior lighting - full LED exterior lighting upgrade improving safety and security throughout the property grounds

32. If applicable, to what extent will the project incorporate universal design guidelines and accessibility features? (E.g., % of units, common spaces, etc.)

The Nautilus will incorporate the following accessibility features across all 8 units and common areas as part of the moderate rehabilitation scope:

- Grab bars at toilet and tub/shower locations in all unit bathrooms
- Exterior handrails and railings at all building entry points
- Lever-style door hardware throughout all units and common areas
- Improved LED exterior lighting at all entry points enhancing safety and visibility for all residents

These improvements will be implemented building-wide without structural reconfiguration as part of the standard rehabilitation scope.

26. Describe the development team's approach to inclusion of art and/or other cultural infrastructure in this development:

As an acquisition and moderate rehabilitation of an existing occupied 8-unit building, large-scale art and cultural infrastructure installations are not within the scope of this development. However, Housing First LLC is committed to reflecting the character and identity of the Faircrest neighborhood and Madison's west side community in the rehabilitation design through:

- Selection of exterior color palette and landscaping that complements the established neighborhood aesthetic
- Community bulletin board in the common area providing space for tenant-driven cultural expression and community information sharing

As the development team builds relationships with Madison-area community organizations through the affirmative marketing and tenant engagement process, opportunities for culturally responsive programming and partnerships will be explored on an ongoing basis.

Development Team & Financing

27. Briefly describe your experience developing multifamily housing for low-income households. Include your experience obtaining and implementing any other federal, state, municipal, and private financing sources

Housing First LLC is pursuing its first development opportunity; however, my experience in multifamily affordable housing is grounded in my work with Northernstar Companies LLC, where I have supported active affordable housing development, preservation strategy, financing coordination, and project packaging.

Through Northernstar, I have been involved in pipeline developments such as Austin Commons, a planned 100-unit affordable housing development serving low-income households. That project includes a layered capital stack using tools such as Low-Income Housing Tax Credits, FHLBank Chicago Affordable Housing Program funds, permanent mortgage financing, local housing resources, TIF-related support, county/HOME-type resources, deferred developer fee, private lending, and other gap financing tools necessary to close financing gaps and make long-term affordability feasible.

My experience also includes working on strategies to preserve affordability within existing multifamily assets. This includes evaluating already-acquired properties for rehabilitation, identifying funding sources that can reduce debt pressure, and structuring preservation efforts so units remain safe, stable, and attainable for lower-income households.

Overall, while Housing First LLC is new as a development entity, it is being formed from hands-on exposure to affordable housing development, preservation finance, community-centered housing strategy, and the practical realities of assembling capital stacks for multifamily projects serving low-income households.

28. Identify all key roles in your project development team, including any co-developers, property management agent, architect, general contractor, legal counsel, and any other key consultants as applicable, if known.

Contact Person	Company/Organization	Role in Development	E-mail	Phone
Yasmin Rucker	Housing First LLC	Lead Developer	yasminrucker@gmail.com	414-839-1424
Brandon Methu	Northernstar Companies LLC	Co-Developer	Brandon@northernstarcompanies.com	414-708-7121
Joe Gallagher	Ramaker	Architect and Engineer	Jgallagher@ramaker.com	608-643-4100

29. For the following development team roles, please identify the number and/or percentage of women and persons of color employed by that company or organization as well as the total employees for each firm.

Company	Role in Development	BIPOC		Women		Total Employees
		#	%	#	%	#
Housing First LLC	Developer	1	100	1	100	1
Northernstar Companies LLC	Co-Developer	3	100	1	33	3
	Co-Developer					
	General Contractor					
	Property Manager					
	Architect*					

*if applicable

30. Describe the project's organizational ownership structure.

50/50

31. Does this proposal have a non-profit lead applicant or codeveloper?

☐ Yes

☒ No

If yes, describe the purpose and mission of the organization as it relates to this proposal:

32. Is this proposal led or co-led by an emerging developer and/or ACRE grad as a development partner, codeveloper, employee, or internship opportunity?

☒ Yes

☐ No

If yes, describe the role in the development, such as if they will have a controlling interest, Right of First Refusal, or General Partner Purchase Option. Describe briefly the compensation structure, including percentage of the developer fee allocated. Describe the involvement in long-term ownership:

Yes. This proposal is led by Associates in Commercial Real Estate (ACRE) program graduates. Housing First LLC, the lead development entity on this project, is owned and controlled by an ACRE graduate developer. Additionally, Northernstar Companies LLC, serving as co-developer on this project, is also led by an ACRE graduate, bringing a combined depth of affordable housing development knowledge and community development finance expertise to The Nautilus.

Role in Development

The principal of Housing First LLC serves as lead developer with controlling interest in all aspects of the development from acquisition through long-term ownership and operations. Northernstar Companies LLC participates as co-developer, contributing affordable housing development experience including projects currently in the pipeline leveraging Low-Income Housing Tax Credits and Federal Home Loan Bank of Chicago Affordable Housing Program funds. Both entities are responsible for financing assembly, scope of work oversight, contractor selection, property management oversight, and City of Madison compliance reporting.

Compensation Structure

100% of the developer fee is allocated to Housing First LLC and Northernstar Companies LLC, as the controlling development entities.

Long-Term Ownership

Housing First LLC and Northernstar Companies LLC will retain ownership of The Nautilus, consistent with the permanent affordability commitment made under this proposal. The long-term ownership and stewardship of the property is a core principle of this development and directly supports the City of Madison's goal of permanent affordable housing preservation.

33. Describe the development team's experience in engaging with Black, Indigenous, Latinx, and/or other historically peripheralized (historically least likely to apply) populations in informing development proposals:

Co-developer Northernstar Companies LLC brings direct and extensive experience engaging with and serving historically peripheralized populations, including Black, Indigenous, Latinx, and other BIPOC communities across Milwaukee, Wisconsin. Northernstar operates approximately 75 units of naturally occurring affordable housing in income-challenged areas of Milwaukee, self-managing all properties and maintaining direct relationships with tenants who are predominantly from historically peripheralized communities. Their hands-on self-management model ensures that tenant needs, cultural competency, and community accountability are prioritized at the property level without third-party intermediaries. Northernstar has established partnerships with multiple Milwaukee-area community serving organizations that connect critically underserved households to stable housing, support services, and resources. These partnerships inform their development approach and tenant engagement strategies in ways that are responsive to the specific needs of BIPOC and low-income communities.

This experience directly informs the development team's approach to affirmative marketing, tenant selection, and community engagement at The Nautilus; ensuring that households least likely to apply are actively and meaningfully reached throughout the life of the project.

34. Indicate acceptance of the standard loan terms for this proposal as described in Section 2 of the RFP.

☒ Yes, I confirm

35. Applicants requesting alternative loan terms and/or wishing to provide additional information regarding financing structure, detail below (including description and justification of the request):

36. For each development partner with any ownership interest in any project currently underway or completed, list the following information and provide a current status for the team member and/or any related entity, as applicable:

1. List any foreclosure, default, or bankruptcy within the past ten years.
2. List any litigation completed, pending, or underway in relation to any financing or construction project within the past five years.
3. List any Chronic Nuisance Abatement or Nuisance Case notifications issued by Madison Police Department and/or Building Inspection in the past five years
4. List any unresolved Building Inspection citations resulting in a Municipal Court Complaint in the past five years
5. List any litigation in the past five years with the City of Madison, including but not limited to Federal, State, or Municipal Court proceedings
6. List any litigation in the past five years in the State of Wisconsin, including but not limited to Federal, State, or Municipal Court proceedings

N/A

Timeline

37. List the estimated/target completion dates, or actual completion dates where applicable, associated with the following activities. Reference Attachment A of the RFP for deadlines by which these activities must be completed. *N/A if proposed project is rehab not requiring land use approval.

Activity/Benchmark	Estimated Date of Completion
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT)*	N/A
1 st Development Assistance Team Meeting*	N/A
1 st Neighborhood Meeting*	N/A
Submission of Land Use Application*	N/A
Plan Commission Consideration*	N/A
Urban Design Commission Consideration, if applicable*	N/A
Complete Debt Financing	03/31/2027
Acquisition/Real Estate Closing	03/31/2027
Rehab or New Construction Bid Publishing	01/01/2027
New Construction/Rehab Start	5/15/2027
Begin Lease-Up/Marketing	N/A

Activity/Benchmark	Estimated Date of Completion
New Construction/Rehab Completion/ Certificates(s) of Occupancy Obtained	12/31/2027
Complete Substantial Lease-Up	N/A
Request Final AHF Draw	03/31/2027

References

38. Please list at least three municipal/financing references who can speak to work on similar developments completed by your team:

Name	Relationship	Email Address	Phone
Susan Eick	Relationship Manager	susan.eick@medconline.com	414-269-1462
Ethan Tabakin	Development Advisory	ethan.tabakin@bakertilly.com	312-240-2207
Julie-Fay Krivitz	VP- Commercial Real Estate Lender	juliefaykrivitz2wsbonline.com	414-459-4568

APPLICANT & PROJECT NAME:**Housing First LLC / The Nautilus — 225-229 Nautilus Drive, Madison WI****2. CAPITAL BUDGET**

Enter ALL proposed project funding sources.

