Women's Institute for Housing and Economic Development, Inc. & The HOPE Partnership

Response to Request for Proposals for redevelopment of the Academy School Property

May 8, 2018
May 8, 2018

Mr. Marc Sklenka, Senior Director of Project Management
Colliers International
135 New Road
Madison, Connecticut 06443

RE: REQUEST FOR PROPOSALS – Academy School, Madison, CT

Dear Mr. Sklenka,

On behalf of the Women’s Institute for Housing and Economic Development (Women’s Institute), a certified minority/women-owned enterprise and mission-driven non-profit, and our shoreline partner, the HOPE Partnership, it is my pleasure to submit our response to your revised Request for Proposals for the Academy School property on School Street in Madison, Connecticut. We continue to be very interested in this opportunity to work with the Town of Madison through the concept, planning, public outreach and eventual redevelopment of this important and visible community asset.

The Women’s Institute is strong and growing. Since 2006, we have grown from $5.7M in assets to over $83M. For our own portfolio and with our clients, we have created over 1,500 units of housing and associated community space across 80+ properties in our history, expanding our reputation by completing some of the most complicated deals in difficult-to-develop communities. We have dedicated our organization to building homes and opportunity in Connecticut since 2001, and have been fully staffed with a team of project managers based in Connecticut since 2005. We have raised over $100M for the development and preservation of Connecticut developments in that time to complete and preserve over 700 units of housing for ourselves and for our clients. We are highly adept at layering public and private financing to make these projects a reality, and are committed to creating mixed-income and mixed-use real estate.

For purposes of the Academy School property, we are proposing to collaborate with the HOPE Partnership, a community- and faith-based organization dedicated to supporting local housing needs in shoreline communities. Since 2004, HOPE has been working with local leaders and community partners to identify opportunities and support housing that meet the range of needs in those town. Together with HOPE, we have the skills to envision and execute creative real estate solutions that meet local needs.

In the following pages, you will find all of the information you have requested. We extend our deepest appreciation to you for this opportunity to share how our organization’s commitment to Connecticut, to creative re-use of properties and mixed-income housing, and to community building and growth can carry forward the mission and vision for the Academy School and for Madison.

Sincerely,

[Signature]

Loni Willey
Interim Executive Director/Chief Operating Officer
Women’s Institute / HOPE Proposal  
Academy School Property, Madison, CT

The Women’s Institute for Housing and Economic Development (Women’s Institute) and the HOPE Partnership (HOPE) are pleased to submit our proposal for consideration by Colliers International and the Town of Madison.

3.1 Proposed Development of the Parcel

Development Concept:
Every development is distinct, and presents a unique opportunity to be a community asset and meet the needs of its residents. The renovation and repurposing of the former Academy School is no exception. The Women’s Institute and HOPE propose to work closely with the Town of Madison to create a collaborative approach to redevelop this architecturally significant property into 28 highly desirable studio, one- and two-bedroom apartments and 2,600 square feet of flexible community/resident space.

Comprehensive redevelopment of the former Academy School property offers the Town of Madison the rare opportunity to preserve and repurpose this historic and highly visible building. Its town-center location is in close proximity to local transportation, services and shopping, and it sits adjacent to a highly desirable, attractive and historic residential and commercial neighborhood. This very visible and attractive property is a valuable architectural and historic resource, and is listed on the National Register of Historic Places. The Academy School is lovely and holds a strong place in the neighborhood, and its re-use would not only meet the town’s housing and community needs, it would also preserve an important part of its history. It is therefore critical that it be preserved and redeveloped with a keen eye toward stabilizing, protecting and showcasing its architectural features.

Moreover, the Academy School abuts green space that is widely used by the community. The existing playground and green space are highly valued locally. The site, the abutting historic and low-density developments, and the nearby green offer a gracious, small-town feel to the Town center. This is central to the character of Madison, and redevelopment of the Academy School structure should not only enhance the other properties there, but also preserve the existing open space as community discussion has prioritized.

Given these factors, the Women’s Institute and HOPE Partnership propose to work together to undertake the renovation of the Academy School to meet two distinct and important community needs. First, we propose to create 28 appealing studio, one- and two-bedroom apartments, four of which will include an attractive loft feature, as well as shared community and common space for the tenants’ use. We would seek to create a mixed-income community that combines market-rate units with those designed to serve recent retirees, millennials, and the local workforce. Elevators would provide access for people with disabilities, and attention will be given to accessibility features. All design will incorporate historic standards, and wherever possible the significant interior features will be retained and brought back to their full use.

