

# Application for Neighborhood and Community Development Funds

*Submit original and 27 complete copies of this application to the CD Office by 4:30 p.m. by the 15<sup>th</sup> of the month, to be reviewed by the CDBG Commission on the first Thursday of the following month.*

Program Title: MacArthur Acquisition and Rehab Amount Requested: \$ 49,200  
Agency: Movin' Out, Inc.  
Address: 600 Williamson St. Madison, WI  
Contact Person: David Porterfield Telephone: (608) 251-4446 ext 8  
Email: dp@movin-out.org Fax: (608) 819-0623

1. **Program Abstract:** Provide an overview of the project. Identify the community need to be addressed. Summarize the program's major purpose in terms of need to be addressed, the goals, procedures to be utilized, and the expected outcomes. Limit response to 150 words.

The goal of this project is to increase the stock of affordable rental housing in the City of Madison. This will be accomplished through the acquisition and rehab of an existing Madison property located at 1217 MacArthur Road. Affordable rental housing, particularly for low income people, on fixed incomes, is in short supply. Housing that is both affordable and meets the accessibility needs of people with disabilities is even more limited.

The MacArthur property is currently occupied by two tenants each of whom have permanent disabilities and are provided support services by Dane County Department of Human Services. When the county learned that the current owner planned to sell the house, Movin' Out was contacted to ask about purchasing it. If Movin' Out is able to purchase and rehab this house, it will not only avoid displacement of the tenants, it will stabilize their housing into the future and be available as affordable housing for people with disabilities over the long term.

2. **Target Population:** Identify the projected target population for this program in terms of age, residency, race, income eligibility criteria, and other unique characteristics or sub-groups.

The target population for rental housing provided by Movin' Out, Inc. is adults with permanent disabilities that have an income of less than 50% of the county median. Generally the tenants are on a fixed income, share their house with at least one other person with a disability and/or a caregiver and receive support services through the Dane County Department of Human Services including contracted services provided by a residential support agency. Many of the tenants have mobility limitations or will encounter them as they age. Their cognitive abilities are limited and many have a guardian or payee. Due to the significant vulnerability of the population, relocation is extremely disruptive and generally housing stabilization is critical to their long term success as contributing members of their local communities. Racial composition of existing tenants mirrors that of the general Dane County population.

2 # unduplicated individuals estimated to be served by this project.

2 # unduplicated households estimated to be served by this project.

3. Program Objectives: The 5-Year Plan lists 9 project objectives (A through N). Circle the one most applicable to your proposal and describe how this project addresses that objective.

- |   |                                |
|---|--------------------------------|
| A. Housing – Existing Owner-Occupied      | G. Neighborhood Civic Places   |
| B. Housing – For Buyers                   | K. Community-based Facilities  |
| <u>C. Housing – Rental Housing</u>        | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise       |                                |

Through acquisition and rehab (accessibility modifications) of the existing unit, rental housing will be available in perpetuity to very low income households in the City of Madison.

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

- |                       |  |          |   |
|-----------------------|--|----------|---|
| Acquisition/<br>Rehab | <input checked="" type="checkbox"/> New Construction, <b>Acquisition</b> , | Futures  | <input type="checkbox"/> Prototype                  |
|                       | <input checked="" type="checkbox"/> Expansion of Existing Building         |          | <input type="checkbox"/> Feasibility Study          |
|                       | <input checked="" type="checkbox"/> <b>Accessibility</b>                   |          | <input type="checkbox"/> Revitalization Opportunity |
|                       | <input type="checkbox"/> Maintenance/Rehab                                 |          | <input type="checkbox"/> New Method or Approach     |
|                       | <input type="checkbox"/> Other   |          |   |
| Housing               | <input checked="" type="checkbox"/> <b>Rental Housing</b>                  | Homeless | <input type="checkbox"/> Housing                    |
|                       | <input type="checkbox"/> Housing For Buyers                                |          | <input type="checkbox"/> Services                   |

5. **Budget:** Summarize your project budget by estimated costs, revenue, and fund source.

EXPENDITURES	TOTAL PROJECT COSTS	AMOUNT OF CD REVENUES	AMOUNT OF NON-CD REVENUES	SOURCE OF NON-CD FUNDED PORTION
<b>A. Personnel Costs</b>				
1. Salaries/Wages (attach detail)				
2. Fringe Benefits				
3. Payroll Taxes				
<b>B. Non-Personnel Costs</b>				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:				
<b>C. Capital Budget Expenditures (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:				
a. Scattered Site Fund		49,200	90,364	1 <sup>st</sup> Mortgage Seller Contribution
b. HOME (already secured for project)		112,000	8,000	
<b>D. TOTAL (A+B+C)</b>	<b>\$259,564</b>	<b>\$161,200</b>	<b>\$98,364</b>	

Estimated Month of Completion  
(If applicable)

6. **Action Plan/Timetable**

Describe the major actors and activities, sequence, and service location, days and hours which will be used to achieve the outcomes listed in # 1.

