



November 28, 2012

Matthew Tucker
Zoning Administrator
Madison Municipal Building, LL 100
215 Martin Luther King, Jr. Blvd
PO Box 2984
Madison, WI 53701-2984

Re: Conditional Use
Letter of Intent for Eagle Harbor Apartments, 1360 MacArthur Rd.

Dear Matt:

This is our Letter of Intent (Conditional Use) for the property located at 1360 MacArthur Rd. This project is located in the C2 commercial district. The Owner, Care Net Pregnancy Center of Dane County Inc., is planning to develop a new three-level residential building at this location including 36 apartment units and a 2,038 square foot daycare facility.

Eagle Harbor Apartments Project Overview

The gross area of the new building is 42,170 square feet. The lot area is 53,698 square feet, with a building footprint of 14,628 square feet. The required useable open area is 10,560 square feet and we are providing 22,571 square feet (pond not included).

The Owner also owns the property immediately south of the subject property. There will be a shared access and maintenance easement agreement describing the shared parking areas, shared trash enclosure, shared fire apparatus area and drainage area. There are provisions for 51 parking stalls and 16 bicycle stalls. Trash and recyclables storage are contained within a shared exterior trash enclosure.

The new structure will house 36 apartment units with a unit mix as indicated below.

<u>Unit size</u>	<u>Qty Units</u>	<u># of bedrooms</u>
(1) Bedroom	14	14
(2) Bedroom	14	28
(3) Bedroom	8	24
Total	36	66

Eagle Harbor Apartments will be marketed to a variety of people with varying incomes. This integrated environment will include housing units for people with incomes equal to 60%, 50% and 30% of the County Median Income ("CMI"), and will also include "market" units without any income limitations.

Eagle Harbor Apartments will include eight 3-bedroom units which will be marketed to families. Additionally, the 1-bedroom and 2-bedroom units will be ideal for small, young families and others with low-to-moderate incomes.

The daycare on the first floor of the proposed building will be a great amenity for young families residing in the building and/or families living in the neighborhood. This submittal contains an "Option B" floor plan that does not include the daycare but instead includes 1 additional 3-Bedroom unit in that space. This will bring the total units to 37.

The development schedule calls for new construction starting mid July 2013 with a scheduled completion in March, 2014.

Care Net

Care Net Pregnancy Center of Dane County operates a Center immediately adjacent the property. Since its inception in 1985, the Center has served more than 9,000 women in unplanned pregnancies, often including their families and male partners. Care Net is a professional pregnancy medical clinic and they provide all services free of charge and confidentially.

Care Net's residential program, The Elizabeth House, supports pregnant single mothers ages 18-26. For six to nine months, the Center provides a safe and secure environment for mothers to become emotionally healthy and self-sufficient members of the community, while building life skills that will enable each young mom to secure employment, housing, manage money and foster sound decision-making while learning effective parenting skills.

Care Net will offer many of their services to residents at Eagle Harbor Apartments including:

- Individual and group parenting education
- Childbirth education
- Breastfeeding support
- Healthy relationships education
- Infant CPR and basic first aid classes – in collaboration with Madison Police Department
- Access to Care Net medical clinic services:
 - Pregnancy testing and verification
 - Medically indicated obstetrical ultrasound for dating and viability
 - STI testing and treatment for women
 - Options counseling
 - Post-abortion support for women and men

Six of the 36 apartment units will be considered "Supportive Housing" units (as defined by WHEDA) and will be eligible for additional services including:

- Financial literacy support
- Life skills training and support
- Nutrition education and support
- Case management through licensed social worker
- Material incentives for meeting program goals

WHEDA Submittal

The Owner will be applying for Affordable Housing Tax Credits through the Wisconsin Housing and Economic Development Authority ("WHEDA") in February. The Credits offer a reduction in tax liability to property owners and private investors to encourage the development of affordable rental housing for low-to-moderate income persons. Congress enacted Section 42 of the Internal Revenue Code as part of the Tax Reform Act of 1986. The Credit replaced traditional tax benefits eliminated on multifamily real estate. Without the Credit, cash flow from rent is often inadequate to support housing development. Tax credits increase the owner/investor down payment in a housing development by lowering mortgage and financing costs allowing lower rents.