Our vision for redevelopment of the Academy School and the adjacent site incorporate several strong, concurrent goals:

- We seek to create highly appealing apartments in a mixed-income, mixed-use community that is in easy walking distance to all of the amenities that Madison has to offer.
- We do this within the context of the site and the historic nature of the building, preserving and enhancing the architectural quality and significance of the Academy School.
- While restoring the historic appeal of the School, we also seek to create the greatest possible energy efficiency through our commitment to Passive House design.
- We also seek to preserve a portion of the Academy building for community purposes by dedicating a portion of it for cultural/community use, to be identified in collaboration with the Town.
• We seek to preserve many of the current uses on the site by incorporating the existing playground and both active and passive recreational uses.
• All of this is proposed to be achieved within the existing septic requirements and with only minimal changes to the existing zoning.

The following is offered in response to specific questions included in the Request for Proposals:

**Percentage of Parcel To Be Developed**

<table>
<thead>
<tr>
<th></th>
<th>Surface Area</th>
<th>Percentage of Total Site</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Private Development Uses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. New Buildings:</td>
<td>0 sf</td>
<td>0.0%</td>
</tr>
<tr>
<td>b. New Parking and Driveways</td>
<td>13,752 sf</td>
<td>6.2%</td>
</tr>
<tr>
<td><strong>2. Residential SF Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Academy School Building Only:</td>
<td>47,098 sf</td>
<td></td>
</tr>
<tr>
<td><strong>3. Commercial / Community SF Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Academy School Building Only:</td>
<td>2,660 sf</td>
<td></td>
</tr>
<tr>
<td><strong>4. Mixed Use</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Residential</td>
<td></td>
<td>95%</td>
</tr>
<tr>
<td>b. Community</td>
<td></td>
<td>5%</td>
</tr>
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</table>

**Residential Unit Mix**

<table>
<thead>
<tr>
<th></th>
<th>Academy School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>1</td>
</tr>
<tr>
<td>1 BR</td>
<td>8</td>
</tr>
<tr>
<td>1 BR w/loft</td>
<td>3</td>
</tr>
<tr>
<td>2 BR</td>
<td>15</td>
</tr>
<tr>
<td>2 BR w/loft</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>28</strong></td>
</tr>
</tbody>
</table>

**Planning & Design Concepts**

The following concepts are the overriding goals of the project’s planning and design. Preliminary architectural design is included in Appendix A.

1. **Minimum Impact on Site:**
   No new buildings are proposed for the site. The new parking lot and driveway total only 13,752 sf, which represents only a minor 6.2% of the land area of the site. The open and natural look and feel of this beautiful site will therefore be maintained to the greatest extent possible.

2. **Minimum Impact on the Historic School Building:**
   The school will be renovated according to historic standards, and both the original Academy School building and the later addition will be retained.

Since our team intends to apply for State and Federal Historic Tax Credits, the exterior appearance of the school building will remain essentially as-is and will therefore continue to be a familiar and pleasing contributor to the character of the Town Center. The only changes visible on the exterior will be hidden from the public streets on the east facade where a new on-grade handicapped entrance will be created. A
new elevator adjacent to the entrance will provide complete handicapped access to all parts of the building.

3. Sensitivity to Surroundings:
   Shielded Parking - All the new parking spaces are virtually hidden from the public streets and also landscaped heavily for more visual cover.

4. Sustainable Construction:
   The development team will seek to create energy efficiencies in the existing Academy School building while also conforming to requirements and restrictions from the National Park Service for the anticipated historic tax credits. Our architects, utilizing their extensive experience with historic buildings, will use the following techniques to incorporate sustainable and energy saving features into the building:
   a. Forming an integrated sustainability team when working on a large project that includes a preservation professional to ensure that the character and integrity of the historic building is maintained during any upgrades.
   b. Analyzing the condition of inherently-sustainable features of the historic building, such as shutters, storm windows, awnings, porches, vents, roof monitors, skylights, light wells, transoms and naturally-lit corridors, and including them in energy audits and energy modeling, before planning upgrades.
   c. Identifying ways to reduce energy use, such as installing fixtures and appliances that conserve resources, including energy-efficient lighting or energy-efficient lamps in existing light fixtures, low-flow plumbing fixtures, sensors and timers that control water flow, lighting and temperature, before undertaking more invasive treatments that may negatively impact the historic building.
   d. Prioritizing sustainable improvements, beginning with minimally invasive treatments that are least likely to damage historic building material.
   e. Installing compatible and energy-efficient replacement windows that match the appearance, size, design, proportion and profile of the existing historic windows and that are also durable, repairable and recyclable, when existing windows are too deteriorated to repair.
   f. Replacing missing windows with new, energy-efficient windows that are appropriate to the style of historic building and that are also durable, repairable and recyclable.
   g. Eliminating infiltration, beginning with the least invasive and most cost-effective weatherization measures, such as caulking and weather stripping, before undertaking more invasive weatherization measures.
   h. Understanding the inherent thermal properties of the historic building materials and the actual insulating needs for the specific climate and building type before adding or changing insulation.
   i. Insulating unfinished spaces, such as attics, basements and crawl spaces first.
   j. Replacing interior plaster—removed to install insulation—with plaster or gypsum board to retain the historic character of the interior, and in a manner that retains the historic proportion and relationship of the wall to the historic windows and trim.
   k. When a new HVAC system is necessary, installing an energy-efficient system that takes into account whole building performance and retains the historic character of the building and site. Installing high efficiency, ductless air conditioners when appropriate, which may be a more sensitive approach than installing a new, ducted, central air-conditioning system that may damage historic building material.
   l. Supplementing the efficiency of HVAC systems with less energy-intensive measures, such as programmable thermostats, attic and ceiling fans, louvers and vents, where appropriate.
m. Using to advantage existing storm-water-management features, such as gutters, down-spouts and cisterns, as well as site topography and vegetation that contribute to the sustainability of the historic property.

