

Rhodes, Linette

From: Kathy Kamp [kathykamp@wphd.org]
Sent: Monday, September 17, 2012 8:48 AM
To: Rhodes, Linette
Cc: Bill Perkins; Greg Markle
Subject: WPHD/OFS Partnership
Attachments: ofs wphd .pdf

Linette:

We are requesting that CDBG Committee consider providing funds for Wisconsin Partnership for Housing Development so that we can work with Operation Fresh Start to develop affordable housing. Specifically, we are requesting \$214,000 to build 4 units of affordable housing in 2013 from the Housing Development Reserve fund. It would be our intention to work with City staff to identify sources of funding to continue this program in 2014. We previously submitted an application in the 2013-2014 Summer Funding process. Please consider that application, all additional information submitted to CDBG staff since that initial proposal, and the attached answers to most recent questions, in your evaluation of this request.

Kathy

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Katherine Kamp

Deputy Director
Wisconsin Partnership for Housing Development
121 S. Pinckney Street, Suite 420
Madison, Wisconsin 53703
Phone: 608-258-5560 x 34
Cell: 608-575-9923

WPHD/OFS Response to Questions

September 13, 2012

LEASE PURCHASE PROGRAM:

1. Provide a 5-year estimated cash flow for the program--We are assuming that by "the program" you mean the lease purchase program. An estimated operating budget for 5 years is attached, but it is just our best guess at this point based upon the assumption that the City of Madison continues to provide funding for the development of housing, both in 2013 and for the remaining years. Obviously this budget would change if that were not the case.
2. Write a detailed description of the time line for the program—our experience with NSP suggests that it requires about 12 months from start to finish for OFS crews to complete a home rehab. Based upon this assumption, we anticipate that the timeline for the program will approximate the following:

Construction:

- o Month 1: Home purchased
- o Month 2: Scope of work finalized and contract with OFS signed
- o Month 3: Construction begins
- o Month 9: Outreach to potential program participants (renter/owner) begins
- o Month 12: Homeowner identified, application for rental approved
- o Month 13: Homeowner meets with lender for financial assessment, construction complete, case management plan for household developed and signed by both parties.

Occupancy

- o Month 1: if acceptable, homeowner moves into property
 - o Month 2-10: Homeowners completes the following (1) homebuyer counseling, (2) home maintenance classes, (3) credit counseling (if required), (4) monthly meetings with WPHD case manager, (5) 3-4 meetings with lender to determine progress
 - o Month 11: Review of progress with case manager and others to determine: (1) if purchase is possible development of a second year case , identification of additional training required for success, or (2) if sufficient progress has not been made, tenant will vacate and new tenant will be identified.
 - o Month 12: Purchase agreement initiated or new tenant identified. Monthly meetings with case manager will occur until purchase is completed.
 - o Month 18-24: Purchase completed.
3. What is the risk that WPHD will take if property is not sold at the end of lease? Payback of HOME funds invested?-- WPHD and Operation Fresh Start will have invested funds appropriately in the development of affordable housing, increasing employability of Madison residents and

improving Madison communities. The risks of investing in this project are not greater than investments in any other single family owner occupied development but the positive impact on the community is greater. In other approved CDBG developments, the City is asking for predetermination of a potential buyer. There is still substantial risk that the predetermined buyer will not be in a financial position to buy at the end of the building period. The lease/purchase program will provide greater counseling hours, a longer engagement period and required downpayment savings during the time of rental that is not a part of other CDBG developments. As such, the risk to the City is less than with other approved projects that do not include a requirement for paying back home funds if they buyer backs out.

Further the impact on the City will be greater. Fifty percent of CDBG funding will be used for engaging 80 at-risk youth in the development of the projects. If not provided this opportunity half of these youth would be homeless.

Nine out of every twelve Fresh Start participants have had interactions with the criminal justice system. If not provided the Operation Fresh Start pathway to success, fifty percent of program participants with a criminal history would re-offend whereas the recidivism rate for OFS participants is less than 15%. As Police Chief Noble Ray has stated, "Operation Fresh Start provides the greatest opportunity for at-risk youth."

Each youth comes to Operation Fresh Start not having completed High School. The New York Times sited study found that each High School Drop Out costs its community \$254,000 over the individual's lifetime.

There is a risk. At best this program will produce four owner occupied affordable housing units a year, reduce the number of homeless youth by forty people, decrease the number of youth committing crimes by thirty and save the community over \$20 million in social service costs over the next forty years.

At worse this program will produce four affordable housing units a year, a mix of rental and owner occupied, reduce the number of homeless youth by forty, decrease the number of crimes committed by youth in our community by thirty, and save the community over \$20 million in social service costs over the next forty years.

4. Support letter from partner agencies—Letters have been requested and will be forwarded when they are received.
5. Status of market feasibility study—we anticipate that should we seek funding from Forward Community Investments to purchase the OFS inventory that some type of market feasibility study will be required. We have not yet contracted for this study and will not until approval for the change of use for current inventory as well as funding for development moving forward.

CHANGE OF USE OF PROPERTIES:

1. Need estimated time frame property purchases—once we receive approval for the change of use, we will need to apply for financing from Forward Community Investments for the purchase of the properties. During that time, we will begin to identify potential tenants for the four properties that are already completed. We believe the purchase of the property can be completed within four weeks of financing approval, which will likely take 3 months. Purchase of the first four properties could be achieved within 4 months of approval. Purchase of remaining properties will occur as soon as they are finished which should also be within four months (or as soon as financing is available, whichever take the longest).
2. Sources and Uses for Property Purchase—WPHD will be using short term debt financing from FCI to purchase these properties. This is the only source of funding that will be used. Prices for the properties will need to be adjusted so that the debt that is required can be supported by cash flow. The attached analysis indicates cash flow based on allowable rents and indicates the purchase price possible for each property, including closing costs.
3. Updated appraisals—We will have current appraisals completed for each of the properties prior to purchase, and those will be shared with City staff as they are available.
4. Estimate rent for each property listed above—Because HOME funding was use in the construction of these properties, we believe that the HOME rent limits are the upper limits for rent that can be charged for these properties. As a result, rents will be the HOME rent limit appropriate for the size of each unit (see attached sources and uses table).

WPHD CAPACITY:

The Partnership received the largest allocation of NSP (Neighborhood Stabilization Program) funds to a single organization in Wisconsin—almost \$2 million—to purchase and rehabilitate 15 foreclosed homes in Appleton, Janesville, Madison, New Richmond and Waukesha. The project restores the homes as attractive, affordable housing choices for low and moderate-income buyers and helps strengthen the housing market in neighborhoods where the homes previously sat vacant and unused. We have completed rehabilitation and sold most of the homes.

The next phase of NSP activity began in the summer of 2011 when we purchased additional homes using the proceeds from sales of the first round of homes. We were also selected by the City of Janesville to purchase, rehabilitate and sell another five homes and build one new home. The City is considering an additional award of funds to the Partnership.

Over the past 24 months, WPHD has successfully staffed for and completed the development and sale of 20 NSP homes across the state. The NSP work is winding down and the development staff will have sufficient capacity to manage the development of the new projects that are proposed to be completed with the funds requested from the City of Madison.

In addition, we have sufficient staff capacity for case management, and have budgeted for .5 FTE for this program moving forward. As noted in our original application for City funding, we have managed the Downpayment Plus® Program for 12 years. The WPHD staff person whose time has been budgeted for case management has been responsible for providing technical assistance to prospective borrowers, lenders and real estate brokers, among others, and has developed extensive knowledge of the barriers that sometimes prevent lower-income households from becoming home owners.

Specifically in connection with lease-purchase housing, in its technical assistance work, WPHD has assisted the Southwestern Wisconsin Community Action Program to develop a lease-purchase program aimed at its existing clientele who are working to improve their future economic prospects. WPHD created a program manual describing the operation of the lease-purchase program to ensure that the process complied with HOME rules and that income certification requirements are understood and followed. SWCAP and WPHD worked together to develop green building goals for the new homes. In order to complete construction and/or purchase of the homes involved in the first phase of the project, WPHD assisted SWCAP to find additional financing to subsidize the construction of the homes and put together a financing package and development budget for each home. In order to complete the physical work of creating the homes, WPHD provided guidance to SWCAP through the process of hiring a contractor and ensuring that HUD procurement and other rules were followed and understood. Six lease-purchase housing homes that are both Energy Star certified and certified under the Wisconsin Green Built Home Program were developed with the WPHD's assistance. The program has been expanded by SWCAP since WPHD initial TA was provided.

WPHD has also done similar consulting on the design and operation of lease-purchase programs for Blue Valley Community Action Partnership, based in Nebraska and also doing business in Minnesota, and for West Central Wisconsin Community Action Program (West CAP) based on northwestern Wisconsin.

WPHD is currently participating in a neighborhood stabilization working group within the Housing Partnership Network. The working group is developing strategies for returning to productive use foreclosed homes now owned by Fannie Mae, Freddie Mac and FHA. The Network's approach emphasizes an "Earned Ownership" model based on a lease-purchase framework. As a member of the working group, WPHD both contributes to and benefits from the creative thinking and experience of some of the country's highest-performing nonprofit housing developers.

Through the Network, WPHD also has access to learning opportunities through an international exchange program with nonprofit housing associations in Canada, the UK, Australia and South Africa. The UK housing associations in particular have extensive experience with ownership and management of scattered-site rental housing, and with a "shared ownership" model developed in the UK as a middle ground between conventional homeownership and conventional rental housing.

Five Year Operating Budget-Lease Purchase Program--City of Madison

	Year 1	Year 2	Year 3	Year 4	Year 5
	7 houses	9 houses	4 houses	4 houses	4 houses
Rental income					
Number of Madison houses in program					
Annual Rental Income	\$ 97,620	\$ 126,654	\$ 57,888	\$ 58,467	\$ 59,052
Operating Costs--Lease Purchase					
Management Fee	\$ 6,833	\$ 9,000	\$ 4,000	\$ 4,040	\$ 4,080
Maintenance Staff Cost	\$ 1,400	\$ 1,800	\$ 800	\$ 808	\$ 816
Contracted Counseling Services	\$ 7,000	\$ 9,000	\$ 4,000	\$ 4,040	\$ 4,080
Maintenance and repairs	\$ 1,400	\$ 1,800	\$ 800	\$ 808	\$ 816
Reserves	\$ 700	\$ 900	\$ 400	\$ 404	\$ 408
Property taxes	\$ 26,000	\$ 34,000	\$ 16,000	\$ 16,160	\$ 16,322
Insurance	\$ 2,800	\$ 3,600	\$ 1,600	\$ 1,616	\$ 1,632
Case Manager (WPHD Staff)	\$ 9,100	\$ 11,700	\$ 5,200	\$ 5,252	\$ 5,305
Downpayment contribution (Monthly)	\$ 8,400	\$ 10,800	\$ 4,800	\$ 4,848	\$ 4,896
Total Expenses	\$ 63,633	\$ 82,600	\$ 37,600	\$ 37,976	\$ 38,356
SUMMARY					
Rental Income	\$ 97,620	\$ 126,654	\$ 57,888	\$ 58,467	\$ 59,052
Less: Operating expenses	\$ 63,633	\$ 82,600	\$ 37,600	\$ 37,976	\$ 38,356
Net Operating income (NOI)	\$ 33,987	\$ 44,054	\$ 20,288	\$ 20,491	\$ 20,696
Debt service	\$ 33,517	\$ 41,517	\$ 18,000	\$ 1,900	\$ 20,000
Cash Flow	\$ 470	\$ 2,537	\$ 2,288	\$ 18,591	\$ 696

projecthome

SEP 14 2012

September 13, 2012

Bill Perkins
The Wisconsin Partnership for Housing Development
121 S. Pinckney Street, Suite 420
Madison WI 53703

Dear Bill:

Project Home would be interested in collaborating with The Wisconsin Partnership for Housing Development and Operation Fresh Start in your joint lease-purchase program. We can provide home maintenance training to the occupants of the homes.

