



Common Wealth

DEVELOPMENT

Housing Forward Proposal
Affordable Homeownership
Lease to Purchase
&
New Construction

Who we are

Common Wealth Development is a private non-profit community development organization incorporated in 1979.

Our mission is to support and preserve the vitality of neighborhoods in the Madison Metropolitan area. Our work serves as the foundational bedrock of healthy community and economic development, with projects aimed at improving the housing and business climate of our neighborhoods through a people-first approach centered on racial justice and community level health improvement.

Core Program Areas

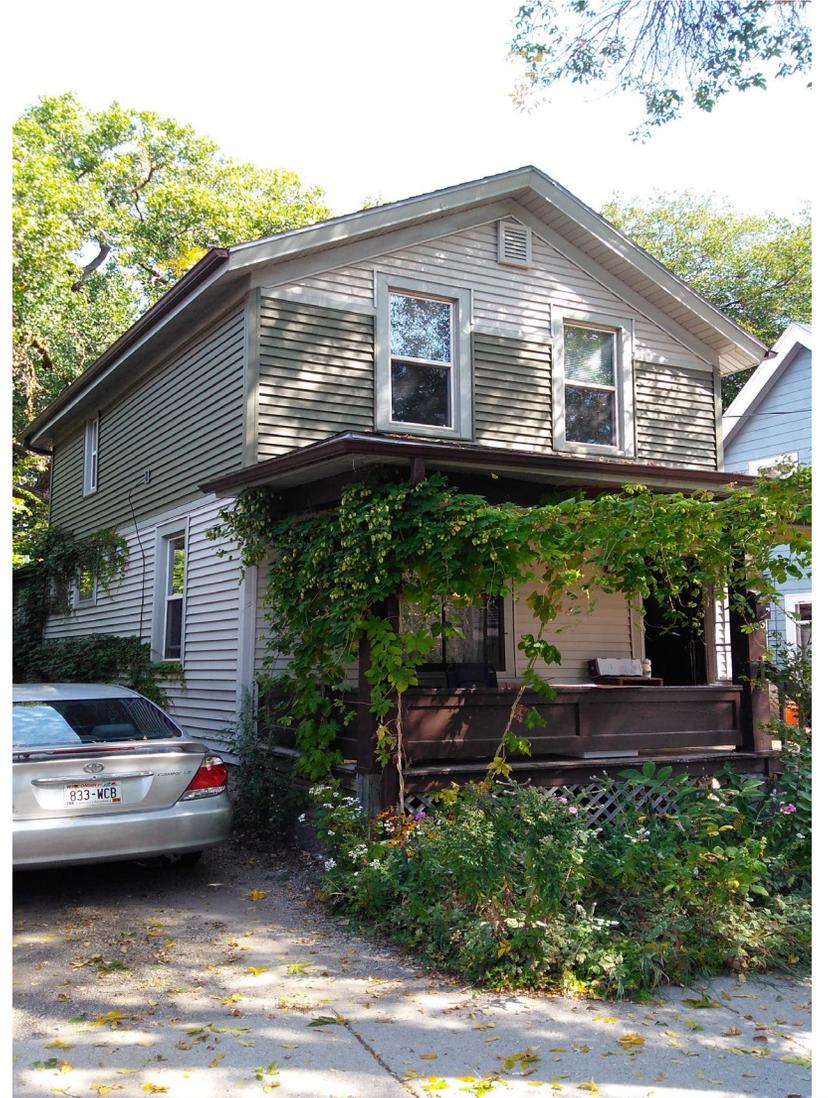
1. Support young businesses through affordable space and business incubation
2. Coach youth and adults in financial fluency, job readiness and entrepreneurial leadership
- 3. Provide safe, stable housing opportunities for renters and aspiring homeowners**
4. Integrate comprehensive community health approaches to city-wide violence prevention efforts
5. Support the retention and sustainability of affordable land in Madison and Dane County.

Housing Portfolio

- 160 units
 - 7 MKT Rate, leased below current MKT Value
 - 6 in the Marquette Neighborhood
 - 1 in the Meadow Neighborhood
 - 153 low-income units
 - 107 in the Marquette Neighborhood
 - 46 in the Meadow Neighborhood

Current L/P Program Portfolio

- Program began in 1994
- 18 homes still in the program
 - 14 in Marquette neighborhood
 - 5 in Tenny Lapham neighborhood
 - 1 in Starkweather neighborhood
 - 1 in Lerdahl Park neighborhood
 - 1 in Sheridan Triangle
- 7 have exited program



Our Ask (Acquisition/Rehab)