FUNDING SOURCES

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
	\$ 400,000	N	8.00%	5	25	\$37,047
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
FHLB-AHP Loan						
City Loan Request (AHF/HOME)	\$ 1,602,823	Y	0.00%	999	999	\$0
City-Loan HOME-ARP (Development Funds)						
City-Loan Request (TIF)						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Historic Tax Credit Equity						
Deferred Developer Fees						
Owner Investment	\$ 105,412					
Other-Specify:						
Total Sources	\$ 2,108,235					

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
Bridge Loan-Lender Name:			
Historic Tax Credit Equity:			
Total	\$ -		

Remarks Concerning Project Funding Sources:

APPLICANT:

Housing First LLC /The Nautilus

3. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs

Amount

Land	\$0
Existing Buildings/Improvements	\$1,450,000
Other (List)	
	\$0

Construction:

Construction/Rehab Costs	\$437,000
Construction Profit	\$0
Construction Overhead	\$0
General Requirements	\$0
Construction Supervision	\$0
FF&E/Personal Property	\$0
Demolition	\$0
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$21,850
Other (List)	
	\$0

<--- If applicable, please list the costs attributable to "above and beyond" green building/Net Zero construction components included in the Construction Costs line item:

Total Cost:

\$0

Architectural & Engineering

Architect - Design	\$0
Architect - Supervision	\$0
Engineering	\$0
Other (List)	
	\$0

Interim/Construction Costs

Builder's Risk/Property Insurance	\$0
Construction Loan Interest	\$0
Construction Loan Origination Fee	\$0
Real Estate Taxes	\$0
Park Impact Fees	\$0
Other Impact Fees	\$0
Other (List)	
	\$0

Financing Fees

Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$0
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0

Soft Costs

Appraisal	\$2,000
Market Study	\$3,000

Environmental Reports	\$0
Survey	\$0
Permits	\$0
Lease-Up Period Marketing	\$0
Accounting/Cost Certification	\$0
Title Insurance and Recording	\$1,500
Relocation	\$0
FF&E	\$0
Capital Needs Assessment (if rehab)	\$0
Legal	\$2,000
Other (List)	
	\$0
Fees:	
Bridge Loan Fees	\$0
Organizational Fees	\$0
Syndication Fees	\$0
Total Development Fee	\$190,885
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
	\$0
Reserves Funded from Capital:	
Lease-Up Reserve	\$0
Operating Reserve	\$0
Replacement Reserve	
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
Other: (List)	
	\$0
TOTAL COSTS:	\$2,108,235

APPLICANT:

Housing First LLC / Nautilus Commons

4. PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	123,060	125,521	128,032	130,592	133,204	135,868	138,586	141,357	144,184	147,068	150,009	153,010	156,070	159,191	162,375	165,623
Less Vacancy/Bad Debt	12,306	12,552	12,803	13,059	13,320	13,587	13,859	14,136	14,418	14,707	15,001	15,301	15,607	15,919	16,238	16,562
Income from Non-Residential Use*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	110,754	112,969	115,228	117,533	119,884	122,281	124,727	127,222	129,766	132,361	135,009	137,709	140,463	143,272	146,138	149,060
Expenses:																
Office Expenses and Phone		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	24,728	25,470	26,234	27,021	27,832	28,667	29,527	30,412	31,325	32,264	33,232	34,229	35,256	36,314	37,403	38,525
Advertising, Accounting, Legal Fees	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088	2,150	2,215	2,281	2,350	2,420	2,493
Payroll, Payroll Taxes and Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348
Mtc, Repairs and Mtc Contracts	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348
Utilities (gas/electric/fuel/water/sewer)	9,600	9,888	10,185	10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521	14,956
Property Mgmt	13,290	13,689	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861	18,397	18,949	19,518	20,103	20,706
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	65,218	67,175	69,190	71,266	73,404	75,606	77,874	80,211	82,617	85,095	87,648	90,278	92,986	95,776	98,649	101,608
Net Operating Income	45,536	45,794	46,038	46,267	46,480	46,675	46,853	47,011	47,149	47,266	47,360	47,431	47,477	47,497	47,489	47,452
Debt Service:																
First Mortgage	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Total Annual Cash Expenses	102,266	104,222	106,237	108,313	110,451	112,653	114,921	117,258	119,664	122,143	124,695	127,325	130,033	132,823	135,696	138,655
Total Net Operating Income	8,488	8,747	8,991	9,220	9,433	9,628	9,806	9,964	10,102	10,219	10,313	10,384	10,430	10,449	10,442	10,405
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	8,488	8,747	8,991	9,220	9,433	9,628	9,806	9,964	10,102	10,219	10,313	10,384	10,430	10,449	10,442	10,405
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.23	1.24	1.24	1.25	1.25	1.26	1.26	1.27	1.27	1.28	1.28	1.28	1.28	1.28	1.28	1.28
DCR Total Debt	1.23	1.24	1.24	1.25	1.25	1.26	1.26	1.27	1.27	1.28	1.28	1.28	1.28	1.28	1.28	1.28

Assumptions		
Vacancy Rate	10.0%	*Please list all fees (per unit per month) and non-residential income:
Annual Increase Income	2.0%	
Annual Increase Expenses	3.0%	
Other		

APPLICANT:

3. PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	168,935	172,314	175,760	179,275	182,861	186,518	190,248	194,053	197,934	201,893	205,931	210,049	214,250	218,535
Less Vacancy/Bad Debt	16,894	17,231	17,576	17,928	18,286	18,652	19,025	19,405	19,793	20,189	20,593	21,005	21,425	21,854
Income from Non-Residential Use*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	152,042	155,082	158,184	161,348	164,575	167,866	171,223	174,648	178,141	181,704	185,338	189,045	192,825	196,682
Expenses:														
Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	39,681	40,872	42,098	43,361	44,662	46,001	47,381	48,803	50,267	51,775	53,328	54,928	56,576	58,273
Advertising, Accounting, Legal Fees	2,568	2,645	2,724	2,806	2,890	2,976	3,066	3,158	3,252	3,350	3,451	3,554	3,661	3,771
Payroll, Payroll Taxes and Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	9,628	9,917	10,215	10,521	10,837	11,162	11,497	11,842	12,197	12,563	12,940	13,328	13,728	14,139
Mtc, Repairs and Mtc Contracts	9,628	9,917	10,215	10,521	10,837	11,162	11,497	11,842	12,197	12,563	12,940	13,328	13,728	14,139
Utilities (gas/electric/fuel/water/sewer)	15,405	15,867	16,343	16,834	17,339	17,859	18,395	18,946	19,515	20,100	20,703	21,324	21,964	22,623
Property Mgmt	21,327	21,967	22,626	23,305	24,004	24,724	25,466	26,230	27,017	27,827	28,662	29,522	30,408	31,320
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	6,419	6,611	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152	9,426
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	104,657	107,796	111,030	114,361	117,792	121,326	124,965	128,714	132,576	136,553	140,650	144,869	149,215	153,692
Net Operating Income	47,385	47,286	47,154	46,987	46,783	46,541	46,258	45,934	45,565	45,151	44,688	44,175	43,610	42,990
Debt Service:														
First Mortgage	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Total Annual Cash Expenses	141,704	144,843	148,077	151,408	154,839	158,373	162,013	165,761	169,623	173,600	177,697	181,916	186,262	190,739
Total Net Operating Income	10,338	10,239	10,107	9,939	9,736	9,493	9,211	8,886	8,518	8,103	7,641	7,128	6,563	5,943
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	10,338	10,239	10,107	9,939	9,736	9,493	9,211	8,886	8,518	8,103	7,641	7,128	6,563	5,943
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.28	1.28	1.27	1.27	1.26	1.26	1.25	1.24	1.23	1.22	1.21	1.19	1.18	1.16
DCR Total Debt	1.28	1.28	1.27	1.27	1.26	1.26	1.25	1.24	1.23	1.22	1.21	1.19	1.18	1.16

Assumptions

Vacancy Rate	10.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	

SCOPE OF WORK

The Nautilus | 225–229 Nautilus Drive, Madison WI 53705

Housing First LLC & Northernstar Companies LLC

8-Unit Acquisition & Moderate Rehabilitation | Permanent Affordability | Dane County, WI

ARHD-NTC RFP #15030-0-2026 | June 4, 2026

PROJECT OVERVIEW

The Nautilus is a proposed moderate rehabilitation of an existing occupied 8-unit multifamily building constructed in 1965, located in the Faircrest neighborhood on Madison’s west side. The rehabilitation is focused on building systems replacement, energy efficiency upgrades, and interior improvements. The structure, unit layouts, and room configurations will remain intact. All 8 units are two-bedroom and will remain occupied throughout construction via a phased approach.

