

# Application for Neighborhood and Community Development Funds

Submit original and 23 complete copies of this application to the CDBG Office by 4:30 p.m. by the 15<sup>th</sup> of the month, to be reviewed by the CDBG Committee on the first Thursday of the following month. **When possible, please duplex your original and copies and send an electronic version to the assigned project manager (if known).**

Program Title: <u>2009 Taxes</u>	Amount Requested: \$ <u>53,575.30</u>
Agency: <u>Ecumenical Housing Corporation</u>	Tax ID/EIN/FEIN: <u>39-1629870</u>
Address: <u>12 Dempsey Road, #204</u>	DUNS #: _____
Contact Person: <u>Carla</u>	Telephone: <u>608-221-4161</u>
Email: <u>cdf_ehc@charterinternet.com</u>	Fax: <u>608-221-0524</u>

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.

Originally our retirement community was funded through CDA bonds. The bonds had a 20/50 requirement for residents. There is also a land use restriction agreement as such. We always complied with the guidelines and continue to do so even though we refinanced.

The new law defines the parameters for non-profit affordable housing with respect to tax exemption - 20/50 requirement as well as at least 75% of residents at 80% income to receive tax exemption. The law was retroactive to January 2, 2009.

Many residents chose not to provide the information with respect to the new guidelines as it was not required initially and due to privacy concerns. Thus, we did not meet the new criteria of 75%. We were assessed \$53, 575.30 in taxes for 2009 which has placed an undue hardship on us.

We have adopted a new policy that all residents must meet the new guidelines.

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.

EHC housing serves people 55 years of age and better. The average age of our residents is 82. Residents must be income criteria. Twenty percent (20%) of our resident's may not have income that exceeds fifty percent (50%) of Dane County median income. The other eighty percent (80%) of our resident's may not have income that exceeds eighty percent (80%) of Dane county median income in compliance with the new law. EHC serves residents throughout Madison and the greater Dane County area.

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

60 # 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       |                                |

#### Program Objective C – Housing – Rental Housing

The grant for 2009 taxes would preserve affordable senior housing in the city of Madison. EHC's mission has always been and will continue to be a non-profit ministry of faith communities dedicated to provide quality, affordable housing and other related services to individuals fifty-five years of age and better.

EHC has operated as a non-profit provider of affordable senior housing since its inception in 1980. EHC's non-profit tax exempt status allowed EHC to provide affordable housing to seniors through reduced rental rates. Because the organization did not have to pay taxes, EHC was able to pass that savings along to its residents through lower rental rates.

When the State of Wisconsin Legislature made changes to the law regarding tax exempt non-profits, EHC essentially fell through the cracks. The change in the law was made in the third quarter of 2009, but was made retroactive to the beginning of 2009. By making the law retroactive, EHC was unable to respond, and thus was taxed for 2009.

The organization has not changed its mission and will continue to serve those seniors who need affordable housing. EHC has adapted to the changes that were passed by the Wisconsin Legislature. Having to pay an unanticipated tax bill has caused our organization a great deal of stress. Even if the CDBG Commission awards EHC the funds for which we are applying, EHC is still faced with a significant number of vacancies that we were forced to absorb. EHC had many residents who did not wish to disclose the information that is required by the State to determine their income status. These residents have since moved to apartment communities that do not require them to report their income status, leaving EHC with many additional vacancies.

The funds that EHC is applying for will allow the organization to cover the unanticipated tax bill, while providing additional time for EHC to rent the units that were vacated by residents who chose to leave instead of disclosing their income.

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

- |                       |   |          |   |
|-----------------------|---|----------|---|
| Acquisition/<br>Rehab | <input type="checkbox"/> New Construction, Acquisition,<br>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 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)	133170	0	133170	rent
2. Fringe Benefits	22218.36	0	22218.36	rent
3. Payroll Taxes	15980.40	0	15980.40	rent
<b>B. Non-Personnel Costs</b>				
1. Office Supplies/Postage	2625	0	2625	rent
2. Telephone	4260	0	4260	rent
3. Rent/Utilities	31514	0	31514	rent
4. Professional Fees & Contract Services	309006	53575.30	255430.70	rent
5. Work Supplies and Tools	44550	0	44550	rent
6. Other:				
<b>C. Capital Budget Expenditures (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:				
<b>D. TOTAL (A+B+C)</b>	<b>563323.76</b>	<b>53575.30</b>	<b>509748.46</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.

EHC staff including the Executive Director, the community manager and maintenance staff will provide ongoing services to residents at Meadow Grove Senior Housing community. These services include but are not limited to:

- Maintenance requests from residents
- Programming events for residents
- Management of the organization

These actions will continue the regular day to day operations of the organization.

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

We took our concern to the City of Madison Common Council on March 16, 2010. They graciously gave us an opportunity to share information, and the concern was discussed for some forty-five minutes. Many on the Council were understanding and sympathetic to our plight, however in the end the vote was 11 to 9 to not refund EHC's taxes of approximately \$55,000.

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 F  
 Yes Complete Attachment B and C and one of the following:  D Facilities  
 E Housing for Buyers  
 F Rental Housing and Proforma

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)  
 No  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?  
 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)  
 Property Description (Attachment B)  Rental Housing and Proforma (Attachment F)  
 Capital Budget (Attachment C)  CHDO (Attachment G)  
 Community Service Facility (Attachment D)  Scattered Site Funds Addendum (Attachment H)  
 ESG Funding Addendum (Attachment I)

13. **Affirmative Action:** If funded, applicant hereby agrees to comply with City of Madison Ordinance 3.02.(9) and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at: <http://www.cityofmadison.com/dcr/aaForms.cfm>.