As you know, we have provided home repair and rehabilitation services for over 40 years. Also, in 2009 we established The Housing Center. The Center provides home maintenance training by Project Home and homeownership counseling through our partner, GreenPath Debt Solutions. Please visit our website at [http://www.projecthomewi.org/what we do/owner renter classes/maintenance.html](http://www.projecthomewi.org/what_we_do/owner_renter_classes/maintenance.html) to learn more about the classes we provide.

We hope that you are successful in your application for funding. We look forward to working with you.

Sincerely,



Janis Reek
Director of Programs

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www.projecthomewi.org



Building strong communities for over 35 years





802 W Broadway, Suite 202
Madison, WI 53713
Ph: (608) 221-1695
Fax: (608) 221-1655
www.GreenPath.org

September 17, 2012

To whom it may concern:

We are writing to express our interest in assisting with the WPHD/OFS Lease-Purchase Program!

GreenPath is a national, non-profit financial counseling agency with offices throughout the country. We offer financial counseling and education on topics such as homebuyer counseling, foreclosure prevention, budget counseling, debt-issue counseling, and bankruptcy counseling. We also can assist through Debt Management Plans, helping to make payment arrangements with creditors to assist consumers in improving their financial situation.

As the Lease-Purchase Program is developed, we would be happy to assist with the following items listed under #3 in the WPHD/OFS proposal:

- Homeownership Counseling
- Homebuyer Education, Basics of the home purchase process, Budgeting, and Establishing credit and savings plans

As the project progresses, please feel free to contact me at 414.477.8749 if we can be of further assistance.

Thank you,

A handwritten signature in black ink, appearing to read "Bill Druliner", written over a horizontal line.

Bill Druliner
Group Manager – Wisconsin



WPHD/OFS
Response to Committee Questions Regarding Proposed Lease-Purchase
Program

1. Describe your tenant selection plan. (i.e., requirements of participants to enroll in program), program requirements for participants and exit strategy.

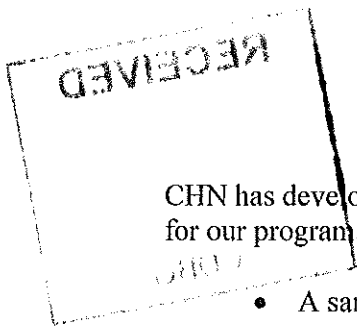
Our intent in selecting residents to participate in the Lease-Purchase program is to combine:

- (1) Tenant selection policies currently used by ACC Management Group in our rental housing (provided as an attachment to these responses); and
- (2) Criteria that indicate tenant willingness to participate in training in the responsibilities of homeownership, their willingness to accept counseling and other kinds of assistance to resolve any financial or other problems that could be a barrier to assuming ownership of the homes at the end of the lease period, and their willingness to assume some of the responsibilities normally expected of homeowners during the lease period.
- (3) Applicants' potential for fulfilling the financial requirements for home purchase during the leasehold period. WPHD will analyze current debt to income ratios, outstanding credit issues, and income information. Following this analysis WPHD will chart the program participants path toward home ownership to determine if this family has an available path toward home ownership with in the given lease period.

Determining whether prospective residents understand and are willing to make a serious commitment to prepare for eventual homeownership will be an important part of the applicant screening process. To do that, we intend to require agreement by the prospective resident with the provisions of certain key documents that will be used in the program.

In designing our program, we have benefitted from the experience of the Cleveland Housing Network (CHN). CHN manages the oldest and largest (and remarkably successful) lease-purchase program in the country.¹ Through CHN's program, almost 2,700 homes have been developed and almost 550 had been sold to homeowners as of 2009. The program has an 80% success rate in converting renters to homeowners.

¹ One significant difference between the CHN lease-purchase program and the program proposed by WPHD is that the CHN program is operated in tandem with the Low Income Housing Tax Credit program. In that program, housing must remain rental for at least 15 years, and lease-purchasers cannot take title to the homes until after that period is over. Because of the length of that period, a much larger amount of the principal on the loan used to acquire and rehabilitate or build the homes is amortized during the lease period. Since CHN sells the homes to residents for the outstanding balance on the mortgage loan, the purchase price is significantly lower than it can be for homes produced using HOME program subsidies, which must be sold to lease-purchasers within a maximum of three years.



CHN has developed—and tested and improved over time—materials that we are adapting for our program. They include:

- A sample “Contract of Care” and description of the lease-purchaser’s and owner’s maintenance responsibilities
- An Option Agreement, which establishes the lease-purchase resident’s right to purchase the property; and
- A policy on capital improvements by residents

Examples of the “Contract of Care,” the Option Agreement and the resident capital improvement policy—adapted in preliminary form for use in our Lease-Purchase program—are provided as attachments to these responses. All documents are subject to revision.

2. Describe your Affirmative Marketing plan. (You mention in the application Dane County Homebuyers Fair- this event no longer offered)

The Dane County Homebuyers Fair is not being held in 2012. However, we are hopeful that the event or replacement will be held in future years and we would participate in that activity.

ACC Management, who will assist us in marketing the properties, has a Resident Selection Plan and Fair Housing Plan that will be developed. In addition, they have Affirmative Marketing Plan in place at other properties they manage. Such a plan would be modified for this property when the program moves forward.

3. Who will be completing the homeowner counseling, what other services will be available to participants in the program.

We have not yet selected one or more agencies or organizations to provide homeowner counseling to the lease-purchasers. As part of the Lease-Purchase program, we will design and manage a comprehensive counseling and training program to assure that tenants have the best chance at success. It will start with development of a careful resident selection policy. We will then work with agencies with the required expertise and experience to ensure that the appropriate types and range of services are available to support the families and individuals in the program. This will include:

- Home maintenance training: Because we are asking that tenants take significant responsibility for upkeep of their homes, we will provide ongoing training related to home maintenance. This training will be arranged by WPHD and provided by appropriate agencies. Training will range from outside landscape maintenance to training on cleaning and the basics of home repair. This training may be provided by existing agencies, but will be designed specifically for this program and will be ongoing.
- Financial assessment: Prior to moving in to the unit, we will arrange for a financial assessment (by a financial institution) to determine barriers to home

ownership that will have to be overcome during the time of tenancy. Goals will be established for the household, and WPHD staff will monitor the achievement of those goals over time to ensure that every household is moving toward ownership. Periodic training and assessment will be part of the program.

- Home ownership counseling: As the household is moving toward home ownership, appropriate counseling will be identified for each family to help them understand the basics of the financing of home purchase and other skills necessary to own and maintain a home in the long run.

WPHD and Operation Fresh Start believe that for a lease-purchase program to be successful, a wider range of counseling and support (in addition to the training described above) will be required. For 12 years, WPHD has managed the Downpayment Plus® Program (or "DPP" funded by the Federal Home Loan Bank of Chicago). Through DPP WPHD has established partnering relationships with nonprofit housing counseling agencies in Dane County and across the state. We have developed guidelines for homebuyer education and financial counseling that must be provided to DPP homebuyers. Although the residents in the project will already have indicated their intention of buying their home, we believe that they should have the benefit of the same counseling available to any other homebuyer doing business with us.

The requirements vary depending on the credit scores of the homebuyer, and some may not be appropriate for every buyer, but the possibilities include:

Homebuyer education

- Personal and financial advantages of home ownership; renting vs. buying
- Credit analysis, including review of borrower's credit report and assessment of current financial situation and housing purchase capability as it relates to the individual household budget needs
- Basic terms of the real estate transaction, explanation of disclosures, e.g. Good Faith Estimate of Closing Costs, Truth-in-Lending Disclosure, HUD 1 Settlement Statement
- Selecting a real estate broker, lender, attorney
- Fair Housing Laws as they relate to borrower's rights to disclosure in a lending transaction
- The purchase process, i.e., writing an offer counter offers, inspection requirements, contingencies, closing documents
- Insurance needs, e.g. homeowner's insurance, flood insurance, life insurance
- Budget for future home maintenance
- The characteristics of predatory lending

Basics of the home purchase process

- Review of payment affordability including PITI and how it may change annually, e.g. due to increased real estate taxes
- Calculation of cash needed to purchase: application fees, inspection fees, insurance, cash to close costs, reserves
- Explanation of private mortgage insurance
- Basic value decision making
- Discussion of goal setting
- Discussion of needs vs. wants

Budgeting

- Review of buyer's spending habits, monthly payment cycles
- Long-range planning for future major purchases or major repairs, e.g. roof replacement, window replacement, etc.
- Tax planning using real estate tax deduction, interest deduction, W-2 exemptions

Establishing credit and savings plans

- General explanation of use of banking products including checking, savings and credit cards
- Credit counseling and repair
- Discussion of what negative credit issues already exist and how to correct them, e.g. paying off excessive debts, late payments, judgments, liens, collections
- Consolidation of debt
- Discussion of good vs. bad credit vehicles
- Provide the buyer with information on how to seek help before another major negative credit situation occurs

4. Describe your agency's capacity for asset management of a scattered site rental program.

We plan to contract with ACC Management Group (ACC) for asset management and property management services. ACC now manages Uplands Homes (the rental housing owned by an LLC in which WPHD is the managing member) in Sun Prairie. The fees that would be charged by ACC to manage the scattered-site lease-purchase housing are built into the attached operating budget. In providing technical assistance for the development of lease to purchase programs throughout Wisconsin and in consultation with successful lease purchase programs throughout the Country, we have found it beneficial for the program administrator to subcontract for lease and asset management. This provides for overall oversight of the leased properties while allowing WPHD and tenant to be partnership in preparing for home purchase.

5. How often will you inspect property for proper maintenance?

Monthly

6. Provide a 3 part pro-forma of development phase, operational phase and sales phase.

Information on the budget for this project is included as an attachment to this document.

7. Stated startup costs for program \$75,000, where are funds coming from for start-up expenses.

We continue to seek other sources of grant funding. If none can be obtained, the intention is to fund start-up expenses from resources under the control of WPHD and/or Operation Fresh Start. Operation Fresh Start will be able to dedicate funds currently designated as holding costs to this project. This reallocation of funds will not adversely affect programming at Operation Fresh Start as long as other programmatic funding sources remain at historic levels.

8. During initial Letter of Intent meeting WPHD stated they would have to hire another staff member to run the program due to case management needed to run Lease-Purchase. However application states program assistant working with homeowner .10 position (only working 4 hours per week?). Provide more information of program capacity at a part time position.

There is apparently a misunderstanding about the information communicated during the initial Letter of Intent meeting. WPHD's Program Assistant, who currently works full time, would provide case management services. We believe the four hours per week budgeted for case management services can easily be accommodated within her workload. In addition WPHD will partner with professionals in the field of financial management, property maintenance, and home ownership counseling for a bulk of the specific counseling activities. The Case Manager facilitates the process and keeps the program participant on track. If reassignment of some of her current responsibilities is required, that would be managed outside of the budget for the Lease-Purchase program.