Use the following format:  
(Who) will do (what) to (whom and how many) (when) (where) (how often). A flowchart may be helpful.

Activity	Who	Month of Completion
1. Offer to purchase	Developer MOI	June 2008
2. Carry out due diligence re environmental etc.	Developer MOI	July 2008
3. Contract for accessibility design	Developer MOI	July 2008
4. Sign contract with City	Director MOI	July 2008
5. Secure bids for rehab work	Developer MOI	August 2008
6. Secure First Mortgage Funding	Developer MOI	August 2008
7. First Draw of City Funds and Close on Property	Director MOI	September 2008
8. Sign construction contract(s)	Director MOI	September 2008
9. Begin construction	Developer MOI	September 2008
10. Temporary relocation of tenants (if necessary)	DCDHS	October 2008
11. Second Draw of City Funds	Director MOI	October 2008
12. Construction Complete	DCDHS	November 2008
13. Tenants move back into property	Developer MOI	November 2008
14. Project completion	Developer MOI	December 2008

7. What was the response of the alderperson of the district to the project?

Joe Clausius, District 17; 244-5060

Mr. Clausius strongly supports the project.

8. Does agency seek funds for property acquisition and/or rehab? [If applicable, describe the amount of funds committed or proposed to be used to meet the 25% match requirements (HOME or ESG) with its qualifications.]

No Complete Attachment A

X Yes Complete Attachment B and C and one of the following:

## D Facilities

## E Housing for Buyers

X	F	Rental Housing and Pro forma
---	---	------------------------------

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)

No                      X                      Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

No ☒ Yes - Complete Attachment B, C, F, and H

11. Do you seek ESG funds for services to homeless persons?

X      No                      Yes - Complete Attachment I

12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

**Future Fund (Attachment A)**

X	Property Description (Attachment B)
---	-------------------------------------

X Capital Budget (Attachment C)

Community Service Facility (Attachment D)

**Housing for Resale (Attachment E)**

X Rental Housing and Pro forma (Attachment F)

X CHDO (Attachment G)

X Scattered Site Funds Addendum (Attachment H)

ESG Funding Addendum (Attachment I)

Signature: [Signature]  
President-Board of Directors/Department Head

President-Board of Directors/Department Head

Date: \_\_\_\_\_

**Signature:**

**Executive Director**

Date:

For additional information or assistance in completing this application, please contact the CD Office at 267-0740.

COMPLETE IF PROJECT INVOLVES PURCHASE, REHAB, OR CONSTRUCTION OF ANY REAL PROPERTY:

INFORMATION CONCERNING PROPOSALS INVOLVING REAL PROPERTY

ADDRESS	ACTIVITY (Circle Each Applicable Phase)	NUMBER OF UNITS		Number of Units Currently Occupied	Number of Tenants To Be Displaced?	APPRAISED VALUE:		PURCHASE PRICE (If Applicable)*	ACCESSIBLE TO INDIVIDUALS WITH PHYSICAL HANDICAPS?		PRIOR USE OF CD FUNDS IN BUILDING?
		Prior to Purchase	After Project			Current Assessed Value	After Rehab/ Construction*		Currently?	Post-project?	
1217 MacArthur Road Unit A	Purchase Rehab Construct	1	1	1	0	\$82,000	\$130,000	\$82,000	No	Yes	No
1217 MacArthur Road Unit B	Purchase Rehab Construct	1	1	1	0	\$82,000	\$130,000	\$82,000	No	Yes	No
	Purchase Rehab Construct										