n. Adding natural, sustainable features to the site, such as shade trees, if appropriate, to reduce cooling loads for the historic building. Forming an integrated sustainability team when working on a large project that includes a preservation professional to ensure that the character and integrity of the historic building is maintained during any upgrades.

Zoning Modifications Required

As shown in the following chart, the zoning modifications required for this development are minimal. Moreover, all modifications can be completely justified by the unique nature of the existing historic building and the beautiful Academy School site.

Proposal Floating Overlay Zone: AHD (Affordable Housing District)

Site Acre: ±222,740 sf = ±5.11 acres

<table>
<thead>
<tr>
<th>Section</th>
<th>Requirement</th>
<th>Min/Max Requirements</th>
<th>Applied to Site</th>
<th>Provided</th>
<th>Modification Required</th>
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<tbody>
<tr>
<td>26.8 (1)</td>
<td>Allowable Density (+60% Affordable)</td>
<td>8 units/acre</td>
<td>40.88 DU</td>
<td>28 DU</td>
<td>No</td>
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<tr>
<td>26.8 (3)</td>
<td>Minimum Parcel Area</td>
<td>3 acres</td>
<td>-</td>
<td>5.11 Acres</td>
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<tr>
<td>26.8 (4)</td>
<td>Bedrooms</td>
<td>maximum 3 BR/unit</td>
<td>-</td>
<td>Maximum 2 BR per unit</td>
<td>No</td>
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<tr>
<td>26.8 (5)</td>
<td>Maximum No. of Units per Structure</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>a. Existing School</td>
<td>4 units</td>
<td>-</td>
<td>28 units</td>
<td>No</td>
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<tr>
<td>26.8 (6.a)</td>
<td>Minimum Lot</td>
<td>75 ft.</td>
<td>-</td>
<td>±680 ft.</td>
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<tr>
<td>Frontage</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>26.8 (6.b)</td>
<td>Minimum Street Setback</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>School Street</td>
<td>40 ft.</td>
<td>-</td>
<td>12 ft.</td>
<td>No</td>
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<tr>
<td>Academy Street</td>
<td>40 ft.</td>
<td>-</td>
<td>14 ft.</td>
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<tr>
<td>Bradley Road</td>
<td>40 ft.</td>
<td>-</td>
<td>430 ft.</td>
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<tr>
<td>26.8 (6.c)</td>
<td>Minimum Side Yd Setback</td>
<td>20 ft.</td>
<td>-</td>
<td>45 ft.</td>
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<tr>
<td>26.8 (6.e)</td>
<td>Maximum No. of Stories</td>
<td>2 1/2</td>
<td>-</td>
<td>3</td>
<td>No</td>
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<tr>
<td>26.8 (6.f)</td>
<td>Maximum Height</td>
<td>30 ft.</td>
<td>-</td>
<td>35 ft.</td>
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<tr>
<td>26.8 (6.g)</td>
<td>Maximum Building Coverage</td>
<td>20%</td>
<td>44,548 sf</td>
<td>22,445 sf (10%)</td>
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<tr>
<td>26.8 (6.h)</td>
<td>Maximum Impervious Surface Coverage</td>
<td>30%</td>
<td>66,822 sf</td>
<td>36,197 sf (16.3%)</td>
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<tr>
<td>26.8 (8)</td>
<td>Parking (Residential)</td>
<td>1.5 sp/1 BR</td>
<td>12 (1 BR) x 1.5 = 18 sp</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2 sp / 2 BR</td>
<td>16 (2 BR) x 2 = 32 sp</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td></td>
<td>Total</td>
<td>50 sp</td>
<td>28 sp</td>
<td>Yes</td>
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<tr>
<td>26.8 (10)</td>
<td>Utilities</td>
<td>Underground</td>
<td>-</td>
<td>Underground</td>
<td>No</td>
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<tr>
<td>26.8 (11)</td>
<td>Buffer Areas</td>
<td>25 ft.</td>
<td>-</td>
<td>Not Provided</td>
<td>No</td>
</tr>
</tbody>
</table>