Lease-Purchase Program Inventory

9. Provide pro-forma of sale for each of OFS houses to be purchased for this program. (Sales price: FMV, amount owed?)

See attachment

10. Describe in detail the timeframe of purchasing each of the units (3 by end of year, 2 by Feb 2013?)

Our intent is to purchase all of the homes owned by OFS at the same time. Purchase will occur only after we determine whether funding will be made available to make this an ongoing program.

Purchase of currently completed OFS Houses	September 2012
Purchase of OFS houses under construction	Sept. – December 2012
Memo of Understanding for Purchase of 2012 CDBG contracted houses	Completed awaiting City approval of program
2013 CDBG Contracted Houses	WPHD funded houses

11. Describe timeframe of when marketing will start on each of the units to find a tenant.

Marketing to lease-purchasers of all the homes to be purchased by OFS would begin as soon as approval by the City of Madison for the 2012 and 2013 proposals. The Lease Purchase program requires a certain number of houses and a level of continuity prior to Marketing. In the start-up budget, we have budgeted six months to complete marketing and achieve occupancy of all completed and under construction homes.



RESIDENT SELECTION CRITERIA – Section 42 Properties

Effective 01/01/2009

The resident selection criteria is used to by ACC Management Group, Inc. (ACC) and the sites managed by ACC to uniformly evaluate all potential residents to protect our communities from negligence and ensure the health, safety and welfare of the other residents. All adult occupants must comply with the following criteria.

The Application Process

1. All rental applications must be in writing and must be completed in the rental office.
2. Falsification on an application is basis for automatic denial.
3. Applications are accepted on a "first come, first serve basis", based on the time & date the deposit is received.
4. All applicants must provide proof of ID with a birth certificate, Social Security Card, passport, Green Card, or Visa.
5. All adult applicants must pass our resident selection criteria based on landlord references, credit report and criminal background check including State and Federal sex offender registries. If any of the household members do not pass and are not eligible with a co-signer*, then the entire household will be denied.
6. ACC Management Group, Inc. reserves the right to reject an application for any negative references according to ACC's resident selection criteria.
7. If any applicant is in the process of a court eviction or is contesting a court eviction, the application will be held in abeyance until the final court disposition.
8. If any applicant has 2 or more evictions in the last 7 years, application will automatically be denied.
9. If any applicant owes money for back rent on a previous apartment, the application will be automatically denied unless proof is provided the account has been paid in full or proof of a payment plan with two monthly payments made and all payments current. If an applicant owes money for damages on a previous apartment, the application will automatically be denied.
10. All applicants must sign the "Addendum to Application" form and any payment of earnest money must be made at the time of application in order for management to process the application. Any money received will be disbursed according to this agreement.
11. A resident manager will deny no applicant. All applications are reviewed by ACC Management Group, Inc. corporate office.
12. The security deposit must be paid in full before applicant is given keys to the apartment.

Credit Reports & Co-signer Requirements

13. If collection accounts are listed on your credit report, collections that are paid in full or otherwise closed will not be counted. Medical collections and student loans will not be counted. All other collections will be counted and used to determine selection.
14. If the total amount of collections for the entire household exceeds \$2,000, the applicants will be required to obtain one approved co-signer; or other approved method (*see below) for the household in lieu of a co-signer. If the total amount of collections for the entire household exceeds \$5,000 the application will be denied.
15. All applicants without a credit report are required to obtain one approved co-signer or other approved method (*see below) for the household in lieu of a co-signer.



16. All applicants must provide proof that any Resident paid utilities do not have outstanding balances that would prohibit them from transferring utilities into the Residents name.
17. All first time renters or applicants without a two year rental history are required to obtain one approved co-signer or other approved method (*see below) for the household in lieu of a co-signer.
18. All cosigners are required to meet the terms of the resident selection criteria with total collections under \$500 and pass the cosigner-scoring sheet. Only one co-signer is needed per household and will have liability for the entire household.

*other approved methods in lieu of a co-signer: a) security deposit of \$1,000 prior to final file approval; or b) the rent must be paid under contract by a sponsor or housing authority; or c) the household has \$5,000 or more in verifiable liquid (cash, savings, checking) assets; or d) have six months or longer of current continuous employment with monthly net income two times the monthly rental amount; or e) proof of ability to pay per scoring document.

Criminal Report

19. If an applicant has been charged with more than two non-automotive misdemeanor charges or one felony charge, the application will be held in abeyance until the final court disposition.
20. If an applicant has been convicted of more than two non-automotive misdemeanor charges within 1 year prior to the date of application, or more than three non-automotive misdemeanor charges within 5 years prior to the date of the application, the application will be automatically denied.
21. If an applicant has been convicted of any non-automotive felony charge within 5 years prior to the date of application, the application will be automatically denied.
22. If any applicant has been incarcerated more than 90 days on any non-automotive charge within 2 years prior to the date of application, the application will be automatically denied.
23. A criminal conviction of any member of the household for the illegal possession, use, manufacture or distribution of a controlled substance, or paraphernalia, by any member of the household within the last 5 years, the application will be automatically denied.
24. Criminal history will be checked annually at lease renewal and if any member of the household no longer meets the criteria in #19 through #23 above, that household member will be required to vacate the unit or household's lease will not be renewed.
25. If any applicant in the household is listed on either the state or federal sex offender registry the application will be denied. These registries will be checked annually at lease renewal and if any member of the household is listed on either registry that household member will be required to vacate the unit or household's lease will not be renewed.

IRS Section 42 Program Guidelines – (Co-signers excluded)

26. All applicants applying for a Section 42 apartment must adhere to IRS Section 42 LIHTC income limits to be accepted. Note: We will only allow an employer to fill out an Employment Verification two (2) times. When filling out the Section 42 application, if you do not understand a question, please ask the resident manager for assistance before answering the question.
27. Adherence to the Section 42 incomes limits does not guarantee that the available unit will be made available to the first household who qualifies. Under the Section 42 code, some sites have specific income limits at different percentages of County Median Income (CMI). The first household who qualifies for the unit with a lower CMI income limit will be offered said unit.
28. The household must be income qualified on the day of move-in. If any circumstances change between the original application, prior to or after move-in, the applicant must notify the management office immediately as qualification to the Section 42 income limits may be affected.
29. If the household is entirely comprised of full-time students they must meet one of the student eligibility factors.



Occupancy Issues

- 30. Maximum occupancy limits are two persons per bedroom unless otherwise specified by local ordinance.
- 31. A pregnant applicant, at the time of the application, is counted as two people for occupancy limits. For Section 42 income limit calculations, the unborn child or children are counted as household members.
- 32. Any resident requesting to have a Service Animal in the apartment must provide documentation showing that the animal is a certified Service Animal. Any resident requesting to have a Companion Animal must provide documentation from their doctor stating the need for such animal. Household must sign and adhere to all pet addendums and/or service and companion animal policies.
- 33. Age restrictions will apply at senior properties. Ask the on-site manager for details.
- 34. If a rental concession is extended, and the household doesn't fulfill the lease term, the concession will be charged to the household on the security deposit reconciliation.
- 35. ACC Management Group, Inc. prides itself on non discriminating practices against any applicant and provides ongoing training for all staff members both on site and at the corporate office.

If you any concerns about this criteria, please contact:

ACC Management Group, Inc., Compliance Manager, 2375 State Road 44, Suite A, Oshkosh, WI 54904

Applicant Acknowledgement

I have read the above resident selection criteria, was given a copy of the criteria for my personal records and agree to the terms set forth in this criteria.

Name of applicant

Date

Signature of applicant



Additional Information

The Contract of Care

The Contract of Care (Exhibit 1) will be an addendum to the lease that requires residents to perform certain routine maintenance duties—yard maintenance, snow shoveling, interior painting & carpet cleaning, and minor maintenance. The owner of the property (the Partnership or an LLC in which WPHD is the managing member) will retain responsibility for major repairs, exterior painting, and capital improvements (Exhibit 2). In the CHN lease-purchase program, it is not unusual for residents to make certain capital improvements (i .e. security storm doors or additional fencing) that go beyond what the project ownership entity may be able to do.

All contracts need to have “consideration”. In the CHN program, the “consideration” in the Contract of Care includes: (1) the project gives up its right to non-renew the lease after two years of responsible tenancy, and 2) the project enters into an Option Agreement with the resident after a specified period of responsible tenancy. Residents who embrace (and most will) the responsibilities outlined in the Contract of Care develop a pride in the exterior and interior appearance of their home. This pride is one defining characteristic of home ownership.

It is important to have a strong lease enforcement effort for those residents who do not live up to the requirements of the Contract of Care, including an effective eviction procedure. The Contract of Care is a valuable asset management tool. The Contract of Care enables the resident to become a partner in the maintenance effort. As a result, the homes are generally better maintained and rents can be significantly lower than if the owner were responsible for all maintenance.

Exhibit 1

SINGLE FAMILY LEASE-PURCHASE CONTRACT OF CARE AGREEMENT
RESIDENT MAINTENANCE RESPONSIBILITIES

EXTERIOR

1. Cut grass, trim bushes and shrubs, weed and fertilize, and plant flowers as needed.
2. Maintain front and rear (Keep yard free of trash and debris), keep garbage cans covered at all times.
3. Shovel snow in winter. Keep service walks and stairs free from snow and ice at all times.
4. Clean gutters (keep free from leaves and debris) annually.
5. Repair or replace all broken windows (including repair or replacement of damaged door glass). Repair or replace broken screens.
6. Replace mailbox as needed.
7. Replace broken or missing address numbers on house.
8. Repair or replace broken porch latticework, porch rails, and handrails.
9. Maintain and repair all fences.
10. Other minor exterior maintenance as needed.

INTERIOR

1. Paint all walls, ceilings, floors, trim and any other paintable surfaces as needed.
NOTE: Do not scrape, sand or in any other way dislodge or remove paint from existing painted surfaces. Old paint may contain lead. Lead is a known health risk. If scraping/ prep is needed prior to painting, contact the property manager.
2. Clean carpet as needed (at least annually).
3. Caulk sink and tub areas as needed.
4. Replace washers I cartridges in kitchen and bathroom faucets as needed.
5. Change furnace filters at least twice per heating season.
6. Replace broken or missing doorknobs.
7. Replace window locks and lifts when broken or missing.
8. Maintain all handrails and rehang when needed.
9. Test smoke detectors monthly and replace batteries every six months or sooner if needed.
10. Other minor interior maintenance as needed.
11. Report all plumbing leaks and other serious problems to the property manager.

YOUR RESPONSIBILITIES AS A RESIDENT ARE DETAILED IN YOUR ANNUAL LEASE AGREEMENT AND RESIDENT HANDBOOK.

Resident

Date

Property Manager
Exhibit 2

Date

For Inclusion in the Resident Handbook: Project owner's maintenance responsibilities

1. Keep the common areas in a safe and sanitary condition.
2. Comply with housing, health and safety codes of the Federal, State and Local Governments.
3. Maintain, repair and replace mechanical systems such as plumbing, electrical, heating and ventilation as needed.
4. Maintain all appliances and equipment supplied by the project

HOW TO REACH US TO REPORT A MAINTENANCE PROBLEM

It is your responsibility to notify the property manager of any maintenance concerns or problems in your home. You can reach the maintenance line by calling [PHONE NUMBER]. You will hear a recorded message Please leave your name, address and a telephone number where you can be reached, as well as a description of the problem you are calling about. A maintenance staff person listens to these calls several times a day. Either your call will be assigned directly to one of our maintenance contractors for repair, or your house will be referred to our maintenance inspector to come out and take a look at what might be needed to complete the job.