Total Hard Cost Budget: \$437,000 | Contingency (5%): \$21,850 | Total Rehab Cost: \$458,850

Scope Item	Description of Work	Budget (\$)
1. HVAC — Individual Heating Systems \$90,000		
Remove Shared Furnaces	Removal and disposal of 2 existing shared gas furnaces, one serving each 4-unit building (225 and 229). Includes disconnection of all associated ductwork, flues, and gas supply lines serving shared mechanical systems.	
Individual Unit HVAC	Installation of individual air source heat pump systems for each of the 8 units. Each unit receives a dedicated system providing both heating and cooling with independent tenant control. Eliminates shared mechanical infrastructure and associated cross-unit liability. Includes all associated electrical, linesets, and interior air handlers.	\$90,000
2. Roof Replacement \$85,000		
Membrane Roof — Both Buildings	Full replacement of existing low-slope roof surface on both 225 and 229 Nautilus Drive. Scope includes removal of existing membrane, inspection and repair of roof deck as needed, installation of new TPO or EPDM membrane roofing system with proper insulation, flashing, and drainage. Low-slope profile is specifically designed and reinforced to accommodate the photovoltaic solar array installation. All work to be completed by licensed roofing contractor to manufacturer warranty standards.	\$85,000
3. Solar PV Array & Insulation Upgrades \$50,000		
Rooftop Solar PV Array	Installation of a rooftop photovoltaic solar array sized to offset common area electrical loads including hallway lighting, exterior lighting, and shared laundry facilities. System to be installed on low-slope roof surface following membrane replacement. Electrical infrastructure throughout rehabilitation designed as solar-ready with panel capacity and conduit sized for future expansion. Preliminary system sizing to be finalized through Focus on Energy energy audit engagement. Federal Investment Tax Credit (ITC) at 30%	

	under the Inflation Reduction Act anticipated to reduce net system cost.	
Air Sealing & Insulation	Air sealing and insulation upgrades at attic, rim joists, and unit separation walls throughout both buildings. Work to be coordinated with individual HVAC installation and informed by Focus on Energy energy audit findings to maximize efficiency gains and rebate eligibility.	\$50,000
4. Window Replacement \$40,000		
Energy Star Windows — All Units	Full replacement of existing windows with double-pane Energy Star rated units throughout all 8 units and common areas. Approximately 4 windows per unit (32 total) plus common area windows. New windows to be properly flashed and sealed as part of overall building envelope upgrade. Improves thermal performance, reduces heating and cooling load, and qualifies for Focus on Energy utility rebates.	\$40,000
5. Flooring & Kitchen Renovations \$60,000		
Flooring — All Units	Full flooring replacement throughout all 8 units with luxury vinyl plank (LVP). Durable, low-maintenance, moisture-resistant flooring appropriate for affordable rental. Includes removal and disposal of existing flooring materials.	
Kitchen Renovations — All Units	Mid-grade kitchen renovation in all 8 units including replacement of cabinets, countertops, and Energy Star rated appliances (refrigerator, range, dishwasher). Paint and minor drywall repair included. Finishes selected for durability and long-term maintenance cost reduction appropriate to permanently affordable rental housing.	\$60,000
6. Bathroom Renovations \$35,000		
Bathroom Upgrades — All Units	Mid-grade bathroom renovation in all 8 units including replacement of vanity, tub/shower surround, flooring, and toilet. Installation of WaterSense rated low-flow toilet, showerhead, and faucet aerator in each unit coordinated with plumbing fixture scope below. Minor tile and drywall repair as needed.	\$35,000
7. Water Heaters & Plumbing Fixtures \$22,000		
Heat Pump Water Heaters	Replacement of existing water heaters with heat pump water heaters in each of the 8 units. Heat pump water heaters are approximately 65% more efficient than standard electric resistance units. Federal rebates available under the Inflation Reduction Act (up to \$1,750 per unit under HOMES program). Coordinated with electrical panel assessment.	
Low-Flow Plumbing Fixtures	Installation of WaterSense rated low-flow plumbing fixtures throughout all 8 units including toilets, showerheads, and faucet aerators. Coordinated with bathroom renovation scope. Reduces water and sewer costs and associated energy used for water heating.	\$22,000
8. Electrical Upgrades \$25,000		

Panel Upgrades & Wiring	Electrical panel assessment and upgrade as required to support installation of individual air source heat pump systems, heat pump water heaters, and solar PV array. Scope to be finalized following unit-by-unit panel assessment during pre-construction due diligence. Includes solar-ready conduit and capacity sizing for future PV expansion. LED lighting installation throughout all units and common areas.	\$25,000
9. Masonry & Painting \$20,000		
Exterior Masonry	Inspection and tuckpointing of existing brick masonry on both buildings as needed. Repair of any spalled, cracked, or deteriorated mortar joints. Assessment and repair of any water infiltration points identified during pre-construction inspection.	
Interior & Exterior Paint	Full interior repaint of all 8 units and common areas using low-VOC paint throughout. Exterior paint and trim repair as needed. Low-VOC specifications support improved indoor air quality for residents.	\$20,000
10. Common Space & Site Improvements \$10,000		
Common Area Refresh	Refresh of building entry, hallways, and shared laundry room including new flooring, paint, and LED lighting. Installation of community bulletin board. Exterior improvements including bike storage, enhanced exterior LED lighting at all building entry points, and maintained landscaping. Handrails and railings at all building entry points and exterior steps. Lever-style door hardware throughout all units and common areas.	\$10,000
11. Construction Contingency \$21,850		
5% Hard Cost Contingency	A 5% contingency on total hard costs of \$437,000 is budgeted at \$21,850 to address unforeseen conditions identified during construction. Pre-construction due diligence including a formal property inspection, self-performed minimum housing code inspection, lead-based paint risk assessment, asbestos survey, and Focus on Energy energy audit are designed to minimize the likelihood of drawing on contingency by surfacing issues before construction commencement.	\$21,850
TOTAL REHABILITATION COST (Hard Costs + Contingency)		\$458,850

CONSTRUCTION PHASING & TENANT RELOCATION

Both buildings are currently fully occupied. Rehabilitation will be phased one building at a time — 229 Nautilus Drive first, then 225 Nautilus Drive. Tenants in the active construction building will be temporarily relocated to hotel accommodations at developer expense for the duration of work affecting their units. All tenants have right of first return to their unit upon completion at the same or lower rent. Total rehabilitation is anticipated to be completed within twelve months of construction commencement.

PRE-CONSTRUCTION DUE DILIGENCE

The following assessments will be completed prior to construction commencement:

- 1. Formal Property Inspection:** Full physical inspection of both buildings to identify structural, mechanical, electrical, and plumbing deficiencies prior to finalizing rehabilitation scope.
- 2. Self-Performed Minimum Housing Code Inspection:** Developer walkthrough against City of Madison minimum housing code standards to identify and incorporate all deficiencies into rehabilitation scope.
- 3. Lead-Based Paint Risk Assessment:** Certified lead risk assessment of both buildings given pre-1978 construction (1965). Findings incorporated into construction scope and tenant protection plan.
- 4. Asbestos Survey:** Certified asbestos inspection prior to any disturbance of existing building materials given 1965 construction date. Findings incorporated into construction scope.
- 5. Focus on Energy Energy Audit:** Pre-construction energy audit to identify highest-impact efficiency measures, finalize solar PV system sizing, and maximize available utility rebates through Focus on Energy and MG&E programs.
- 6. General Contractor Bidding:** Competitive solicitation of bids from licensed contractors prior to construction commencement to validate budget assumptions and select qualified construction team.

All costs are estimates based on Midwest contractor market pricing. Final scope and costs will be confirmed through competitive contractor bidding and pre-construction assessments. Scope changes material to the project will be subject to City of Madison approval per the ARHD-NTC Loan Agreement.

