

**2009 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:** Anniversary Lane Acquisition
- 2. **Agency Name:** Goodwill Industries of South Central Wisconsin, Inc.
- 3. **Requested Amount:** \$200,000
- 4. **Project Type:**                   X       New       or                   Continuing
- 5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

Objective D Rental Housing: Expand the number of affordable housing rental units and/or improve the quality and/or diversity of units available to lower income individuals throughout the community

**6. Product/Service Description:**

Goodwill is requesting funding to purchase a vacant parcel at 4829 Anniversary Lane. They will be applying directly to HUD for Section 811 funding to construct an 8 unit building. One-bedroom units will be rented to Goodwill's clientele who have mental illness, are receiving case management, and have incomes at or less than 50% of the Area Median Income. The target population are Goodwill residents who currently live in group home settings. Goodwill will employ an on-site resident manager. Timeline: purchase of property by October 2009, application for Section 811 funds November 2009, HUD awards announced January 2010.

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

8 low-income residents with mental illness who are receiving case management will have the opportunity to move from a group home into their own new permanent housing unit.

**8. Staff Review:**

The Goodwill Industries request is consistent with the CDBG Program Framework and falls within the allowable dollar amounts per unit. Goodwill also has a good track record of successfully applying for Section 811 funds. This would be the second collaboration between the CDBG Committee and Goodwill Industries. The City assisted Goodwill Industries in purchasing property on Old Middleton Road where they constructed one-bedroom units using Section 811 funding. The alder for the area has expressed support but has convened a neighborhood meeting for the end of September to get feedback about the project.

This project is in collaboration with the CDA which is the local redevelopment agent for the federally-owned Truman Olson site on Park Street. Goodwill and Porchlight had expressed interest in developing housing on the Truman Olson Reserve Center site after it closes in 2012. Federal requirements state that land made available as a result of base closing or consolidation should first be made available to homeless housing providers at no charge. Both Goodwill and Porchlight have agreed to accept comparable property at another site other than Truman Olsen on Park Street at the request of the CDA who wants to make that site available for private development.

<b>Total Cost/Total Beneficiaries Equals:</b>	\$1,258,707 / 8 residents = \$157,338
<b>CD Office Funds/CD-Eligible Beneficiaries Equals:</b>	\$200,000 / 8 residents = \$25,000
<b>CD Office Funds as Percentage of Total Budget:</b>	16%

**Staff recommendation:**

Staff recommend that the CDBG Committee approve the request of Goodwill Industries for \$200,000 of HOME funds to purchase property at 4829 Anniversary Lane to construct 8 units in the form of a 15 year forgivable loan

- 9. with no shared appreciation, secured with a mortgage, promissory note and Land Use Restriction. Waive the requirement for a deferred loan so as to be consistent with the agreement made between the CDA and Goodwill for a comparable site to the Truman Olson property and still protect the City's responsibility to HUD to provide HOME income eligible units for the 15 year affordability period. Approval is conditional on Alder Clausius supporting the project as well as any environmental and rezoning issues.

<b>Technical and Regulatory Issues</b>	<b>Project information</b>
Within unit, capital, mortgage limits	Yes
Within Subsidy layering limits/ analysis	Yes
Environmental Review issues	None known, will be reviewed prior to releasing funds
Eligible project	Yes
Conflict of interest	None known
Church/State issues	No
Accessibility of program	Yes
Accessibility of structure	Yes
Lead-based paint issues	No
Relocation/displacement	No
Zoning restrictions	C-2 current zoning
Fair Labor Standards	No
Vulnerable populations	No
Matching Requirement	No
Period of Affordability for HOME funds	10 years
Site and neighborhood Standards	
Supplanting issues	No
Living wage issues	No
B.A.D. building process	No
MBE goal	No
Aldermanic/neighborhood communication	Clausius support is required for approval
Management issues:	None known