NON-URGENT REPAIRS

If this is not an urgent repair, it could be up to two weeks before this visit can be worked into the schedule. A maintenance staff member will get back to you within 48 hours of your call to let you know how it is being handled.

URGENT REPAIRS AND EMERGENCIES

IF THE REPAIR IS URGENT OR CONSIDERED AN EMERGENCY CALL [PHONE NUMBER]. Your call will be sent via pager to the on-call maintenance person who will call you back as soon as possible to discuss the situation. This emergency service is 24 hours. PLEASE USE IT ONLY IN CASE OF AN EMERGENCY OR ANY SITUATION THAT WILL ADVERSELY AFFECT THE LIFE, HEALTH OR SAFETY OF AN INDIVIDUAL.

Examples of emergencies

- Sewer back-up
- Fire
- No heat, when temperature is below 40 degrees

- Plumbing or water leak that may cause structural damage or damage to personal belongings
- Gas leak [Before calling the property manager, call [EMERGENCY NUMBER OF GAS UTILITY]
- Sparks from breaker box, outlet, or switch or short circuits

If you are not satisfied with the service you receive from a maintenance contractor or worker, please call the property management office and ask for a maintenance staff member. All maintenance employees are committed to providing good service to all residents.

The Option Agreement

The lease purchase resident's right to purchase the property

The Option Agreement is the document that gives a resident the contingent right to purchase his/ her home at a specified point in time. This Option Agreement is contingent on the resident remaining a tenant in good standing.

The Option Agreement provides a framework for how the owner will formally notify the resident and the amount of time the resident will have to exercise the option.

OPTION AGREEMENT

THIS OPTION AGREEMENT ("Agreement") is entered into as of [DATE], by and between The Wisconsin Partnership for Housing Development, Inc., a Wisconsin nonprofit corporation ("WPHD") and ("Resident"), with respect to the property located at and known as [ADDRESS], Madison, Wisconsin (the "Property").

RECITALS

1. WPHD was formed and operates primarily for the purpose of expanding housing opportunities for persons of low- and moderate-income in the State of Wisconsin.
2. Resident now rents the Property from WPHD and is currently named as "Resident" under a written lease agreement for the Property dated (which, as amended and/or renewed from time to time, is herein referred to as the "Lease Agreement").
3. It is intended that Resident will have the opportunity to purchase the Property from WPHD.

NOW, THEREFORE, for adequate and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

WPHD hereby grants to Resident the option to purchase the Property upon the terms and conditions contained in this Agreement.

The purchase price will be less than or equal to the Adjusted Maximum Purchase Price shown on Exhibit A of this Agreement plus any governmentally-imposed costs such as point-of-sale repair requirements. The purchase price does not include Resident's closing costs and costs associated with Resident obtaining a mortgage. These costs are extra, and will be paid by Resident at closing.

This Agreement shall begin on the date it is signed by both parties and shall terminate automatically on the occurrence of any of the following events;

1. Resident fails to exercise the Option within the time provided in this Agreement;
2. Termination of the Lease Agreement;
3. Breach of this Agreement by Resident (including Resident Obligations contained in Section 6).
4. Resident. The term "Resident" in this Agreement shall mean only the person or persons named as Resident in the opening paragraph of this Agreement, except to the extent that this term is modified by the remainder of this Section 4. If there are two or more persons named as Resident in this Agreement, all such persons must be

specifically named as Resident in the Lease Agreement. If a person is no longer named as a Resident in any renewal, amendment or extension of the Lease Agreement, then the rights of that person under this Agreement are automatically terminated, regardless of whether that individual continues to reside in the Property, and the term Resident in this Agreement shall mean the person or persons who continue to be named as Resident in both this Agreement and the Lease Agreement.

5. If and when Resident satisfies the conditions for taking title to the Property, WPHD will give Resident a written notice of the Option, which shall include a Purchase Agreement stating in detail the Purchase Price in an exact dollar amount and all of the terms and conditions of the offer to sell. This written notice shall give Resident not less than ninety (90) days in which to exercise the Option by executing the Purchase Agreement and returning it to WPHD. Once the Purchase Agreement is entered into, it will supersede this Agreement.
6. Resident Obligations
 - a. Resident must, as part of the consideration for this Option granted by CHN, fulfill all of the maintenance responsibilities described in Exhibit B attached to this Agreement.
 - b. It is anticipated that Resident will need to obtain a loan to complete the purchase of the Property. It is likely that Resident will need to have established acceptable credit in order to qualify for a loan. WPHD will use reasonable efforts to assist Resident in obtaining a loan to purchase the Property, but if Resident is unable to do so within the time frame as set out in the Purchase Agreement, the Purchase Agreement will expire, unless extended by sole consent of WPHD.
7. The parties acknowledge that governmental requirements could result in the imposition of use and affordability restrictions on the Property.
8. The rights granted in this Agreement are personal to Resident and shall not in any manner be transferred, assigned or in any way be allowed to benefit anyone other than Resident. No persons other than Resident may directly or indirectly rely upon or enforce the provisions of this Agreement, whether as a third party beneficiary or otherwise. If there are two or more persons comprising the "Resident", the Option must be exercised jointly (unless one or more parties have waived their rights in writing on a form supplied by WPHD). Notwithstanding the foregoing, Resident shall have the right to designate, by completing the Designation Form available from WPHD, someone else to inherit Resident's rights under this Agreement in the event that Resident dies prior to exercising this Option. The designated person must meet all of the residency criteria imposed by the financing of the Property at the time of the original Resident's death, must notify WPHD of their interest in leasing the Property within 30 days following Resident's death, and must enter into a lease for and take occupancy of the Property within 60 days following Resident's death, in which event

the new Resident shall enter into the Option Agreement. If Resident dies without having completed a Designation Form, the Option shall then automatically terminate and WPHD will have the right to lease the Property to any other party.

9. This Agreement contains and constitutes the entire understanding between the parties with respect to the Option granted to Resident, and all prior agreements, understandings, representations and statements, oral or written, are replaced by this Agreement. Neither this Agreement nor any provision of it may be waived, modified, amended, discharged or terminated except by a written document signed by Resident and WPHD.

IN WITNESS TO THIS AGREEMENT, the parties to it have signed it as of the date stated above.

THE WISCONSIN PARTNERSHIP FOR HOUSING DEVELOPMENT, INC.

By: _____

WITNESS: _____

RESIDENT

WITNESS

Capital Improvements Policy

Capital improvements by residents

Residents, embracing the spirit of the lease purchase program, may wish to invest money or labor in their homes for improvements ranging from fencing to security storm doors to waterproofing to new carpeting and flooring.

Residents sometimes pose the question, "Will WPHD reduce my purchase price to compensate me for the investments I have made?" WPHD's answer to this question is "no". The explanation is that the underlying sale price is based on WPHD's remaining debt at the time of purchase by the resident, and this debt has not been reduced by a resident making improvements. Like any homeowner, the resident will likely recover a portion but not all of the capital improvement when and if he/she sells the home.

Another variation of this question is, "Will WPHD reimburse me for my investment if I move or am evicted?" The answer is, "No, and these improvements become part of the house and cannot be removed when you move."

If a resident calls before making a capital improvement, WPHD will neither encourage nor discourage this investment. It is important that such conversations revolve around the core premise of the lease purchase program: After a specified period of responsible tenancy, the lease purchase buyer will have the opportunity to purchase his/her home at a guaranteed maximum purchase price and may achieve immediate and significant equity in his/her home. It is important to stress the definition of responsible tenancy—abiding by the terms of the lease and resident handbook -- and the fact that a resident will be evicted if there are significant lease violations.

WPHD/OFS Lease Purchase Program

Rental Income	
Average Rent (Monthly)	\$ 1,200
Annual Rental Income	\$ 14,400

Acquisition costs	
Average Purchase Price from OFS	\$ 100,000
4.5% interest-I/O Payments	\$ 4,500

Annual Operating Costs: One House	
Management Fee/Maintenance	\$ 1,200
Counseling and Case Management Services	\$ 2,300
Maintenance and repairs	\$ 200
Reserves	\$ 100
Property taxes	\$ 4,000
Insurance	\$ 400
Downpayment contribution (Monthly)	\$ 100.00
Total Expenses	\$ 9,400

Sale to homeowner	
List Price	\$ 137,200
HOME Loan	\$ 22,500
Mortgage required for Buyer	\$ 114,700

Before Tax Cash Flow: One House	
Rental Income	\$ 14,400
Less: Vacancy and collection loss	3% \$ 432
Effective gross income	\$ 13,968
Less: Operating expenses	\$ 9,400
Net Operating income (NOI)	\$ 4,568
Debt service	\$ 4,500
Before Tax Cash Flow	\$ 68

2013-2014
Summer Funding
Initial Staff Review

STAFF REVIEW OF PROPOSALS FOR
2013 - 2014 Funding Process

1. **Project Name/Title:** WPHD/OFS Lease-Purchase
2. **Agency Name:** WPHD
3. **Requested Amount:** 2013: \$214,000
2014: \$214,000 (Prior Year Level \$0)
4. **Project Type:** New or Continuing

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**
Objective B: Housing for Buyers; I. Funds will be provided to develop (acquire, construct or renovate) affordable housing for eligible households to purchase.

6. **Product/Service Description:**
WPHD and OFS will work together to create 4 affordable housing units in 2013 and 4 affordable housing units in 2014. This program would also be providing job training to at-risk youth. WPHD will be responsible for identifying projects and will own the properties and serve as the general contractor. WPHD will work with OFS to develop a scope of work to be completed at each property and will contract with the training crews to complete the work. Once complete, the home will be used to provide rental units and then homeownership opportunities for low income households. WPHD will develop a lease purchase program that will provide education to families in order for them to purchase within 12-26 months of occupancy.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**
Four (4) units of affordable housing to be built in 2013 and 4 units in 2014. Both properties will be rented with anticipated sales within 12-26 months. The program will provide job training, employment and educational services to 80 at-risk youth ages 16-24.

8. **Staff Review:**
This is a joint application with WPHD and OFS which would allow WPHD to focus on housing related activities in development (buyer selection, marketing, education, etc). OFS can focus on the training and educational component of their youth programming. WPHD is requesting the same structure currently funded for housing development when youth programs are used in construction and request 50% of construction costs from CDD funds are a forgivable loan for the management and labor provided by OFS.

WPHD is proposing three phases to establishing this program. Phase 1 would be to establish the Lease Purchase program and the criteria of holding costs, tenant selection, education, property management, etc. At this time the program criteria has not been established. CDD staff does not have enough information to do an analysis of the Lease-to-Purchase program proposed by WPHD. Program criteria will be established by 2012 year end.