Notes:
1Existing Building
3.2 Respondent’s Proposed Team

We have assembled a highly skilled team that would work together throughout the development and redevelopment process. Our qualifications have been submitted previously and are included by reference; the following is a summary of that submission.

**Lead Developer – Women’s Institute for Housing & Economic Development, Inc. (through our affiliate, Women’s Institute Realty of Connecticut, Inc.)**

The Women’s Institute, a certified minority/women-owned enterprise, is a national award-winning affordable housing development organization, which offers a core mission to promote economic opportunity and build strong communities by developing safe, affordable and supportive housing for individuals and families. Our strategic focus is to bring the strength of our organization in offering collaborative development approaches that work within and for communities, and create and sustain partnerships that address the housing and economic needs of local residents, neighborhoods, and towns.

Created in 1981, the Women’s Institute brings a wealth of experience to its projects and partnerships, particularly as a developer and consultant that has successfully utilized complex financing structuring and layering. Our organization has a rich history of success in collaborating with nonprofit organizations, public housing authorities, municipalities and community groups to provide affordable housing, economic security models, and family support programs. Over the last 35 years, the Women’s Institute has successfully completed over 80 properties, ranging in size from 15 to 110 units and offering a combined finance packaging of over $265M. Of this financing, $115M has been for projects completed in the last five years. We have worked with numerous public and private lenders and funders to expand their commitment to funding commercial and program space and supportive services as part of residential projects. In addition, the Women’s Institute has acquired properties in the last four years to ensure and preserve housing affordability.

The Women’s Institute offers extensive experience in project management and enjoys working collaboratively with our partners and team members, including architects, engineers, lenders, attorneys, and public officials. We are skilled in securing financing, overseeing design and construction, and keeping a project moving forward in a timely, well-organized manner. We have a strong record of accomplishment in securing funds, including predevelopment financing, from local, state, federal, and private sources. We have an unparalleled history of securing the ‘soft’ funds (funds with no direct repayment provision or minimal repayment terms) which are necessary to create economically viable housing that serves a range of incomes and populations. The Women’s Institute has developed housing projects that are showcased by public funders in both Connecticut and Massachusetts, and have attracted national acclaim.

As a mission-driven not-for-profit, the Women’s Institute has a strong organizational commitment to working in collaboration with local partners. We take pride in listening to and responding to local concerns and incorporating our partners’ goals into our developments. Having coordinated scores of projects from early conception through design, zoning, financing assembly, construction and lease-up, the Women’s Institute brings an unusual breadth of experience in the development process. Every development project that we work on consists of:

- Asssessing the demographics and needs of the population and designing the housing, commercial and community space and supports that meet their goals;
- Making linkages that will enhance the project design and operation;
- Building community support by identifying key local stakeholders (government officials, area residents, nearby businesses, non-profits) at key stages of the process and incorporating their ideas and concerns into the overall project development;
- A comprehensive due diligence approach – for renovation projects, this includes conducting a detailed investigation of existing conditions in order to inform the construction scope;
- Incorporating high quality, cost-effective design that includes smart growth and energy efficiency while fitting in with the historic and cultural nature of the surrounding neighborhood;
- Analyzing the advantages, restrictions, and opportunities presented by various funding sources, and developing a comprehensive plan to fund capital development, supportive services, and ongoing operating costs.

Local Community and Development Partner – HOPE Partnership, Inc.

HOPE Partnership, Inc. was established in 2004 with the support of local faith and community leaders and the Middlesex United Way to address the shortage of affordable housing in our area. HOPE’s philosophy and approach is to collaborate with town governments, builders, and other private partners to build housing that is attractive, sustainable, and appropriate to the surrounding neighborhood. In 2012, HOPE, in partnership with Women’s Institute, developed Ferry Crossing, an affordable and diverse housing community in Old Saybrook. Ferry Crossing has been recognized across the state as an example on how to develop successful affordable housing. HOPE has continued to search for viable property to expand the model created and this search has now resulted in two properties located within our communities that HOPE seeks to develop. Partnering with Women’s Institute once again, HOPE expects to begin development in Old Lyme 2018. The organization has two paid staff members and a 16-member board of directors who help guide the organization by serving on one of its three committees: Education & Advocacy, Development and Properties.

