

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 15th of the month, to be reviewed by the CDBG Commission on the first Thursday of the following month.

Program Title: Johnson Street Housing Amount Requested: \$ 224,255
Agency: Porchlight, Inc.
Address: 306 North Brooks St., Madison, WI 53711
Contact Person: Steven J. Schooler Telephone: 608-2572534
Email: schooler@tds.net Fax: 608-257-2507

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.

Porchlight currently owns and operates a program of Single Room Occupancy (SRO) housing at 315 South Henry Street. The City originally invested \$259,576 (83%) and Porchlight invested \$52,266 (17%) for the acquisition and rehabilitation of the Henry Street property in 1992-93. Porchlight has operated the property mainly as transitional housing for adult males. Apex Acquisitions, LLC, has offered to buy Henry Street for \$515,000 including closing costs. A property has become available at 519 East Johnson Street because Arise Family Services can no longer operate it. Porchlight would like to sell Henry Street and roll half of both Porchlight's and the City's equity in Henry Street to purchase the Johnson property from Arise for the Monona State Bank and City of Madison CDBG outstanding mortgages. It is anticipated that considerable renovation of the properties would be required. The half of the total City funding for Henry Street (\$206,255) and half of Porchlight funding (\$42,245) would be used to clear the Monona State Bank Mortgage and renovate the building. There is an existing outstanding City mortgage (HOME funds) of \$214,590, that would be forgiven at the conclusion of the affordability period, 15 years. An additional \$18,000 will be necessary to pay off outstanding property taxes.

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 the 7 units of transitional housing would be adult homeless men and women. The income eligibility would be 50% or less of County Median Income (CMI). These would be adults that need assistance with supportive services and rental income in order to overcome the barriers that contributed to their homelessness. Porchlight would only charge 30% of their income as program fees. For the 9 permanent units, Porchlight has not fully decided the population to be served. It would most likely be residents of Porchlight's transitional units that have successfully met the goals of their ISPs and are ready for permanent housing or successful graduates of Veteran's recovery program operated through the William Middleton Hospital. The CMI's for the residents of all but one of the units will be 80% or less. Porchlight would like to reserve 1 unit for a possible higher level income individual that could serve as a resident manager or would otherwise lend stability to the overall program.

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

8 # 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 |
| C. Housing – Rental Housing | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise | |

This furthers the program objective for C Housing – Rental Housing in that it would increase the number of units of low-cost rental housing available with supportive services for those most in need in our community. There is a tremendous need for low-cost supportive housing and this form of housing has been proven successful in helping persons overcome homelessness. The rents will be affordable at Fair Market Rents (FMR) for the permanent housing units.

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

- | | | | |
|-----------------------|--|----------|---|
| Acquisition/
Rehab | <input checked="" type="checkbox"/> New Construction, Acquisition,
Expansion of Existing Building | Futures | <input type="checkbox"/> Prototype |
| | <input type="checkbox"/> Accessibility | | <input type="checkbox"/> Feasibility Study |
| | <input type="checkbox"/> Maintenance/Rehab | | <input type="checkbox"/> Revitalization Opportunity |
| | <input type="checkbox"/> Other | | <input type="checkbox"/> New Method or Approach |
| Housing | <input checked="" type="checkbox"/> Rental Housing | Homeless | <input checked="" 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
A. Personnel Costs				
1. Salaries/Wages (attach detail)				
2. Fringe Benefits				
3. Payroll Taxes				
B. Non-Personnel Costs				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:				
C. Capital Budget Expenditures (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:	\$266,500	\$224,255	\$42,245	Sale of Henry St.
D. TOTAL (A+B+C)	\$266,500	\$224,255	\$42,245	

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.

Porchlight will sell Henry Street and use the proceeds to pay off the mortgage with Monona State Bank and then use the remainder for improvements. Porchlight will hire a general contractor in June or July to complete the renovations.

Estimated Month of Completion
(If applicable)

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

Anticipated acquisition date will be in June or July and the renovations and repairs will be completed by end of August.

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

Aldersperson Bridget Maniaci was contacted. Since she is newly elected, we will be meeting with her shortly to discuss in detail and seek her support.