TENANT SELECTION PLAN

225–229 Nautilus Drive | Madison, Wisconsin 53714

8-Unit Affordable Multifamily Residential Property

City of Madison ARHD Non-Tax Credit Program | Effective: Upon CDD Approval

Owner/Developer	Housing First LLC
Property Address	225–229 Nautilus Drive, Madison, WI 53714
Property Type	8-Unit Multifamily — All Two-Bedroom Units
Program	City of Madison ARHD — Non-Tax Credit (NTC) Affordable Housing
AMI Targeting	Units at 40% AMI and 50% AMI (per approved rent schedule)
Property Manager	[Actively Sourcing]
Effective Date	[03/31/2027 — Pending CDD Approval]
Plan Version	Initial Draft Submission

1. Purpose and Policy Statement

This Tenant Selection Plan (TSP) governs the application, screening, selection, and waitlist management processes for all units at 225–229 Nautilus Drive, Madison, Wisconsin. This property is funded by the City of Madison Community Development Division (CDD) under the Affordable Rental Housing Development (ARHD) Non-Tax Credit program and is subject to the City’s Tenant Selection Plan Standards (Attachment C-1).

This TSP reflects the City of Madison’s commitment to providing access to stable, affordable housing and to removing barriers that may result from adverse credit histories, rental histories, or prior criminal involvement. This plan was developed collaboratively by the Owner/Developer, Property Manager, and Supportive Service Provider (as applicable) and is designed to screen-in prospective tenants through low-barrier, inclusive criteria.

This TSP complies with all applicable federal, state, and local fair housing laws and regulations, including but not limited to:

- The Fair Housing Act (42 U.S.C. § 3601 et seq.)
- Violence Against Women Act (VAWA) 2013 Reauthorization
- Madison General Ordinances governing fair housing and tenant rights
- Wisconsin ATCP 134 (Residential Rental Practices)
- CDD Program Requirements and Loan Agreement obligations

2. Property Overview and Unit Description

Property	225–229 Nautilus Drive, Madison, WI 53714 8 Units All Two-Bedroom Floorplans
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Unit Mix	# of Units	AMI Target	Monthly Rent	Occupancy Std.
2 BR / 1 BA	2	40% AMI	[\$ TBD]	2 – 4 persons
2 BR / 1 BA	6	50% AMI	[\$ TBD]	2 – 4 persons

Rents are set below the 25th percentile of market-comparable units in the Madison area, consistent with affordability objectives for the ARHD NTC program. Actual rents will be finalized upon CDD approval and updated annually in compliance with HUD income/rent limits.

3. Waitlist Management

3.1 Waitlist Structure

The Property will maintain a single waitlist for standard units and a separate prioritization mechanism for any set-aside or priority populations. Applicants are placed on the waitlist in order of application date and time. Placement does not constitute an offer of housing.

3.2 Waitlist Procedures

- The waitlist will be opened publicly via posted notice at the property, on the Owner's website, and through outreach to community referral partners.
- Upon opening, applicants may submit a pre-application by mail, in person, or electronically (accessible format available on request).
- Applicants will receive written confirmation of their waitlist placement and estimated position.
- Applicants must notify management of any change of address, household composition, or income within 14 days.
- Applicants will be contacted in waitlist order when a unit becomes available. Failure to respond within 5 business days (or as extended by reasonable accommodation) will result in removal from the list.
- Removed applicants may re-apply and will be placed at the end of the active waitlist.

3.3 Priority Set-Asides (If Applicable)

If any units are designated as priority or supportive housing set-asides, a separate priority waitlist or prioritization mechanism will be maintained. Any such prioritization will be consistent with CDD program requirements and applicable nondiscrimination law. Priority populations may include, but are not limited to:

- Households experiencing or at risk of homelessness
- Veterans and their families
- Households receiving TBRA, Housing Choice Vouchers, VASH, Project-Based Vouchers, Section 811, or other rental subsidies

4. Eligibility Criteria

4.1 Income Requirements

Applicants must meet the income limits for the unit type to which they are applying. Maximum income levels are established by HUD annually for the Madison Metropolitan Statistical Area.

Income Limits

40% AMI Units: Household income $\leq$ 40% of Area Median Income
50% AMI Units: Household income $\leq$ 50% of Area Median Income
Maximum income threshold: Monthly household income shall not exceed 2.5x the monthly rent for the applied unit.

An applicant shall NOT be denied on the basis of income that falls below minimum requirements if the applicant can document payment of an approximately equivalent rent-to-income ratio over a 2-year period or has a qualifying rent subsidy. Acceptable proof includes:

- Letter(s) from prior landlord(s)
- Documented rent receipts, cancelled checks, or bank statements showing regular deductions
- Written confirmation of an active rent subsidy or housing voucher award

Any applicant awarded a rent subsidy must be given a full and fair opportunity to use it.

4.2 Occupancy Standards

All units are two-bedroom units. The following occupancy standards apply:

- Minimum: 1 person per bedroom (i.e., minimum 1 person per unit for studio; minimum 1–2 persons for 2 BR units)
- Maximum: 4 persons per two-bedroom unit, consistent with HUD occupancy guidance
- Reasonable accommodation requests may allow deviation from these standards for persons with disabilities; requests must be submitted in writing

4.3 Age Requirements

There are no age restrictions applicable to this property unless otherwise required by the funding program. Any age-related eligibility criteria will be disclosed in the application materials and waitlist notice.

4.4 Tenant-Based Rental Assistance (TBRA) and Vouchers

This property affirmatively accepts Tenant-Based Rental Assistance (TBRA), Housing Choice Vouchers (HCV), VASH, Project-Based Vouchers, Section 811 assistance, and any other form of rental subsidy. The Property Manager will NOT refuse to lease to any applicant on the basis that they hold or intend to apply a housing subsidy.

For units occupied by households receiving an ongoing rental subsidy, the lowest-barrier security deposit option will be applied.

5. Application and Screening Process

5.1 Application Availability and Access

This Tenant Selection Plan will be made available to all prospective applicants prior to application. Applications are available:

- In person at the property management office
- By mail upon request (no fee)
- Electronically (accessible format provided upon request as a reasonable accommodation)

5.2 Application Fee

In accordance with Wisconsin ATCP 134.05(4), applicants may be charged a credit check/application fee not to exceed the maximum allowable amount under state law. Current Wisconsin residents will NOT be charged for any costs incurred in conducting a criminal records review.

Applicants will NOT be required to pay holding fees, earnest money, or any other payment toward securing housing prior to lease signing.

5.3 Credit Report and Review

The Property Manager may obtain a credit report as part of the application process. Applicants will be notified in the application materials whether a credit report will be requested.

Applicants will NOT be denied on the basis of:

- Credit score alone
- Substandard credit score, if the applicant has a qualified cosigner, is enrolled in or has completed a credit repair program, or is enrolled in a housing program providing supportive services
- Insufficient credit history, unless the applicant intentionally withholds credit information that could form a basis for denial
- Credit report items that have been formally disputed, are in active repayment, or are substantially unrelated to prior housing obligations
- An outstanding obligation to a prior landlord or utility company, provided the applicant has entered an approved payment plan and is current on payments

If an application is denied based on credit report information, the Property Manager will: (1) inform the applicant of the denial and the specific credit item; and (2) within 60 days, provide a copy of the credit report to the applicant at no charge.

5.4 Rental History Review

The Property Manager will conduct a review of rental history. Applicants will NOT be denied on the basis of:

- An eviction filing that was dismissed or resulted in a judgment in favor of the applicant
- An eviction filing that was settled with no judgment, or for which a writ of recovery/stipulated dismissal was issued
- An eviction judgment for the landlord that occurred more than 2 years before the date of application
- Insufficient rental history, unless management has definitive records that the applicant withheld rental information in bad faith

5.5 Criminal Conviction Record Review

The Property Manager will conduct an individualized, case-by-case review of any criminal history disclosed or discovered during the application process. Criminal background screening criteria are clearly described below. Current Wisconsin residents will not be charged for criminal records review.

Offense Type	CAN Serve as Basis for Denial	CANNOT Serve as Basis for Denial
Misdemeanors	• "Violent criminal activity" (24 CFR § 5.100) — up to 2 years post-conviction • "Drug-related criminal activity" (Wis. Stat. 704.17(3m)(a)(2)) — up to 2 years post-conviction	• Any misdemeanor not involving violent criminal activity or drug-related criminal activity • Any misdemeanor conviction more than 2 years before application date

Felonies	- Felony conviction within 5 years of application (general) - Felony "violent criminal activity" — up to 10 years post-conviction - Felony "drug-related criminal activity" — up to 10 years post-conviction	- Any felony conviction not meeting violent/drug-related definitions — more than 5 years post-conviction - Any felony conviction more than 10 years prior to application
Always Prohibited — Never a Basis for Denial		- An arrest that has not resulted in a conviction - Participation in court-sanctioned diversion, deferral, stay of adjudication, or continuance for dismissal - A conviction for an offense no longer illegal in Wisconsin or City of Madison - A conviction that has been vacated, expunged, or for which a stay of imposition was completed - Any conviction, determination, or adjudication within the juvenile justice system - Drug possession or use convictions (any date — not defined as "drug-related criminal activity")

Federal regulations applicable to properties receiving federal assistance take precedence over these provisions. Any criminal record evaluation will be conducted on an individualized basis, considering the nature of the offense, time elapsed, evidence of rehabilitation, and bearing on fitness as a tenant.

