

URBAN SOLUTIONS, INC.
BUILDING VALUES
DEVELOPING RELATIONSHIPS

Inclusionary Dwelling Unit Plan

For

Blackhawk Lofts
9320 Old Sauk Road
Madison, WI

Presented by:

Urban Solutions, Inc.
April 11, 2005

REAL ESTATE DEVELOPMENT

700 BAY O VAC DRIVE • MADISON, WISCONSIN 53711 • PHONE 608.274.3100 • FAX 608.274.3200

General Development Characteristics

BLACKHAWK LOFTS is a proposed 30-unit owner-occupied condominium community on 1.8 Acres, located at 9320 Old Sauk Road.

The owner-occupied condominium community will consist of (3) - 10 Unit Buildings for a total of 30 dwelling units with a density of 16.67 dwelling units per acre. Private underground parking stalls in each building will provide the project with additional open space and enhance the quality of living for the condominium owners. Pedestrian and bicycle usage will be facilitated by convenient bicycle parking and sidewalks that connect to the main street. The architectural design theme reflects a craftsman style look. Landscaping on the site will contribute to an attractive environment and provide additional screening to the existing Mormon church property to the west and the Waterside Apartments to the east of this development. The site is currently vacant with very minimal landscaping.

Organizational Structure for BLACKHAWK LOFTS

Urban Solutions, Inc. will develop BLACKHAWK LOFTS. The project will be a Phased development as market conditions warrant with Phase I commencing October 2005 with completion in March 2006. Tri-North or a similar quality general contractor will construct the owner-occupied condominium project. Michael Hershberger of Urban Solutions, Inc. was the co-developer (in 2004) of Sauk Ridge Condominiums located at 8704 Old Sauk Road.

Upon construction completion, the development will be professionally managed by Wisconsin Management, Inc. or a similar quality experienced property manager. Wisconsin Management, Inc. currently manages over 2500 rental units in various communities. The property manager will work closely with City Staff to insure compliance with all Inclusionary Zoning policies, procedures and certifications.

This development will provide a total of 16.67% of its owner-occupied units meeting the 80% AMI guidelines to be in compliance with the IZ Ordinance. See attached IZ Unit Mix and Projected Sales Prices.

Development Team

Project: BLACKHAWK LOFTS
30-Unit Project
9320 Old Sauk Road, Madison, WI

Owner: Blackhawk Partners, LLC

Developer: Urban Solutions, Inc.
700 Ray O Vac Drive, Madison, WI 53711
608-274-3100

Contractor: Tri-North or similar quality general contractor

Management: Wisconsin Management, Inc. or similar quality property manager

Architect: Knothe & Bruce Architects, LLC
7601 University Ave., Suite 201
Middleton, WI 53562
608-836-3690

Project Scheduling/Phasing

Phase I: Building #1 - 10 Units
Commencement: October 2005
Completion: March 2006

Phase II: Building #2 - 10 Units
Commencement: March 2006
Completion: September 2006

Phase III: Building #3 - 10 Units
Commencement: September 2006
Completion: March 2007

Note: Phases II-III commencement and completion dates are subject to market conditions. Developer reserves the right to adjust schedule and number of units per phase at its sole discretion.

Buildings and Architectural Character

The architectural design theme was determined utilizing a traditional neighborhood design theme. The proposed development, although not within a traditional neighborhood design planned unit development, is a naturally occurring traditional neighborhood setting. Individual private-entry porches support the use of public

outdoor space and generate social activity. The residents will have the opportunity to walk to church, a public park, water features (Blackhawk pond), and various retailers and commercial uses. The design is appropriate for the location.

The building height has been limited to two stories to provide a scale that is compatible with the surrounding properties. The exterior materials will be a combination of horizontal siding, stone veneer and painted accent trim elements. The facades are well articulated and detailed, and the overall effect produces a high quality residential environment.

The surface parking is limited with the majority of the parking located beneath the buildings. Landscape buffers are planned at the perimeter of the site to soften the impact on adjacent parcels.

IZ Unit Mix and Sizes

BLACKHAWK LOFTS will contain all two bedroom units. The IZ units will contain approximately 1,150 square feet and substantially exceed the minimum square footage as required by the IZ ordinance.

See the attached chart indicating unit size, mix and proposed sales prices. The inclusionary zoning units will be distributed proportionately throughout the development.