\* These are estimates – to be determined

## CAPITAL BUDGET

TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)									
Amount and Source of Funding: ***	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**
<b>Acquisition Costs:</b>									
Acquisition	\$164,000	\$70,765	HOME/deferred loan			\$31,086	scattered site fund/deferred	\$57,094	1 <sup>st</sup> Mortg/6.65 fixed
Title Insurance and Recording	460	198	HOME/deferred loan			87	scattered site fund/deferred	160	1 <sup>st</sup> Mortg/6.65 fixed
Appraisal	350	151	HOME/deferred loan			66	scattered site fund/deferred	122	1 <sup>st</sup> Mortg/6.65 fixed
*Predvpmnt/feasibility/									
Survey	350	151	HOME/deferred loan					122	1 <sup>st</sup> Mortg/6.65 fixed
Affirmative Marketing									
Relocation									
Other: Mortgage Origination Fee	250	108	HOME/deferred loan			47	scattered site fund/deferred	87	1 <sup>st</sup> Mortg/6.65 fixed
<b>Construction:</b>									
Construction Costs	39635	17102	HOME/deferred loan			7513	scattered site fund/deferred	13798	1 <sup>st</sup> Mortg/6.65 fixed
Soils/site preparation									
Construction management	500	216	HOME/deferred loan			95	scattered site fund/deferred	174	1 <sup>st</sup> Mortg/6.65 fixed
Landscaping, play lots,									
Const interest									
Permits; print plans/specs	1700	734	HOME/deferred loan			322	scattered site fund/deferred	592	1 <sup>st</sup> Mortg/6.65 fixed
Other:	550	237	HOME/deferred loan			104	scattered site fund/deferred	191	1 <sup>st</sup> Mortg/6.65 fixed
<b>Fees:</b>									
Architect	4500	1942	HOME/deferred loan			853	scattered site fund/deferred	1567	1 <sup>st</sup> Mortg/6.65 fixed
Engineering	2500	1079	HOME/deferred loan			474	scattered site fund/deferred	870	1 <sup>st</sup> Mortg/6.65 fixed
*Accounting	295	127	HOME/deferred loan			56	scattered site fund/deferred	103	1 <sup>st</sup> Mortg/6.65 fixed
*Legal	1000	431	HOME/deferred loan			190	scattered site fund/deferred	348	1 <sup>st</sup> Mortg/6.65 fixed
*Development Fee	27810	12000	HOME/deferred loan			5271	scattered site fund/deferred	9682	1 <sup>st</sup> Mortg/6.65 fixed
*Leasing Fee									
Other:									
<b>Project Contingency:</b>	4677	2018	HOME/deferred loan			887	scattered site fund/deferred	1628	1 <sup>st</sup> Mortg/6.65 fixed
<b>Furnishings:</b>									
<b>Reserves Funded from Capital:</b>									
Operating Reserve									
Replacement Reserve	5000	2157	HOME/deferred loan			948	scattered site fund/deferred	1741	1 <sup>st</sup> Mortg/6.65 fixed
Maintenance Reserve									
Vacancy Reserve	3600	1553	HOME/deferred loan			682	scattered site fund/deferred	1253	1 <sup>st</sup> Mortg/6.65 fixed
Lease Up Reserve									
<b>Other (specify): 1<sup>st</sup> yr property tax</b>	2386	1030	HOME/deferred loan			452	scattered site fund/deferred	831	1 <sup>st</sup> Mortg/6.65 fixed
<b>TOTAL COSTS:</b>	\$259,564	\$112,000				\$49,200		\$90,364	

\* If CDBG funds are used for items with an \*\*, the total cost of these items may not exceed 15% of the CDBG amount.

\*\* Note: Each amount for each source must be listed separately, i.e. Acquisition: \$30,000 HOME, \$125,000 CRF.

\*\*\* Identify if grant or loan and terms.

**RESIDENTIAL RENTAL PROPERTY**

A. Provide the following information for rental properties:

<b>Table A: RENTAL</b>						
<b>Site 1</b>			<b>Site 2</b>		<b>Site 3</b>	
<b>Unit #</b>	<b># of Bedrooms</b>	<b>Amount of CD \$</b>	<b>Use of CD Funds*</b>	<b>Monthly Unit Rent</b>	<b>Includes Utilities?</b>	<b>Household Income Category</b>
A	2	\$24,600 Scattered Site	Acquisition and Rehab	\$600	No	<50% CMI
B	2	\$24,600 Scattered Site	Acquisition and Rehab	\$600	No	<50% CMI

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards.

Movin' Out will contract with an architect to provide design services and construction supervision. As part of their scope of services the architect will ensure that both housing units will meet all required code standards.

C. Describe briefly your tenant selection criteria and process.

The property is currently occupied by two tenants each of whom have permanent disabilities and are provided support services by Dane County Department of Human Services. When these tenants die or otherwise relocate, Movin' Out, Inc. will work with the Dane County Department of Human Services to identify a new tenant based on income and eligibility criteria as well as matching the tenant to the property based on the tenant's support needs (location of providers, bus routes, access to places frequented, etc.)

D. Does the project include plans to provide support services to assisted residents or to link assisted residents to appropriate services? If yes, describe.

The existing tenants currently receive support services and will continue to do so. The tenant population in all rental units owned and managed by Movin' Out, receives support services from the county human services agency. Prior to becoming a Movin' Out tenant each person has had a comprehensive, individualized assessment and service plan developed by the county case manager or support broker assigned to work with him or her. Any needed services provided directly to tenants, other than housing counseling and property management, are provided by agencies other than Movin' Out.