Project Architect – Paul B. Bailey Architect, LLC

A skilled architect with creative vision and technical expertise in both historic preservation and new construction, Paul B. Bailey Architect, LLC will lead the design and site team. Located on Audubon Street in downtown New Haven, the firm was founded in 1990 by Paul B. Bailey AIA, a graduate of the Yale School of Architecture, and has since grown into a fifteen person firm of diverse talents, including eight registered architects/project managers. The firm has a very strong record of accomplishment of large-scale redevelopment, new construction, and extensive experience with publicly funded projects and historic preservation. Their materials are again included in this submission, and their experience is reflected in our own portfolio.

Legal Counsel - Hoopes Morganthaler Rausch & Scaramozza LLC

Representation and legal counsel will be provided by the firm of Hoopes, Morganthaler, Rausch & Scaramozza LLC, business law and litigation firm based in Hartford, Connecticut. HMRS Law offers creative, business-minded counsel and representation to businesses, entrepreneurs, investors, non-profit organizations and public entities. In housing development matters, HMRS Law participates in property acquisition and development planning for rental, sale, or common interest community projects, and assist in acquisition from private sellers or from government agencies. They help plan and structure financing, typically with a combination of conventional and subsidized mortgages, governmental and private loans and grants and proceeds from tax credit equity syndication.

Organizational Information is attached in:
Appendix B - Women’s Institute for Housing and Economic Development, Inc.
Appendix C - HOPE Partnership Inc.
Appendix D - Paul B. Bailey Architect, LLC
3.3 **Letter of Intent/Term Sheet**

The Women’s Institute and HOPE propose to develop 28 units of housing and 2,600 square feet of flexible community space within a mixed-income community, with a strong focus on creating opportunities for a diverse population to live and thrive. This housing will be developed in a mix of studio, one- and two-bedroom apartments in the historic Academy School and utilizing the existing auditorium as community/shared space.

While very preliminary, we have estimated a financing structure for this project that includes an estimated sources and uses, which is included below. Current estimates of total development costs, inclusive of all fees and reserves, is approximately $10.8M. This preliminary number is driven, in part, by the expected impact of the historic components. The financing plan has been structured to achieve the following additional goals:

- Creating a true mix of rents and unit sizes that can address the range of housing needs in Madison;
- Maximizing the use of state and Federal Historic Tax Credit incentives;
- Utilizing 9% Low Income Housing Tax Credits and other state capital grants, which prioritize a mix of incomes;
- Incorporating design elements that meet the desires and requirements of the community;
- Incorporation design elements that meet Passive House standards;
- Ensuring a well-funded operating budget to maintain and manage the property as a high quality long-term rental property;
- Ensuring the development is well funded through its useful lifespan, as evidence by a healthy debt service coverage and cash flow projections.

If selected to develop the Academy School, the project will be developed through Women’s Institute Realty of Connecticut, Inc. (WIR-CT), a commonly-controlled 501(c)(3) organization associated with the Women’s Institute for Housing and Economic Development (WIRED, our lead organization). WIR-CT serves as the development arm of the Women’s Institute in Connecticut. WIR-CT currently serves as the managing member/partner in several properties in Connecticut. WIR-CT and WIRED are registered to do business in the state of Connecticut.

We expect that WIR-CT will seek a combination of private, state and federal funding sources for the Academy School redevelopment. These will include both Historic Tax Credits and Low Income Housing Tax Credits, both of which would necessitate creating a Single Purpose Entity for subsequent admittance of an investor for the life cycle of the tax credits. WIR-CT would be the managing member of any such entity, and would be the anticipated replacement member at the conclusion of the tax credit period.

<table>
<thead>
<tr>
<th>FINANCING SOURCE</th>
<th>% TDC</th>
<th>Total</th>
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<tbody>
<tr>
<td>Tax Credit Equity (Historic/LIHTC)</td>
<td>77%</td>
<td>$8,300,000</td>
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<tr>
<td>FHLB AHP Grant</td>
<td>5%</td>
<td>$500,000</td>
</tr>
<tr>
<td>FHLB Permanent Loan</td>
<td>5%</td>
<td>$500,000</td>
</tr>
<tr>
<td>State CHAMP/other</td>
<td>13%</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>100%</td>
<td><strong>$10,800,000</strong></td>
</tr>
</tbody>
</table>
Rents for a one-bedroom apartment will be established at approximately $890-$1,050 and $1,000-$1,200 for a two-bedroom apartment. A portion of the apartments may be set-aside to be available to people who need additional affordability, addressing the needs of the local workforce and retirees.