Unit Type	Square Feet	Total Units	Inclusionary Zoning Units	Projected Sales Prices
Unit A	1,522	12	0	\$220,000 (Market)
Unit B	1,496	6	0	\$210,000 (Market)
Unit C	1,524	6	0	\$215,000 (Market)
Unit D	1,152	6	5	\$140,000 (IZ*) to \$199,900 (Market)
Totals		30	5	

*For further IZ pricing information, see spreadsheet calculations on the following page

The development is not seeking any incentives or alternatives to Inclusionary Zoning.

**Approximate House Payments Families Can Afford
Adjusted for Income and Family Size
(2004 Income Figures Using 30% of Monthly Income for Housing)**

PRICING FOR-SALE INCLUSIONARY DWELLING UNITS: third quarter, 2004

 = independent variables;

 =maximum Inclusionary Dwelling Unit prices

General Assumptions	
Interest Rate	6.00%
Periodic Rate	0.5000%
Term	30 years
Payments	360
Mortgage Constant	0.0719
Downpayment %	5.00%
Loan to Value	95.00%
Monthly Condo Fee	\$95
Tax Rate	0.0240
Taxes & Insurance	30.00% of payment (estimate)

Dwelling Unit Size: efficiency

% of Area Media Income	Family Size	Annual Income	Monthly Income	30% of Monthly Income for Housing	Home Value	Down Payment	Loan Amount	Taxes & Insurance		Mortgage (P&I)	Total Payment
80%	1	\$ 40,250	\$ 3,354	\$ 1,006	\$ 106,988	\$ 5,349	\$ 101,639	\$ 302	\$95	\$ 609	\$ 911
70%	1	\$ 35,840	\$ 2,987	\$ 896	\$ 93,438	\$ 4,672	\$ 88,766	\$ 269	\$95	\$ 532	\$ 801
60%	1	\$ 30,720	\$ 2,560	\$ 768	\$ 77,707	\$ 3,885	\$ 73,822	\$ 230	\$95	\$ 443	\$ 673
50%	1	\$ 25,600	\$ 2,133	\$ 640	\$ 61,976	\$ 3,099	\$ 58,877	\$ 192	\$95	\$ 353	\$ 545

Dwelling Unit Size: One-Bedroom

% of Area Media Income	Family Size	Annual Income	Monthly Income	30% of Monthly Income for Housing	Home Value	Down Payment	Loan Amount	Taxes & Insurance		Mortgage (P&I)	Total Payment
80%	1.5	\$43,125	\$ 3,594	\$ 1,078	\$ 115,821	\$ 5,791	\$ 110,030	\$ 323	\$95	\$ 660	\$ 983
70%	1.5	\$38,413	\$ 3,201	\$ 960	\$ 101,342	\$ 5,067	\$ 96,275	\$ 288	\$95	\$ 577	\$ 865
60%	1.5	\$32,925	\$ 2,744	\$ 823	\$ 84,482	\$ 4,224	\$ 80,258	\$ 247	\$95	\$ 481	\$ 728
50%	1.5	\$27,438	\$ 2,286	\$ 686	\$ 67,622	\$ 3,381	\$ 64,241	\$ 206	\$95	\$ 385	\$ 591

Dwelling Unit Size: Two-Bedroom

% of Area Media Income	Family Size	Annual Income	Monthly Income	30% of Monthly Income for Housing	Home Value	Down Payment	Loan Amount	Taxes & Insurance		Mortgage (P&I)	Total Payment
80%	3	\$ 51,750	\$ 4,313	\$ 1,294	\$ 142,322	\$ 7,116	\$ 135,205	\$ 388	\$95	\$ 811	\$ 1,199
70%	3	\$ 46,130	\$ 3,844	\$ 1,153	\$ 125,054	\$ 6,253	\$ 118,801	\$ 346	\$95	\$ 712	\$ 1,058
60%	3	\$ 39,540	\$ 3,295	\$ 989	\$ 104,807	\$ 5,240	\$ 99,566	\$ 297	\$95	\$ 597	\$ 894
50%	3	\$ 32,950	\$ 2,746	\$ 824	\$ 84,559	\$ 4,228	\$ 80,331	\$ 247	\$95	\$ 482	\$ 729

Dwelling Unit Size: Three-Bedroom

% of Area Media Income	Family Size	Annual Income	Monthly Income	30% of Monthly Income for Housing	Home Value	Down Payment	Loan Amount	Taxes & Insurance		Mortgage (P&I)	Total Payment
80%	4.5	\$59,225	\$ 4,935	\$ 1,481	\$ 165,288	\$ 8,264	\$ 157,024	\$ 444	\$95	\$ 941	\$ 1,386
70%	4.5	\$52,780	\$ 4,398	\$ 1,320	\$ 145,486	\$ 7,274	\$ 138,212	\$ 396	\$95	\$ 829	\$ 1,225
60%	4.5	\$45,240	\$ 3,770	\$ 1,131	\$ 122,320	\$ 6,116	\$ 116,204	\$ 339	\$95	\$ 697	\$ 1,036
50%	4.5	\$37,700	\$ 3,142	\$ 943	\$ 99,153	\$ 4,958	\$ 94,196	\$ 283	\$95	\$ 565	\$ 848