## Attachment F continued

## TOTAL PROJECT PROFORMA (total units in the project)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Gross Income	14,400	14,688	14,982	15,281	15,587	15,899	16,217	16,541	16,872	17,209	17,554	17,905	18,263	18,628	19,001
Less Vacancy	(288)	(297)	(306)	(315)	(324)	(334)	(344)	(354)	(365)	(376)	(387)	(399)	(411)	(423)	(436)
Net Income	14,112	14,391	14,676	14,966	15,263	15,565	15,873	16,187	16,507	16,833	17,167	17,506	17,852	18,205	18,565
Expenses															
Audit	(350)	(361)	(371)	(382)	(394)	(406)	(418)	(430)	(443)	(457)	(470)	(484)	(499)	(514)	(529)
Taxes	-														
Insurance	(350)	(361)	(371)	(382)	(394)	(406)	(418)	(430)	(443)	(457)	(470)	(484)	(499)	(514)	(529)
Maintenance	(2,240)	(2,307)	(2,376)	(2,448)	(2,521)	(2,597)	(2,675)	(2,755)	(2,838)	(2,923)	(3,010)	(3,101)	(3,194)	(3,290)	(3,388)
Utilities	(720)	(742)	(764)	(787)	(810)	(835)	(860)	(886)	(912)	(939)	(968)	(997)	(1,027)	(1,057)	(1,089)
Property Management	(1,202)	(1,238)	(1,275)	(1,313)	(1,353)	(1,393)	(1,435)	(1,478)	(1,523)	(1,568)	(1,615)	(1,664)	(1,714)	(1,765)	(1,818)
Operating Reserve Pmt	-														
Replacement Reserve Pmt	(1,200)	(1,236)	(1,273)	(1,311)	(1,351)	(1,391)	(1,433)	(1,476)	(1,520)	(1,566)	(1,613)	(1,661)	(1,711)	(1,762)	(1,815)
Support Services															
Affirmative Marketing	(288)	(297)	(306)	(315)	(324)	(334)	(344)	(354)	(365)	(376)	(387)	(399)	(411)	(423)	(436)
Other	(100)	(103)	(106)	(109)	(113)	(116)	(119)	(123)	(127)	(130)	(134)	(138)	(143)	(147)	(151)
Total Expenses	(6,450)	(6,645)	(6,842)	(7,047)	(7,260)	(7,478)	(7,702)	(7,932)	(8,171)	(8,416)	(8,667)	(8,928)	(9,198)	(9,472)	(9,755)
NET OPERATING INCOME															
Debt Service															
First Mortgage	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)
Total Debt Service	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)	(6,961)
Total Annual Cash Expenses	(6,450)	(6,644)	(6,843)	(7,046)	(7,260)	(7,477)	(7,702)	(7,933)	(8,171)	(8,416)	(8,668)	(8,928)	(9,196)	(9,472)	(9,756)
Debt Service Reserve	(645)	(664)	(684)	(705)	(726)	(748)	(770)	(793)	(817)	(841)	(867)	(893)	(920)	(947)	(976)
Cash Flow	56	122	188	253	316	379	440	500	558	615	670	724	775	825	872
Assumptions:															
Vacancy Rate	701	787	872	957	1,042	1,126	1,210	1,293	1,375	1,457	1,537	1,616	1,695	1,772	1,847
Annual Increase	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Carrying Charges	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Expenses															



**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY**

A. Please describe how the organization meets the following key criteria:

- Yes a. Possesses not-for-profit, tax exempt 501(c) status;  
*Movin' Out has had tax exempt status since 1996.*
- Yes b. Has a board with fewer than 1/3 of its members as public officials;  
*There are currently no public officials on the board of directors.*
- Yes c. Includes provision of affordable housing within its statement of purpose;  
*The agency's mission statement reads as follows: Movin' Out, in partnership with people with disabilities and their allies, creates and sustains community-integrated, safe and affordable housing solutions.*
- Yes d. Includes lower income or lower income representatives for a minimum of 1/3 of its board and includes a means for lower-income participation;  
*A minimum of one third of the board is comprised of people whose income is at 80% or less of the Dane County median.*
- Yes e. Demonstrates its capacity and experience in service to the community.  
*Movin' Out currently owns and manages 16 rental units of which 13 are located in Dane County (12 in the City of Madison). Since 1996 Movin' Out has assisted almost 200 households in Dane County to purchase their first home, rehab an existing home or add accessibility modifications to their home. Movin' Out also operates the country's first pooled housing trust, offers one on one housing counseling and housing planning services, and has provided information and referral services to thousands of Dane County residents.*