6. Security Deposits and Fees

6.1 Security Deposit Options

The Property Manager will apply one of the following security deposit structures (select one prior to CDD submission):

Option A (Standard)	Standard approval: Maximum deposit equal to ½ month's rent Conditionally approved: Maximum deposit equal to 1 month's rent
Option B (Flat Rate)	Flat deposit amount applied equally to all applicants, approximating ½ month's rent (standard) or 1 month's rent (conditional)

For units at or below 60% AMI, or where the prospective tenant will receive case management services or a rent subsidy, the lowest-barrier deposit option will be applied.

6.2 Installment Payment Plan

For all units at or below 60% AMI, and/or for tenants receiving a rent subsidy or case management services, the following installment payment plan applies:

- No more than one-half (½) of the security deposit is due at lease signing

- The remaining balance is spread over no more than 4 equal monthly installments following lease execution
- Written documentation of the payment schedule will be provided to the tenant at lease signing

7. Violence Against Women Act (VAWA) Protections

This property complies with all requirements of the Violence Against Women Act (VAWA) 2013 Reauthorization. VAWA protections apply to all applicants and tenants, regardless of gender identity, sexual orientation, or perceived status, including:

- Victims of domestic violence, dating violence, sexual assault, and stalking
- Persons of all gender identities and sexual orientations, whether actual or perceived

No applicant will be denied housing solely on the basis that they are, or have been, a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant otherwise qualifies for admission.

The Property Manager acknowledges that individuals impacted by abuse may present with adverse records that are attributable to the actions of a perpetrator, including but not limited to:

- Poor credit history resulting from identity theft or unauthorized use of accounts by an abuser
- Inability to pay medical bills resulting from abuse or interference with employment
- Poor rental history attributable to property damage, noise complaints, missed rent, or drug-related activity caused by the perpetrator
- Legal or criminal issues arising from a perpetrator compelling the victim to engage in criminal behavior

In reviewing applications where domestic violence or related circumstances are identified, management will apply an individualized assessment that takes into account the source and context of any adverse history.

8. Reasonable Accommodations and Modifications

Reasonable accommodations and modifications will be provided to applicants and tenants with disabilities in accordance with the Fair Housing Act and applicable law. The TSP will not create additional barriers related to an applicant's disability or ability to live independently.

Requests for reasonable accommodation may be submitted:

- In writing to the Property Manager
- Verbally (written confirmation will be provided)
- Through a representative or accessible format

Accommodations may include, but are not limited to: extended response times for waitlist contacts, modified application formats, waiver of occupancy minimums or maximums, or adjustment to screening procedures based on disability-related circumstances.

9. Notice of Denial and Appeal Rights

9.1 Notice of Denial

Any applicant whose application is denied will receive written notice of the denial, unless the applicant has affirmatively waived the right to written notice in writing. Written denial notices will:

- Clearly identify the specific TSP criterion or criteria the applicant failed to meet
- Provide sufficient detail for the applicant to understand the basis for denial
- Inform the applicant of their right to appeal and the procedure to do so
- Include instructions for submitting supporting documentation

9.2 Appeal Process

Applicants have the right to appeal any denial within 14 calendar days of the date of the denial notice. Appeals must be submitted in writing and may include any mitigating information the applicant wishes to provide. Supporting documentation will be accepted in any reasonable format, including:

- Written statements from the applicant, advocates, social workers, or service providers
- Documentation of rehabilitation, treatment completion, or compliance with diversion programs
- Letters from prior landlords, employers, or other character references
- Court records, expungements, or dismissal orders
- Evidence of domestic violence or other extenuating circumstances

The appeal will be reviewed by a designated staff member not involved in the original denial decision. The applicant will receive a written response within 10 business days of the appeal submission. During the appeal period, the applicant's waitlist position will be preserved.

10. Veterans Preference

This property [does / does not] offer a priority preference for veterans and their families. If veterans preference is offered, a separate prioritization mechanism (or sub-waitlist) will be maintained, and all veterans preference policies will be disclosed in the application materials and waitlist notice in accordance with CDD requirements.

11. Fair Housing Statement and Non-Discrimination

This property is an Equal Housing Opportunity provider. We do not discriminate on the basis of race, color, national origin, religion, sex, familial status, disability, sexual orientation, gender identity, marital status, source of income, or any other class protected by federal, state, or local law.

This Tenant Selection Plan is designed to expand, not restrict, housing access. Any referral process, limit to eligibility, or targeting/prioritization set forth herein complies with applicable nondiscrimination requirements and is consistent with the limitations or priorities accompanying the receipt of City of Madison CDD funding.

12. Plan Amendments and Effective Date

This Tenant Selection Plan is effective upon written approval by the City of Madison Community Development Division. Any material amendments to this Plan must be submitted to CDD for review and approval prior to implementation.

NORTHERNSTAR COMPANIES

References

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President

JCP Construction

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From: David Erickson David.Erickson@focusonenergy.com 
Subject: RE: Energy Audit - URGENT
Date: June 3, 2026 at 3:56 PM
To: Yasmin Rucker yasmindrucker@gmail.com
Cc: Gregory Bonti gregory.bonti@focusonenergy.com

DE

Hi Yasmin,

Thank you for reaching out today about your 8-unit multifamily property in Madison.

We have scheduled a level 1 building walkthrough assessment for Tuesday, August 25th at 10am.

Please reach out if your schedule changes at all.

Thank you



David Erickson | Energy Advisor
he/him/his
📞 [262-450-7975](tel:262-450-7975)
✉ david.erickson@focusonenergy.com
3113 West Beltline Hwy, Suite 201
Madison, WI 53713

From: Yasmin Rucker <yasmindrucker@gmail.com>
Sent: Wednesday, June 3, 2026 11:12 AM
To: david.erickson@focusonenergy.com
Subject: Energy Audit - URGENT

EXTERNAL email. Please exercise caution. This e-mail is from a sender outside of CLEAResult. Do not click any links or open any attachments from unknown senders or unexpected email. *****

David,

I hope you're doing well.

I am working on an affordable housing preservation proposal and would like to schedule a Focus on Energy walkthrough for the property. My apologies for the short notice on this request.

I understand the walkthrough itself may occur at a future date; however, I am hoping to secure a date and receive email confirmation of the scheduled appointment.

If possible, I would greatly appreciate any availability you may have and a confirmation at your earliest convenience. I am finalizing materials for a submission tomorrow and would like to include documentation that the walkthrough has been scheduled.

The property is located at 225–229 Nautilus Drive in Madison and consists of an eight-unit multifamily building. I successfully got it under contract yesterday.

Please let me know what dates may be available, and I will do my best to accommodate your schedule.

Thank you for your time and assistance. I truly appreciate any help you can provide.

Regards,

Yasmin

2026 Affordable Rental Housing Development: Non-Tax Credit RFP Supplemental Application Questions

The Nautilus | Housing First, LLC
225-229 Nautilus Drive

Response Submission Due Date: August 14, 2026 @ NOON CT

Instructions to Applicants:

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

Questions:

A. Geographic Eligibility/Proposed Site

N/A

B. Planning Principles & Consistency

N/A

C. Unit Mix & Affordability

1. Please resubmit unit mix table with the amount and source (CDA or DCHA) of utility allowances. Indicate which utilities will be included in the rent

ADDRESS #1:		225-229 Nautilus Drive, Madison, WI					Projected Monthly Unit Rents, Including Utilities				
							Utilities included: ☒ Water/Sewer ☐ Electric ☐ Gas ☐ Free Internet In-Unit ☐ Washer/Dryer ☐ Other: _____				
		# of Bedrooms					UA Studio: \$	UA 1 BR: \$	UA 2 BR: \$130	UA 3 BR: \$	UA 4 BR: \$
% of Area Median Income (AMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent Studios	\$ Rent 1 BRs	\$ Rent 2 BRs	\$ Rent 3 BRs	\$ Rent 4 BRs
≤30%	0	0	0	0	0	0					
40%	2	0	0	2	0	0			1205		
50%	6	0	0	6	0	0			1307		
60%	0	0	0	0	0	0					
Affordable Sub-total	8	0	0	8	0	0					
80%	0	0	0	0	0	0					

Market*	0	0	0	0	0	0					
Total Units	14	0	0	14	0	0	Notes/Utility Allowance Assumptions:				
							Utilities Allowance Used:				
							☐ CDA ☒ DCHA				

D. **Property Management**

Property management is an integral part of the development team and application review process. Please identify a property manager and resubmit the question below.

