

GENERAL APPLICATION

This application form should be used for projects seeking funding from City of Madison Request for Proposals

#2025-14027: Financing for Affordable Homeownership Development, Programs, and Services.

Applications must be submitted electronically to the City of Madison Community Development Division by **noon on September 26, 2025**. Email to: cddapplications@cityofmadison.com. Any questions, contact mdavila-martinez@cityofmadison.com.

APPLICANT INFORMATION

Applicant Name: Tri-State Custom Construction	
Proposal Contact Name:	Chad Hawkins
Email (Proposal Contact):	Chadh.tristate@gmail.com
Financial Contact Name:	Lake Ridge Bank
Email (Financial Contact):	lhiggins@lakeridge.bank
Legal Status: ☐ Non-Profit ☒ Private/For-Profit ☐ Other	
Federal EIN:	81-2578839
Registered on SAM? ☐ Yes ☒ No	SAM/ UEI #:
Community Housing Development Organization?	☐ Yes ☒ No ☐ CHDO Application Attached

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an 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>.

LOBBYING REGISTRATION

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. 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. You may register at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>.

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 by contacting the Community Development Division at (608) 266-6520. If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

SIGNATURE OF APPLICANT

Name Chad Hawkins Date: 9-24-25

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 **[CH]** you are electronically signing your name as the submitter of the application and agree to the terms listed above.

ORGANIZATIONAL CAPACITY: **COMPLETE ONCE**

1. Describe your agency's experience with **current or past awards**, including challenges, successes, opportunities, and areas of improvement. If you are a **new applicant**, explain your capacity to undertake the proposed project and identify any resources, partnerships, or expertise you will rely on.

We are a new applicant. My family and I have lived in the Owl Creek Subdivision since July 2013. A few years ago, we purchased 8 lots in the Owl Creek Subdivision. We have successfully built 3 homes and sold them. We had offers on all three homes before they were completed. This is one of the last areas in Madison where you have easy access to the beltline or the interstate in any direction. We are currently building two spec homes now. On September 20th, 2025, we signed new contracts with clients to build two new homes in Owl Creek. We will be starting those contract homes in October. One of the challenges that we have faced is financing. One of the stipulations with the 8 lots we purchased was that we must build the houses first before the deeds are released. Thus, making it a little different from the traditional construction agreement made between Contractor and Client. In a traditional contract home the Client and its Lender will secure the lot. This way the Lender has collateral in the project. Then the Contractor will start the work and receive construction draws during the building process from the Client's Lender. We have been getting our construction loans through the State Bank of Cross Plains. They have financed us one house at a time. Recently they've merged with Monona State Bank and are now Lake Ridge Bank. We have slowly grown in 3 years and have built a good relationship with Lake Ridge Bank. This has been one of our successes. We have successfully built three homes with them. They have increased our lending power to build two at a time. At this time, we've maxed out our financing. We have found a capital investor to finance our two new homes starting next month. This will cost us a bit more than traditional funding. If we could use financing with our bank and then use traditional funding through our client's lender, we could build all four at the same time. This would allow us to have the greatest ROI. This is why I think we are a good fit for the current 6 lots that are being sold for \$1 and the funds available through the City Affordable Housing Fund. This would be an extension of what we've been doing for the past few years. The City Affordable Housing Fund would be a great asset in helping with financing so we could in turn give back to our community with affordable housing. Our team is ready and prepared to take on this project and build multiple houses. With purchasing 6 more lots for \$1 each in the area where we live and have been building for the past few years, we will be able to pass on equity to whoever purchases these homes. We have negotiated excellent discounts from our material suppliers and subcontractors building multiple homes in the same area and at the same time. We would transfer those discounts onto these six new projects. We will also include one of our own lots that we own in the subdivision to this program. We would be looking to get \$200,000 for each of the seven lots. The rest of the financing would come from Lake Ridge Bank. This would give us the greatest savings. We will be working closely with Focus on Energy to build the best energy-efficient product for the new homeowners and the community.

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2. Do you or any team members have outstanding legal matters or ongoing litigation? If so, provide brief details. Specifically, list:
- a. Any foreclosure, default, or bankruptcy within the past ten years.
 - b. Any litigation related to financing or construction projects within the past five years.
 - c. Any Chronic Nuisance Abatement or Nuisance Case notifications issued by the Madison Police Department or Building Inspection within the past five years.
 - d. Any unresolved Building Inspection citations resulting in Municipal Court Complaints within the past five years.
 - e. Any litigation with the City of Madison, or within the State of Wisconsin, within the past five years.

