

**2014 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures Funds)

Project Name/Title: Pre-Approved Construction Documents for “Green” and ADA Accessible Accessory Dwelling Units
Agency Name: Design Coalition Institute Inc.
Requested Amount: \$20,000
Project Type: New Continuing

Framework Plan Objective Most Directly Addressed by Proposed Activity:

Futures Fund Reserve- Projects that help a non-profit community agency develop a prototype while also addressing one of the Community Development objectives. Proposal also addresses Objective D: Rental Housing, expand the number of affordable housing rental units and/or improve quality and/or diversity of units available to lower income households.

Product/Service Description:

Design Coalition Institute will prepare and distribute pre-approved construction documents for “Accessory Dwelling Units” (ADUs). The constructions documents will be distributed for a modest sliding scale fee, relative to property value. The proposed fees for the documents range from \$500 to \$5,000.

Anticipated Accomplishments (Numbers/Type/Outcome):

A set of construction documents for a “green” ADU-sized cottage that meets appropriate building codes, is suitable for a typical city lot, is compliant with American with Disabilities Act and is relatively easy to modify when occupancy needs change.

Staff Review:

Federal funding regulations require HUD funding be used to serve LMI households. There is not enough information in the proposal describing how CDBG funded construction documents will be targeted to low to moderate income households and whether HUD low to moderate income standards can be met. Property values are not a direct indication of household income.

ADU’s have been identified as one approach to increase the affordable housing stock in City of Madison. One recommendation from the *Analysis of Impediments to Fair Housing* suggested the City of Madison should consider various programs and incentives to encourage new rental unit development.¹ This would include incentives and ideas to encourage accessory dwelling units. City staff members have been engaged in discussions focused on identifying barriers to ADU’s for households who are low to moderate income. Current barriers include park impact fees and the financial capacity of household to affordable development. As part of this approach, city staff would work with private lenders and analyze “in house” rehabilitation programs to determine the feasibility of ADU construction.

Preliminary ADU designs have been completed and approved by zoning and building permit staff. Development of preliminary designs included research into new codes and regulations, utility hook-ups, construction technology for tight spaces and analysis of different sizes and shapes of city lots. Using the results of this research, Design Coalition architects estimate the cost to prepare construction documentation at \$12,000. Construction documents would include detailed floor and wall structure, specifications for engineered roof trusses, wiring and plumbing diagrams, insulation installation and specs for all materials and components. Documents will be created for three different ADU configurations.

¹ Supply Impediments; Recommendation 1.1.3 (page 69)

The remaining budget request (\$8,000) will be used by Design Coalition Institute to continue providing public information and technical assistance for ADU construction. These services are not strictly related to development of the prototype and are thus not eligible.

Total Cost/Total Beneficiaries Equals: \$23,280/ Unknown households

CD Office Funds/CD-Eligible Beneficiaries Equals: \$20,000/ Unknown households

CD Office Funds as Percentage of Total Budget: 86%

Staff recommendation:

There is not enough information in the proposal to correlate a benefit to low to moderate income households and funding for technical assistance is not an eligible activity; CDD funding recommendation is \$0.