

**2008 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures
Funds)**

1. **Project Name/Title:** Olin Avenue Day Center Rehab
2. **Agency Name:** Interfaith Hospitality Network of the Madison Area (IHN)
3. **Requested Amount:** \$61,300
4. **Project Type:** X New or Continuing

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

Objective M-2 Homeless Services. Stabilize or improve the housing situation of homeless individuals.

Objective K-1 Community Facilities. Create or improve safe, accessible and well-maintained environments for the delivery of human services to the CDBG target population.

6. **Product/Service Description:**

IHN provides night-time emergency shelter services through a network of community and faith organizations and daytime services in space that are combined with IHN's office space. The daytime space needs to be equipped with showers, laundry facilities and a kitchenette so as accommodate the shelter guests. IHN is moving from its current location at 1121 University Avenue to 128 Olin Avenue in July 2008. Both of these locations are rental space. IHN has had the assistance of a volunteer architect and general contractor to assist them in determining how to include these improvements in their new space.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

Annually 30 homeless families will be provided a full-functioning day center in which to take care of their physical needs as well as their needs for supportive services.

8. **Staff Review:**

In 2002, the Commission approved expending \$80,000 in ESG funds in the form of forgivable loans for improvements at the 1121 University location to accommodate the daytime needs of their guests. In 2007, the Commission approved \$7,000 in ESG funds for additional improvements. Both of these projects were secured with promissory notes signed by IHN; IHN had written agreements with the Wesley Foundation (owner of the property) that the Wesley Foundation would pay the amount due in the event that they caused IHN to vacate the property. Wesley Foundation has indicated that they do have future plans for the site which will not accommodate IHN's present use. CDBG staff notified IHN that on or before June 30, 2008 (the day that they are scheduled to vacate the property) they will owe the City \$38,360 which is the amount still owed on the two forgivable loans. IHN has assured the CDBG Office that they will be paying the balance by the time they vacate.

The proposal is for rehabilitation that will primarily benefit the emergency shelter clients during the day-time hours. However, it will also benefit staff who use the office space. Improvements to facilities that provide human services are addressed differently in the CDBG Office Program Framework than spaced used for shelter. For agencies renting space, the Framework allows up to \$25,000 as a ten-year forgivable loan and agencies must provide a ten-year lease from the owner. The Commission would have to waive the provisions of the framework to allow lending the additional funds and for having a five-year, rather than a 10-year lease.

IHN is required to provide a one-for-one match of ESG funds expended in this project which can be cash or in-kind.

Total Cost/Total Beneficiaries Equals: \$122,700 / 30 families = \$4,090

CD Office Funds/CD-Eligible Beneficiaries Equals: \$61,300 / 30 families = \$2,043

CD Office Funds as Percentage of Total Budget: 50%

9. **Staff recommendation:** Staff recommends that the Commission approve \$25,000 as a ten-year forgivable loan and \$36,300 as a deferred loan, due in full at the time that IHN vacates the Olin Avenue location with the following conditions: 1) IHN pays to the City the outstanding balance on the two forgivable loans for improvements made at 1121 University Avenue on or before 6/30/08, and 2) the Commission waives the Framework provisions for amount and length of lease. Both loans will be secured with promissory notes, with the letter secured by a mortgage on a building yet to be purchased by IHN.

Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	No, waiver requested
Within Subsidy layering limits/ analysis	NA
Environmental Review issues	None anticipated
Eligible project	Yes
Conflict of interest	None anticipated
Church/State issues	No
Accessibility of program	Yes
Accessibility of structure	Yes
Lead-based paint issues	No
Relocation/displacement	No
Zoning restrictions	Not anticipated
Fair Labor Standards	No
Vulnerable populations	Yes
Matching Requirement	Yes
Period of Affordability for HOME funds	NA
Site and neighborhood Standards	NA
IZ Enhancement Benefits or issues	NA
Supplanting issues	No
Living wage issues	None, IHN complies
B.A.D. building process	NA
MBE goal	TBD
Aldermanic/neighborhood communication	Yes
Management issues:	None