None

- For **Development Proposals** - Provide a detailed description of the **sustainability** and **accessibility** features incorporated into the project design, including their estimated incremental costs to construction. If any of the required sustainability or accessibility features **cannot** be met, explain why they are not feasible for this project.
 - If you are proposing **additional** sustainability or accessibility features that exceed the standard requirements, specify:
 - The specific features being added
 - How many units will include these enhancements
 - The estimated incremental cost associated with these enhancements
- For **Programs/Services** - What innovative or unique elements will your program include to enhance its impact or reach? For example, describe any targeted partnerships, culturally specific approaches, scalability features, or methods of tailoring services to meet the diverse needs of the community (e.g., income levels, racial/ethnic groups, or other demographics). How do these features set your program apart from others?

Over the past few years, we have been trying to incorporate sustainability and accessibility into our projects. We have started putting upgrades of energy efficient appliances, spray foam box sills, smart thermostats and EV charges all standard in our homes. This has created savings for the homeowners for years to come. When these things are initiated at time of construction the savings are well worth it. When these things are done after construction the prices can increase by two to three times as much. We are a small company so we try to incorporate any advantages that we can to be able to sell homes in this competitive Madison market. We have been successful in selling each home we have built in the Owl Creek Subdivision before they have even been completed. I think that it has a lot to do with our product, design and location. We live in the community, and we are one of the oldest families that are still here and have seen the growth and tightness with our neighbors. We are also partnered with energy star to ensure these sustainability and accessibility features.

3. PROJECT READINESS

Provide a summary of the steps already completed and those remaining to demonstrate project readiness.

- For **development proposals**, include land acquisition, financing, zoning approvals, or other pre-construction milestones. Reminder that multi-family proposals have additional requirements including pre-application meeting and DAT meeting that should be included in the timeline.
- For **programs and services**, include steps such as participant outreach plans, hiring and training staff, securing partnerships, timeline for utilizing funds, or developing program materials.

A few years ago, we purchased eight lots. We have built three already. We are building two more and will be starting two more next month. We've developed a great working relationship with Lake Ridge Bank to secure financing. We have had no issues with zoning approvals. We have had success in pre-construction milestones. Such as designing our homes, contractor selection, cost estimating, and staying on budget.

4. PROJECT FEASIBILITY – Developer/Administrator Capacity

Identify team members / partnerships for this project, along with their relevant training, certifications, licenses, experience, and contribution to the proposed project.

I have been in construction since I was 18 years old. My two older brothers were in the trades, so started working with them right out of high school. I started as an apprentice in the Carpenter's union and continued to work in the construction industry. In 2016, I got my General Contractors License and started my own company Tri-State Custom Construction. For the first few years I did remodels and all different kinds of jobs. Next, I was able to secure eight single family lots in the Owl Creek Subdivision right next to where we live. My wife is the administrative manager. My son has been working with me since high school as an apprentice. Now that he's graduated, he helps me with Project Management. We have grown a lot working with each other and growing in this area.

5. PROJECT FEASIBILITY – Financial Capacity

Explain your approach to fulfilling financial obligations for the proposal, including any secured funding:

- For **development proposals**: Address developer equity, construction financing, other funding sources you are leveraging, and subsidy needs.
- For **programs/services proposals**: Address management of program costs, staff compensation, other sources of funding you are leveraging, and operational sustainability.

In the past we've owned the property which has helped us get construction loans. If we are awarded any or all the 6 vacant lots for \$1 this would give us equity in the land which we could use as collateral towards our construction loans. Adding affordable housing funds would not only allow us to secure funding from the bank, build a more energy-efficient home and create more savings for the homebuyer.

6. PROJECT FEASIBILITY – Project Management and Timeline

Provide a project timeline for the contract term, including key milestones:

- For **development proposals**: real estate acquisition, bid process, construction start/end, marketing, and unit sale completion, etc. (2 year-max timeline)
- For **programs/services proposals**: marketing, outreach, service delivery, completions, etc. (annual timeline)

7. Real Estate Acquisition (3/1/2026)

- Secure site control and complete due diligence (survey, environmental review, title work).
- Anticipated closing: [Month, Year].

8. Pre-Development & Bid Process (3/15/2026)

- Finalize architectural/engineering plans.
- Conduct competitive bid processes for general contractors and subcontractors.
- Submit permit applications to City.

9. Construction Start (4/1/2026)

- Site work and infrastructure installation begin.
- Vertical construction commences following permitting and contractor selection.

10. Marketing & Pre-Sales (10/1/2027)

- Launch marketing campaign focused on eligible households (in partnership with City and local housing organizations).
- Begin pre-qualification and purchase agreements.