**PILOT/Tax Abatement:**
Our projections anticipate the Academy School will be able to pay taxes as currently anticipated. No PILOT or tax abatement is requested at this time although, depending on the timing of ground lease execution, a PILOT may be requested for the holding period through construction completion.

**Ground Lease:**
The proposed financing for the Academy School redevelopment – both capital and operating – is structured so that the project meets a number of important core criteria: apartments that are affordable to a range of households, including seniors, millennials and “empty-nesters;” high quality design and finishes that include state-of-the-art energy efficiency; preservation of significant community recreational and open space; and minimal impact on the site, including living within the existing septic requirements. This combination, while critical to the project concept, will place a strain on the project cash flow. To mitigate this, we will be required to secure capital subsidies (grant and equity) from state and federal sources to make the financial structure as strong as possible.

In addition, the site has been found to contact significant environmental contaminants. Asbestos Containing Materials and Lead-based Paint have both been identified throughout the building. PCBs are also suspected in the light ballasts. The overall condition of the building is deteriorated, and significant mold and mildew are present. The combined cost of the remediation needed and the poor condition of the building means that a very significant investment is required to make it capable of being used again. This cost will be negotiated in discussions regarding the ground lease.

As a result, and in order to achieve feasibility, address remediation needs due to the existing condition of the building, and to demonstrate the public/private partnership between the Town and the developer, we propose to enter into a long-term lease of the site for a nominal fee. The term of the lease would be the minimum period required by lenders, anticipated to be 50 years. Under such a lease, the Women’s Institute would agree to develop the property as described and would assume the obligations, expenses and liabilities associated with ownership. This nominal fee is necessary to ensure the economic feasibility of the development over its life.
Pre-development expenses:
The Women’s Institute and HOPE Partnership have had significant success in securing pre-development dollars for our affordable housing projects. We have extensive experience with acquisition and pre-development loan products with LISC, Corporation for Supportive Housing, Connecticut Department of Housing, Capital for Change, and New England Housing Ministries. Terms vary by lender, but include some funds that are non-recourse and/or do not need to be secured by the property.

Project Financing:
The Women’s Institute boasts a strong track record in securing funding sources to cover the construction and permanent financing needed to bring the Academy School from inception through lease-up and operations. We have an unparalleled history of securing the ‘soft’ funds – funds with no direct repayment provision or minimal repayment terms – which are necessary to create economically viable housing that serves lower income and workforce households. Our success with this funding allows us to create projects that operate as successfully financial and viable communities. The Women’s Institute is also a leader in both Massachusetts and Connecticut in securing permanent financing. To date, our organization has secured nearly $300M in federal, state, local and private equity and loans for our projects, and has fostered effective relationships with the myriad of lenders and funders involved in residential and mixed-use projects.

Builder/Contractor:
If selected, the team intends to identify a general contractor using a competitive process. That process will likely be undertaken at the 40% drawing completion level, which will both ensure competitive pricing and enable the contractor to be part of the design and development team at an early stage. This process has proven to be the most effective way to ensure minimal change orders and realistic pricing. Both the Women’s Institute and Paul B. Bailey architects have worked with numerous contractors throughout the region who are skilled in both residential, commercial and historic development.

Projected Timeframe:
Redevelopment of the Academy School would start shortly after selection as developer, with community outreach and initial due diligence to be undertaken first. Pre-development dollars will need to be secured to undertake surveys, preliminary designs and additional site evaluation. It is expected that zoning approval and construction drawings will take at least four months, as will development of the financing plan and capital stack projections. It is expected that the Academy School can potentially be positioned for financing application beginning with the Low Income Housing Tax Credit (LIHTC) round in late 2018. Depending upon the targeted sources and funding schedules, and provided the project is successful in initial funding applications, construction could begin in mid-2019.

