

# 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 15<sup>th</sup> of the month, to be reviewed by the CDBG Commission on the first Thursday of the following month.

Program Title: The Site at Northport Commons Amount Requested: \$ 560,000  
Agency: Habitat for Humanity of Dane County  
Address: 1014 Fiedler Lane, #29, Madison, WI 53725  
Contact Person: Mr. Thomas Popp, Executive Director Telephone: 255-1549 x. 103  
Email: tpopp@habitatdane.org Fax: 255-1823

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.

Habitat would like to bring motion and life to a site sitting stagnant on the Northside. Northport Commons is a platted and improved neighborhood development built at the corner of Northport and Kennedy. Of 39 platted lots, eight have been built upon. Both Johnson Bank and the City own an interest in the development, but the appraised value of the land only supports Johnson Bank's loan. Habitat would like to purchase the site with \$775,000 cash; assume \$418,000 in CDBG second mortgage liability now bound to the site; and accept \$142,000 additional CDBG dollars to offset Habitat's construction costs during the first year's build-out. For the duration of the build, Habitat seeks to balance its CD requests for build-out of the Northport site with requests for other Habitat projects that might receive City dollars, at a rate that earns the benefit of CDBG second mortgages for our families; that guarantees the comfort of the CD office to subsidize Northport regularly amongst other eligible projects; and that progressively absorbs the impact of the initial cash outlay. Habitat's good faith effort to maintain the solvency of the City's pre-existing loan will testify to this affiliate's ability to perform strongly with City money, whereby future City allocations may become more probable.

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 Northport site benefits from a platting that admits of mixed unit types, such that we anticipate serving folks more broadly within our target range of 30-60% DCMI. This site will lead Habitat's Urban Revitalization initiative, whereby we are striving to offer homes to families at sites convenient to City services, markets, and destinations. While a Habitat homeowner living in Twin Oaks typically earns between 38-45% CMI, we're hoping that we might use the economies of infill and multi-family development, such as we find at Northport Commons, to provide homeownership to folks who earn more deeply towards 30% CMI. This site was intended to serve a mixed-income residency, and we anticipate reserving some of the lots for market-rate resale. Regardless, Habitat's homeowner-selection process prioritizes families earning incomes within our target range, and the bulk of the units we build at Northport will support families needing three or more bedrooms. Because our families enter Habitat's homeownership program well before construction begins, we're able to closely tailor our homes to the needs of the individual families, in terms of size and accommodations for disabilities. All Habitat families contribute 250 hours of sweat equity to their build; they participate in a dozen or more homeowner education training classes; they match with community members who support the family and advocate on its' behalf during the build; and they partner with Habitat in promoting its' mission of providing affordable housing to Dane County residents.

25 # 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
- B. Housing – For Buyers
- C. Housing – Rental Housing
- E. Economic Dev. – Business Creating Jobs
- F. Economic Dev. – Micro-enterprise
- G. Neighborhood Civic Places
- K. Community-based Facilities
- L. Neighborhood Revitalization
- N. Access to Housing Resources

A Habitat-led build-out of the site at Northport Commons will create no fewer than 20 units of owner-occupied affordable housing. The site now platted yields 31 units: We believe we can improve the layout of those lots platted parallel to Northport to better serve our families and improve the overall quality of the development, and thereby reduce the density of the plat overall to 25 units. The purchase entails a mix of single-family detached and multi-family rowhouse lots: We're particularly interested in reserving the multi-family lots for Habitat, while offering the single-family detached lots for sale either to the market or to other non-profit housing providers who serve a higher income range than Habitat serves.

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 type="checkbox"/> Rental Housing   | Homeless | <input type="checkbox"/> Housing                    |
|                       | <input checked="" type="checkbox"/> Housing For Buyers                                    |          | <input type="checkbox"/> Services                   |

We seek CD funds to catalyze our land acquisition and site development efforts at Northport Commons. While Habitat only benefits from future CDBG infusions into the site, the initial infusion of \$142,000 new dollars justifies Habitat's initial cash outlay, and grants us the flexibility we need to assume and restructure the pre-existing \$418,000 debt prudently.

Our investigation into the site at Northport spans back to June of last year, and throughout the investigation we've worked side-by-side with the Madison Area Community Land Trust. While a Land Trust/Habitat partnership might be essential to the success of other projects under joint investigation, we're still exploring how we might bury some of the pre-existing City funds into lots held in trust. While our purchase of the site and the redistribution of the current City money doesn't hang upon partnership with the Trust, we'd like to continue the conversation with them, as the Northport site might offer us a uniquely controllable opportunity to develop a meaningful partnership.