11. Construction Completion (11/1/26)

- Anticipated construction period: ~6-8 months
- Certificate of Occupancy expected by [Month, Year].

12. Unit Sale Completion (3/1/2027)

- Final closings are completed with eligible buyers.
- Post-sale support and homeowner orientation provided.
- We are prepared for house sales to slow during the wintertime.

7. COMMUNITY NEED

Alignment: Explain how your project aligns with the City's goals for affordable housing and community development and identify the target population served for your project (including income levels and demographic factors). Note if your proposal aligns with any of the preferences identified in the RFP.

Our proposed affordable housing development directly aligns with the City of Madison's strategic goals for affordable housing and equitable community development. The city has prioritized expanding access to safe and affordable homeownership particularly for households with low-to-moderate-income. The population we would target would be working families, single-parent households, and first-time homebuyers who are currently out of Madison's competitively priced housing market. We believe that this would have a positive impact on the community because it would expand opportunities for wealth-building and housing stability, reduce the racial and economic disparities in homeownership rates and contribute to a broader community development by creating long-term neighborhood anchors and promoting diverse, inclusive communities.

Economic Mobility: How will your proposal help participants or residents achieve economic mobility, particularly in underserved communities?

- For **development proposals**, explain how the project aligns with the income levels of the area (describe what the median income of the census tract where the development will be located) and promotes generational wealth-building and well-being.
- For **programs/services proposals**, describe how your program fosters financial empowerment and economic mobility through education, support, or direct assistance.

Our project contributes to that goal by building quality housing priced affordably and reserved for households below 80% of Area Median Income. By focusing on homeownership, the project strengthens neighborhood stability, supports long-term investment, and provides families the chance to build multigenerational wealth. For these units we can provide housing for 80% Area Median Income individuals or families.

Expand: Explain how your project will expand opportunities for first-time homebuyers and reduce existing disparities in rates of homeownership between different segments of the Madison population.

Our plan creates pathways to homeownership for households below 80% of Area Median Income. This project prioritizes marketing strategies designed to reach underserved communities including first-generation homebuyers and families who may not otherwise access traditional financing. With the lots being priced at \$1 each it allows us to reduce expenses so we can increase the amount of homeownership in the Owl Creek Subdivision.

Lead Applicant:

Tri-State Custom Constrution

1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2023 Actual.

Account Description	2023 Actual	2024 Budget	2025 Proposed
A. PERSONNEL			
Salary (including benefits)	822,317	1,090,000	1,000,000
Taxes	18,260	26,731	27,000
Subtotal A	840,577	1,116,731	1,027,000
B. OPERATING			
All "Operating" Costs	78,631	63,574	65,000
Subtotal B	78,631	63,574	65,000
C. SPACE			
Rent/Utilities/Maintenance	-	14,711	15,000
Mortgage/Depreciation/Taxes	24,739	21,450	22,000
Subtotal C	24,739	36,161	37,000
D. SPECIAL COSTS			
Subcontracts	422,519	444,672	430,000
Deposits to Reserves	25,000	55,000	50,000
Debt Service (Excl Mortgage)			
Other: (Specify)			
Subtotal D	447,519	499,672	480,000
Total Operating Expenses:	1,391,466	1,716,138	1,609,000
REVENUE			
Direct Public Grants	-		
Direct Public Support			
Indirect Public Support			
Miscellaneous Revenue			
Restricted Funds Released			
Program Income			
Total Income	-	-	-
Net Income	(1,391,466)	(1,716,138)	(1,609,000)

Total Development Costs	\$	-		
Transaction Fees				
Real Estate Agent Fee				
Marketing Fee				
Other				
Total Transaction Fee	\$	-		
Total Uses of Funds	\$	-		

Applicant	Tri-State Custom Construction
Project 1 Co-Applicant	Tri-State Custom Construction
Project 2 Co-Applicant	0
Project 3 Co-Applicant	0

Property Address	Project Type	Anticipated Sales Price
1 4326 Crested Owl Lane Madison, WI 53713	6 Vacant Lots 36bd / 24ba	\$ 350,000.00
2 0 bd / ba		
3 0 bd / ba		

Program Summary

		Project #1	Project #2	Project #3
Total Proposed	Project Name	6 Vacant Lots	0	0
0	Units	12 units	0	0
\$ 3,598,006.00	Total Uses	\$ 3,598,006.00	\$ -	\$ -
\$ 3,600,000.00	Total Sources	\$ 3,600,000.00	\$ -	\$ -
		Per Unit Costs Below		
	Total Dev. Cost + Trans Cost			
	Total Dev. Funding			
	Committed Sources			
	Pending Source			
	CDU Funding			
	Pending: Other Source			
	Pending: Other Source			

Note that all figures present below row 30 are estimates intended to provide general insight into the potential affordability of the proposed homes. While the table includes scenarios of household at 60% and 50% of the Area Median Income (AMI), applicants are only required to ensure affordability for households at or below 80% AMI. Applicants may also include pass-through assistance to the homebuyer—structured as a second mortgage—from the allocation provided to the developer as part of the affordability calculation.

