

**2010 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:** Cherokee Prairie Senior Housing
2. **Agency Name:** Independent Living, Inc.
3. **Requested Amount** \$345,000
4. **Project Type:** New Continuing

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

Meets the objective of expanding the number of affordable housing rental units.

6. **Product/Service Description:**

IL will construct 42 units of senior housing as part of Phase 1. IL is planning on two additional phases. When complete 148 units of rental housing will be added to the current housing inventory.

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

42 new construction units of mixed income senior housing. 7 will be CDBG supported.

8. **Staff Review:**

CDBG funds were used for a feasibility study for this project. The results of the study indicate there is sufficient market interest and demand for this project.

Project will incorporate a Fitness/Wellness component for the residents.

Project is new construction. If HOME funded, 20 years affordability requirement would apply.

\$54,939 per unit is within \$60,000 Framework maximum since project includes accessibility design features.

Framework states "Newly constructed housing projects will be limited to the development of a total of 16 or fewer units unless located in areas of the city which do not have a high concentration of lower income housing". Project is located in identified scattered site area and therefore Framework requirement does not apply.

This project is located in a 2011-2012 Scattered Site area and may be eligible for Scattered Site funds. The 2009-2010 Scattered Site map did not extend far enough to the north to show this area on the map. This was corrected on the 2011-2012 map. The Scattered Site fund compensates projects in certain areas due to higher property costs than other areas of the City. The Fund compensates the project by adding assistance up to 30% of the assessed value of a property. The assessed value of the property is \$290,000 so the project could receive up to \$87,000 in Scattered Site funds.

The project is eligible under the 2011-2012 Framework since the requirement to have no more than eight units has been eliminated. To be eligible under the 2009-2010 Framework, the Committee would have to waive the requirement that the project have no more than 8 units. The project could return for funds in 2011 when the new Framework begins or could receive the funds under this proposal with the waiver.

The loan to value cannot exceed 115%. An appraisal of after construction value is needed to determine this. Recommend making the funding recommendation contingent upon compliance with the LTV requirement.

Alder Schumacher is supportive of the project.

IL met with Alders Rhodes-Conway and Rummel. Alders Rhodes Conway and Rummel are supportive of the project concept but raised the following concerns:

Concern that the density of the project is greater than recommended by the Special Area Plan. IL believes if the entire Area 1 defined in the plan is taken into consideration the density meets the Special Area Plan recommendation.

Concern about lack of transportation linkages. IL believes that, in their experience, few seniors use the bus. IL states that seniors use other transportation options such as their own vehicle, Metro Plus, Group Access Elderly and Disabled transportation program, RSVP medical transport and IL

transportation services.

Brad Murphy of Planning believes the IL proposal is good in concept and they are working with Cherokee and IL to identify work that will need to be completed prior to land use approvals being granted by the Plan Commission and Common Council. Planning staff believe necessary amendments to the plan can be supported by the Plan Commission and Common Council. Density, road alignment and building type are some of the issues that need further discussion.

The land is currently in the Town of Burke. It will be attached to the City of Madison as per an agreement developed between the municipalities on the September 7th Common Council agenda.

IL is talking with four foundations for capital funding. They are also considering bond financing. Options are being researched now. A commitment from CDBG could be used to leverage other financing.

The CDBG Office has received calls from a neighborhood resident who expressed concern about the project density and storm water management. IL shares the concern about storm water management and plans to incorporate diligence to this matter during construction and operation of the housing in their proposal. See IL's response to the density issue as stated above.

Total Cost/Total Beneficiaries Equals: \$7,219,248/42 units = \$171,886

CD Office Funds/CD-Eligible Beneficiaries Equals: \$384,578/7 units = \$54,939

CD Office Funds as Percentage of Total Budget: 5%

- Staff recommendation:** Fund in the amount of \$345,000 in CDBG /HOME Match and Acq/Rehab Funds and \$87,000 in Scattered Site funds for a total of \$432,000 contingent upon compliance with the loan to value requirement, waiver of the new construction 8 unit limit and inclusion of the 2011-2012 Scattered Site map.
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Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	Yes
Within Subsidy layering limits/ analysis	Yes
Environmental Review issues	TBD EA required
Eligible project	Yes
Conflict of interest	No
Church/State issues	No
Accessibility of program	Will be accessible
Accessibility of structure	Will be accessible
Lead-based paint issues	No
Relocation/displacement	No
Zoning restrictions	TBD
Fair Labor Standards	No 7 units
Vulnerable populations	Yes
Matching Requirement	Yes
Period of Affordability for HOME funds	20 years
Site and neighborhood Standards	TBD
Supplanting issues	No
Living wage issues	No
MBE goal	TBD upon construction
Aldermanic/neighborhood communication	Supportive
Management issues:	None