1. Describe how property management will be administered at the property. How it will be ensured that all federal, state and local laws, including but not limited to the Fair Housing Act, will be applied. If using a property management company, describe the entity's experience with the unique needs of the Madison affordable housing market.

The property is currently managed by Kader Property Management. As part of underwriting this acquisition, Housing First is interviewing Kader alongside other Madison-area property management companies to select an experienced and qualified firm prior to closing. In parallel, Housing First is engaging affordable housing compliance firms, including Easbey Consulting, to ensure dedicated attention to income certification, LURA compliance, and other compliance-related administration distinct from day-to-day property operations.

The selected property management company will be responsible for day-to-day operations including tenant selection, rent collection, maintenance coordination, and lease enforcement, working in coordination with the compliance consultant on annual income certification of all households in accordance with the LURA restrictions.

Kader and every other firm under consideration will be required, as a condition of selection, to demonstrate full compliance with the Fair Housing Act and all applicable federal, state, and local fair housing and legal requirements.

E. **Sustainability & Resilience**

1. Please describe the engagement with Focus on Energy and how the project has budgeted for energy efficiency. The RFP states that the Energy Audit Report is due by August 12, with this Supplemental Submittal. The Focus on Energy walkthrough is scheduled August 25th with the required Energy Audit Report obtained well after the due date. CDD's expectation is that the recommendations from the Audit Report are incorporated into the Rehab Scope of Work and overall Project Capital Budget? If Focus on Energy cannot sooner schedule a virtual walk through and provide the Audit before the due date, please describe how the project has or will incorporate the energy efficiency requirements, preferences, and any available rebates/incentives into the proposed development?

Housing First engaged Focus on Energy early in the design process to ensure audit findings would be available to inform both the Rehab Scope of Work and the Project Capital Budget ahead of submittal deadlines. Upon revisiting the RFP timeline and

recognizing that the walkthrough originally scheduled for August 25th would fall well after the August 12th Energy Audit Report due date, the development team worked directly with Focus on Energy to move the site visit to an earlier date. The walkthrough was completed August 6th, and the resulting Energy Audit Report is included with this Supplemental Submittal.

2. Please provide an update on the planned solar array sizing.

Following the completed Focus on Energy walkthrough, Housing First consulted with the assigned Focus on Energy representative regarding the methodology used to determine appropriate solar array sizing for a project of this type. The representative outlined Focus on Energy's standard approach to sizing systems based on common area electrical load and available roof capacity, and referred Housing First to solar specialists able to perform a project-specific sizing analysis for The Nautilus, including Arch Solar.

Housing First is following up directly with Arch Solar and the other referred specialists to obtain a sizing recommendation tailored to the two-building complex's actual common area loads. This analysis will refine the final array size (kW) within the solar allocation already reflected in the Project Capital Budget, with construction documents updated accordingly prior to construction commencement.

F. Relocation

1. Please submit a relocation plan that includes the following information:

- i. Project Timeline & Phasing.
- ii. Overview of tenants and their eligibility for the proposed income and rent restricted housing units.
- iii. Breakdown of budgeted relocation expenses, including temporary relocation and permanent displacement.
- iv. Please visit [DOA's Relocation Assistance page](#) for more information.

2. How long will tenants be staying in hotels while work is being done?

We are expecting tenants to be staying in hotels at a duration of no more than one week while work is being completed.

G. Design & Accessibility

N/A

H. Development Team & Financing

Please submit an updated Budget Workbook addressing the following. Please note, questions that do not have a comment box do not require a written response but should be addressed in an updated Budget Workbook.

1. Capital Budget – Sources

- i. 1st Mortgage has a rate of 8% with a 5-year term. As it pertains to the 5-year term, is it the plan to refinance at 5 years? What contingencies are built in to mitigate risk of interest rate increases?

Yes, the plan is to refinance the 1st Mortgage at or before the end of the 5-year term. The 5-year term reflects the typical structure for this type of acquisition loan product. Given the project's affordability component, Housing First is also exploring additional financing options that may better align with the property's long-term income-restricted structure. Several contingencies are built into the financing structure to mitigate interest rate risk over the term and protect against a disorderly refinance: a replacement reserve is funded at closing and maintained throughout the loan term to cover capital needs and any temporary cash flow disruption • the sponsorship team, Housing First and Northernstar Companies, has the financial capacity to inject additional equity at refinance if needed to right-size the permanent loan amount to actual market terms • the loan documents will include extension options that provide additional runway to execute a refinance if market conditions are unfavorable at the 5-year mark, avoiding a forced sale or default scenario • during the interim term, Housing First will actively engage both conventional permanent lenders and mission-aligned lenders whose loan products are structured specifically for income-restricted housing, such as IFF, to identify longer-term refinance options suited to the project's affordability structure.

This structure is designed so that the project's ability to meet its long-term debt obligations does not depend on interest rates returning to any specific level. It depends on stabilized cash flow, the replacement reserve, and sponsor capacity, each of which is already built into the plan.

- ii. If capital expenses exceed projections, what additional financial resources are available?

The Project Capital Budget includes a construction contingency sized to absorb reasonable cost overruns without requiring outside capital. Should costs exceed that contingency, Housing First has identified additional gap financing resources, including the Federal Home Loan Bank of Chicago's Affordable Housing Program and Dane County CDBG/HOME funds, that align with the project's affordability goals, though both are competitively awarded and not guaranteed. Because a large majority of the rehabilitation scope is elective, targeting energy efficiency upgrades to an already well-maintained asset, the project retains real flexibility to scale back if capital pressure emerges. The strongest backstop, however, sits entirely within our control: a deferred developer fee, which, unlike competitive funding, can be activated on Housing First's own timeline rather than depend on an external award decision.

- iii. Please explain why additional permanent debt cannot be supported?

Additional permanent debt is not feasible for The Nautilus due to two compounding factors: the property's acquisition price and the affordability restrictions proposed for the project.

At this acquisition price a buyer will deploy substantial capital to the acquisition, and will historically raise rents to the maximum achievable market rate to support a return on the investment; a path that is proven to displace tenants and permanently convert communities to top-of-market rents.

Housing First's proposal takes the opposite approach deploying capital in a way that preserve affordable housing in perpetuity at this site. At these suppressed rent levels, the property's net operating income can only support the permanent debt currently being sought in this application, even with a substantial capital investment applied at acquisition. Layering additional permanent debt onto the deal would require either raising rents above the proposed affordability restriction, undermining the core purpose of this application. Furthermore the current workbook budget reflects a debt coverage ratio of 1.15 to 1.18 over a period of 16 years. For these reasons, the proposed financing structure represents the maximum permanent debt the project can responsibly carry while maintaining rents at the proposed AMI limits in perpetuity.

2. Capital Budget – Uses

- i. Please submit a scope of work from a licensed general contractor with construction estimates.
- ii. An initial operating reserve is not funded. Please describe how Nautilus will cover initial operating expenses like property insurance, maintenance, and property management?

The Nautilus is fully occupied and income-producing from day one, with a strong history of stable occupancy. This, combined with the property's size and the scope of the planned repairs and upgrades, reduces the need for a dedicated initial operating reserve. Should additional funds be needed to cover any operational shortfalls, the partnership is prepared to cover unanticipated obligations directly.

3. Proforma

- i. A vacancy rate assumption of 10% is unusually high for Madison. 5-7% is a standard assumption. Please resubmit assuming no more than 7% vacancy and include a justification.

The Project's underwriting has been revised to a 7% combined vacancy and collection loss factor, consistent with standard Madison-market assumptions. This is allocated as approximately 5% physical vacancy and 2% collection loss, reflecting a conservative allowance for turnover-related rent loss and delinquency in addition to unit vacancy.

- ii. Property Management costs are projected at approximately 12% of Estimated Gross Income. Please provide a justification for this cost in conjunction with the identified Property Management Company and/or revise this amount accordingly with the updated Budget Workbook.

The 12% of Estimated Gross Income budgeted for property management reflects two distinct components: 10% allocated to top-tier property management services, consistent with the existing pricing for Kader Property Management's current service offered at the building or another qualified Madison-area property management firm selected through the ongoing interview process. This also reflects an additional 2% allocated to a dedicated affordable housing compliance consultant, such as Easbey Consulting.

This split reflects a deliberate decision to separate day-to-day property operations from compliance administration rather than bundling both under a single generalist property manager.

This structure ensures the operating budget reflects the true, sustainable cost of operating and administering The Nautilus at the standard of service and compliance this project requires.

- iii. Please update the Real Estate Taxes, as they should be based on projected assessed value after sale and rehabilitation.