<table>
<thead>
<tr>
<th>ACADEMY SCHOOL REDEVELOPMENT</th>
<th>Anticipated Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated Selection of Developer</td>
<td>July 2018</td>
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<tr>
<td>Community Outreach</td>
<td>July 2018</td>
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<tr>
<td>Due Diligence</td>
<td>July-Oct 2018</td>
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<tr>
<td>Schematic Drawing/Prelim Design</td>
<td>July-Nov 2018</td>
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<tr>
<td>Predevelopment Apps</td>
<td>Aug 2018</td>
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<tr>
<td>Cost Proforma</td>
<td>Oct 2018</td>
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<tr>
<td>Zoning Approvals</td>
<td>Nov 2018</td>
</tr>
<tr>
<td>Financing Applications</td>
<td>Apr 2019</td>
</tr>
<tr>
<td>100% Drawings/Final Bids</td>
<td>Apr 2019</td>
</tr>
</tbody>
</table>
Guaranties:
Guaranties required under this development would be provided by the Women’s Institute and WIR-CT. The Women’s Institute has significant experience with the myriad of guaranties that are required by lenders in the course of affordable housing development. Our track record and financial stability has made lenders very comfortable with our organization offering construction completion, operating deficit, and tax credit compliance guaranties on our projects. We have never had a guaranty triggered on a project, which speaks to our ability to deliver projects on time, on budget, and within the regulations and expectations of our lenders.

Municipal Partnership:
As noted above, we expect to work in close collaboration with the Town of Madison throughout the redevelopment process. Local partnerships are the key to all of our work. Specifically, there are three areas where additional collaboration will be likely:

- Zoning modifications – minor zoning modifications are anticipated to be necessary to undertake this redevelopment. While certainly not required, the Town’s assistance in this effort would be very helpful.
- Open Space/Septic Re-design – our plan includes considerable attention to retaining the community green and open space, as prioritized by the community. The re-design of the septic system would necessitate temporary digging in the green space adjacent to the Academy School site. Town approval for this plan, to be detailed during lease negotiation, would be sought.
- Brownfields remediation – the Academy School has been identified as potentially having asbestos and lead-based paint, and will likely have other contaminants such as PBCs. The State of Connecticut Department of Economic and Community Development makes Brownfields grants available to municipalities for remediation of environmental contamination. We would seek to collaborate with Madison to secure a grant to undertake this work.

Municipal Priorities:
The Women’s Institute and HOPE team hold a vision for the Academy School that is closely aligned with the goals for the Town of Madison. Our proposal is designed to fulfill the local residents’ goals for restoring the Academy School to its former beauty, to create a mixed-use property, to retain the community green space currently utilized by residents, and to work within the constraints of the Town’s utility and zoning regulations. In addition, by adding this property onto the tax rolls, it will transform a vacant, abandoned structure into a vibrant, contributing property that will serve local businesses and provide a community asset for many years to come.
3.4 Credit References

Financial Stability:
The Women’s Institute enjoys and maintains a solid fiscal standing, and has managed significant financial growth over the past six years. In FY2009, our total assets as an organization were under $10M, with net assets under $3M. Through thoughtful and calculated growth, the Women’s Institute’s total assets have grown to $83M as of FY2013, with net assets totaling over $30M. Attached in Appendix B are our FY2015 and FY2016 Consolidated Audited Financial Statements.

The Women’s Institute is a leader in both Connecticut and Massachusetts in securing construction and permanent financing for our developments. To date, our organization has secured nearly $300M in federal, state, local and private equity and loans for our projects, and has fostered effective relationships with the myriad of lenders and funders involved in residential and mixed-use projects.

As a developer, the Women’s Institute understands the importance and reliability of its guaranties for construction completion and stable operations. Our organization has never had a funder exercise action under a guaranty requirement on a project; we pride ourselves on timely construction completion and contained costs. For operating health, we appropriately size operating and replacement reserves so that we, our partners, and the community can rest assured that adequate funds are available for any operating shortfalls or other needs as they arise.

The Women’s Institute, its affiliates and subsidiaries, and its properties have had no financial defaults, mortgage assignments, or workout arrangements, nor have they experienced any foreclosures or bankruptcies. Additionally, there is no pending or past litigation against the organization, nor any real estate tax delinquencies.

In summary, the Women’s Institute is a fiscally-strong non-profit organization that closely and conservatively manages its finances to be able to comfortably undertake affordable housing development projects and enter into long term consulting engagements with our clients. We have established and maintain rich and diverse relationships with our funding partners to be able to move projects forward quickly, and we develop projects that are completed with quality, long-standing construction and stable short- and long-term operating capacity.