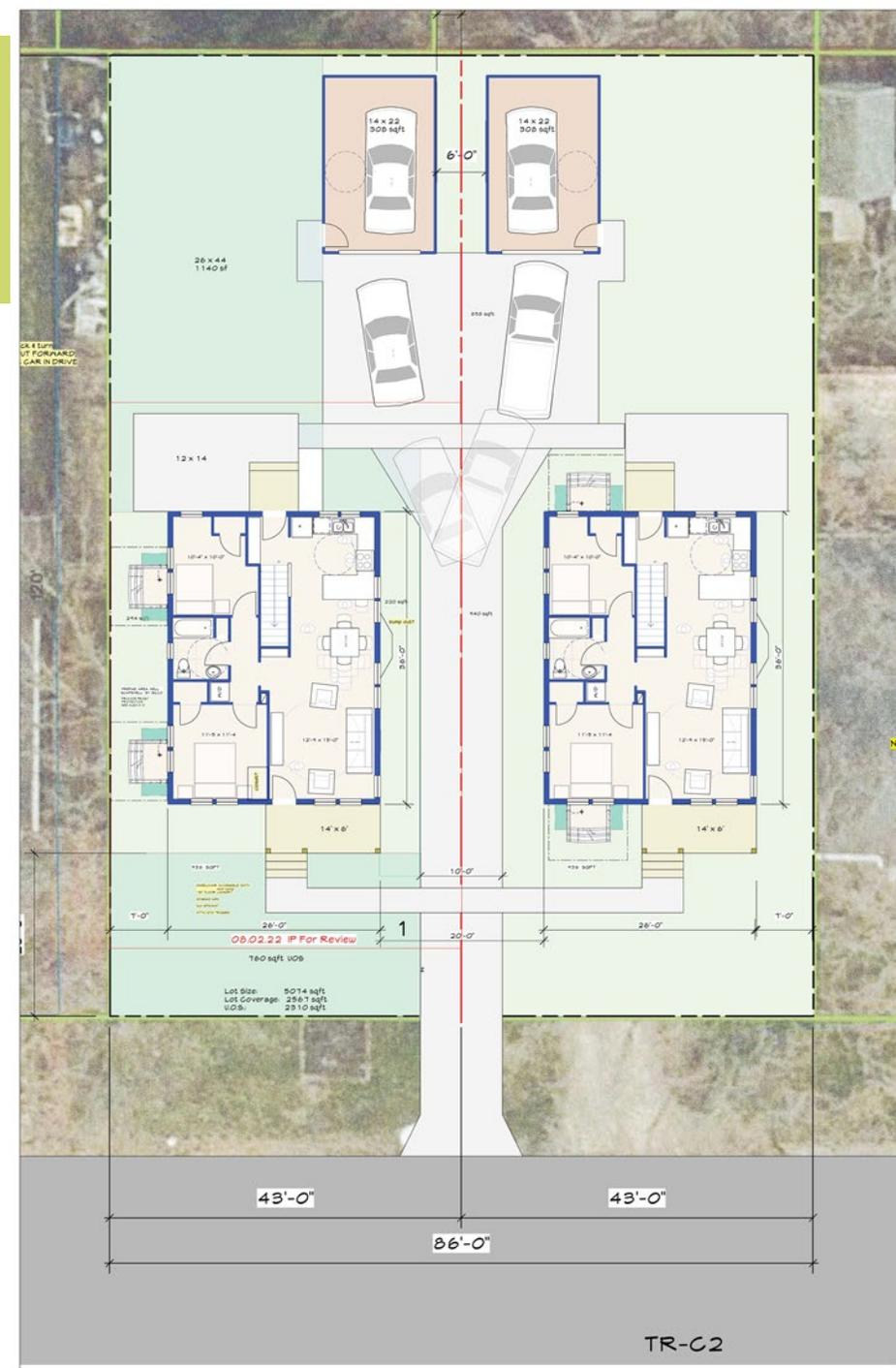
- \$450,000 to acquire and renovate 3 single family homes that will assist in our goal to expand the supply of affordable housing for aspiring 1st time homeowners.
- \$150,000.00 per home: To be used for acquisition/rehab and zero payment 2nd mortgage.
 - Each home will be updated to meet the City of Madison and Common Wealth Development's energy efficiency and healthy housing standards prior to occupancy
- Target Areas
 - Meadowood Neighborhood
 - Sherman Ave Corridor
 - Marquette Neighborhood

