

**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 Sunfish Apartment Rehab
2. **Agency Name:** Goodwill Industries of South Central WI, Inc.
3. **Requested Amount:** \$45,000
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 Sunfish apartment building located on 73 Sunfish Court. 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 8 units of housing known as Sunfish Apartments. These units house seven (7) 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 window screens (\$1,000), new energy efficient appliances - refrigerator, air conditioners, stoves and hoods (\$10,000), new flooring (\$30,000) and new toilets and bathroom flooring (\$5,000) as needed.
7. **Anticipated Accomplishments (Numbers/Type/Outcome)**
Seven (7) 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 Sunfish Apartments with a positive cash flow and maintains a replacement reserve of approximately \$2,011. 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.

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| Total Cost/Total Beneficiaries Equals: | \$45,000 / 8 = \$5,625 |
| CD Office Funds/CD Eligible Beneficiaries Equals: | \$45,000 / 8 = \$5,625 |
| CD Office Funds as Percentage of Total Budget: | 100% |
9. **Staff Recommendation:**
Recommend approval of \$45,000 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 8 units; Goodwill will enter into a Land Use Restriction Agreement (LURA) to ensure that the units remain affordable per HOME regulations for 15 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 |
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