

**2011 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**

(Housing Development funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Future Funds)

1. **Project Name/Title:** 2011 Stein Apartment Rehab
2. **Agency Name:** Goodwill Industries of South Central WI, Inc.
3. **Requested Amount:** \$37,000
4. **Project Type:** New Project or Continuing Project
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:**
Attached is the application that Goodwill submitted during the 2011-12 CDD Summer Funding process requesting funds to rehabilitate the Stein apartment building located on N. 3rd Street. At the request of CDD staff, Goodwill withdrew their application from summer process funding and is resubmitting the request to the CDBG Committee for approval as an eligible housing reserve fund activity. A 6/2/11 e-mail from CEO Barbara Leslie updates the scope of work and costs from the original application.

Goodwill is requesting HOME funds for rehabilitation of 10 units of housing known as Stein Apartments. These units house nine (9) single adults with mental illness and incomes less than 50% AMI. One unit is occupied by an on-site manager. Rehab proposed includes replacement of all windows (\$20,000), new energy efficient appliances - refrigerator, air conditioners, stoves and hoods (\$12,000), and new toilets and bathroom flooring (\$5,000) as needed.
7. **Anticipated Accomplishments (Numbers/Type/Outcome)**
Nine (9) low- and very-low-income adults with mental illness will be provided improved, affordable housing along with one resident manager.
8. **Staff Review**
A review of the 2010 Financial Report completed by McGladdery Pullen indicates that Goodwill operates the Stein Apartments with a positive cash flow and maintains a replacement reserve of approximately \$3,500. Recent improvements to the property paid for by Goodwill include a new roof.

Project is consistent with CDD Program Objectives. Goodwill and the City have partnered on two other projects in the last 10 years which were successful. CDD funds were used by Goodwill to purchase land on Old Middleton Road and on Anniversary Lane; Goodwill secured HUD 811 funds for both locations to construct new rental housing for their target population.

Total Cost/Total Beneficiaries Equals:	\$37,000 / 10 = \$3,700
CD Office Funds/CD Eligible	\$37,000 / 10 = \$3,700
Beneficiaries Equals:	
CD Office Funds as Percentage of Total	100%
9. **Staff Recommendation:**
Recommend approval of \$37,000 in HOME funds in the form of a deferred loan to be secured by a mortgage and promissory note. The HOME funds will be applied to 10 units; Goodwill will enter into a Land Use Restriction Agreement (LURA) to ensure that the units remain affordable per HOME regulations for 10 years.

Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	Yes
Within Subsidy layering limits/ analysis	NA
Environmental Review issues	None anticipated
Eligible project	Yes
Conflict of interest	None known
Church/State issues	No
Accessibility of program	Yes
Accessibility of structure	Yes
Lead-based paint issues	NA
Relocation/displacement	No displacement will occur
Zoning restrictions	NA
Fair Labor Standards	No
Vulnerable populations	No
Matching Requirement	Will leverage previous rehab work on roof
Period of Affordability for HOME funds	10 years
Site and neighborhood Standards	No issues
Supplanting issues	NA
Living wage issues	NA
MBE goal	None, will refer to DCR for possible WMBE contractors
Aldermanic/neighborhood communication	No issues
Management issues:	None