	Is this affordable to a 4-person household at:	Is this affordable to a household at:	Is this affordable to a household at:	
80% AMI	yes			< must at least meet this requirement
60% AMI	no			
50% AMI	no			

Affordability Assumptions - must input anticipated sales price first.

Notes

Project #1: 6 Vacant Lots 36bd / 24ba	AMI	80%	60%	50%	
	Household Size	4-person	4-person	4-person	< select dropdown
	Annual Income	\$ 101,850.00	\$ 77,880.00	\$ 64,900.00	
	Monthly Household Income	\$ 8,654.17	\$ 6,490.00	\$ 5,408.33	
	Affordability Cap as a % of Income	30%	30%	30%	< Some lenders use 28 percent, FHA can allow up to 31 percent. This is mortgage DTI limit only, not aggregate DTI.
	Monthly "Affordable" Expenditure Cap	\$ 2,596.25	\$ 1,947.00	\$ 1,622.50	
	Down Payment	\$ 83,500.00	\$ 83,500.00	\$ 83,500.00	
	HBAD	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	< include any down payment
	Other: [insert name here of dpa]				< include any down payment
	Other: [insert name here of dpa]				< include any down payment
	Other: [insert name here of dpa]				< include any down payment
	Buyer Contribution	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	< at least 1%
	House Price	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	
	Down Payment	\$ 83,500.00	\$ 83,500.00	\$ 83,500.00	
	Interest Rate	6.90%	6.90%	6.90%	< edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	< traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	< Make sure to get the decimals right. For example, \$18 of tax per \$1000 of value is 0.018
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	\$ 2,596.25	\$ 1,947.00	\$ 1,622.50	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ 266,500.00	\$ 266,500.00	\$ 266,500.00	
	Output: Monthly P&I	\$ 1,755.17	\$ 1,755.17	\$ 1,755.17	
	Output: Monthly Property Taxes	\$ 525.00	\$ 525.00	\$ 525.00	
	Output: Total Expense (PITI)	\$ 2,405.17	\$ 2,405.17	\$ 2,405.17	
	Difference (Cap minus Expenditures)	\$ 191.08	\$ (458.17)	\$ (782.67)	< In solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI
Project #2: bd / ba	AMI	80%	60%	50%	
	Household Size	#N/A	0	#N/A	< select dropdown
	Annual Income	#N/A	#N/A	#N/A	
	Monthly Household Income	#N/A	#N/A	#N/A	
	Affordability Cap as a % of Income	30%	30%	30%	< select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Down Payment	\$ -	\$ -	\$ -	
	HBAD	\$ -	\$ -	\$ -	< include any down payment
	Other: [insert name here of dpa]	\$ -	\$ -	\$ -	< include any down payment
	Other: [insert name here of dpa]	\$ -	\$ -	\$ -	< include any down payment
	Other: [insert name here of dpa]	\$ -	\$ -	\$ -	< include any down payment
	Buyer Contribution	\$ -	\$ -	\$ -	< at least 1%
	House Price	\$ -	\$ -	\$ -	
	Down Payment	\$ -	\$ -	\$ -	
	Interest Rate	6.90%	6.90%	6.90%	< edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	< traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ -	\$ -	\$ -	
	Output: Monthly P&I	\$ -	\$ -	\$ -	
	Output: Monthly Property Taxes	\$ -	\$ -	\$ -	
	Output: Total Expense (PITI)	\$ 125.00	\$ 125.00	\$ 125.00	
	Difference (Cap minus Expenditures)	#N/A	#N/A	#N/A	< In solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI
Project #3: bd / ba	AMI	80%	60%	50%	
	Household Size	#N/A	0	#N/A	< select dropdown
	Annual Income	#N/A	#N/A	#N/A	
	Monthly Household Income	#N/A	#N/A	#N/A	
	Affordability Cap as a % of Income	30%	30%	30%	< select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Down Payment	\$ -	\$ -	\$ -	
	HBAD	\$ -	\$ -	\$ -	< include any down payment
	Other: [insert name here of dpa]	\$ -	\$ -	\$ -	< include any down payment
	Other: [insert name here of dpa]	\$ -	\$ -	\$ -	< include any down payment
	Other: [insert name here of dpa]	\$ -	\$ -	\$ -	< include any down payment
	Buyer Contribution	\$ -	\$ -	\$ -	< at least 1%
	House Price	\$ -	\$ -	\$ -	
	Down Payment	\$ -	\$ -	\$ -	
	Interest Rate	6.90%	6.90%	6.90%	< edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	< traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ -	\$ -	\$ -	
	Output: Monthly P&I	\$ -	\$ -	\$ -	
	Output: Monthly Property Taxes	\$ -	\$ -	\$ -	
	Output: Total Expense (PITI)	\$ 125.00	\$ 125.00	\$ 125.00	
	Difference (Cap minus Expenditures)	#N/A	#N/A	#N/A	< In solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI

Area Median Income by Household Size (2025)	80%	60%	50%
1-person	\$ 72,700	\$ 54,540	\$ 45,450
2-person	\$ 83,100	\$ 62,340	\$ 51,950
3-person	\$ 93,500	\$ 70,140	\$ 58,450
4-person	\$ 103,850	\$ 77,880	\$ 64,900
5-person	\$ 112,200	\$ 84,120	\$ 70,100
6-person	\$ 120,500	\$ 90,360	\$ 75,300
7-person	\$ 128,800	\$ 96,600	\$ 80,500
8-person	\$ 137,100	\$ 102,840	\$ 85,700

SUBMIT THE FOLLOWING QUESTIONS **FOR EACH PROJECT PROPOSAL.**

PROPOSAL #1

WITHDRAWN

1. PROJECT SUMMARY

Name of Proposal:	Tri-State Single-Family Home
Proposal Type:	Development - New Construction
Proposal Summary:	We are going to build one single family home for low- and moderate-income household.
Number of households served:	1

Amount Requested from CDD:	\$200,000
Total Proposal Budget:	\$400,000

1A. DEVELOPMENT PROPOSAL ONLY

Specify the target price of project homes (estimate):	\$400,000
Will the homes be permanently affordable? [Yes/No]	Yes
Do you have site control? [Yes/No]	Yes
If yes, what is the site address?	Owl Creek East 1 Owl Lane
Is the site currently occupied?	No
If proposing to build on Owl Creek Vacant Lots detailed above, list addresses of lots. If interested in all six lots, write "All"	

2. PROJECT DESIGN

List any features that make your proposal unique.

- For **Development Proposals** - Provide a detailed description of the **sustainability** and **accessibility** features incorporated into the project design, including their estimated incremental costs to construction. If any of the required sustainability or accessibility features **cannot** be met, explain why they are not feasible for this project.
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3. PROJECT READINESS

Provide a summary of the steps already completed and those remaining to demonstrate project readiness.

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A few years ago, we purchased eight lots. We have built three already. We are building two more and will be starting two more next month. We've developed a great working relationship with Lake Ridge Bank to secure financing. We have had no issues with zoning approvals. We have had success in pre-construction milestones. Such as designing our homes, contractor selection, cost estimating, and staying on budget.

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2. Pre-Development & Bid Process (3/15/2026)
 - Finalize architectural/engineering plans.
 - Conduct competitive bid processes for general contractors and subcontractors.
 - Submit permit applications to City.
3. Construction Start (4/1/2026)
 - Site work and infrastructure installation begin.
 - Vertical construction commences following permitting and contractor selection.
4. Marketing & Pre-Sales (10/1/2027)
 - Launch marketing campaign focused on eligible households (in partnership with City and local housing organizations).
 - Begin pre-qualification and purchase agreements.
5. Construction Completion (11/1/26)
 - Anticipated construction period: ~6-8 months
 - Certificate of Occupancy expected by [Month, Year].
6. Unit Sale Completion (3/1/2027)
 - Final closings are completed with eligible buyers.
 - Post-sale support and homeowner orientation provided.
 - We are prepared for house sales to slow during the wintertime.

7. COMMUNITY NEED

Alignment: Explain how your project aligns with the City's goals for affordable housing and community development and identify the target population served for your project (including income levels and other demographic factors). Note if your proposal aligns with any of the preferences identified in the RFP.

Our proposed affordable housing development directly aligns with the City of Madison's strategic goals for affordable housing and equitable community development. The city has prioritized expanding access to safe and affordable homeownership particularly for households with low-to-moderate-income. The population we would serve would be working families, single-parent households, and first-time homebuyers who are currently out of Madison's competitively priced housing market. We believe that this would have a positive impact on the community because it would expand opportunities for wealth-building and housing stability, reduce the racial and economic disparities in homeownership rates and contribute to a broader community development by creating long-term neighborhood anchors and promoting diverse, inclusive communities.