The Nautilus Commons

Relocation Plan — RFP Section F.1

i. Project Timeline & Phasing

Rehabilitation of The Nautilus Commons will proceed in two phases, one building at a time, allowing continuous occupancy of the second building throughout construction. Debt financing and acquisition/real estate closing are anticipated to close simultaneously on 03/31/2027 with construction commencing 05/15/2027. Total rehabilitation across both buildings is anticipated to be completed within twelve months of construction commencement.

Tenants in the building under active construction will be temporarily relocated to hotel accommodations at developer expense for the duration of work affecting their units, with actual reasonable moving and incidental costs covered consistent with Wisconsin DOA relocation guidance for temporarily displaced persons. All tenants have the right of first return to their unit upon completion; no permanent displacement is planned under this phasing structure.

Activity/Benchmark	Estimated Date
Submission of Land Use Application*	N/A
Plan Commission Consideration*	N/A
Urban Design Commission Consideration, if applicable*	N/A
Complete Debt Financing	03/31/2027
Acquisition/Real Estate Closing	03/31/2027
Rehab Bid Publishing	01/01/2027
Rehab Start (Phase 1)	05/15/2027
Begin Lease-Up/Marketing	N/A
Rehab Completion / Certificate(s) of Occupancy Obtained	12/31/2027
Complete Substantial Lease-Up	N/A
Request Final AHF Draw	03/31/2027

ii. Overview of Tenants & Eligibility for Proposed Income and Rent Restricted Units

Income certification of all current households will be completed prior to closing to determine eligibility under the proposed AMI restriction. Housing First LLC anticipates that the majority of current tenants will qualify under the restricted rents. For households whose income exceeds the threshold, lease terms expire at natural intervals during the construction period, providing an orderly transition point, through standard lease expiration. This is consistent with applicable LURA over-income tenant provisions, reducing potential for the need of a permanent displacement budget. A complete eligibility summary will be provided prior to closing.

iii. Breakdown of Budgeted Relocation Expenses

Temporary relocation costs are estimated using average extended-stay hotel rates in the Madison, WI market, which currently range from approximately \$76 to \$165 per night depending on property and availability. Using a blended planning estimate of \$120/night for lodging and a \$50/day per-household allowance for food and incidentals, weekly temporary housing and subsistence costs for a phase affecting 4 tenant households are estimated below. This is a planning-level estimate; final costs will be confirmed against contracted rates and actual construction duration per phase closer to construction start.

Item	Assumption	Per-Household Weekly Cost	4-Household Weekly Total
Temporary hotel accommodations and food	~\$120/night average extended-stay rate, Madison, WI market, \$50 daily food allowance	\$1190	\$4,760

In the event permanent displacement occurs and DOA relocation payments become necessary, Housing First and Northernstar Companies will fund those obligations directly from company balance sheet reserves, consistent with the sponsors' approach to temporary relocation costs, without reliance on additional outside capital.

iv. DOA Relocation Assistance Compliance

The Project's relocation plan will be administered consistent with Wisconsin Department of Administration (DOA) Relocation Assistance guidance and, to the extent applicable, the Uniform Relocation Assistance Act (URA). This ensures displaced tenants are provided decent, safe, and sanitary comparable temporary housing during construction, along with any relocation payments or services required under applicable state and federal standards.



focus on energy[®]

Partnering with Wisconsin utilities

Multifamily Program Residential

Site Survey Report

8/6/2026

Gregg Bonti | Energy Advisor
(608)974-0281
gregory.bonti@focusonenergy.com
3113 West Beltline Hwy, Suite 201
Madison, WI 53713

Re: The Nautilus
225 Nautilus Dr
Madison, WI 53705

Thank you for the opportunity to conduct a site survey. Walkthroughs provide valuable information that helps us match opportunities at the location with potential benefits available from the Focus on Energy Multifamily Residential Rebate Program and the Inflation Reduction Act HEAR and HOMES programs.

Before diving into my findings, I would like to highlight [Focus on Energy's Operations and Maintenance Program](#). By implementing a few quick adjustments to reduce your operating costs you can earn rebates. The [Multifamily Operations and Maintenance Guide](#) outlines the measures that can be completed by your maintenance staff with little to no upfront cost. This program may be ending soon so please let me know if you are interested in participating. I would be happy to set aside an afternoon to help you with this submission. Even if we only complete the water heater measure in each of the nine buildings you can receive \$1,350!



Focus on Energy Steps



IRA Program Steps



Below are the measures I recommend for this location. Further down you will find measures I that are possible, but not as high priority.

Recommended Focus on Energy Rebate Opportunities

LED Exit Signs: L2768
Amount: \$8 each
• *Simple purchase and install or via contractor.*

Window Air Conditioner Covers: H10085
Amount: \$10 each

Requirements:

- *Must be a rigid, insulated cover.*
- *Cover must be for permanently installed air conditioner units, which comprise window air conditioners and through-the-wall air conditioners.*
- *Tenant must receive instructions on how to properly install, remove, and reinstall the cover.*
- *Cover must be installed inside the unit.*

Recommended IRA Opportunities

ENERGY STAR electric heat pump for space heating and cooling IRA HEAR
Amount: up to \$8,000 per unit
• *Recommended for all units.*
• *Boilers are old and highly inefficient, but sufficient as back-ups and for common areas.*

Electric Service Panel Upgrades IRA HEAR
Amount: up to \$4,000 per unit
• *Needed for Heat Pump upgrade.*

Additional Focus on Energy Opportunities

Solar Electric System: S10455
Amount: \$3,850 based on 33.75 kW
• *Based on the building and garage roof potential of 3,000+ sq ft a solar installation could net between 31.5 and 45 kilowatts of power.*
• ******Estimation – Solar contractor assessment required.*

Additional IRA Opportunities

ENERGY STAR[®] electric heat pump water heater: HEAR

Amount:

up to \$1,750 each

- *Recommendation for any water heaters that will need to be replaced soon.*

The quoted amount is based on the requirements outlined in our [2026 Multifamily Catalog](#) and listed on the [IRA Home Energy Rebates](#) web page.

Next Steps

Income Qualification Process. Please let me know when you are ready to begin and I will walk you through the process!

Questions? Contact me anytime!

Thank you,

Gregg Bonti



Advance General Contractors, LLC
Commercial & Residential-Licensed, Bonded, & Insured
1964 W. Hampton Avenue
Milwaukee, WI 53209

Phone: 414-372-1200
Fax: 414-372-1203
E-Mail: info@advancepcbuilders.com

Estimate Date: 06/04/2026

Estimator: Delaney

Contract:

Customer: Housing First LLC / Northernstar Companies LLC (Yasmin Rucker)

Address: 225-229 Nautilus Drive, Madison, WI 53705

Work to be performed at: Same as Address

City: Madison State: WI Zip: 53705

Phone: 414-839-1424

Email: yasmindrucker@gmail.com

Scope of Work:

See attached Scope of Work — The Nautilus (225-229 Nautilus Drive, Madison, WI), dated June 4, 2026, incorporated herein by reference. Summary by category:

1. HVAC — Individual Heating Systems (remove shared furnaces; install individual air source heat pumps, all 8 units): \$90,000
2. Roof Replacement — full membrane roof replacement, both buildings: \$85,000
3. Solar PV Array & Insulation Upgrades — rooftop PV array, air sealing/insulation: \$50,000
4. Window Replacement — Energy Star windows, all units and common areas: \$40,000
5. Flooring & Kitchen Renovations — LVP flooring and kitchen renovation, all 8 units: \$60,000
6. Bathroom Renovations — all 8 units: \$35,000
7. Water Heaters & Plumbing Fixtures — heat pump water heaters, low-flow fixtures, all units: \$22,000
8. Electrical Upgrades — panel upgrades, wiring, LED lighting: \$25,000
9. Masonry & Painting — exterior masonry repair, interior/exterior paint: \$20,000
10. Common Space & Site Improvements — entry, hallways, laundry, exterior: \$10,000
11. Construction Contingency (5% of hard costs): \$21,850 TOTAL SCOPE: \$458,850

Total contract cost including material and labor is \$458,850. Customer shall have the right to receive a partial lien waiver in writing from Advance at the time a payment is made & a full lien waiver with the final payment. The contractor warrants that all work performed under this contract is warranted for a period of 2 years from the date of completion. This warranty does not include damage by exposure to weather conditions or incidental or consequential damages of any kind. The owner has a right to cancel all work within three (3) business days after executing this contract if the work has not been started. If the owner terminates before this period, the contractor is entitled to retain the down payments made before the date of notice of termination and compensation for all other portions of the work performed. The companies start date 05/15/2027 is mutually agreed upon with the Client and Contractor. Completion shall occur approximately 33 weeks (approx. 12/31/2027) weather permitting. Down payment \$ on 05/17/2027. Balance of \$ due upon completion.

