



## COMMONWEALTH DEVELOPMENT CORPORATION

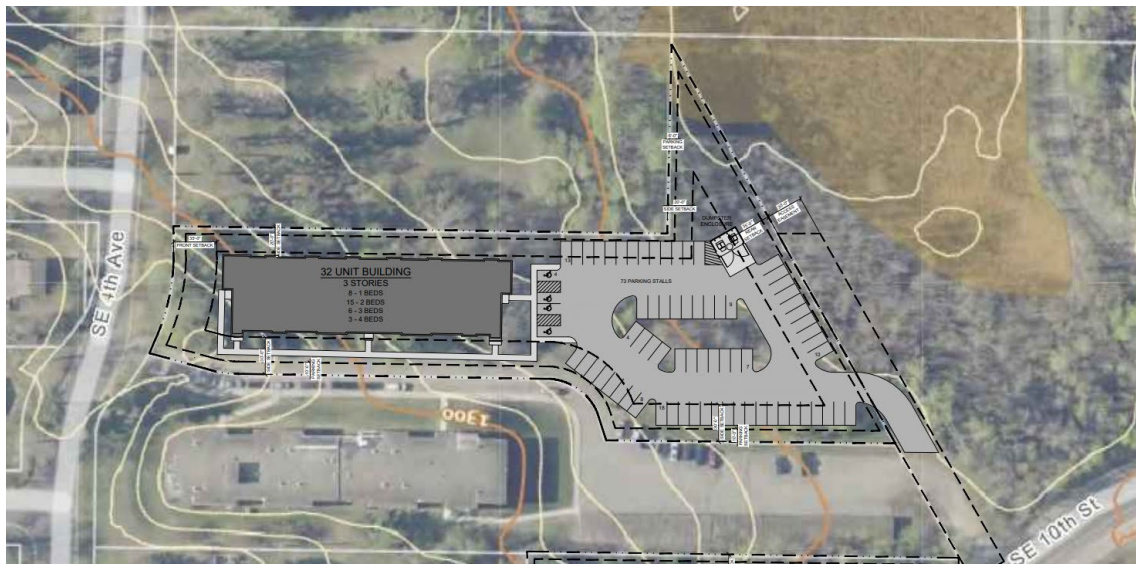
2501 Parmenter St., Suite 300B

Middleton, WI 53562

[www.commonwealthco.net](http://www.commonwealthco.net)

### **The Wilden, 32-Unit Affordable Housing Proposal in Grand Rapids, MN**

The proposed 32-Unit Affordable Housing development in Grand Rapids will serve low-income families with a new construction, mid-rise building comprised of 1, 2, 3, and 4-bedroom units serving households at the 30, 50, and 60% AMI levels. This proposal includes 9 total supportive housing units including 4 Units will be set aside for a High Priority Homeless population and 5 units serving People with Disabilities. The apartment building's proposed amenities include a playground, BBQ area, patio, community garden, electric vehicle charging stations, exercise room, secure indoor bike storage, business center with computers, and a community/meeting room. The building will be built to Passive House Institute US standards and will be highly energy efficient. The development team led by Commonwealth Development Corporation has extensive experience developing affordable housing in Minnesota and across the country. The team intends to engage with a Qualified Stakeholder Group to gain valuable insight and inform the design of the building. The team plans to submit a funding application to Minnesota Housing Finance Agency (MHFA) in the July 2025.



#### **Development Team\***

Developer/Owner: Commonwealth Development Corporation (CDC)

Architect: M&A Design, Inc.

General Contractor: Project One Construction

\*All members of the development team are women-owned businesses (WBEs), higher competitive score with MHFA.