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 Proforma

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

 X No

 Yes - Complete Attachment G

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

 x 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)

 Housing for Resale (Attachment E)

 x Property Description (Attachment B)

 x Rental Housing and Proforma (Attachment F)

 x Capital Budget (Attachment C)

 CHDO (Attachment G)

 Community Service Facility (Attachment D)

 Scattered Site Funds Addendum (Attachment H)

 ESG Funding Addendum (Attachment I)

Signature: _____ Date: _____
 President-Board of Directors/Department Head

Signature: _____ Date: _____
 Executive Director

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

FUTURE FUND PROPOSAL ONLY

- A. Describe the project features which make this a prototype project, feasibility study, addresses a short-lived revitalization opportunity or develops a new method or approach, which triggered the need for Future Funds.

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	After Rehab/Construction		Currently?	Post-project?	
519 East Johnson	Purchase Rehab Construct	8	8	2	0				N	N	\$214,590
	Purchase Rehab Construct										
	Purchase Rehab Construct										

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**
Acquisition Costs:							
Acquisition							
Title Insurance and Recording							
Appraisal							
*Predvlpmnt/feasibilty/market study							
Survey							
*Marketing/Affirmative Marketing							
Relocation							
Other: _____							
Construction:							
Construction Costs							
Soils/site preparation							
Construction management							
Landscaping, play lots, sign							
Const interest							
Permits; print plans/specs							
Other: _____							
Fees:							
Architect							
Engineering							
*Accounting							
*Legal							
*Development Fee							
*Leasing Fee							
Other: _____							
Project Contingency:							
Furnishings:							
Reserves Funded from Capital:							
Operating Reserve							
Replacement Reserve							
Maintenance Reserve							
Vacancy Reserve							
Lease Up Reserve							
Other (specify): _____							
Other (specify): _____							
TOTAL COSTS:							

* 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.

FACILITIES

A. Recap: Funds would be applied to:

___ acquisition only; ___ rehab; ___ new construction; ___ acquisition and rehab or construction

B. State your rationale in acquiring or improving this space. (i.e., lower costs, collaborative effort, accessibility, etc.)

C. What are the current mortgages or payments on property (including outstanding CDBG loans)?

<u>Amount</u>	<u>Name</u>
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D. If rented space:

1. Who is current owner?
2. What is length of proposed or current lease?
3. What is proposed rental rate (\$/sq. ft. and terms) and how does this compare to other renters in building or in area?

E. If this is new space, what is the impact of owning or leasing this space compared to your current level of space costs?

F. Include:

1. A minimum of two estimates upon which the capital costs are based.
(Be sure to base your labor costs on enforcement of Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)
2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.
3. If you own the building: A copy of your long range building improvement plan and building maintenance plan.
(Include a narrative describing what the building needs and how you expect to maintain it over time.)

HOUSING FOR BUYERS

A. Recap briefly the key or unique features of this project:

1. Activities to bring it to housing and code standards:

2. Ways to assure the long-term affordability of the unit? (i.e. Repayment or land use/lease restriction or other special funding features to make it affordable):

B. Provide the following information for owner-occupied properties (list each house or unit):

Table B: OWNER									
Unit #	# of Bedroom	Purchase Price	Amt of CD \$	Use of CD Funds*	Projected Monthly PITI	Household Income Category**	Affordability Period # of Years	Sale Price	Appraised Value

* Refer to 24 CFR 92.206 or 570.202 for such costs as construction, acquisition, architectural engineering services, affirmative marketing, relocation.

** Less than or equal to 30% of median income, less than or equal to 50% of median, less than or equal to 60% of median, or less than or equal to 80% of median.

C. Describe proposed improvements to increase the level of accessibility:

RESIDENTIAL RENTAL PROPERTY

A. Provide the following information for rental properties:

Table A: RENTAL						
		Site 1		Site 2		Site 3
Unit #	# of Bedrooms	Amount of CD \$	Use of CD Funds*	Monthly Unit Rent	Includes Utilities?	Household Income Category
1	Efficiency	44,851	acquis. & renov.	350	yes	very & ext. low
2	Efficiency	44,851	acquis. & renov.	350	yes	very & ext. low
3	Efficiency	44,851	acquis. & renov.	350	yes	very & ext. low
4	Efficiency	44,851	acquis. & renov.	350	yes	very & ext. low
5	Efficiency	44,851	Aquis. & renov.	350	yes	very & ext. low
6	Efficiency			375	yes	low or less
7	Efficiency			375	yes	low or less
8	Efficiency			300	yes	low or less

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards. Porchlight is responsible for the housing meeting all housing and code standards. Porchlight has its own maintenance department that conducts periodic reviews and maintenance of properties and responds to repair requests and building inspection reports by the City.

