

February 19, 2010

Sue A. Wallinger, CDBG Grants Administrator  
215 Martin Luther King Jr., Blvd.  
Madison, WI 53701-2985

Dear Sue,

Enclosed is an original and 22 copies of our request for ESG funding for exterior cladding for 1021 Spring Street, our Veterans Transitional Housing Program.

Also enclosed is the final, completed construction budget for renovations completed for this building. As you know, the building was completed in late October and opened for occupancy in November.

This construction budget is enclosed because we seek waiver of the requirement that the \$20,000 sought by the application be a deferred loan. We request that it be a forgivable loan over a 5-year period. We will also be seeking the same with another request we will make for bathroom improvements to our overflow shelter at St. John's Lutheran in the amount of approximately \$5,000. (I wanted the staff and Commission to know that this request would also be made for that renovation as well).

As shown by the enclosed construction budget, the reason Porchlight seeks the funds in form of a forgivable loan is that Porchlight has already poured over \$75,000 of its own funds into making this project possible (\$50,000 withdrawn from its WHEDA reserves and \$25,066 to make up the budget variance shown as the deficit for the project). While the City and Mayor did support the grant application, to date the City has provided no funding to make this project possible. The overall impact of the project will be a partnership with the VA that will generate approximately \$300,000 per year from the VA to fund operating expenses and support services into the indefinite future. At the same time, it will serve deserving homeless veterans with housing and services that will help stabilize their lives.

We recognize a waiver of the policy favoring deferred, as opposed to forgivable, loans should not be lightly considered or granted. However, this project and the funding and effort Porchlight has already put into this project, justify such consideration. Porchlight therefore requests that the \$20,000 sought, if approved, be considered at 5 year forgivable loan.

Very truly yours,

Steven J. Schooler  
Executive Director  
Porchlight, Inc.  
"Solutions to Homelessness"