Phase 2 is an agreement between OFS and WPHD that WPHD will purchase the current units of unsold OFS housing inventory in Dane County. OFS currently has 10 unsold homes in Dane County they are holding in their inventory. New HOME regulations state all projects must have a project completion deadline of 4 years to be in compliance with federal funding. Four (4) of these unsold units are a high risk of non-compliance. WPHD will purchase and find tenants for all units of unsold OFS inventory and for 2 unsold WPHD unsold units in Twin Oaks. This will create 12 units of affordable housing lease purchase models within the first year of the phase. OFS will be submitting a request to CDBG Committee to amend the Action Plan of CDBG office and to allow the homes funded with CDD funds to transfer ownership to WPHD to be in the Lease-to-Purchase program. WPHD is currently seeking funding opportunities to purchase the homes.

Phase 3 of the process will be to develop more affordable housing units which WPHD/OFS have requested in this application for additional housing development.

Additional questions addressed to WPHD about past performance and application:
Question from CDD: Of the Oak Glenn subdivision Community Development provided financing for Phase 1 and Phase 2 of the development to WPHD. According to documentation a total of 6 affordable housing units would be built in phase 1 and 5 in phase 2. Construction of 8 units happen in phase 1 and phase 2 was not completed. Is it WPHD intention to use any of these funds to complete phase 2 development? Please specify

what the development plans are to finish the required HOME units at Twin Oaks.

Answer from WPHD: We have two units for sale as part of the first phase of the Oak Glen project, and until these have been sold, we cannot obtain financing from the bank to develop Phase 2. It is our intention to include these two units of housing in the lease purchase program as it is developed in order to complete this Phase. Once this is complete, we could use the funds requested here and work with OFS to develop the remaining units at Oak Glen. While a number of potential homeowners have looked at these units, because they are condos, there are limited opportunities for obtaining mortgage financing in the current market. As a result, these units have been difficult to market and sell in the current environment, but we believe that we could be successful in selling these properties under the lease purchase scenario.

Question from CDD: The proposed budget for 2013 lists a total personnel cost for this program at \$33,000. Where will the first year of funding come from for that position prior to the units being rented. The required staff for the program is listed as 4 members with 2 being listed as FTE for the program. Could you clarify the budget that \$33,000 will be the total in personal costs for the program year?

Answer from WPHD: The personnel from WPHD will be providing property selection and construction management activities for this project. In addition, staff will arrange for financing and accounting associated with the project. Funding for support of these positions prior to renting the homes will be paid from WPHD operating funds as required. Our staff is currently engaged in these activities throughout Wisconsin as part of our NSP activities, and this work would be an extension of those activities.

As of 2012 HOME regulations state all homeownership units must be transferred within 6 months of completion of rehab/construction to the homeowner. Lease-to-Purchase program will have to identify homeowners in the same required time after rehab/construction is completed. CDD is encouraging a model in which homeowners are identified prior to initial purchase to avoid non-compliance with HUD regulations.

This proposal does not identify a specific site(s) but rather requests funds to allow the agency to seek a site(s). Proposed new HUD rules state that funds may not be committed unless a specific local project with an address has been reviewed and approved based on detailed project information. If funding is recommended, this project may only be approved contingent upon having identified a specific site(s) by a certain date and providing related project detail sufficient for staff to ensure a viable project and compliance with regulatory requirements.

HUD has proposed a slate of significant changes to the HOME regulations. These changes have been put forth for comment and at this time the final version is not decided. It is HUD's intent to have these rules finalized by the end of this year. If this project is funded it will have to comply with all future adopted regulatory changes.

CDD has received two other applications in this summer funding process from OFS for funding of the construction crews. The applications will be reviewed in adult workforce training and youth programming.

Capital Costs

Total ESTIMATED Cost/Total Beneficiaries Equals: \$832,000/4 households= \$208,000 per unit price

CD Office Funds/CD-Eligible Beneficiaries Equals: \$214,000 / 4 households = \$53,500

CD Office Funds as Percentage of Total Budget: 25%

ORGANIZATION:
PROGRAM/LETTER:
OBJECTIVE STATEMENTS:

Wisconsin Partnership for Housing Development, Inc.
A WPHD/OFS Lease-Purchase
CDBG: B1. Housing - Housing for homebuyers (CDBG)

DESCRIPTION OF PROJECT

1. NEED FOR PROJECT: Please identify local community need, including gap you are addressing, and assessment of market conditions of the neighborhood, the response of the neighborhood and the alderperson of the proposed project.

1000 characters (with spaces) (10 lines max.) Over the past two years, it has become increasingly difficult for low income households to obtain financing to purchase a home. Because of the economic changes, lenders have imposed strict requirements related to credit scores and work history. As a result, it is harder for families to qualify for the first mortgage required to purchase a home. Housing developed here will become part of a lease purchase program that will provide an opportunity for families to rent the home that they will eventually buy and create housing stability for these families and educational stability for their children. In addition, use of the OFS crews to complete the rehab on the houses provides an opportunity for at-risk youth to receive job training and to become productive community members. Finally, improvement of housing stock in Madison neighborhoods increases neighborhood stability and reduces vacancy rates, improving neighborhoods for current residents.

2. PROJECT DESCRIPTION: Please provide an overview of the project, including whether project is acquisition, rehab and/or new construction, type, size of unit created, and the impact of your project.

1600 characters (with spaces) (16 lines max.) The Wisconsin Partnership for Housing Development and Operation Fresh Start will work together to create affordable housing and provide job training to at-risk youth. WPHD will be responsible for identifying projects and will own the properties and serve as the general contractor. We will work with OFS to develop a scope of work to be completed at each property and will contract with the training crews to complete the work. Once complete, the home will be used to provide rental units and then homeownership opportunities for low income households. Using a private financing, in addition to grant and loan funds requested here, we will purchase and rehab homes throughout Madison. WPHD will develop a lease purchase program that will provide an opportunity to families to live in the house they will purchase while taking the steps necessary in order to purchase the home within a 12-26 month period. This program will make use of existing services in Madison to ensure that homeowners receive homebuyer counseling and home maintenance training while they are living in these homes. When they have completed necessary training and are in a position to get mortgage finance to purchase the home, ownership will be transferred to them. The funds requested here are only for the construction or rehab of the housing; the lease purchase program will be financed with a combination of other grant funds and income from the property rentals. We expect that most of the 8 units to be completed over the two year period will be substantial rehab projects.

3. PROPOSED PROJECT GOALS: Please provide the total number of units in the project, the number of affordable units created and the number of units assisted with requested funds, the number of unduplicated households served by the assisted units.

400 characters (with spaces) (4 lines max.) Goal #1: To increase the stock of affordable housing by developing a total of 8 housing units. 8 families will be provided affordable housing, first as a rental unit and when they are ready, as homeowners. Goal #2: We will provide a job training for 160 youth as they learn useful skills and improve neighborhoods.

4. SERVICES INCLUDED IN PROPOSED PROJECT: Please describe any services (such as housing counseling), provided to the participants in this project, including those that are disability related.

400 characters (with spaces) (4 lines max.) Funds requested here will allow OFS to continue to provide a wide range of education, job training and counseling services to youth in the community. In addition, the 8 households who will rent/purchase the housing will be provided a wide range of counseling, including housing counseling, home maintenance training, and credit counseling.

ORGANIZATION:

Wisconsin Partnership for Housing Development, Inc.

PROGRAM/LETTER:

A WPHD/OFS Lease-Purchase

5. LOCATION: Please identify the specific site(s) or target neighborhood(s).

400 characters (with spaces) (4 lines max.) We will look in neighborhoods across the city for properties, targeting foreclosed or vacant homes in established neighborhoods. Decisions about specific homes will be based on an assessment of property marketability and need for rehab or other construction that will provide good training opportunities for Operation Fresh Start crews.

6. POPULATION SERVED: Please describe the target population in terms of preferences to a specific population

(e.g., individuals with a disability, first time home buyers) or any other unique characteristic.

400 characters (with spaces) (4 lines max.) This program will serve low income homeowners. The most likely targets for the lease purchase program are first time home buyers or those who have experienced a change in family or financial situation. These households are most likely to require time and financial assistance in order to purchase a home.

7. OUTREACH PLAN: Please briefly describe your affirmative marketing strategy, participant selection plan and any other strategies to engage your intended population.

1000 characters (with spaces) (10 lines max.) 1. Outreach to homeowners. WPHD and OFS use a variety of outreach methods. We work with a local realtor who routinely works with first time homebuyers, list home availability on our website, participate in the Dane County Home Buyer Fair, conduct Sunday Open Houses and outreach to other community organizations who have contact with low income homeowners. We will work with a property management company who will also provide referrals to the program. Because WPHD works with many local lenders as a result of the FHLBC's Downpayment Plus program, we work closely with them to identify households in the area who need assistance in order to purchase a home. OFS reaches out to young people in challenged neighborhoods in Madison through parent and peer referral and by soliciting referrals from neighborhood police officers, neighborhood centers, high school counselors, community corrections agents, and Dane County Human Services social workers.

8. COORDINATION: Please describe how you coordinate your project with other community groups or agencies.

1000 characters (with spaces) (10 lines max.) This is a joint project between Wisconsin Partnership for Housing Development and Operation Fresh Start and coordination will take place at many levels throughout the project. As part of the lease purchase program, we will also work with other local nonprofit agencies who provide home buyer and credit counseling, home maintenance training and other types of training necessary for families to become ready for homeownership. We will collaborate with local realtors, lenders and CDFIs to identify funding for the construction of these homes and mortgages for the families purchasing the homes. OFS also works with numerous local agencies to identify youth for participation in the program. In addition to those mentioned in Section 7 above, OFS works with Madison College and the Workforce Development Board to provide occupational certification training to OFS participants and with local employers for job placement.

9. VOLUNTEERS: Please describe how volunteers will be utilized in your project.

400 characters (with spaces) (4 lines max.) Volunteers are used by OFS to complete various phases of home construction. Volunteer tutors work with OFS participants to improve reading or math skills. Volunteer mentors provide job shadowing opportunities and UW nurses provide health assessment and education. Both organizations have volunteer Board members who assist in planning and financing.

10. Number volunteers utilized in 2011?

172

Number of volunteer hours utilized in 2011?

2,135

ORGANIZATION:	Wisconsin Partnership for Housing Development, Inc.
PROGRAM/LETTER:	A WPHD/OFS Lease-Purchase

11. BARRIERS: How will this project address barriers to housing experienced by your target population?

600 characters (with spaces) (6 lines max.) One of the impacts of the recession is the tightening of the credit market. Current restrictions require higher credit scores and longer employment as requirements for obtaining a mortgage to purchase a home. This program will allow potential homeowners to move in to a high quality, affordable home that they will be able to purchase in the future, creating housing stability. Such stability in housing is important for children's educational opportunities as well as allowing families to become involved in a neighborhood where they will remain.

12. EXPERIENCE: Please describe your agency's affordable housing development experience, qualifications of proposed project staff, financial capacity of your agency to complete your proposed project, and past performance that will contribute to the success of the proposed program. How many affordable housing units has your agency created and managed in the past five years?