Economic Mobility: How will your proposal help participants or residents achieve economic mobility, particularly in underserved communities?

- For **development proposals**, explain how the project aligns with the income levels of the area (describe what the median income of the census tract where the development will be located) and promotes generational wealth-building and well-being.
- For **programs/services proposals**, describe how your program fosters financial empowerment and economic mobility through education, support, or direct assistance.

Our project contributes to that goal by building quality housing priced affordably and reserved for households around the 30% of Area Median Income. By focusing on homeownership, the project strengthens neighborhood stability, supports long-term investment, and provides families the chance to build multigenerational wealth.

Expand: Explain how your project will expand opportunities for first-time homebuyers and reduce existing disparities in rates of homeownership between different segments of the Madison population.

Our plan creates pathways to homeownership for households around 80% of Area Median Income. This project prioritizes marketing strategies designed to reach underserved communities including first-generation homebuyers and families who may not otherwise access traditional financing.

Lead Applicant:

Tri-State Custom Construction

1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2023 Actual.

Account Description	2023 Actual	2024 Budget	2025 Proposed
A. PERSONNEL			
Salary (including benefits)	822,317	1,090,000	1,000,000
Taxes	18,260	26,731	27,000
Subtotal A	840,577	1,116,731	1,027,000
B. OPERATING			
All "Operating" Costs	78,631	63,574	65,000
Subtotal B	78,631	63,574	65,000
C. SPACE			
Rent/Utilities/Maintenance	-	14,711	15,000
Mortgage/Depreciation/Taxes	24,739	21,450	22,000
Subtotal C	24,739	36,161	37,000
D. SPECIAL COSTS			
Subcontracts	422,519	444,672	430,000
Deposits to Reserves	25,000	55,000	50,000
Debt Service (Excl Mortgage)			
Other: (Specify)			
Subtotal D	447,519	499,672	480,000
Total Operating Expenses:	1,391,466	1,716,138	1,609,000
REVENUE			
Direct Public Grants			
Direct Public Support			
Indirect Public Support			
Miscellaneous Revenue			
Restricted Funds Released			
Program Income			
Total Income	-	-	-
Net Income	(1,391,466)	(1,716,138)	(1,609,000)

[illegible]

Applicant	Tri-State Custom Construction
Project 1 Co-Applicant	Tri-State Custom Construction
Project 2 Co-Applicant	0
Project 3 Co-Applicant	0

Property Address	Project Type	Anticipated Sales Price
1	0 One Single Family Home - Lot 83 3bd / 2ba	\$ 395,000.00
2	0 bd / ba	
3	0 bd / ba	

Program Summary

		Project #1	Project #2	Project #3
Total Proposed	Project Name	One Single Family Home - Lot 83	0	0
1	Amounts	1	0	0
\$ 390,875.00	Total Uses	\$ 390,875.00	\$ -	\$ -
\$ 400,000.00	Total Sources	\$ 400,000.00	\$ -	\$ -
\$ 390,875.00	Total Dev. Cost + Trans Cost	\$ 390,875.00		
\$ 400,000.00	Total Dev. Funding	\$ 400,000.00		
\$ 200,000.00	Committed Sources	\$ 200,000.00		
\$ 200,000.00	Pending Source	\$ 200,000.00		
\$ 200,000.00	CDU Funding	\$ 200,000.00		
\$ -	Pending: Other Source	\$ -		
\$ -	Pending: Other Source	\$ -		

Note that all figures present below row 30 are estimates intended to provide general insight into the potential affordability of the proposed homes. While the table includes scenarios of household at 60% and 50% of the Area Median Income (AMI), applicants are only required to ensure affordability for households at or below 80% AMI. Applicants may also include pass-through assistance to the homebuyer—structured as a second mortgage—from the allocation provided to the developer as part of the affordability calculation.

	Is this affordable to a 5-person household at:	Is this affordable to a household at:	Is this affordable to a household at:	
80% AMI	yes			<- must at least meet this requirement
60% AMI	no			
50% AMI	no			

Affordability Assumptions : must input anticipated sales price first.