Contact Information

Applicant & Co-Developer:

Kothe Real Estate Partners
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Architect:

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Contractor:

Landgraf Construction
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Contact: Mark Landgraf
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Owner:

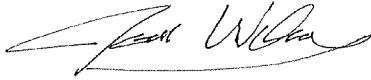
Care Net Pregnancy Center of Dane County Inc.
1350 MacArthur Rd.
Madison, WI 53714

Civil Designer:

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McFarland, WI 53558
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Please refer to the attached plans for additional information.

Sincerely,



Josh Wilcox
Project Manager

MANAGEMENT PLAN

Eagle Harbor Apartments, 36 Units
1360 MacArthur Road, Madison
Owner: Care Net Pregnancy Center of Dane County, Inc.
Management Agent: Meridian Group, Inc.

1. The role and responsibility of the owner and the relationship and delegations of authority to the management agent.

- a. The owner is Care Net Pregnancy Center of Dane County or affiliate.
- b. The owner will enter into an agreement with Meridian Group, Inc., as Management Agent, for the day-to-day operation of the development. Meridian Group, Inc. will have full authority to oversee both physical maintenance and financial administration of the project and advise the owner, on a regular basis, as to the status of the property and its residents.

Meridian Group, Inc., as management agent, will have complete supervisory responsibilities over basic principles and policies, and the execution of all standard management duties and services. The broader duties of Meridian Group, Inc. are as follows:

1. Corporate Property Managers will be assigned and be responsible for the daily routine administration of the specific projects.
 2. To continually monitor the day-to-day operations to insure that operational policies are accomplished while maintaining communication between the Property Manager, site staff, and other field staff employees.
 3. To call upon the entire staff of Meridian Group, Inc. to apply its wide-range of expertise to assist the Property Manager and the site staff in dealing with non-routine problems.
 4. Determining eligibility, income certification, and re-certification - selection of tenants.
 5. Leasing.
 6. Operating the property for the good of the residents, within the financial guidelines provided by the owner and the government agencies providing subsidy.
 7. Maintaining accurate records of the day-to-day operations of the property, including rent collections.
 8. Perform duties as outlined in the Management Agreement.
- c. The responsibilities of the owner and management agent have been clearly delineated. Meridian Group, Inc. manages over 4,000 other residential units with similar delineation of responsibilities. The owner's responsibilities are summarized in

the following statements.

The primary responsibility of the owner with respect to Eagle Harbor Apartments is to assure that the property is operated in a fashion consistent with professional management practices and in a manner conducive to the preservation and enhancement of a desirable living environment.

The owner assumes the responsibility and has an obligation to:

1. Provide decent, safe, and sanitary housing.
2. Provide housing to meet the needs of the specific, eligible, population to be served.
3. Accept financial responsibility for the project.
4. Appoint a management agent to perform the day-to-day management operations of the development.

2. Personnel Policy and Staffing Arrangements - Meridian Group, Inc.

- a. Meridian Group, Inc. is an Equal Opportunity Employer. Equal opportunity guidelines are followed in all hiring practices.
- b. The projected staffing needs are one administrative staff and one maintenance personnel. The number of hours worked is dictated by the specific property size.
- c. The site staff will be directly supervised and report to the Corporate Property Manager.
- d. The employees have been trained in their job responsibilities and applicable HUD requirements. Meridian Group, Inc. provides an on-going training program for the employees.

3. Plans and Procedures for Marketing Units, Achieving and Maintaining Full Occupancy, and Meeting HUD Form 935.2A, "Affirmative Fair Housing Marketing Plan" Requirements.

- a. All marketing practices will be consistent with the items outlined in the Affirmative Fair Housing Marketing Plan. The plan is reviewed frequently. Outreach efforts are conducted annually to insure that low income and minority persons are urged to apply.
- b. Units will be advertised in local newspapers, shoppers, etc. in order to maintain a waiting list at the project. All advertising will conform to Equal Opportunity Housing requirements.
- c. Constant marketing efforts including advertising and community relations are conducted by site staff to achieve highest occupancy levels.
- d. Local social service agencies will be utilized to assist in communication with applicants and residents who may not speak English or may have sight or hearing impairments.