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### Project Timeline

**July 2025:** MN Housing Funding Application Due

**Dec 2025:** MN Housing Funding Decision

**Jan 2026:** Design & Engineering Begins Including Green Energy Consultant (Passive House Institute)

**March 2026:** MN Housing Kickoff - Tax Credit Investor Confirmed, Schematic Design/Design Development Submittal & MN Housing Architectural/Construction Review Begins

**September 2026:** 100% Construction Drawings, Issue for Bid

**October 2026:** Negotiate Purchase Agreement with City

**November 2026:** Building Permit Application

**April 2027:** Land & Financing Closing, Construction Begins

**June 2028:** Construction Complete, Lease up Begins (~15 mo. construction)

**Aug 2028:** Fully leased-up



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### Income Ranges and Rents

Unit Type	Proposed Monthly Rent (Including Utilities) *	Household Income Qualification**
<b><u>1 Bed, 1 Bath</u></b> 8 Units	30% AMI - \$515 50% AMI - \$772	30% AMI - ~\$19,260 (Annual) / \$9 an hour 50% AMI - ~\$32,100 (Annual) / \$15 an hour
<b><u>2 Bed, 1 Bath</u></b> 15 Units	30% AMI – Housing Support*** 50% AMI - \$927 60% AMI - \$989	30% AMI – Housing Support 50% AMI - ~\$41,250 (Annual) / \$19 an hour 60% AMI - ~\$49,500 (Annual) / \$23 an hour
<b><u>3 Bed, 2 Bath</u></b> 6 Units	30% AMI – Housing Support*** 50% AMI - \$1,071 60% AMI - \$1,242	30% AMI – Housing Support 50% AMI - ~\$47,000 (Annual) / \$22 an hour 60% AMI - ~\$57,000 (Annual) / \$27 an hour
<b><u>4 Bed, 2 Bath</u></b> 3 Units	30% AMI – Housing Support*** 50% AMI - \$1,195 60% AMI - \$1,371	30% AMI – Housing Support 50% AMI - ~\$53,150 (Annual) / \$25 an hour 60% AMI - ~\$63,780 (Annual) / \$30 an hour

\* Proposed Monthly Rents are for 2024. These rents are determined by the U.S. Department of Housing and Urban Development (HUD) each year. Learn more here: [Novogradac & Company LLP Rent & Income Limit Calculator](#)

\*\* Income Qualification levels are approximately what the maximum income is to qualify for that income tier. These fluctuate year-to-year and are also determined by the number of individuals in your household.

\*\*\*The Housing Support program pays for room and board for seniors and adults with disabilities with low incomes. The Housing Support assistance program supports over 20,000 Minnesotans each month. Learn more here: [Housing Support / Minnesota Department of Human Services](#)



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### **Request for Financial Leverage**

The 32-unit project requests a conditional commitment of Housing Program Grant funds from the Iron Range Resources & Rehabilitation Board (IRRRB), contingent on a tax credit award from MN Housing. The conditional approval of these funds will allow the development project to score more competitively in the Minnesota Housing 2025/2026 Consolidated RFP, a highly competitive application that will contribute a majority of the funds to the housing development through the syndication of Federal Low Income Housing Tax Credits (LIHTC). The development team will apply for these credits in June 2025 and will learn whether the project was selected by the MN Housing review board in December 2025. Then, the project will proceed to close with a projected construction timeline of April 2027 - June 2028. The following Sources and Uses charts show the development project with or without IRRRB grant funds.



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### Proposed Sources With IRRRB Grant Funds

Sources		
	<i>per unit</i>	<i>total</i>
LIHTC Equity	342,576	10,962,441
Historic Equity	-	-
First Mortgage	41,563	1,330,000
Second Mortgage	-	-
TIF	10,156	325,000
Other: MHFA Soft Loan	21,875	700,000
Other: Energy Rebate	822	26,300
Other: 45L Credit	764	24,461
Other: IRRRB	10,000	320,000
GP/SLP Equity	3	100
Deferred Developer Fee	4,372	139,897
<b>FUNDING GAP</b>		-
<b>Total</b>	<b>\$ 432,131</b>	<b>\$ 13,828,198</b>
Financial Leverage		6.04%

### Financial Leverage points for MHFA Application including IRRRB Housing Grant (6.04%) = 10 points

#### A. Financial Readiness to Proceed/Leveraged Funds (4 to 16 Points)

1. Applicants who have secured funding commitments for one or more **permanent capital funding sources** at the time of application must count the source in this calculation. Funding can only be included in the calculation if funds are committed, not the subject of a current request.