2000 characters (with spaces) (20 lines max.) Both OFS and WPHD have substantial experience in the development of housing. OFS, the contractor for these projects, has built over 220 homes using their youth crews. WPHD has completed a number of developments, including Coachyard Square and Oak Glen in Madison, and the Uplands in Sun Prairie and has worked with numerous nonprofits throughout the Midwest as they have developed housing in their local communities. Most recently, WPHD has worked throughout the state doing purchase, rehab and resale of foreclosed housing in New Richmond, Appleton, Waukesha, Janesville, and Madison. We have completed and sold 15 homes in these communities, and have an additional 8 homes under construction. In addition, as a technical assistance provider, WPHD has worked with communities to develop purchase and resale programs in communities in Illinois and Colorado. WPHD and OFS have worked together on two homes in Madison, which have been sold, and a third home is underway. In completion of these homes, WPHD has used private financing to supplement NSP funds. The program proposed here would work in a similar manner to this development so staff and financial capabilities are in place to manage this project. We intend to work with an experienced project manager for property management during the rental period of the lease purchase program, as well as internal staff who have experience working with first time home buyers as they move through the purchase process. WPHD staff have assisted 500 families per year as they work to purchase their first home as part of managing the FHLBC Downpayment Plus program and the HOME Consortium in Southeastern Wisconsin. OFS staff have many years of experience working with young people as they develop affordable housing, developing talents in the construction trade and OFS staff have significant experience in the daily management of construction projects

13. RISK: Please describe the level of risk your agency will be taking with this project.

Please describe any fees you will be charging to the participant.

400 characters (with spaces) (4 lines max.) WPHD will be taking on development risk associated with this project. While we will work with families closely as they work toward purchase of the home, there is always the risk that they will not qualify to purchase the housing at the end of the time frame. If this occurs, we will be required to carry the property as a rental or identify another family.

14. STAFF: Project Staff: Staff Titles, FTE dedicated to this project and required qualifications for project staff.

Staff Title	FTE	Credentials/Qualifications
WPHD Deputy Director	0.1	Management of NSP program, completion of over 100 home rehab projects
WPHD Asst. Project Manager	0.1	Oversight of NSP rehab activities
WPHD Program Assistant	0.1	Work with home buyers
OFS staff	2	Direction of youth crews and construction management

ORGANIZATION:

Wisconsin Partnership for Housing Development, Inc.

PROGRAM/LETTER:

A WPHD/OFS Lease-Purchase

15. PARTICIPANT INCOME LEVELS:

Indicate the number of households at each income level that this project would serve in 2013.

Income Level	Number of Households
Over 80% county median income	0
61% - 80% county median income	4
51% - 60% county median income	0
30% - 50% county median income	0
Less than 30% of county median income	0
Total households to be served	4

16. If projections for 2014 will vary significantly from 2013, complete the following:

Income Level for 2014	Number of Households
Over 80% county median income	0
61% - 80% county median income	4
51% - 60% county median income	0
30% - 50% county median income	0
Less than 30% of county median income	0
Total households to be served	4

17. AGENCY COST ALLOCATION PLAN: If you plan to include a portion of indirect costs in your project budget, describe the method your agency uses to determine indirect cost allocations in your project.

600 characters (with spaces) (6 lines max.) Staff submit monthly timesheets, reporting their time in 15 minute increments and by contract or program. Costs are allocated to contracts/programs based on the actual time spent at the hourly billing rate of each staff person. Our Indirect Cost Allocation Plan is reviewed and approved by the U.S. Department of Housing and Urban Development on an annual basis.

18. PROJECT ACTIVITIES: Describe activities/benchmarks by timeline to illustrate how your project will be implemented (such as acquisition, start of construction, end of construction, available for occupancy).

Activity Benchmark	Est. Month of Completion
Acquisition of 1 home	Jan-13
Acquisition of 1 homes (2 total)	Mar-13
Acquisition of 1 home (3 total)	Jun-13
Completion of 1 home	Jul-13
Acquisition of 1 home (4 total)	Jul-13
Completion of 1 home (2 total)	Aug-13
Completion of 1 home (3 total)	Sep-13
Completion of 1 home (4 total)	Dec-13
Acquisition of 4 remaining homes (8 total)	Mar-14
Completion of 4 homes (8 total)	Dec-14

ORGANIZATION:	Wisconsin Partnership for Housing Development, Inc.
PROGRAM/LETTER:	A WPHD/OFS Lease-Purchase

DEMOGRAPHICS

Complete the following chart for unduplicated participants served by your agency's housing program in 2011. Indicate the number and percentage by the following characteristics. For new projects, please identify projected participant numbers and descriptors.

DESCRIPTOR	Part. #	Part. %	Staff #	Staff %	DESCRIPTOR	Part. #	Part. %	Staff #	Staff %
TOTAL	4	100%	6	100%	RESIDENCY				
MALE	1	25%	2	33%	CITY OF MADISON	4	100%		
FEMALE	3	75%	4	67%	DANE COUNTY (NOT IN CITY)	0	0%		
UNKNOWN/OTHER	0	0%	0	0%	OUTSIDE DANE COUNTY	0	0%		
					TOTAL RESIDENCY	4	100%		
					AGE				
					<2	0	0%		
					2 - 5	0	0%		
					6 - 12	0	0%		
					13 - 17	0	0%		
					18 - 29	0	0%		
					30 - 59	4	100%		
					60 - 74	0	0%		
					75 & UP	0	0%		
					TOTAL AGE	4	100%		
					RACE				
					WHITE/CAUCASIAN	3	75%	6	100%
					BLACK/AFRICAN AMERICAN	1	25%	0	0%
					ASIAN	0	0%	0	0%
					AMERICAN INDIAN/ALASKAN NATIVE	0	0%	0	0%
					NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER	0	0%	0	0%
					MULTI-RACIAL:	0	0%	0	0%
					Black/AA & White/Caucasian	0	0%	0	0%
					Asian & White/Caucasian	0	0%	0	0%
					Am Indian/Alaskan Native & White/Caucasian	0	0%	0	0%
					Am Indian/Alaskan Native & Black/AA	0	0%	0	0%
					BALANCE/OTHER	0	0%	0	0%
					TOTAL RACE	4	100%	6	100%
					ETHNICITY				
					HISPANIC OR LATINO	1	25%	0	0%
					NOT HISPANIC OR LATINO	3	75%	6	100%
					TOTAL ETHNICITY	4	100%	6	100%
					PERSONS WITH DISABILITIES	1	25%	0	0%

Part. = Participant

Note: Race and ethnic categories are stated as defined in HUD standards

ORGANIZATION:
PROGRAM/LETTER:

Wisconsin Partnership for Housing Development, Inc.	
A	WPHD/OFS Lease-Purchase

PROJECT OUTCOMES

Number of unduplicated individual participants served during 2011.

Total to be served in 2013.

Complete the following for each project outcome. No more than two outcomes per project will be reviewed.
Refer to the instructions for detailed descriptions of what should be included in the table below.

Outcome Objective # 1:	Increase home ownership opportunities for low and moderate income households
Performance Indicator(s):	Completion of 8 units of affordable ownership housing by the end of December 2014

Proposed for 2013:	Total to be considered in <input type="text" value="4"/>	perf. measurement	Targeted % to meet perf. measures <input type="text" value="100%"/>	Targeted # to meet perf. measure <input type="text" value="4"/>
Proposed for 2014:	Total to be considered in <input type="text" value="4"/>	perf. measurement	Targeted % to meet perf. measures <input type="text" value="100%"/>	Targeted # to meet perf. measure <input type="text" value="4"/>

Explain the measurement tools or methods:	Successful completion of this goal includes construction of the units and occupancy by a qualified and income-eligible household. Homes to be developed will be healthy (free of lead and asbestos) and energy efficient.
---	---

Outcome Objective # 2:	Business development and job creation
Performance Indicator(s):	Placement of youth into employment, apprenticeships or post-secondary education.

Proposed for 2013:	Total to be considered in <input type="text" value="80"/>	perf. measurement	Targeted % to meet perf. measures <input type="text" value="80%"/>	Targeted # to meet perf. measure <input type="text" value="64"/>
Proposed for 2014:	Total to be considered in <input type="text" value="80"/>	perf. measurement	Targeted % to meet perf. measures <input type="text" value="80%"/>	Targeted # to meet perf. measure <input type="text" value="64"/>

Explain the measurement tools or methods:	Career development and placement staff at OFS will assist youth to obtain employment, enter into apprenticeships, or enroll in post-secondary education. This information will be used to measure achievement of this goal.
---	---

ORGANIZATION: Wisconsin Partnership for Housing Development, Inc.

1. CAPITAL BUDGET

Enter the proposed project capital budget. Identify the fund source and terms and whether the funds have been already committed or are proposed. Place a C next to source if funds have already been committed and a P next to source if the fund source is proposed. Ex.: Acquisition: \$300,000 HOME (P), \$100,000 from CDBG (P), \$200,000 from Anchor Bank @5% interest/15 years (C).

	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition Costs:					
Acquisition	1,086,906	1,086,906	FCI @ 6% interest/3 years (P)	0	
Title Insurance and Recording	4,000	4,000	FCI @ 6% interest/3 years (P)	0	
Appraisal	2,800	2,800	FCI @ 6% interest/3 years (P)	0	
Predvpmnt/feasibility/market study*	0	0		0	
Survey	0	0		0	
Marketing*	0	0		0	
Relocation	0			0	
Other (List)					
Property Taxes	26,294	26,294	FCI @ 6% interest/3 years (P)	0	
Construction:					
Construction Costs	364,000	364,000	CDBG (P)	0	
Soils/Site Preparation	0	0		0	
Construction Mgmt	24,000	24,000	FCI @ 6% interest/3 years (P)	0	
Landscaping, Play Lots, Signage	0	0		0	
Construction Interest	74,160	74,160	FCI @ 6% interest/3 years (P)	0	
Permits; Print Plans/Specs	0	0		0	
Other (List)					
Utilities/Property Insurance	12,800	12,800	FCI @ 6% interest/3 years (P)	0	
Fees:					
Architect	0	0		0	
Engineering	0	0		0	
Accounting*	0	0		0	
Legal*	0	0		0	
Development Fee*	64,000	64,000	CDBG (P)	0	
Leasing Fee*	0	0		0	
Other (List)					
	0	0		0	
Project Contingency:	5,040	5,040	FCI @ 6% interest/3 years (P)	0	
Furnishings:	0	0		0	
Reserves Funded from Capital:					
Operating Reserve	0	0		0	
Replacement Reserve	0	0		0	
Maintenance Reserve	0	0		0	
Vacancy Reserve	0	0		0	
Lease Up Reserve	0	0		0	
Other: (List)					
	0	0		0	
TOTAL COSTS:	1664000	1664000		0	

If CDBG funds are used for items with an asterisk (), 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 Capitol Revolving Fund. Identify if grant or loan and terms.

ORGANIZATION: Wisconsin Partnership for Housing Development, Inc.

2. Real Estate Project Data Summary

	# of Units Prior to Purchase	# of Units Post- Project	# Units Occupied	# Tenants to be Displaced	Appraised Value Current	Appraised Value Post-Project	Purchase Price	Accessible Current?	Accessible Post-Project?
Address:	Addresses to be identified, accessibility characteristics unknown, average purchase price estimated								
	8	8	8	0	135000	180000	140000		
Address:									
Address:									
Address:									
Address:									

If no specific site has been identified, use the average of the high-low range or your best estimate of costs.

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

Address/Unit#	# Bedrooms	Amount of CD \$ Requested	Proj. Monthly PITI	Proj. Income Category*	Affordability Period # Yrs	Sale Price

*Less than or equal to 30% CMI, 31-50% CMI, 51-60% CMI, 61-80% CMI, >80% CMI

4. Identify if your project includes any of the following features (Check all that apply):

Incorporates accessibility features	X
Incorporates energy efficiency improvements	X
Involves lead paint removal	X
Involves asbestos removal	X
Incorporates long-term affordability restrictions greater than that required by the HOME rules	X
Provides pre-purchase and post-purchase homebuyer counseling	X

5. Do you qualify as a Community Housing Development Organization (CHDO)? No

ORGANIZATION:

Wisconsin Partnership for Housing Development, Inc.