		80%	60%	50%	Notes
Project #1: One Single Family Home - Lot 83 3bd / 2ba	AMI Household Size	5-person	5-person	5-person	<- select dropdown
	Annual Income	\$ 112,200.00	\$ 84,120.00	\$ 70,100.00	
	Monthly Household Income	\$ 9,350.00	\$ 7,010.00	\$ 5,841.67	
	Affordability Cap as a % of Income	30%	30%	30%	<- Some lenders use 28 percent, FHA can allow up to 31 percent. This is mortgage DTI limit only, not aggregate DTI.
	Monthly "Affordable" Expenditure Cap	\$ 2,805.00	\$ 2,103.00	\$ 1,752.50	
	Down Payment	\$ 83,950.00	\$ 83,950.00	\$ 83,950.00	
	HBAD	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	<- include any down payment
	Other: (insert name here of dpa)				<- include any down payment
	Other: (insert name here of dpa)				<- include any down payment
	Other: (insert name here of dpa)				<- include any down payment
	Buyer Contribution	\$ 3,950.00	\$ 3,950.00	\$ 3,950.00	<- at least 1%
	House Price	\$ 395,000.00	\$ 395,000.00	\$ 395,000.00	
	Down Payment	\$ 83,950.00	\$ 83,950.00	\$ 83,950.00	
	Interest Rate	6.90%	6.90%	6.90%	<- edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	<- traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	<- Make sure to get the decimals right. For example, \$18 of tax per \$1000 of value is 0.018
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	\$ 2,805.00	\$ 2,103.00	\$ 1,752.50	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ 311,050.00	\$ 311,050.00	\$ 311,050.00	
	Output: Monthly P&I	\$ 2,048.58	\$ 2,048.58	\$ 2,048.58	
	Output: Monthly Property Taxes	\$ 592.50	\$ 592.50	\$ 592.50	
	Output: Total Expense (PTI)	\$ 2,766.08	\$ 2,766.08	\$ 2,766.08	
	Difference (Cap minus Expenditures)	\$ 38.92	\$ (663.08)	\$ (1,013.58)	<- In solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI
Project #2: bd / ba	AMI Household Size	#N/A	0	#N/A	<- select dropdown
	Annual Income	#N/A	#N/A	#N/A	
	Monthly Household Income	#N/A	#N/A	#N/A	
	Affordability Cap as a % of Income	30%	30%	30%	<- select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Down Payment	\$ -	\$ -	\$ -	
	HBAD	\$ -	\$ -	\$ -	<- include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	<- include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	<- include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	<- include any down payment
	Buyer Contribution	\$ -	\$ -	\$ -	<- at least 1%
	House Price	\$ -	\$ -	\$ -	
	Down Payment	\$ -	\$ -	\$ -	
	Interest Rate	6.90%	6.90%	6.90%	<- edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	<- traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ -	\$ -	\$ -	
	Output: Monthly P&I	\$ -	\$ -	\$ -	
	Output: Monthly Property Taxes	\$ -	\$ -	\$ -	
	Output: Total Expense (PTI)	\$ 125.00	\$ 125.00	\$ 125.00	
	Difference (Cap minus Expenditures)	#N/A	#N/A	#N/A	<- In solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI
Project #3: bd / ba	AMI Household Size	0	0	0	<- select dropdown
	Annual Income	#N/A	#N/A	#N/A	
	Monthly Household Income	#N/A	#N/A	#N/A	
	Affordability Cap as a % of Income	30%	30%	30%	<- select dropdown; 28-38% ratios
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Down Payment	\$ -	\$ -	\$ -	
	HBAD	\$ -	\$ -	\$ -	<- include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	<- include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	<- include any down payment
	Other: (insert name here of dpa)	\$ -	\$ -	\$ -	<- include any down payment
	Buyer Contribution	\$ -	\$ -	\$ -	<- at least 1%
	House Price	\$ -	\$ -	\$ -	
	Down Payment	\$ -	\$ -	\$ -	
	Interest Rate	6.90%	6.90%	6.90%	<- edit rate
	No. of Years	30	30	30	
	Closing Costs as a % of Loan	3.00%	3.00%	3.00%	<- traditional industry range is 2-5%
	Estimated Property Tax Rate	\$ 0.018	\$ 0.018	\$ 0.018	
	Estimated Annual Homeowners Insurance (AI)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
	Monthly "Affordable" Expenditure Cap	#N/A	#N/A	#N/A	
	Monthly Homeowners Insurance	\$ 125.00	\$ 125.00	\$ 125.00	
	Output: Loan Amount	\$ -	\$ -	\$ -	
	Output: Monthly P&I	\$ -	\$ -	\$ -	
	Output: Monthly Property Taxes	\$ -	\$ -	\$ -	
	Output: Total Expense (PTI)	\$ 125.00	\$ 125.00	\$ 125.00	
	Difference (Cap minus Expenditures)	#N/A	#N/A	#N/A	<- In solver, set objective that this cell equals zero by changing cell D49, if you want to know what the house price should be to be affordable to this AMI