Calculate your total using the formula below. Exclude any commitments for the amortizing first mortgage financing and any anticipated syndication proceeds from the current HTC request.

Total eligible funding secured, awarded or committed (excluding amortizing first mortgages and any anticipated proceeds from the current HTC request. **If applicable, the Tax Increment Financing (TIF) amount provided by the city can be included as a commitment.**)

\$ \_\_\_\_ divided by Total Development Costs \$ \_\_\_\_ equals Percentage of Permanent Capital Funding Sources Committed \_\_\_\_% (round to the nearest tenth):

- a. ☐ 10.51% or more of funding secured, awarded or committed (16 points)
- b. ☐ 9.01% to 10.5% of funding secured, awarded or committed (14 points)
- c. ☐ 7.51% to 9.0% of funding secured, awarded or committed (12 points)
- d. ☒ 6.01% to 7.5% of funding secured, awarded or committed (10 points)
- e. ☐ 4.51% to 6.0% of funding secured, awarded or committed (8 points)
- f. ☐ 3.01% to 4.5% of funding secured, awarded or committed (6 points)
- g. ☐ 1.51% to 3.0% of funding secured, awarded or committed (4 points)



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### Proposed Sources Without IRRRB Housing Grant (Conditional)

Sources		
	<i>per unit</i>	<i>total</i>
LIHTC Equity	342,576	10,962,441
Historic Equity	-	-
First Mortgage	41,563	1,330,000
Second Mortgage	-	-
TIF	10,156	325,000
Other: MHFA Soft Loan	21,875	700,000
Other: Energy Rebate	822	26,300
Other: 45L Credit	764	24,461
Other: IRRRB	-	-
GP/SLP Equity	3	100
Deferred Developer Fee	4,372	139,897
<b>FUNDING GAP</b>		<b>320,000</b>
<b>Total</b>	<b>\$ 422,131</b>	<b>\$ 13,828,198</b>
Financial Leverage		3.73%

Financial Leverage points for MHFA Application Without TIF (3.73%) = 6 points

#### A. Financial Readiness to Proceed/Leveraged Funds (4 to 16 Points)

1. Applicants who have secured funding commitments for one or more **permanent capital funding sources** at the time of application must count the source in this calculation. Funding can only be included in the calculation if funds are committed, not the subject of a current request.

Calculate your total using the formula below. Exclude any commitments for the amortizing first mortgage financing and any anticipated syndication proceeds from the current HTC request.

Total eligible funding secured, awarded or committed (excluding amortizing first mortgages and any anticipated proceeds from the current HTC request. If applicable, the Tax Increment Financing (TIF) amount provided by the city can be included as a commitment).

\$\_\_\_\_\_ divided by Total Development Costs \$\_\_\_\_\_ equals Percentage of Permanent Capital Funding Sources Committed \_\_\_\_\_% (round to the nearest tenth):

- ☐ 10.51% or more of funding secured, awarded or committed (16 points)
- ☐ 9.01% to 10.5% of funding secured, awarded or committed (14 points)
- ☐ 7.51% to 9.0% of funding secured, awarded or committed (12 points)
- ☐ 6.01% to 7.5% of funding secured, awarded or committed (10 points)
- ☐ 4.51% to 6.0% of funding secured, awarded or committed (8 points)
- ☒ 3.01% to 4.5% of funding secured, awarded or committed (6 points)
- ☐ 1.51% to 3.0% of funding secured, awarded or committed (4 points)