6. MATCH: Please describe if you could provide non-federal matching funds for this project. If yes, describe amount and source of matching funds.

400 characters (with spaces) We will borrow the funds needed to purchase and complete the rehab of these homes. Non-federal sources will be used for almost 75% of the costs of rehabbing the homes.

7. FUNDS NEEDED: Please describe why CDD funds are needed and how you can ensure the project will be viable.

400 characters (with spaces) The CDD funds will be used for materials for the rehab of the home and to pay for the labor provided by the Operation Fresh Start crews and their management (this portion will be repaid upon sale of the home by the homebuyer). The CDD funds are necessary ensure housing affordability and to provide training and teaching opportunities for the OFS crew members.

ORGANIZATION:

Wisconsin Partnership for Housing Development, Inc.

PROGRAM/LETTER:

A WPHD/OFS Lease-Purchase

10. PROGRAM BUDGET

a. 2012 BUDGETED

REVENUE SOURCE	SOURCE TOTAL	ACCOUNT CATEGORY			
		PERSONNEL	OPERATING	SPACE	SPECIAL COSTS
DANE CO HUMAN SVCS	0	0	0	0	0
DANE CO CDBG	0	0	0	0	0
MADISON-COMM SVCS	0	0	0	0	0
MADISON-CDBG	0	0	0	0	0
UNITED WAY ALLOC	0	0	0	0	0
UNITED WAY DESIG	0	0	0	0	0
OTHER GOVT	0	0	0	0	0
FUNDRAISING DONATIONS	0	0	0	0	0
USER FEES	0	0	0	0	0
OTHER	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0

b. 2013 PROPOSED BUDGET

REVENUE SOURCE	SOURCE TOTAL	PERSONNEL	OPERATING	SPACE	SPECIAL COSTS
DANE CO HUMAN SVCS	0	0	0	0	0
DANE CO CDBG	0	0	0	0	0
MADISON-COMM SVCS	0	0	0	0	0
MADISON-CDBG	214,000	24,000	5,120	2,880	182,000
UNITED WAY ALLOC	0	0	0	0	0
UNITED WAY DESIG	0	0	0	0	0
OTHER GOVT*	0	0	0	0	0
FUNDRAISING DONATIONS	0	0	0	0	0
USER FEES	0	0	0	0	0
OTHER**	618,000	9,000	1,920	1,080	606,000
TOTAL REVENUE	832,000	33,000	7,040	3,960	788,000

*OTHER GOVT 2013

Source	Amount	Terms
	0	
	0	
	0	
	0	
	0	
TOTAL	0	

**OTHER 2013

Source	Amount	Terms
Construction Loan	618,000	Forward Community Investment @ 6% interest, 3 years (P)
	0	
	0	
	0	
	0	
TOTAL	618,000	

ORGANIZATION:

Wisconsin Partnership for Housing Development, Inc.

PROGRAM/LETTER:

A WPHD/OFS Lease-Purchase

11. 2014 PROGRAM CHANGE EXPLANATION

Complete only if you are requesting more than your 2013 request.

Note: Additional funding should only be requested where services or programming will change or expand in the second year.

a. PROGRAM UPDATE: If requesting more than 2013, describe any major changes being proposed for the program/service in 2014, i.e., expansions or narrowing in target population, scope and level of services, geographic area to be served, etc.).

200 characters (with spaces) (2 lines max.)

b. 2014 COST EXPLANATION

Complete only if significant financial changes are anticipated between 2013-2014.

Explain specifically, by revenue source, any significant financial changes that you anticipate between 2013 and 2014.

For example: unusual cost increases, program expansion or loss of revenue.

200 characters (with spaces) (2 lines max.)

c. 2014 PROPOSED BUDGET

REVENUE SOURCE	BUDGET TOTAL	ACCOUNT CATEGORY			
		PERSONNEL	OPERATING	SPACE	SPECIAL COSTS
DANE CO HUMAN SVCS	0	0	0	0	0
DANE CO CDBG	0	0	0	0	0
MADISON-COMM SVCS	0	0	0	0	0
MADISON-CDBG	0	0	0	0	0
UNITED WAY ALLOC	0	0	0	0	0
UNITED WAY DESIG	0	0	0	0	0
OTHER GOVT*	0	0	0	0	0
FUNDRAISING DONATIONS	0	0	0	0	0
USER FEES	0	0	0	0	0
OTHER**	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0

*OTHER GOVT 2014

Source	Amount	Terms
	0	
	0	
	0	
	0	
	0	
TOTAL	0	

**OTHER 2014

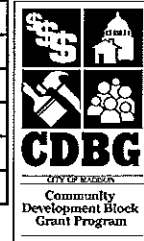
Source	Amount	Terms
	0	
	0	
	0	
	0	
	0	
TOTAL	0	

APPLICATION FOR 2013-2014 FUNDS



1. AGENCY CONTACT INFORMATION

Organization	Wisconsin Partnership for Housing Development, Inc.	
Mailing Address	121 South Pinckney Street, Suite 420, Madison, WI 53703	
Telephone	608-258-5560	
FAX	608-258-5565	
Admin Contact	Katherine Kamp	
Financial Contact	Katherine Kamp	
Website	www.wphd.org	
Email Address	kathykamp@wphd.org	
Legal Status	Private: Non-Profit	
Federal EIN:	39-1508503	
State CN:		
DUNS #	157313453	



2. SIGNATURE PAGE

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with City of Madison Ordinance 39.02 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 www.cityofmadison.com/dcr/aaForms.cfm.

LIVING WAGE ORDINANCE

If funded, applicant hereby agrees to comply with City of Madison Ordinance 4.20. The Madison Living Wage for 2013 will be **\$12.19 (hourly)**. This reflects a 3% increase over Madison Living Wage for 2012, and is consistent with prior annual increases.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, State and Federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520. If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

3. SIGNATURE

Enter name:

By entering your initials in the box you are electronically signing your name and agreeing to the terms listed above

DATE

AGENCY CONTACT INFORMATION

ORGANIZATION Wisconsin Partnership for Housing Development, Inc.

1. AGENCY CONTACT INFORMATION

A	WPHD/OFS Lease-Purchase	CDBG: B1. Housing - Housing for homebuyers (CDBG)			
Contact:	Katherine Kamp	New Prg? Yes	Phone: 608-258-5560	Email: kathykamp@wphd.org	
B	Program B	Select an Objective Statement from the Drop-Down			
Contact:		New Prg?	Phone:	Email:	
C	Program C	Select an Objective Statement from the Drop-Down			
Contact:		New Prg?	Phone:	Email:	
D	Program D	Select an Objective Statement from the Drop-Down			
Contact:		New Prg?	Phone:	Email:	
E	Program E	Select an Objective Statement from the Drop-Down			
Contact:		New Prg?	Phone:	Email:	
F	Program F	Select an Objective Statement from the Drop-Down			
Contact:		New Prg?	Phone:	Email:	
G	Program G	Select an Objective Statement from the Drop-Down			
Contact:		New Prg?	Phone:	Email:	
H	Program H	Select an Objective Statement from the Drop-Down			
Contact:		New Prg?	Phone:	Email:	

2. AGENCY REVENUE DETAILED BY PROGRAM

REVENUE SOURCE	2011 ACTUAL	2012 BUDGET	2013-14 PROPOSED	2013-14 PROPOSED PROGRAMS													
				A	B	C	D	E	F	G	H	Non-City					
DANE CO HUMAN SVCS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DANE CO CDBG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MADISON-COMM SVCS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MADISON-CDBG	3,903	0	214,000	214,000	0	0	0	0	0	0	0	0	0	0	0	0	0
UNITED WAY ALLOC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UNITED WAY DESIG	172	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER GOVT	734,248	888,420	714,596	714,596	0	0	0	0	0	0	0	0	0	0	0	0	714,596
FUNDRAISING DONATIONS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USER FEES	114,100	79,674	75,766	75,766	0	0	0	0	0	0	0	0	0	0	0	0	75,766
OTHER	1,067,230	802,162	1,226,453	618,000	618,000	0	0	0	0	0	0	0	0	0	0	0	608,453
TOTAL REVENUE	1,919,652	1,770,257	2,230,816	832,000	0	0	0	0	0	0	0	0	0	0	0	0	1,398,816

3. AGENCY ORGANIZATIONAL PROFILE

a. AGENCY MISSION STATEMENT

600 characters (with spaces) (6 lines max.) The Wisconsin Partnership for Housing Development seeks to expand access to affordable housing through partnerships among the public, nonprofit and private sectors. We develop housing; design and manage financing programs; and provide technical assistance and consulting services. We will work with Operation Fresh Start, an organization that seeks to help participants become contributing members of the community by providing opportunities to gain employment training, education, and a chance to serve the community by building affordable housing.

b. AGENCY EXPERIENCE AND QUALIFICATIONS

6000 characters (with spaces) (47 lines max.) WPHD and OFS are collaborating for this project, taking advantage of the strength and experience of both organizations. In addition to the long-standing organizational experience, OFS and WPHD have worked together for the past two years to develop housing using NSP funds. WPHD purchased three homes using NSP money and contracted with OFS to complete required rehabilitation. The first two homes have sold and the third project is underway. We are proposing to continue to use this collaborative model for the development of affordable housing and to expand the pool of potential homebuyers by developing a lease purchase program that will allow more families to access affordable housing. This project model allows both organizations to focus more specifically on the mission of their organizations. WPHD experience fits into four general categories including: (1) technical assistance and consulting to state and local government and nonprofit agencies related to the NSP, HOME and CDBG programs; (2) collaboration with other nonprofit agencies to develop affordable housing and revitalize neighborhoods; (3) management of downpayment assistance and home rehab programs; and (4) management of financing programs used to develop affordable housing. The program proposed here will benefit from WPHD experience in program design and development. As a national technical assistance provider, WPHD has developed and studied numerous successful lease purchase programs. We have worked collaboratively with counseling agencies, lenders and with over 500 households annually as they move toward homeownership. In addition, WPHD has been involved in development for over ten years and most recently has been involved in the purchase and renovation of single family housing using NSP funds. We have completed and sold 15 units of housing, with an additional 8 units of housing currently underway. Key to our success has been careful property selection, well designed rehab, and direct assistance to homeowners to ensure that they receive appropriate education and counseling prior to home purchase. Operation Fresh Start was founded in Madison in 1970 to provide comprehensive employment, training and education services to at-risk young people. OFS provides in-house classroom instruction leading to attainment of a high school diploma or equivalent; work readiness and occupational skills training; mental health counseling; health screening; career counseling; job placement; wages during program participation, and at least 12 months of follow up services. OFS collaborates with many local partners including the Madison Metropolitan School District, Dane County Human Services and the State of Wisconsin Board of Corrections to provide referrals; the Workforce Development Board of South Central Wisconsin and Madison College to provide short term occupational skills training for in-demand jobs; Madison College to provide enrollment counseling and assistance; the Building and Construction Trades Council to provide short-term pre-apprenticeship training in carpentry; community-based organizations to provide support services; and numerous employers to provide an opportunity for young people to apply, interview, and be considered for employment. Each year, OFS serves 120 young people and 80 percent of them successfully complete the program. On average, 75 percent earn a high school diploma or equivalent and 85 percent are placed into postsecondary education or career track employment. Using the youth crew, OFS has completed 220 homes, including both new construction and rehab. Development of affordable housing provides a unique opportunity for these young people to see tangible evidence of hard work and to develop marketable skills for the future. This project will provide an opportunity for OFS crews to continue the development of affordable housing, and allow the staff to focus on youth development and training rather than marketing and selling homes. It also allows WPHD to develop affordable housing and work to develop a new approach to identifying and assisting low income households in the City of Madison.