Customer Signature

Date

General Contractor Signature

Date

Advance General Contractors LLC.

Restoration, Renovation, Remodeling & Repairs

This contract is legal, binding upon signing and subject to loss of deposit.

DBE, EBE, MBE certified; Member of the BBB

APPLICANT & PROJECT NAME:**Housing First LLC/ The Nautilus****2. CAPITAL BUDGET**

Enter ALL proposed project funding sources.

FUNDING SOURCES

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
	\$ 400,000	N	8.00%	5	25	\$37,047
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
FHLB-AHP Loan						
City Loan Request (AHF/HOME)	\$ 1,602,823	Y	0.00%	999	999	\$0
City-Loan HOME-ARP (Development Funds)						
City-Loan Request (TIF)						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Historic Tax Credit Equity						
Deferred Developer Fees						
Owner Investment	\$ 105,412					
Other-Specify:						
Total Sources	\$ 2,108,235					

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
Bridge Loan-Lender Name:			
Historic Tax Credit Equity:			
Total	\$ -		

Remarks Concerning Project Funding Sources:

APPLICANT:

Housing First LLC/ The Nautilus

3. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs

Amount

Land	\$0
Existing Buildings/Improvements	\$1,450,000
Other (List)	
	\$0

Construction:

Construction/Rehab Costs	\$437,000
Construction Profit	\$0
Construction Overhead	\$0
General Requirements	\$0
Construction Supervision	\$0
FF&E/Personal Property	\$0
Demolition	\$0
Site Work	\$0
Landscaping	\$0
Letter of Credit/P&P Bond	\$0
Construction Contingency	\$21,850
Other (List)	
	\$0

<--- If applicable, please list the costs attributable to "above and beyond" green building/Net Zero construction components included in the Construction Costs line item:

Total Cost:

\$0

Architectural & Engineering

Architect - Design	\$0
Architect - Supervision	\$0
Engineering	\$0
Other (List)	
	\$0

Interim/Construction Costs

Builder's Risk/Property Insurance	\$0
Construction Loan Interest	\$0
Construction Loan Origination Fee	\$0
Real Estate Taxes	\$0
Park Impact Fees	\$0
Other Impact Fees	\$0
Other (List)	
	\$0

Financing Fees

Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$0
Credit Enhancement	\$0
Other Permanent Loan Fees	\$0

Soft Costs

Appraisal	\$2,000
Market Study	\$3,000

Environmental Reports	\$0
Survey	\$0
Permits	\$0
Lease-Up Period Marketing	\$0
Accounting/Cost Certification	\$0
Title Insurance and Recording	\$1,500
Relocation	\$0
FF&E	\$0
Capital Needs Assessment (if rehab)	\$0
Legal	\$2,000
Other (List)	
	\$0
Fees:	
Bridge Loan Fees	\$0
Organizational Fees	\$0
Syndication Fees	\$0
Total Development Fee	\$190,885
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
	\$0
Reserves Funded from Capital:	
Lease-Up Reserve	\$0
Operating Reserve	\$0
Replacement Reserve	\$0
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
Other: (List)	
	\$0
TOTAL COSTS:	\$2,108,235

APPLICANT:

Housing First LLC/ The Nautilus

4. PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	123,060	125,521	128,032	130,592	133,204	135,868	138,586	141,357	144,184	147,068	150,009	153,010	156,070	159,191	162,375	165,623
Less Vacancy/Bad Debt	8,614	8,786	8,962	9,141	9,324	9,511	9,701	9,895	10,093	10,295	10,501	10,711	10,925	11,143	11,366	11,594
Income from Non-Residential Use*		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	114,446	116,735	119,069	121,451	123,880	126,357	128,885	131,462	134,091	136,773	139,509	142,299	145,145	148,048	151,009	154,029
Expenses:																
Office Expenses and Phone		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	30,901	31,828	32,783	33,766	34,779	35,823	36,897	38,004	39,144	40,319	41,528	42,774	44,057	45,379	46,741	48,143
Advertising, Accounting, Legal Fees	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088	2,150	2,215	2,281	2,350	2,420	2,493
Payroll, Payroll Taxes and Benefits		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348
Mtc, Repairs and Mtc Contracts	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348
Utilities (gas/electric/fuel/water/sewer)	9,600	9,888	10,185	10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521	14,956
Property Mgmt	13,290	13,689	14,099	14,522	14,958	15,407	15,869	16,345	16,835	17,340	17,861	18,396	18,948	19,517	20,102	20,705
Operating Reserve Pmt		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232
Support Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	71,391	73,533	75,739	78,011	80,351	82,762	85,245	87,802	90,436	93,149	95,944	98,822	101,786	104,840	107,985	111,225
Net Operating Income	43,055	43,202	43,331	43,440	43,529	43,596	43,640	43,660	43,656	43,624	43,565	43,477	43,358	43,208	43,024	42,804
Debt Service:																
First Mortgage	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Second Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Total Annual Cash Expenses	108,438	110,580	112,786	115,058	117,398	119,809	122,292	124,849	127,483	130,196	132,991	135,869	138,833	141,887	145,032	148,272
Total Net Operating Income	6,008	6,155	6,284	6,393	6,482	6,549	6,593	6,613	6,609	6,577	6,518	6,430	6,311	6,161	5,977	5,757
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	6,008	6,155	6,284	6,393	6,482	6,549	6,593	6,613	6,609	6,577	6,518	6,430	6,311	6,161	5,977	5,757
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.16	1.17	1.17	1.17	1.17	1.18	1.18	1.18	1.18	1.18	1.18	1.17	1.17	1.17	1.16	1.16
DCR Total Debt	1.16	1.17	1.17	1.17	1.17	1.18	1.18	1.18	1.18	1.18	1.18	1.17	1.17	1.17	1.16	1.16
Assumptions																
Vacancy Rate	7.0%															
Annual Increase Income	2.0%															
Annual Increase Expenses	3.0%															
Other																

*Please list all fees (per unit per month) and non-residential income:

APPLICANT:

Housing First LLC/ The Nautilus

3. PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	168,935	172,314	175,760	179,275	182,861	186,518	190,248	194,053	197,934	201,893	205,931	210,049	214,250	218,535
Less Vacancy/Bad Debt	11,825	12,062	12,303	12,549	12,800	13,056	13,317	13,584	13,855	14,133	14,415	14,703	14,998	15,297
Income from Non-Residential Use*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	157,110	160,252	163,457	166,726	170,060	173,462	176,931	180,469	184,079	187,760	191,516	195,346	199,253	203,238
Expenses:														
Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	49,587	51,075	52,607	54,185	55,811	57,485	59,210	60,986	62,815	64,700	66,641	68,640	70,699	72,820
Advertising, Accounting, Legal Fees	2,568	2,645	2,724	2,806	2,890	2,976	3,066	3,158	3,252	3,350	3,451	3,554	3,661	3,771
Payroll, Payroll Taxes and Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	9,628	9,917	10,215	10,521	10,837	11,162	11,497	11,842	12,197	12,563	12,940	13,328	13,728	14,139
Mtc, Repairs and Mtc Contracts	9,628	9,917	10,215	10,521	10,837	11,162	11,497	11,842	12,197	12,563	12,940	13,328	13,728	14,139
Utilities (gas/electric/fuel/water/sewer)	15,405	15,867	16,343	16,834	17,339	17,859	18,395	18,946	19,515	20,100	20,703	21,324	21,964	22,623
Property Mgmt	21,327	21,966	22,625	23,304	24,003	24,723	25,465	26,229	27,016	27,826	28,661	29,521	30,407	31,319
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	6,419	6,611	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152	9,426
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	114,562	117,998	121,538	125,185	128,940	132,808	136,793	140,896	145,123	149,477	153,961	158,580	163,337	168,238
Net Operating Income	42,548	42,253	41,918	41,541	41,120	40,653	40,138	39,573	38,956	38,284	37,554	36,766	35,915	35,000
Debt Service:														
First Mortgage	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047	37,047
Total Annual Cash Expenses	151,609	155,045	158,585	162,232	165,987	169,855	173,840	177,943	182,170	186,524	191,008	195,627	200,384	205,285
Total Net Operating Income	5,501	5,206	4,871	4,494	4,073	3,606	3,091	2,526	1,909	1,237	507	-281	-1,132	-2,047
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	5,501	5,206	4,871	4,494	4,073	3,606	3,091	2,526	1,909	1,237	507	-281	-1,132	-2,047
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.15	1.14	1.13	1.12	1.11	1.10	1.08	1.07	1.05	1.03	1.01	0.99	0.97	0.94
DCR Total Debt	1.15	1.14	1.13	1.12	1.11	1.10	1.08	1.07	1.05	1.03	1.01	0.99	0.97	0.94

Assumptions

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	