Sources		
	<i>per unit</i>	<i>total</i>
LIHTC Equity	342,576	10,962,441
Historic Equity	-	-
First Mortgage	41,563	1,330,000
Second Mortgage	-	-
TIF	10,156	325,000
Other: MHFA Soft Loan	21,875	700,000
Other: Energy Rebate	822	26,300
Other: 45L Credit	764	24,461
Other: IRRRB	10,000	320,000
GP/SLP Equity	3	100
Deferred Developer Fee	4,372	139,896
<b>Total</b>	<b>\$ 432,131</b>	<b>\$ 13,828,198</b>
Financial Leverage		6.04%
Uses		
	<i>per unit</i>	<i>total</i>
Acquisition	5,156	165,000
Total Construction Contract	304,511	9,744,336
Hard Cost Contingency	15,226	487,217
Design	22,670	725,453
Professional Fees	6,982	223,432
Construction and Permanent Financing Costs	31,351	1,003,225
Other Soft Costs	2,142	68,544
Tax Credit Fees	3,162	101,199
Developer Fee	34,931	1,117,800
Operating Reserve	3,084	98,687
Debt Service Reserve	1,416	45,305
Other Reserves	1,500	48,000
<b>Total</b>	<b>\$ 432,131</b>	<b>\$ 13,828,198</b>



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February 12, 2025

Mr. Ted Goltzman, Vice-President Development  
Commonwealth Development Corporation  
7447 University Ave. Ste 210.  
Middleton, WI 53562

Re: Preliminary Construction Estimate Proposal; Grand Rapids Apartments, Grand Rapids, MN-  
32 unit- Apartment project- PW.

Dear Sir,

Thank you for giving us the opportunity to collaborate with you during the pre-design phase for the Grand Rapids Apartment project for Grand Rapids, MN. We look forward to our continued involvement.

Before the work begins, we want to outline what to expect from Project One Construction. We are confident we can meet your needs. This preliminary construction estimate outlines the cost breakdown, timeline of construction, and other expectations. As the scope of work and plans are clarified we can offer you pricing comparisons and detailed costs to solidify the proposal. Rest assured that the quality and service that we provide will be suited to your needs and expectations.

**Assumptions:** This cost estimate covers the direct labor/ Prevailing Wages, materials, sub-contracts, and equipment for construction. Reasonable-priced packages for your project are indicated below are defined for the project as 32 apartment units (3-story apartment building) with surface parking, encompassing 32 units with a mix of (8) 1-bedroom units, (15) 2-bedroom units, (6) 3-bedroom units and (3) 4-bedroom and common areas. This estimate is based on concept plans and information provided as of January 30<sup>th</sup>, 2025, by M & A Architects.

The timeline for construction is based on a 14-month duration.

**Inclusions:** but is not limited to, the following: foundation excavation, cast-in-place concrete, masonry, rough and finish carpentry, thermal insulation package (Passive House), shingled roof, flashing and sheet metal, LP siding, sealants and caulking, hollow metal/wood frames and flush wood doors, aluminum storefront entries, vinyl windows (triple glazed), door hardware, glass and glazing, gypsum board assemblies, acoustical ceilings 1<sup>st</sup> floor corridor, resilient flooring, carpeting, painting, appliances, cabinets and countertops, various specialties, playground, fire suppression wet system, plumbing, HVAC, and electrical.

Site Work allowances have been included for site clearing, grading, excavation and fill, and utilities and for winter conditions.

An estimated BABA allowance is noted with the preliminary estimate relating to current economic forecasts.

**Exclusions:** Any Architectural, Mechanical, Electrical engineering & Interior Design services or drawings needed, Contaminated soils and Soil Corrections, Demolition of existing Structures, Hazardous Materials, Garages, Storm Water Retention Systems, Sitework Trails and Fencing,



SAC/ WAC Fees, Fixtures Furniture and equipment, concept plan revisions and IMW updates and un-foreseeable conditions.