Credit References:

Bank/Lender:
Robin M. Gallagher, Senior Vice President
Webster Bank, N.A.
Two Stamford Plaza
281 Tresser Boulevard, 4th floor
Stamford, CT 06901
203-578-2230
RGallagher@WebsterBank.com

Projects:
- Park City Elderly Apartments (The Eleanor) – construction lender
- Park City Supportive Apartments (The Franklin) – construction and permanent lender
- Victory Gardens – construction and permanent lender
- No defaults, late payments, or judgments
Equity/Syndicator:
Tony Lyons, Vice President – Originations
National Equity Fund
501 Seventh Avenue, 7th Floor
New York, NY 10018
860-395-1330
tlyons@nefinc.org

Projects:
- Indian Field Apartments – LIHTC Investor
- Victory Gardens – LIHTC Investor
- No defaults, late payments, or judgments

Pre-development Lending:
Lesley Higgins-Biddle, Senior Program Officer
Local Initiatives Support Corporation
75 Charter Oak Avenue
Hartford, CT 06106
860-525-4821
LHigginsB@lisc.org

Projects:
- Pre-development loans for several early-stage projects since 2009
- Acquisition loan for Lakeview Apartments (fully re-paid)
- Working Capital Line of Credit
- No defaults, late payments, or judgments

Attached in Appendix E is a letter of interest from Guilford Savings Bank with respect to the proposed Academy School development.

Venture Structures:
The Women’s Institute and HOPE anticipate entering into a Joint Venture for the Academy School project. Each organization will provide financial guaranties as required, and will share in developer fees, operating net cash flow, etc. As an anticipated tax credit project, it is expected that the two organizations will be co-members of a Managing Member single-purpose entity, with an Investor Member admitted at the start of construction.

Our organizations have partnered in joint venture projects before – Ferry Crossing in 2012 and, currently, River Oak Commons, which is in pre-development. The Women’s Institute has participated in additional joint ventures with other organizations; all are operating satisfactorily.

Consent of Surety Letter:
Not applicable.

Sub-Contractor Default Insurance:
Not applicable.

Public/Private Partnerships:
*Park City Apartments* – The Franklin and The Eleanor (110 combined units) have been created through a partnership between the Women’s Institute and Park City Communities (Housing Authority of the City of Bridgeport). The housing authority is the ground lessor and also a financial lender to the projects. The
Women’s Institute was selected through a competitive process to serve as the preferred developer. It serves as the managing partner/member of the properties, provided completion and operating guaranties, and ensures compliance with federal, state, and funder requirements.

*Victory Gardens* – Victory Gardens (74 units) has been created through a partnership between the Women’s Institute and U.S. Department of Veterans Affairs (VA). The VA is the ground lessor under the federal Enhanced Use Lease (EUL) Program, and granted Military Construction Funds to the project. The Women’s Institute was selected through a competitive process to serve as the preferred developer. It serves as the managing member of the property, provided completion and operating guaranties, and ensures compliance with federal, state, and funder requirements.

*Essex Place* – Essex Place (22 units) has been created through a partnership between the Women’s Institute and the Essex Housing Authority. The housing authority secured the site for the project and participates as a development and operating partner. The Women’s Institute serves as the managing member of the property, provided completion and operating guaranties, and ensures compliance with federal, state, and funder requirements.

*Mill at Killingly Apartments* – The Mill at Killingly Apartments (32 units) been created through a partnership between the Women’s Institute and the Town of Killingly. The town secured Brownsfield funding to assist with the remediation of the former mill site. The Women’s Institute serves as the managing member of the property (currently 75%-complete construction), provided completion and operating guaranties, and ensures compliance with federal, state, and funder requirements.

**Past PILOT Agreements:**

*Park City Apartments* – The Franklin and The Eleanor is included in the housing authority’s PILOT agreement with the City of Bridgeport. No history of defaults or late payments.

*Ingraham Place* – Ingraham Place entered into a PILOT agreement with the City of New Bedford, MA whereby real estate taxes during pre-development and construction were stepped (25%, 50%, 100%). No history of defaults or late payments.

**Lien History Due to Late Payments:**
None to our knowledge.

**Prior Completion Guaranties:**
The Women’s Institute has provided Completion Guaranties on each of its developments - twelve to-date. All have been satisfied and released, except for the guaranty associated with the Mill at Killingly Apartments, which anticipates construction completion in fall 2018.
3.5 **Litigation History**

**Litigation:**
There is no pending litigation against the Women's Institute or its affiliates. No history of litigation within the last five years.

**Contract Terminations:**
The Women's Institute has never been terminated from a contract as a developer or co-developer.

**Prior Lawsuits/Legal Action:**
The Women's Institute has never brought suit on nor been sued by a development partner.

**Defaults and Bankruptcies:**
The Women's Institute, its affiliates and subsidiaries, and its properties have had no financial defaults, mortgage assignments, or workout arrangements, nor have they experienced any foreclosures or bankruptcies. All real estate tax payments are current.