

2010 STAFF REVIEW OF PROPOSALS FOR HOUSING DEVELOPMENT RESERVE FUNDS

- 1. **Project Name/Title:** 738 E Dayton St
- 2. **Agency Name:** Madison Development Corporation (MDC)
- 3. **Requested Amount:** \$250,000
- 4. **Project Type:**      x New or      Continuing (Prior Year Level     )

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

Goal 1, Affordable Housing Objective D: Rental Housing

6. **Product/Service Description:**

MDC proposes to acquire and rehabilitate an existing 16 unit apartment building at 738 E. Dayton St. All 16 efficiency apartments would be leased to households at 50% CMI. All apartments are occupied. No current tenants will be displaced. The apartments and common areas are in need of repair.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

16 households with incomes at or below 50% of CMI will be assisted.

8. **Staff Review:**

MDC plans to acquire the building at 738 E. Dayton St and rehab. the common areas and units. Common area rehab. items include repair and replacement of window sills, exterior paint, landscaping, replace common area flooring, repair/replace drain tile. In addition, MDC is budgeting \$2,500 per unit for rehab. within the apartments.

No current tenants will be displaced. MDC expects that most current tenants have incomes below 50% CMI.

At their meeting on August 18 the Tenny Lapham Neighborhood Association passed a motion to welcome MDC to the neighborhood.

This project will be funded with a combination of funds from the MDC revolving loan fund made up of CDBG Program Income funds with the balance up to a total of \$250,000 coming from HOME Match funds. The number units designated as affordable is estimated at 6 units although MDC plans to keep the rents for all units affordable to tenants with incomes at less than 50% CMI.

**Total Cost/Total Beneficiaries Equals:** \$770,000/16 units = \$48,125 per unit

**CD Office Funds/CD-Eligible Beneficiaries Equals:** \$250,000/6 = 41,667 per household

**CD Office Funds as Percentage of Total Budget:** \$250,000/770,000 = 33% total budget

9. **Staff recommendation:**

Approve up to \$250,000 in funds from a combination of CDBG Program Income and HOME Match funds under the terms of the 2009-2010 Program Funding Framework.

<b>Technical and Regulatory Issues</b>	<b>Project information</b>
Within unit, capital, mortgage limits	TBD
Within Subsidy layering limits	Must be done
Environmental Review issues	ERR must be completed
Eligible project	Eligible
Conflict of interest	None reported
Church/State issues	Not applicable
Accessibility of program	OK
Accessibility of structure	NA – no substantial rehab
Lead-based paint issues	Will need to comply
Relocation/displacement	Will need to comply
Zoning restrictions	Will need to comply
Fair Labor Standards	Will not apply
Vulnerable populations	Will Need to comply
Matching Requirement	NA
Period of Affordability for HOME funds	Units will meet HOME Affordability requirements up to 15 years
Supplanting issues	None
Living wage issues	Will need to comply
B.A.D. building process	NA
MBE goal	TBD depending on the type of funds used and amount of rehab.
Aldermanic/neighborhood communication	In process
Management issues:	None