- e. All requests for reasonable accommodation will be considered. Future improvements at the property will address accessibility needs.
 - f. Waiting list will be maintained according to HUD requirements. Potential applicants will fill out a preliminary application for occupancy to determine their eligibility. Waiting lists are updated at least annually. Copies are maintained at the project site and in the Corporate Office.
 - g. All prospective residents will be allowed to inspect the unit prior to occupancy. Within 7 days of occupancy, the resident completes a detailed move-in inspection form with the Manager. The resident receives a copy of the form and two copies are retained in the resident file.
 - h. All tenants are given an orientation to the project by site staff. A handbook is provided to the tenant that outlines care of the units. Prospective applicants can view this information.
 - i. Tenant selection is done by the site manager. Any disputes are referred to the Corporate Office.
4. Procedures for Determining Eligibility and for Certifying and Recertifying Incomes.
- a. Individual tenant files are kept at the project office by the site staff pursuant to the Owner's request.
 - b. Prior to any decisions being made concerning application processing, etc., staff will be trained in the areas of fair housing, lease laws, occupancy programs, and rental collection practices. Training will include Meridian sponsored programs (Employee Orientation one-day program, Occupancy and Accounting three-day program, Supervision Meetings, Regional Meetings, etc.) as well as outside training programs (NCHM, WAA Fair Housing program, etc.).
5. Leasing and Occupancy Policies.
- a. Rules for occupancy are outlined in the Tenant Selection Plan for the project. The plan is kept on site.
 - b. The social service agency in the area assists in the translation of documents for non-English speaking tenants.
6. Rent, Occupancy Charge, and Surcharge Collection Policies and Procedure.
- a. Policies and procedures regarding collection and payment of rents will be clearly communicated to all residents and the procedures for collection will be applied impartially. Specific procedures will be implemented so as to keep delinquencies at a minimum. Late charges will be applied after the 5th day of the month. Rents are collected on site. The manager issues rent receipts if requested. Site collections take place both during and after office hours at the site. Rent payments are recorded online for each resident. All rent payments are deposited into the project's operating account.

7. Plans and Procedures for Carrying Out an Effective Maintenance, Repair, and Replacement Program.
 - a. As-built plans will be kept at the project site and Corporate Office of the Management Agent.
 - b. The Preventative Maintenance Program is contained in the Meridian Group, Inc. Operating Handbook. The manager will implement the preventative maintenance program at the site. The Corporate Property Manager will monitor the program. The program includes the following:
 1. Scheduled, seasonal checks on project equipment are completed by staff.
 2. Smoke alarms and fire extinguishers have been installed in accordance with local building codes. All smoke alarms and fire extinguishers are tested at least annually but also upon any maintenance visit to an apartment.
 3. All units receive an annual inspection. Any maintenance done prior to a move-out is done in accordance with the lease and state and municipal laws.
 4. Interiors of units are scheduled for redecorating every 7 years or sooner if needed.
 5. Major repairs are handled by outside contractors. Manager will procure outside contractor for the major repairs. The maintenance staff will do the balance of grounds care.
 6. An outside vendor handles trash removal.
 - d. Meridian Group, Inc. uses a written maintenance request system. All residents contact the manager for maintenance requests. Meridian Group, Inc. posts an emergency number in the lobby of each building. Residents can use the emergency number if the manager is not available.
8. Plans for Accounting and Meeting HUD Reporting Requirements.
 - a. Project accounting records will be maintained on an accrual basis by the project accountant in Meridian's corporate office.
 - b. All project funds will be kept separate in project bank accounts. No funds will be deposited jointly with funds of another project.
 - c. All required monthly and yearly financial reports will be prepared by the Corporate Accounting Department and such records will be kept in the Corporate Office in Middleton.
 - d. An independent public accounting firm will conduct the annual financial statement audit.
 - e. All maintenance at the project is recorded on a Maintenance Report form. A maintenance file is set up for each unit. All maintenance records are retained

indefinitely at the project.

- f. Tenant files and maintenance records will be kept at the project site. Accounting records are maintained in the Meridian Corporate Office in Middleton, Wisconsin.