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)	-	-	-	-
2. Fringe Benefits	-	-	-	-
3. Payroll Taxes	-	-	-	-
<b>B. Non-Personnel Costs</b>				
1. Office Supplies/Postage	-	-	-	-
2. Telephone	-	-	-	-
3. Rent/Utilities	-	-	-	-
4. Professional Fees & Contract Services	\$20,000	-	\$20,000	HfH, bank loan
5. Work Supplies and Tools	-	-	-	-
6. Other: permits	\$20,000	-	\$20,000	HfH, bank loan
<b>C. Capital Budget Expenditures (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)	-	-	-	-
2. Other Capital Costs: land acquisition, surveys, engineering, build-out, etc.	\$2,811,000	\$560,000	\$2,211,000	HfH, bank loan, sponsorship, donation
<b>D. TOTAL (A+B+C)</b>	<b>\$2,851,000</b>	<b>\$560,000</b>	<b>\$2,291,000</b>	" "

6. Action Plan/Timetable Estimated Month of Completion  
(If applicable)

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.

By early March, Habitat will agree to final terms of purchase and timelines with the seller. We anticipate a May closing. Given successful acquisition of the site, Habitat is prepared to begin build-out yet this fall. A fairly aggressive Development construction schedule might look as follows:

- Year one
  - Two 4-unit banks of townhouses
  - Two single-family homes
  - Drafting and approval of Northport lot replat
- Year two
  - Two 4-unit buildings along Northport
- Year three
  - One four-unit building along Northport

- o One single-family home

Within the context and constraints of other builds, the Northport property could very easily provide up to five years of building opportunities for the affiliate. The building schedule provided above obtains even while reserving one 4-unit lot and two single-family lots for private sale.

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

Both Habitat and MACLT met jointly with Alder Schumacher to discuss our purchase and build-out of the site. Alder Schumacher voiced his support for the project; he suggested some creative options for a replat of the Northport lots so to increase their economic potential and thereby absorb the excess debt burden; and he reiterated the neighborhood's concern that the development be mixed-income. Alder Schumacher also expressed concern regarding our anticipated replat of the Northport lots, in the event that re-design compels Habitat to replace pre-existing infrastructure improvements.

While we are intending to draw upon Land Trust's social resources in the neighborhood, well developed owing to Troy Gardens, we have not yet directly approached the neighborhood association for a discussion of our plan.

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
- 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)
- Property Description (Attachment B)
- Capital Budget (Attachment C)
- Community Service Facility (Attachment D)
- Housing for Resale (Attachment E)
- Rental Housing and Proforma (Attachment F)
- CHDO (Attachment G)
- 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 3.58(9) and file either

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: \_\_\_\_\_ Date: \_\_\_\_\_  
President-Board of Directors/Department Head

Signature:  \_\_\_\_\_ Date: 2-21-08  
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?	
Northport Commons subdivision	Purchase Rehab Construct	31 platted	25	8	0	\$775,000 in aggregate	\$3,400,000	\$783,000	Y	Y, according to needs of homeowners	Y
	Purchase Rehab Construct										
	Purchase Rehab Construct										

\* Owing to the number of individual addresses within the development, the totals given represent the site in aggregate

CAPITAL BUDGET

Amount and Source of Funding: ***		TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)			
Acquisition Costs:	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition	1,201,000	783,000	HfH	\$418,000	CDBG
Title Insurance and Recording					
Appraisal					
*Prelimnt/feasibility/market study					
Survey	10,000	10,000	HfH		
*Marketing/Affirmative Marketing					
Relocation					
Other:					
<b>Construction:</b>					
Construction Costs	1,600,000	1,488,000	HfH, sponsorships, donors	142,000	CDBG
Soils/site preparation					
Construction management	10000			10000	HfH, sponsorship donation
Landscaping, play lots, sign					
Const interest	20,000	20,000	HfH		
Permits; print plans/specs					
Other:					
<b>Fees:</b>					
Architect	10,000	10,000	HfH		
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					
Other (specify):					
Other (specify):					
<b>TOTAL COSTS:</b>	2,851,000	2,291,000	HfH, sponsorship, donors	560,000	CDBG

**HOUSING FOR BUYERS**

- A. *Recap briefly the key or unique features of this project:* Absorption and restructuring of pre-existing CDBG money; replatting of lots along Northport to yield better layout for Habitat families; market sale of some lots to ensure income mix on site
1. *Activities to bring it to housing and code standards:* Units to be built to market standards; all Habitat homes exceed Energy Star standards; units tailored to accessibility needs of homeowners
  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):* 0% mortgage financing adjusted to 25% of families' gross monthly income; 250 hours sweat equity by homebuyer; volunteer labor; LURA agreement accompanying title

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

<b>Table B: OWNER</b>									
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
Townhouse Type I	3	80000	40,000	Acq./site dev.	25% GMI	30%-60%	10 YR. MIN.	120,000	120,000
Townhouse Type II	4	85,000	"	"	"	"	"	125,000	125,000
S.F.D. home Type I	3	85000	50,000	"	"	"	"	180,000	180,000
S.F.D. home Type II	4	90,000	"	"	"	"	"	185,000	185,000

\*\*Bedroom mix as indicated represents typical family distributions: Final units will be distributed according to actual family needs at time of family enrollment into Habitat's homebuyer program\*\*

\* 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.

*Describe proposed improvements to increase the level of accessibility:*

We enjoy the ability and opportunity to meet with our homeowners individually to determine accessibility needs on a unit-by-unit basis, and we will continue that practice within this build.