Dwelling Unit Size: Four-Bedroom

% of Area Media Income	Family Size	Annual Income	Monthly Income	30% of Monthly Income for Housing	Home Value	Down Payment	Loan Amount	Taxes & Insurance		Mortgage (P&I)	Total Payment
80%	6	\$ 66,700	\$ 5,558	\$ 1,668	\$ 188,255	\$ 9,413	\$ 178,842	\$ 500	\$95	\$ 1,072	\$ 1,573
70%	6	\$ 59,430	\$ 4,953	\$ 1,486	\$ 165,918	\$ 8,296	\$ 157,622	\$ 446	\$95	\$ 945	\$ 1,391
60%	6	\$ 50,940	\$ 4,245	\$ 1,274	\$ 139,833	\$ 6,992	\$ 132,841	\$ 382	\$95	\$ 796	\$ 1,179
50%	6	\$ 42,450	\$ 3,538	\$ 1,061	\$ 113,747	\$ 5,687	\$ 108,060	\$ 318	\$95	\$ 648	\$ 966

Source: The 30%, 50% and 80% figures are taken from HUD tables. They do not necessarily represent the precise mathematical percentage of the median income base of 100%. The additional % figures are provided for your convenience and are locally derived by formula from the 50% figure. (i.e., 20% of 2x50% median income figure).

This table was adapted by the city of Madison CDBG Office from one developed by Terri Goldbin and Joe Gromacki.

PART 1 - DEVELOPMENT INFORMATION:

Project or Plat Blackhawk Lofts

Project Address: 9320 Old Sauk Road Project Area (in acres): 1.8

Developer: Urban Solutions, Inc. Representative: Michael D. Hershberger

Street Address: 700 Rayovac Drive City/State: Madison WI Zip: 53711

Telephone: (608) 274-3100 Fax: (608) 274-3200 Email: mike@urbanresults.com

Agent, if Any: Randy Bruce Company: Knothe & Bruce

Street Address: 7601 University Ave. City/State: Middleton WI Zip: 53562

Telephone: (608) 836-3690 Fax: (608) 836-6934 Email: r.bruce@knothebruce.com

PART 2 - PROJECT CONTENTS:

Complete the following table as it pertains to this project:

Residential Use	MARKET-RATE UNITS		INCLUSIONARY UNITS		Total Units	Acres
	Owner-Occupied Units	Renter-Occupied Units	Owner-Occupied Units	Renter-Occupied Units		
Single-Family	sjfkvSJFD					
Duplexes	KJWEBF					
Multi-Family	25		5		30	1.8
TOTAL	25		5		30	1.8

PART 3 - AFFORDABLE HOUSING DATA:

Number of Inclusionary Dwelling Units Proposed by Area Median Income (AMI) Level and Minimum Sale/Rent Price							
Owner-Occupied Units	30%	40%	50%	60%	70%	80%	Total
Number at Percent of AMI						5	5
Anticipated Sale Price						140,000	140,000
Rental Units	30%	40%	50%	60%	70%	80%	Total
Number at Percent of AMI							
Maximum Monthly Rent Price							

PART 4 - DWELLING UNIT COMPARISON:

Complete the following table as it pertains to this project:

	MARKET-RATE UNITS					INCLUSIONARY UNITS				
	Studio / Effcy	1 Bdrm	2 Bdrms	3 Bdrms	4/More Bdrms	Studio / Effcy	1 Bdrm	2 Bdrms	3 Bdrms	4/More Bdrms
Owner-Occupied Units with:			25					5		
Minimum Floor Area:			1400-1500					1150		
Rental Units With:										
Minimum Floor Area:										

CONTINUE →

PART 5 – INCENTIVES: Section 28.04 (25) of the Zoning Ordinance provides the opportunity for applicants in projects where affordable dwelling units are required or where the developer has agreed to pay money in lieu of inclusionary dwelling units, to receive one or more incentives as compensation for complying with the Inclusionary Zoning requirements. Each of the eleven incentives listed below are affixed a point value. The incentive points available to an applicant is dependent upon the number of affordable dwelling units proposed at the various area median income (AMI) levels. The program rewards projects both for having a higher number of affordable dwelling units provided at lower AMI levels, and for having a higher percentage of affordable dwelling units incorporated into the development. The incentive and the corresponding number of points available are listed below. (MAP=Maximum Available Points) Please mark the box next to the incentives requested.