**Budget Analysis; Grand Rapids, MN- 32 unit- Apartment project- (Prevailing Wage)**

Budget Analysis		Grand Rapids Apartments		
	Grand Rapids Midrise Apartment with Site Plan and Preliminary Drawings from M&A Design 1.30.25	Building type	3 Story SOG w/ Elevator and surface parking	
		Estimate	# UNITS	SF
		Feb-25	32	42,060
DIV	DESCRIPTION	Estimate	PER UNIT	PER SF
1A	General Requirements	\$ 412,360	\$ 12,886	\$ 9.80
1B	Specialty Service / Project Fees/Permits/Bonds/Ins	\$ 202,800	\$ 6,338	\$ 4.82
2	Existing Conditions- Demolition	\$ -	\$ -	\$ -
3	Concrete	\$ 546,000	\$ 17,063	\$ 12.98
4	Masonry	\$ 52,000	\$ 1,625	\$ 1.24
5	Metals	\$ 62,400	\$ 1,950	\$ 1.48
6	Woods and Plastics	\$ 1,716,000	\$ 53,625	\$ 40.80
7	Thermal and Moisture Protection	\$ 884,000	\$ 27,625	\$ 21.02
8	Openings	\$ 520,000	\$ 16,250	\$ 12.36
9	Finishes	\$ 884,000	\$ 27,625	\$ 21.02
10	Specialties	\$ 67,600	\$ 2,113	\$ 1.61
11	Equipment	\$ 171,600	\$ 5,363	\$ 4.08
12	Furnishings	\$ 223,600	\$ 6,988	\$ 5.32
13	Special Construction (Playground)	\$ 26,000	\$ 813	\$ 0.62
14	Conveying Equipment	\$ 156,000	\$ 4,875	\$ 3.71
21	Fire Suppression (13R wet)	\$ 150,800	\$ 4,713	\$ 3.59
22&23	Mechanical & Plumbing	\$ 1,300,000	\$ 40,625	\$ 30.91
26	Electrical	\$ 780,000	\$ 24,375	\$ 18.54
31 & 33	Earthwork & Utilities (allowance)	\$ 312,000	\$ 9,750	\$ 7.42
32	Ext. Improvements (Sidewalk/Retaining Walls/Landscape)	\$ 192,400	\$ 6,013	\$ 4.57
		\$ -	\$ -	\$ -
	<b>Sub Total</b>	\$ 8,659,560	\$ 270,611	\$ 205.89
	Special Site Conditions and Allowances			
	BABA Act	\$ 325,000	\$ 10,156.25	\$ 7.73
	Winter Conditions	\$ 100,000	\$ 3,125.00	\$ 2.38
	Overhead	\$ 164,944	\$ 5,155	\$ 3.92
	Profit	\$ 494,832	\$ 15,464	\$ 11.76
	<b>TOTAL</b>	\$ 9,744,336	\$ 304,511	\$ 231.68

We are a team of competent project managers who will be your partner in the development of your property. May it be building a new apartment development or a reconstruction of an existing apartment complex, we are dependable professionals who will render outstanding services from pre-construction to cost scheduling. Our team will be ready to serve you.

Thank you for the opportunity and please contact us with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek Kuechle", with a stylized, flowing script.

Derek Kuechle  
Project Manager  
Project One Construction Inc.  
10375 Co. Rd. 8  
Kimball, MN 55353  
Phone: 320-398-7000

c. Ted Goltzman  
File



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Mr. Ted Goltzman, Vice-President Development  
Commonwealth Development Corporation  
7447 University Ave. Ste 210.  
Middleton, WI 53562

Re: Estimated Labor Force Needed with Grand Rapids Apartments, Grand Rapids, MN- 32 unit-  
Apartment project- PW.

Dear Sir,

Project One Construction is pleased to report that the Grand Rapids Apartment project will require an estimated labor force of approximately 110 different workers on the project. These workers will range from different scopes of work that will be associated with the project. Some of the included different trades will consist of concrete, framing, insulation, siding, roofing, finish carpentry, elevators, fire suppression, plumbing, HVAC, earthwork, utilities, asphalt paving, and landscaping.

Sincerely,

Derek Kuechle  
Project Manager  
Project One Construction Inc.  
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Kimball, MN 55353  
Phone: 320-398-7000

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File