Area Median Income by Household Size (2025)	80%	60%	50%
1-person	\$ 72,700	\$ 54,540	\$ 45,450
2-person	\$ 83,100	\$ 62,340	\$ 51,950
3-person	\$ 93,500	\$ 70,140	\$ 58,450
4-person	\$ 103,850	\$ 77,880	\$ 64,900
5-person	\$ 112,200	\$ 84,120	\$ 70,100
6-person	\$ 120,500	\$ 90,360	\$ 75,300
7-person	\$ 128,800	\$ 96,600	\$ 80,500
8-person	\$ 137,100	\$ 102,840	\$ 85,700

**City of Madison | Community Development Division
2025 Financing for Affordable Homeownership Development,
Programs and Services RFP #2025-14027**

TRI-STATE CUSTOM CONSTRUCTION / CHAD HAWKINS

Tri-State SF Home (Development – New Construction)

Response Submission Due Date: October 31, 2025 at Noon Central Time.

1. Can you share more about your plan for identifying and qualifying eligible homebuyers?
 - a. Tri-State will be teaming up with Cully's Construction and Gorman & Company for this project. Between the two of these companies, they have built many commercial and residential projects. The owners of these companies are Pat Culligan and Gary Gorman. They have worked very closely on several affordable housing projects from Madison to Milwaukee. This is a valuable chance for Tri-State to partner with two companies that each have over 30 years of experience in affordable housing. Gorman & Company will be responsible for finding buyers and ensuring compliance with underwriting and affordability guidelines. They have several partners in the WI area to help with finding eligible homebuyers. They will be responsible for finding buyers who meet the income requirements and managing buyer qualifications directly.
2. Your proposal highlights energy-efficient appliances, spray-foam box sills, smart thermostats, and EV chargers as standard features.
 - a. We confirm our commitment to incorporate energy-efficient appliances, spray-foam box sills, smart thermostats, and EV car chargers as standard in our homes.
 - b. We use energy star certified GE appliance packages. This includes laundry and the cost is around \$5,000.00. Spray foam box sills fill gaps around doors, windows, ductwork and plumbing fixtures to provide a barrier against air flow, dust and pests. This will save the buyer money on their heating bills. The cost for this service is \$1,200.00. Smart thermostats keep your home at the right temperature throughout the day. A smart thermostat can save a modest amount of money on electric bills. According to Energy Star the average savings are 8%. The cost per unit is around \$300.00. There are several benefits of installing an EV

charger at home such as convenience, cost effectiveness, predictability, vehicle battery health and increased property value. All of these are standard features in all our homes. Some of these options are double and triple the price after a house is constructed. When we add these features preconstruction it is very affordable and has a substantial increase in value and savings for each buyer.

3. We understand that Tri-State is currently building several homes on lots you already own in Owl Creek.
 - a. Tri-State is currently building 2 homes. 4401 Crested Owl Ln (Lot 76) has an accepted offer and will be closing on April 24, 2026. 4408 Crested Owl Ln (Lot 81) is a spec house. We will be putting this one on the market around springtime and will be completed by June 2026. The 3 remaining vacant lots at 4332, 4338, and 4402 Crested Owl Ln (Lots 82, 83 and 84) all have accepted offers on them. We are finalizing plans now and will be applying for building permits in November. These all have closings set up for August 2026.
 - b. Most of our projects will be completed during the winter months. Receiving the supplemental funds and having the financial backing from Gorman & Company on this project will allow us to start all the 6 lots at the same time in March 2026. We do not need our homes to be sold to start on the 6 lots. We already have financing in place.
 - c. Tri-State, Cully's Construction and Gorman have the capacity to take on multiple jobs at a time. Together we will maintain quality construction and meet our timelines. Tri-State has formed great partnerships with local subcontractors. Dave Jones is one of our valued subs. They do all our HVAC, Plumbing and Electric. Cru Concrete does all our Foundations and Flatwork. Anytime Services does our Excavating and Landscaping. Dave Jones, Cru Concrete and Anytime Services can work concurrently on several projects at a time. It has been a great benefit working with these subcontractors. Communication is key to building quality homes and meeting timelines. We have noticed working with subs that can perform various duties really helps the job run much smoother. Tri-State and Cully's Construction will be responsible for all construction duties. Gorman and Company will be responsible for finding eligible buyers and all financing needed to complete the construction.