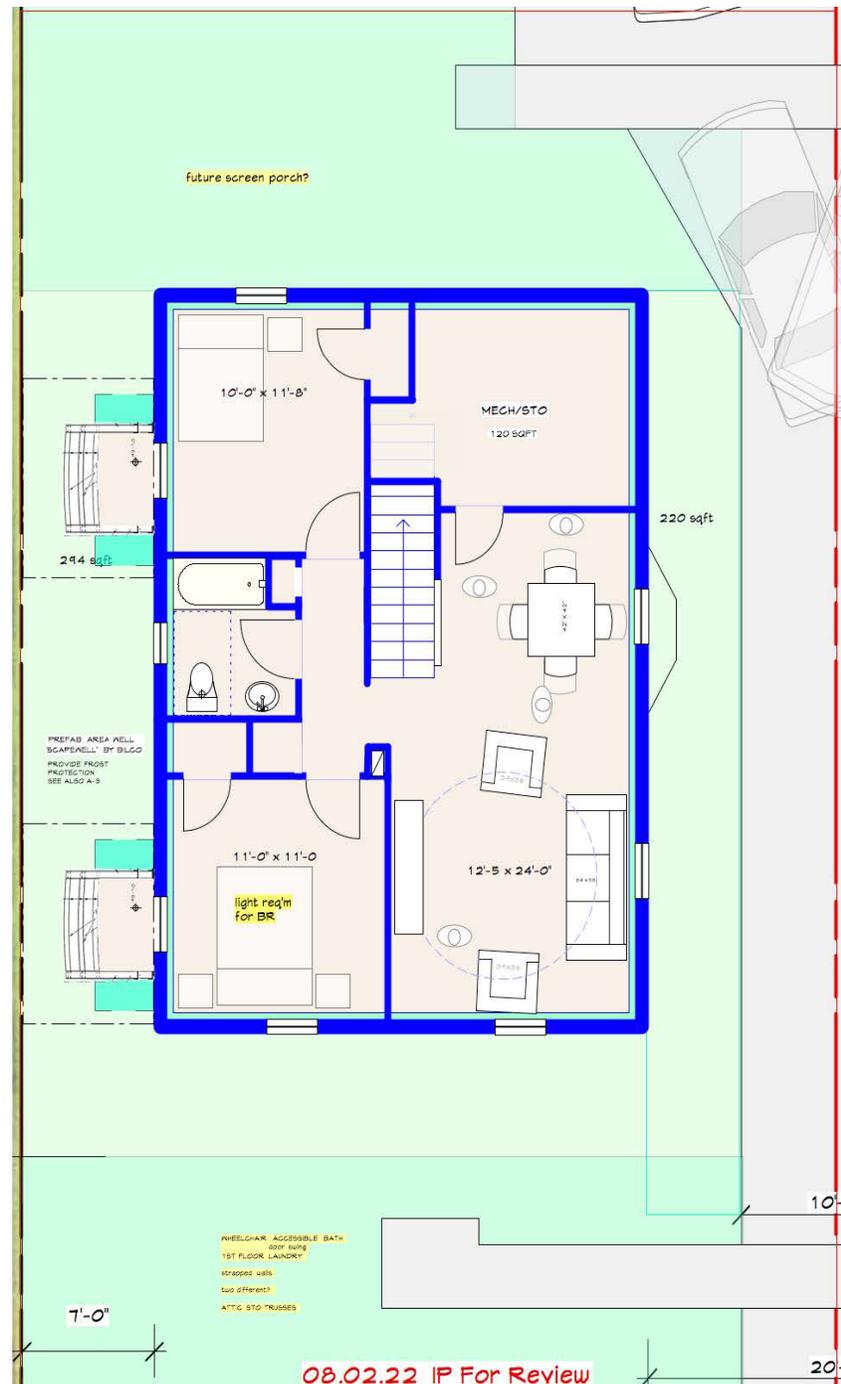
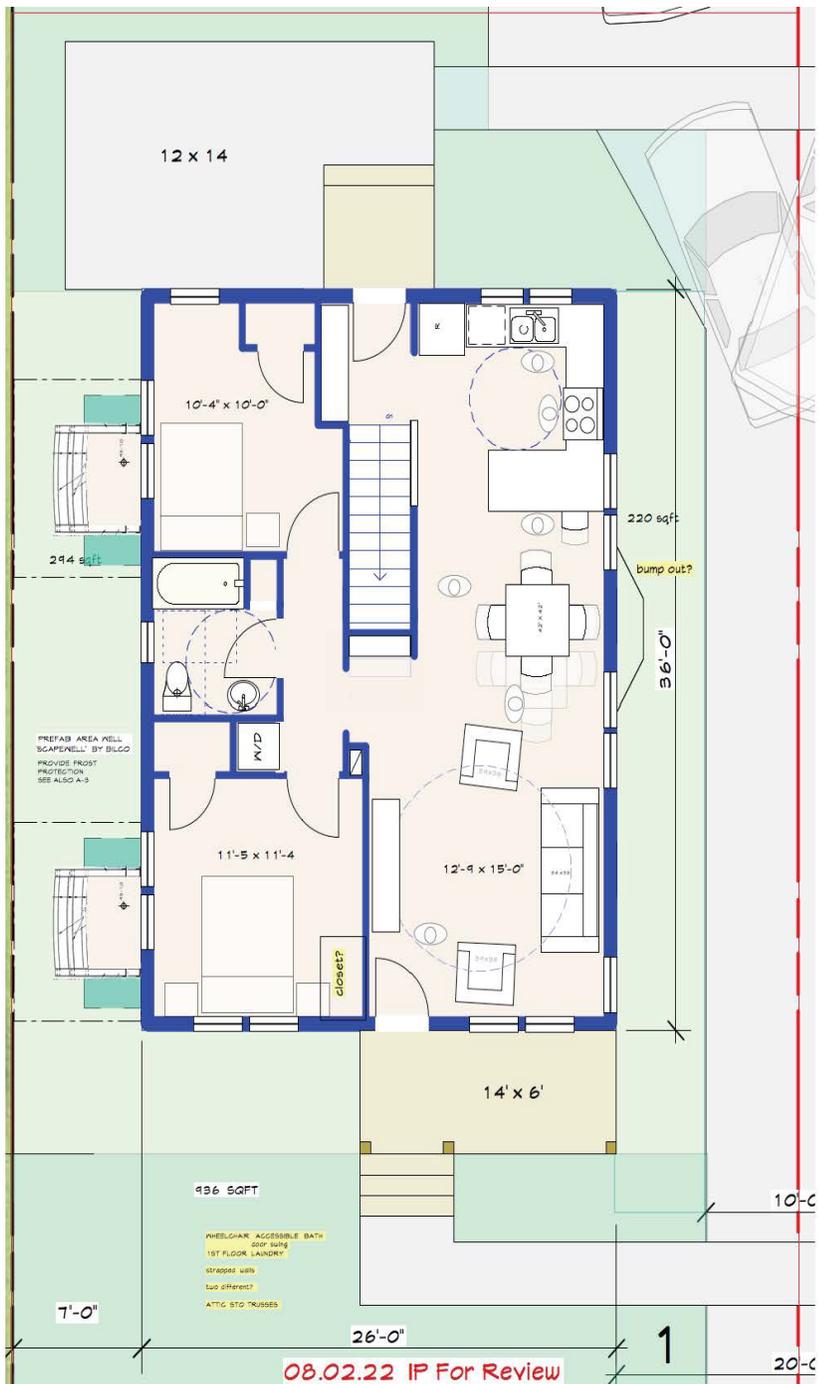
1605 Fremont Ave (current)