4. AGENCY GOVERNING BODY

How many Board meetings were held in 2011?	4
How many Board meetings has your governing body or Board of Directors scheduled for 2012?	4
How many Board seats are indicated in your agency by-laws?	12

Please list your current Board of Directors or your agency's governing body.

Name	Hal Bergan			
Home Address	714 Parman Terrace, Madison, WI 53711			
Occupation	Consultant			
Representing	Business			
Term of Office	2 years	From:	01/2011	To: 12/2012
Name	Michael Crowley, Jr.			
Home Address	503 Elkhart Lake Drive, Elkhart Lake, WI			
Occupation	President and CEO, Banking Industry			
Representing	Bank Mutual			
Term of Office	2 years	From:	01/2011	To: 12/2012
Name	Cory Nettles			
Home Address	233 E. Ravinia Baye Road, Milwaukee, WI 53217			
Occupation	Attorney			
Representing	Quarles & Brady LLP			
Term of Office	2 years	From:	01/2012	To: 12/2013
Name	James Sykes			
Home Address	625 North Segoe Road, Unit 908, Madison, WI 53705			
Occupation	Senior Advisor for Aging Policy			
Representing	University of Wisconsin, School of Medicine and Public Health			
Term of Office	2 years	From:	01/2012	To: 12/2013
Name	Rodney Tapp, Sr.			
Home Address	3109 Keswick Drive, Madison, WI 53719			
Occupation	Senior Vice President, Rental Housing Management			
Representing	Meridian Group, Inc.			
Term of Office	2 years	From:	01/2012	To: 12/2013
Name	Marissa Downs			
Home Address	6625 N Smoketree Pass, Appleton, WI 54913			
Occupation	Senior Vice President			
Representing	The Commonwealth Companies			
Term of Office	19 months	From:	05/2012	To: 12/2013
Name	Grace Jones			
Home Address	625 E. State Street S, Westby, WI 54667			
Occupation	Executive Director			
Representing	CouleeCAP			
Term of Office	19 months	From:	05/2012	To: 12/2013
Name				
Home Address				
Occupation				
Representing				
Term of Office		From:	mm/yyyy	To: mm/yyyy

AGENCY GOVERNING BODY cont.

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

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To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

AGENCY GOVERNING BODY cont.

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

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Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

Name

Home Address

Occupation

Representing

Term of Office

From: mm/yyyy

To: mm/yyyy

5. STAFF-BOARD-VOLUNTEER DEMOGRAPHICS

Indicate by number the following characteristics for your agency's current staff, board and volunteers.

Refer to application instructions for definitions. You will receive an "ERROR" until completing the demographic information.

DESCRIPTOR	STAFF		BOARD		VOLUNTEER	
	Number	Percent	Number	Percent	Number	Percent
TOTAL	6	100%	7	100%	0	0%
GENDER						
MALE	2	33%	5	71%	0	0%
FEMALE	4	67%	2	29%	0	0%
UNKNOWN/OTHER	0	0%	0	0%	0	0%
TOTAL GENDER	6	100%	7	100%	0	0%
AGE						
LESS THAN 18 YRS	0	0%	0	0%	0	0%
18-59 YRS	5	83%	3	43%	0	0%
60 AND OLDER	1	17%	4	57%	0	0%
TOTAL AGE	6	100%	7	100%	0	0%
RACE*						0
WHITE/CAUCASIAN	6	100%	5	71%	0	0%
BLACK/AFRICAN AMERICAN	0	0%	2	29%	0	0%
ASIAN	0	0%	0	0%	0	0%
AMERICAN INDIAN/ALASKAN NATIVE	0	0%	0	0%	0	0%
NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER	0	0%	0	0%	0	0%
MULTI-RACIAL:	0	0%	0	0%	0	0%
Black/AA & White/Caucasian	0	0%	0	0%	0	0%
Asian & White/Caucasian	0	0%	0	0%	0	0%
Am Indian/Alaskan Native & White/Caucasian	0	0%	0	0%	0	0%
Am Indian/Alaskan Native & Black/AA	0	0%	0	0%	0	0%
BALANCE/OTHER	0	0%	0	0%	0	0%
TOTAL RACE	6	100%	7	100%	0	0%
ETHNICITY						
HISPANIC OR LATINO	0	0%	0	0%	0	0%
NOT HISPANIC OR LATINO	6	100%	7	100%	0	0%
TOTAL ETHNICITY	6	100%	7	100%	0	0%
PERSONS WITH DISABILITIES	0	0%	0	0%	0	0%

*These categories are identified in HUD standards.

6. AGENCY EXPENSE BUDGET

This chart describes your agency's total expense budget for 3 separate years.

Where possible, use audited figures for 2011 Actual.

The subtotals for the 2012 BUDGET and 2013-14 PROPOSED must equal the amounts entered in the ACCOUNT CATEGORIES on the NonCityBudget and program budget worksheets. The "ERROR" message appears until the sum of the line items equals the amount of the subtotals that have aggregated from your NonCityBudget and program budget worksheets.

Account Description	2011 ACTUAL	2012 BUDGET	2013-14 PROPOSED
A. PERSONNEL			
Salary	369,150	376,403	387,696
Taxes	34,206	37,842	38,977
Benefits	38,920	37,870	39,006
SUBTOTAL A.	442,276	452,115	465,679
B. OPERATING			
All "Operating" Costs	138,988	99,679	102,699
SUBTOTAL B.	138,988	99,679	102,699
C. SPACE			
Rent/Utilities/Maintenance	65,072	61,086	58,438
Mortgage (P&I) / Depreciation / Taxes	0	0	0
SUBTOTAL C.	65,072	61,086	58,438
D. SPECIAL COSTS			
Assistance to Individuals	0	0	0
Subcontracts, etc.	0	0	0
Affiliation Dues	0	0	0
Capital Expenditure	0	0	0
Other: Development Cost of Goods Sold	1,685,693	1,157,377	1,604,000
SUBTOTAL D.	1,685,693	1,157,377	1,604,000
SPECIAL COSTS LESS CAPITAL EXPENDITURE	1,685,693	1,157,377	1,604,000
TOTAL OPERATING EXPENSES	2,332,029	1,770,257	2,230,816
E. TOTAL CAPITAL EXPENDITURES	0	0	0

7. PERSONNEL DATA: List Percent of Staff Turnover

12.5%

Divide the number of resignations or terminations in calendar year 2011 by total number of budgeted positions.

Do not include seasonal positions. Explain if you had a 20% or more turnover rate in a certain staff position/category.

Discuss any other noteworthy staff retention issues, or policies to reduce staff turnover.

600 characters (with spaces) (6 lines max.)

AGENCY OVERVIEW

COMMUNITY DEVELOPMENT DIVISION

8. PERSONNEL DATA: Personnel Schedule

a. Personnel Schedule

List each staff position by title. Seasonal Employees should be entered in seasonal section. Indicate if the position meets the Living Wage Exception with an asterisk (*). Indicate the number of 2013 Proposed Full-Time Equivalents (FTEs) in each staff position, across all agency programs. Indicate the total salaries for all FTEs in that staff position. Do NOT include payroll taxes or benefits in this table.

Indicate base hourly wage for each position. All positions in city funded programs must meet City Living Wage requirements.

The Madison Living Wage for 2013 will be \$12.19 (hourly).

Staff Position/Category	2012		2013-14		2013-14 PROPOSED FTEs DISTRIBUTED BY PROGRAM									
	Est. FTE	Est. Salary	Proposed FTE	Proposed Salary	Hourly Wage	A	B	C	D	E	F	G	H	Non-City
						FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Executive Director	0.50	52,692	0.50	54,273	52.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Deputy Director	1.00	79,498	1.00	81,883	39.37	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
Chief Financial Officer	1.00	66,977	1.00	68,986	33.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Project Manager	0.60	31,179	0.60	32,114	9.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60
Assistant Project Manager	1.00	42,025	1.00	43,286	20.81	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
Program Assistant	1.00	33,502	1.00	34,507	16.59	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	5.10	305,873	5.10	315,049		0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.80
				TOTAL PERSONNEL COSTS:										
					315,049									

COMMUNITY DEVELOPMENT DIVISION

AGENCY OVERVIEW

CITY OF MADISON

b. Seasonal Employees

	Nbr of Weeks	Total Hours	Hourly Wage	Seasonal Earnings	A # HRS	B # HRS	C # HRS	D # HRS	E # HRS	F # HRS	G # HRS	H # HRS	Non-City # HRS
Seasonal/Project Employee ONLY	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Operation Fresh Start

Member YouthBuild Affiliated Network

Building Lives

1925 Winnebago Street
Madison, WI 53704
www.operationfreshstart.org

Phone: 608-244-4721
Fax: 608-244-8162
TTY: 608-245-3305

Dear CDBG Committee Member,

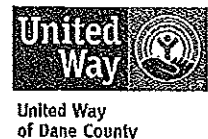
Operation Fresh Start is a partner in the Wisconsin Partnership for Housing Development (WPHD) application to the City of Madison Community Development Block Grant application process. This partnership application allows both organizations to focus on what they do best. Although Operation Fresh Start has over forty years of experience in housing development, the organizations central mission is developing young adults. WPHD's mission is the development of affordable housing.

The Achievement Gap and Housing:

Over the last year the City of Madison has been grappling with "the achievement gap." The achievement gap is measured in the number of youth of color that drop out of school and do not have employability skills. Operation Fresh Start provides a path out of the gap for 120 youth a year. This is a path towards attaining High School education and self sustaining employment. This is also a path towards housing security.

- Forty percent of Operation Fresh Start participants would be homeless if not for the living stipend supplied to them as participants with Operation Fresh Start.
- Each High School dropout costs a community over \$254,000 over their lifetime.
- Every Operation Fresh Start participant qualifies for rent subsidies or other housing assistance.

Through providing a path out of the achievement gap, Operation Fresh Start also significantly reducing the housing gap in Madison. Over 70% of Operation Fresh Start graduates obtain





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employment or go on to post secondary education into a career field that will pay a Madison living wage.

The Solution:

The inclusion of Operation Fresh Start in this proposal not only makes it feasible for WPHD to develop the houses as Operation Fresh Start brings over \$200,000 in additional program funding to each house. It also allows CDBG funding to have a much greater impact on affordable housing than the building of one house. Each house is a work platform for 15 to 20 youth.

These are fifteen youth that currently are housing insecure but through Operation Fresh Start's program will gain the skills necessary to gain employment and housing security for a lifetime. This application allows each organization to focus on what they do best while providing fifteen times greater impact on Madison's affordable housing issue than an applicant that does not include the Operation Fresh Start training element.

Sincerely,

Gregory Markle
Executive Director