C. Describe briefly your tenant selection criteria and process.

Prospective tenants and program participants undergo a thorough City of Madison-approved screening process to determine suitability for housing. Porchlight conducts a thorough background check of each prospective resident but also takes into account other factors when selecting potential residents. Porchlight understands that many applicants will have backgrounds that are detrimental to obtaining private market housing. The background and reference checks include: Housing/landlord references, Income/employment verification, Character/professional references which may include treatment providers and professionals working in mental health, social work, alcohol or drug abuse, and the criminal justice/probation & parole fields, Credit report, and Criminal history. Willingness to participate in supportive case management services, compliance with program rules, and a demonstration of efforts to change detrimental behavior patterns are also taken into account when selecting tenants for housing.

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

Each person living in Porchlight housing is assigned a case manager who provides a variety of services that are designed to assist the household to not only maintain their housing with Porchlight, but also develop skills that will help them obtain and maintain housing in the private market. These skills include budgeting, housekeeping, life skills development, developing a solid rental history, and developing and maintaining connections to community resources that are essential to household stability. Each resident also has an individual achievement plan that states the goals they should achieve while participating in the program. Achievement plans include a goals to obtain or increase their income security. The case manager assigned to each respective household then works with them to take the steps necessary to successfully achieve the goal. The case manager meets frequently with each household, often multiple times in a week, to work on each goal.

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															
Less Vacancy															
Net Income															
Expenses															
Audit															
Taxes															
Insurance															
Maintenance															
Utilities															
Property Management															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Affirmative Marketing															
Other _____															
Total Expenses															
NET OPERATING INCOME															
Debt Service															
First Mortgage															
Other															
Other															
Total Debt Service															
Total Annual Cash Expenses															
Debt Service Reserve															
Cash Flow															
Assumptions:															
Vacancy Rate															
Annual Increase															
Carrying Charges															
Expenses															

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY

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

- _____ a. Possesses not-for-profit, tax exempt 501(c) status;
- _____ b. Has a board with fewer than 1/3 of its members as public officials;
- _____ c. Includes provision of affordable housing within its statement of purpose;
- _____ 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;
- _____ e. Demonstrates its capacity and experience in service the community.

EMERGENCY SHELTER GRANT FUNDING

- A. Describe how you coordinate tasks and responsibilities or target groups with other agencies. (i.e., agencies from whom you commonly receive referrals or to whom you make referrals, and the sequence of contact.) Describe, if appropriate, how a partnership will be formed among local organizations and individual involved with the implementation of the program.
- B. If funds are requested for supportive services or prevention activities, describe how the service qualifies as a new service or how it will be a quantifiable increase in services.

Amount and Source of Funding	JOHNSON CAPITAL BUDGET			Attachement C	
	Total	Amount	Source/Terms	Amount	Source/Terms
Acquisition Costs:					
Acquisition*	\$160,000	\$143,000	CDBG Deferred	\$17,000	Porchlight
Title Insurance					
Appraisal	\$2,000	\$2,000	CDBG Deferred		
	\$1,000			\$1,000	Porchlight
Construction Costs:					
Construction / Renovation	\$75,000	\$65,000	CDBG Deferred	\$10,000	Porchlight
Fees:					
Project Contingency:	\$11,250	\$10,250	CDBG Deferred	\$1,000	Porchlight
Furnishings:	\$3,750	\$2,000	CDBG Deferred	\$1,750	Porchlight
Reserves Funded from Capital					
Replacement Reserve	\$13,500	\$2,005	CDBG Deferred	\$11,495	Porchlight
Other (Specify)					
Total Costs	\$266,500	\$224,255	CDBG Deferred	\$42,245	Porchlight

* This amount is still under negotiation with Monona State Bank. This includes outstanding property taxes that could be as much as \$25,000 through the end of 2009.