Incentive	MAP	Incentive	MAP
<input type="checkbox"/> Density Bonus (varies by project)	3	<input type="checkbox"/> Cash subsidy from Inclusionary Unit Reserve Fund up to \$10,000 per unit for up to 50% of the affordable units provided.	2
<input type="checkbox"/> Parkland Development Fee Reduction	1	<input type="checkbox"/> Cash subsidy from Inclusionary Unit Reserve Fund of \$5000 for up to 50% of on-site afford-able units in projects with 49 or fewer detached units or projects with four or more stories and 75% of parking provided underground.	2
<input type="checkbox"/> Parkland Dedication Reduction	1	<input type="checkbox"/> Neighborhood Plan preparation assistance	1
<input type="checkbox"/> Off-street Parking Reduction up to 25%	1	<input type="checkbox"/> Assistance obtaining housing funding information	1
<input type="checkbox"/> Non-City provision of street tree planting	1		
<input type="checkbox"/> One addl. story in Downtown Design Zones	1		
<input type="checkbox"/> Residential parking permits in a PUD/PCD	1		
<input type="checkbox"/> Incentives Not Assigned a Point Value by Ordinance (Explain): _____			

PART 6 – WAIVER: The Plan Commission may waive the requirement to provide inclusionary dwelling units in the development if the applicant can present clear and convincing financial evidence that providing the required number of inclusionary dwelling units on-site renders providing the required number of inclusionary units financially infeasible. In such a case, a developer may request a waiver to provide the units off-site, assign the obligation to provide the units to another party, or pay cash in lieu of the units, or any combination of the above. If the waiver is granted, the required units may be provided as new construction off-site in another development within **one mile** of the subject development; off-site units shall be provided at least 1.25 times the number of units if provided within the subject development. Off-site units must be constructed within one year of the time that they would have been constructed within the subject development. The applicant may opt to pay money into the Inclusionary Unit Reserve Fund based on contribution rates established in Section 28.04 (25) of the Zoning Ordinance. If provision of the inclusionary dwelling units through the waiver is still financially infeasible, the developer may seek a reduction in the percent of units to the point where the project becomes financially feasible. If such a waiver is requested, a detailed explanation shall be provided in the required project narrative demonstrating the financial infeasibility of complying with the ordinance requirements and the rationale for the alternative proposed.

- If a waiver is requested, **please mark this box** ☐ and include all of the necessary information required by the Zoning Ordinance and IZ Program Policy & Protocols to support your request.

PART 7 – APPLICANT'S DECLARATION:

The signer shall attest that this application has been completed accurately and includes all requests for incentives or waivers; that they have attended both required pre-application staff meetings and given the required notice to the district alderperson and neighborhood association(s) prior to filing this application; and that all required information will be submitted on the corresponding application for zoning and/or subdivision approval by the Plan Commission. The applicant shall begin the declaration by stating below whether or not the project complies with the various requirements of the inclusionary zoning ordinance. Check the applicable box and provide any supporting

Standards for Inclusionary Dwelling Units (IDUs)	Will Comply	Will not comply	Additional comments
Exterior Appearance of IDUs are similar to Market rate.	X		
Proportion of attached and detached IDU units is similar to Market rate.	X		
Mix of IDUs by bedroom size is similar to market rate.	X		

CONTINUE →

Standards for Inclusionary Dwelling Units (IDUs) [continued]	Will Comply	Will not comply	Additional comments
IDUs are dispersed throughout the project.	X		
IDUs are to be built in phasing similar to market rate.	X		
Pricing fits within Ordinance standards	X		
Developer offers security during construction phase in form of deed restriction.	X		
Developer offers enforcement for for-sale IDUs in form of option to purchase or for rental in form of deed restriction.	X		
Developer describes marketing plan for IDUs.	X		
Developer acknowledges need to inform buyers/renters of IDU status, responsibilities for notification.	X		
Terms of sale or rent.	X		
	Yes	No	Additional comments
Developer has arranged to sell/rent IDUs to non-profit or CDA to meet IDU expectations.		X	
Developer has requested waiver for off-site or cash payment.		X	
Developer has requested waiver for reduction of number of units.		X	
Other:			

- The applicant discussed this development proposal with representatives from the Planning Unit, Zoning Administrator and Community Development Block Grant Office on: → January 25, 2005
- The applicant presented a preliminary development plan for this project to the Interdepartmental Review Staff Team on: → April 14, 2005
- The applicant notified Alderperson Paul Skidmore of District 9 of this development proposal in writing on: → February 1, 2005
- The applicant also notified Joe Kellerman of the Blackhawk neighborhood in writing on: February 20, 2005
- The Inclusionary Dwelling Unit Plan Application package contains ALL of the materials required as noted on this form. I, as the undersigned, acknowledge that incomplete or incorrect submittals may cause delays in the review of this project. I am also familiar with the ongoing developer responsibilities summarized on page #2 of this application and outlined in the Inclusionary Zoning Ordinance and Program Policy and Protocols.