1605 Fremont (Future)

- Each lot:
 - 2537 SqFt lot
 - 1047 SqFt home
 - 4bed 2 bath
 - 1 single vehicle Garage





L/P Program Nuts & Bolts

- Acquisition & Rehab:
 - Bank financing and city fund
 - Purchase price \$250K-\$290K
 - Single family homes 2-4 bedrooms
 - Update homes to healthy and energy efficiency standards.
- Lease: 36-month lease term
 - During lease term:
 - Residents will participate in First-Time Home Buyers Education Program
 - Get connected with financial institutions such as Old National Bank & Summit Credit Unit to create a better understanding for their financial future and wealth building
 - Work with Common Wealth Development Staff and other community partners to learn the basics of homeownership through a general and preventive maintenance lens.

L/P Program Nuts & Bolts Cont.

Who do we intend to serve and how do we reach them?

- Main Goal: Increase visibility of affordable homeowner opportunities to marginalized families.
- Market homes and L/P Program directly to our current residents and other community organizations that work directly with populations of color and low-income populations prior to the general public.
 - E.g. Community Action Coalition, Salvation Army, Urban League, Meadowood Health Partnership, Tenant Resource Center, UNIDOS, YWCA, The Road Home and Tellurian .

Result: Increase our reach to prospective BIPOC homebuyers and work with them in our 36-month lease to purchase model to get the family housed right away and work with them to achieve their goal of homeownership.

How it works

*Participant leases house from Common Wealth with option to purchase.
36 months lease term.*

- **Down Payment: 3%**
- **Mortgage**
- **Income Limits: Below 80% AMI***
- **Equity: 50/50 shared appreciation**
- **Preventative Home Maintenance Training**

City of Madison HOME and CDBG Income Limits Effective as of June 15, 2022								
Household Size:	1	2	3	4	5	6	7	8
80% CMI (low income)	\$62,600	\$71,550	\$80,500	\$89,400	\$96,600	\$103,750	\$110,900	\$118,050
60% CMI (90% initial occupancy target)	\$48,480	\$55,380	\$62,280	\$69,180	\$74,760	\$80,280	\$85,800	\$91,320
50% CMI (very low income)	\$40,400	\$46,150	\$51,900	\$57,650	\$62,300	\$66,900	\$71,500	\$76,100
30% CMI (extremely low income)	\$24,250	\$27,700	\$31,150	\$34,600	\$37,400	\$40,150	\$42,950	\$45,700