14. **Non-Discrimination Based on Disability:** Applicant shall comply with Section 39.05, Madison General Ordinances, Nondiscrimination Based on Disability in City-Assisted Programs and Activities. Under section 39.05(7) of the Madison General Ordinances, no City financial assistance shall be granted unless an Assurance of Compliance with Sec. 39.05 is provided by the applicant or recipient, prior to the granting of the City financial assistance. Applicant hereby makes the following assurances: Applicant assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, entitled "Nondiscrimination Based on Disability in City Facilities and City-Assisted Programs and Activities," and agrees to ensure that any subcontractor who performs any part of this agreement complies with sec. 39.05, where applicable, including all actions prohibited under section 39.05(4), MGO." <http://www.cityofmadison.com/dcr/aaForms.cfm>

Signature: [Signature] Date: 5/7/10  
President-Board of Directors/Department Head

Signature: [Signature] Date: 5/7/10  
Executive Director

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	After Rehab/ Construction		Currently?	Post-project?	
	Purchase Rehab Construct										
	Purchase Rehab Construct										
	Purchase Rehab Construct										

**CAPITAL BUDGET**

Amount and Source of Funding: ***	TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)						
	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**
<b>Acquisition Costs:</b>							
Acquisition							
Title Insurance and Recording							
Appraisal							
*Predvpmnt/feasibility/market study							
Survey							
*Marketing/Affirmative Marketing							
Relocation							
Other: _____							
<b>Construction:</b>							
Construction Costs							
Soils/site preparation							
Construction management							
Landscaping, play lots, sign							
Const interest							
Permits; print plans/specs							
Other: _____							
<b>Fees:</b>							
Architect							
Engineering							
*Accounting							
*Legal							
*Development Fee							
*Leasing Fee							
Other: _____							
<b>Project Contingency:</b>							
<b>Furnishings:</b>							
<b>Reserves Funded from Capital:</b>							
Operating Reserve							
Replacement Reserve							
Maintenance Reserve							
Vacancy Reserve							
Lease Up Reserve							
<b>Other (specify): _____</b>							
<b>Other (specify): _____</b>							
<b>TOTAL COSTS:</b>							

\* 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.

**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
102,118,203,206 211,213,223,311 313,314,317,318	1			654-678	water, sewer trash	no higher than \$28,000
Remaining-48	1 & 2			654-1076	water, sewer trash	28,000 to 51,200

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

The community was built to code.

C. Describe briefly your tenant selection criteria and process.

First step is a credit/criminal check. Second step applicant completes a tax credit application which includes information for income and assets. All information is third party verified to insure the potential resident's income is within the income standards. Each year each resident is required to recertify.

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

We provide transportation services. Blood pressure checks, foot care and flu shots are provided by health care services. We provide monthly health care educational programs. We provide social activities. We provide information on home care services to residents. We provide weekly worship services.

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	583267	594932.34													
Less Vacancy	56293.40	57419.27													
<b>Net Income</b>	526973.60	537513.07													
Expenses															
Audit	4850	4947													
Taxes	54000	0													
Insurance	30117	30719													
Maintenance	88241	90006													
Utilities	31514	32144													
Property Management	99942	101941													
Operating Reserve Pmt	0	10000													
Replacement Reserve Pmt	0	11000													
Support Services	4133	4216													
Affirmative Marketing	8750	8925													
Other	54084.76	55166.46													
<b>Total Expenses</b>	375631.76	349064.46													
<b>NET OPERATING INCOME</b>	151341.84	188448.61													
Debt Service															
First Mortgage	54678	54678													
Other	133014	133014													
Other															
<b>Total Debt Service</b>	187692	187692													
<b>Total Annual Cash Expenses</b>															
<b>Debt Service Reserve</b>															
<b>Cash Flow</b>	(36350.16)	756.61													
Assumptions:															
Vacancy Rate	10	10													
Annual Increase		2%													
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.

a. Letter from IRS stating tax exempt status

b. EHC By-Laws state the number of trustees will be equivalent to the number of sponsoring congregations, with no more than three (3) being from the same congregation. Up to three (3) may be from the community at large. There shall be at least as many candidates as there are vacancies for the coming year.

c. EHC mission statement is We are a non-profit ministry of faith communities dedicated to provide quality, affordable housing and other related services to individuals fifty-five years of age and better.

d. We do not request income criteria to serve on the board.

e. We have served the Madison area for 30 years.

## APPLICATION FOR SCATTERED SITE ACQUISITION FUNDS

Address: \_\_\_\_\_ Amount Requested:  
\$ \_\_\_\_\_

1. Which State of Wisconsin statute are you organized under? \_\_\_\_\_ Chapter 181  
\_\_\_\_\_ Chapter 185

2. Proposed Acquisition Site:

- A. Address: \_\_\_\_\_  
B. Current appraised value: \_\_\_\_\_  
C. Accepted purchase price (if offer has been made): \_\_\_\_\_  
D. Number of bedrooms, living units, or shared living units: \_\_\_\_\_  
E. Number of square feet on the property: \_\_\_\_\_

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

4. Describe how your target population meets the CDA definition of special needs.

## 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.