Applicant Signature

Michael D. Hershberger

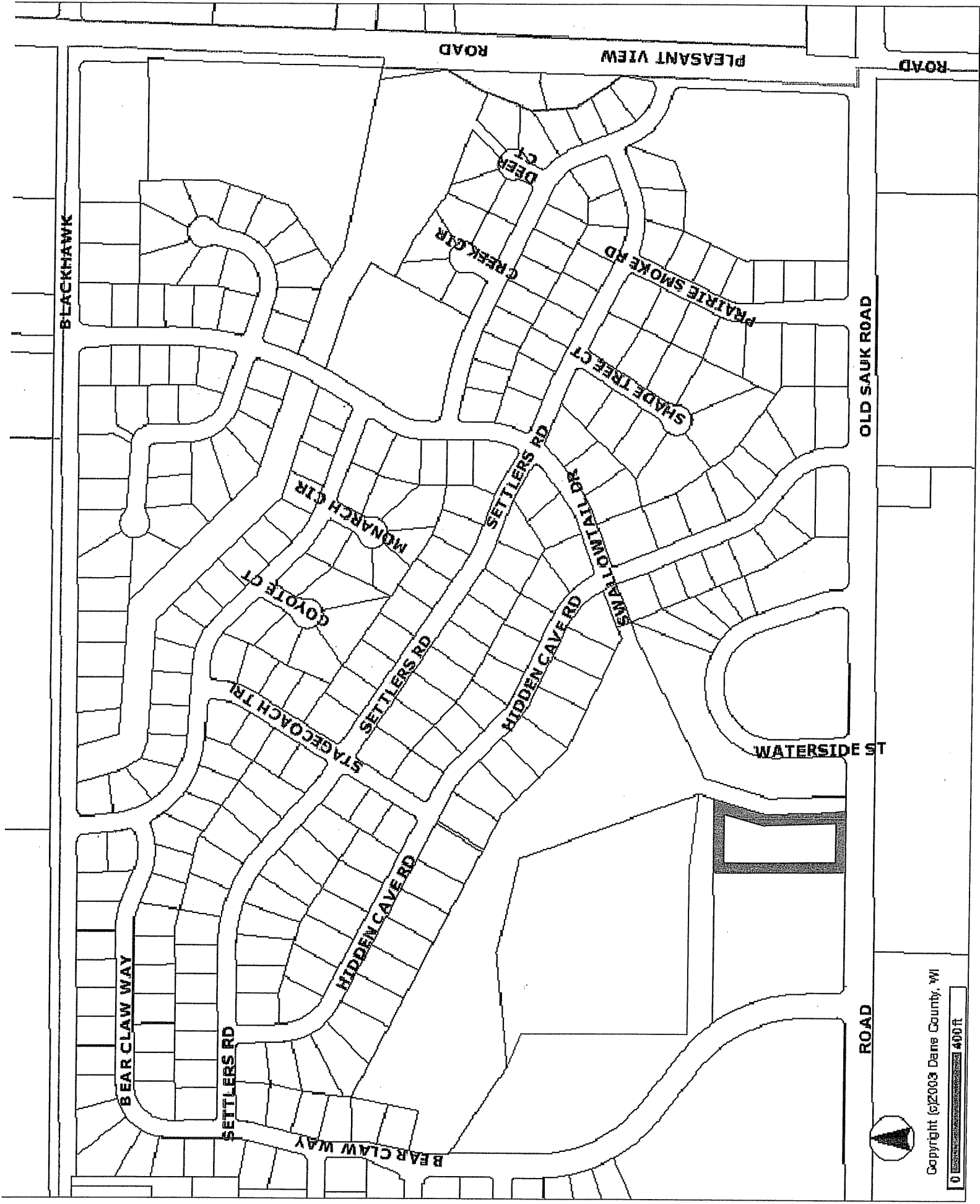
Date 4/26/05

Printed Name

Michael D. Hershberger

Phone

(608) 274-3100



Copyright (c)2003 Dane County, WI

0 400ft