

Affordable Housing Trust Fund Application

Applications should be submitted electronically to the City of Madison Community Development Division by **4:00 p.m. ON FRIDAY, AUGUST 10, 2012.**

ORGANIZATION INFORMATION

Project Title	Mosaic Ridge	Amount Requested	\$180,000
Name of Organization	Community Development Authority of the City of Madison		
Mailing Address	215 Martin Luther King Jr. Blvd. Rm 312 Madison WI 53703.		
Telephone	608 267-1992		
FAX	608 261-6126		
Admin Contact	Andrea Freedman	email address	afreedman@cityofmadison.com
Project Contact	Natalie Erdman	email address	nerdman@cityofmadison.com
Financial Contact	Natalie Erdman	email address	nerdman@cityofmadison.com
Website			
Legal Status	<input type="checkbox"/> Private <input type="checkbox"/> Non-Profit		
Federal EIN	39-6006968		
DUNS #	076147909		

Does your organization meet the definition of a Small Business Enterprise which includes small businesses, women owned business or minority owned business? Yes No

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the 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 <http://www.cityofmadison.com/dcr/aaplans.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.

LOBBYING REGULATED

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000.

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.

SIGNATURE

Enter Name: Natalie Erdman

By entering your initials in the box NLE you are electronically signing your name as the submitter of the application and agree to the terms listed above

Date: August 10, 2012

APPLICANT

Please describe applicant's mission, program and years in existence. Including your organizations staffing and budget:

The Community Development Authority of the City of Madison ("CDA") is a community development authority created by ordinance to carry out economic and redevelopment initiatives. The CDA is empowered to perform two primary functions; to act as a housing authority pursuant to Housing Authority Law and to act as a redevelopment authority pursuant to the State of Wisconsin Redevelopment Authority Act. As a housing authority it is empowered to provide for the clearance, planning and reconstruction of areas where unsafe housing exists and to provide safe and sanitary dwelling accommodations for persons of low income. As a redevelopment authority, the CDA is empowered to provide for the elimination and prevention of substandard, deteriorated and blighted areas through redevelopment and other activities. In addition, the CDA may exercise its powers for financing, planning, owning, constructing or operating housing developments.

The CDA may not construct or operate a housing development for profit or as a revenue source for the City.

The CDA was created by ordinance in 1979; however, prior to 1979 it operated as the Madison Housing Authority ("MHA") and the Madison Redevelopment Authority ("MRA") performing housing and redevelopment activities in the City of Madison. MHA was created in 1945 and MRA was created in 1958.

The CDA is staffed by an Executive Director (Natalie Erdman) and a Deputy Director (Percy Brown) who are employees of the City of Madison. All other staff services necessary to carry out its programs and projects are provided by the City of Madison under a contract by and between the City and the CDA. Approximately 40 City of Madison employees participate in the operation and management of approximately 800 public housing units and the allocation of 1600 Section 8 rental assistance vouchers .

The CDA owns and manages more than a 1,000 units of affordable housing. It's operating budget for redevelopment work and housing management is more than \$20 Million a year.

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.

In 2007, the City of Madison appointed the CDA as the master developer of 11.5 acres on Allied Drive. In 2009, the CDA completed the first phase of redevelopment with construction of Revival Ridge, an apartment building with 49 very affordable apartments. Phase II of the Allied Drive Redevelopment Plan calls for construction of up to 24 single family homes ("Mosaic Ridge"). One third of the homes are to be affordable to families at or below 50% of the area median income. One third are to be affordable to families with incomes between 50% and 80% of the area median income and one third will have no income restriction.

The CDA will be identifying, screening, and contracting with buyers prior to constructing of a home. We will not be building speculative homes. An outreach program will be developed to recruit home buyers from the Allied neighborhood prior to extending marketing and outreach to other areas. Home Buyer Education and Readiness training will be provided by the CDA and required of any purchaser taking advantage of CDA financing or City of Madison down payment assistance.

A team of experienced professionals has been assembled to work with home buyers (many of whom are expected to be first time buyers). Green Path will lead the Home Buyer Education and Readiness program. Destree Design Architects, Inc. will provide construction documents for three homes. Kegonsa Builders will build the homes and provide realtor services. Anchor Bank and BMO Harris will act as preferred lenders providing commitments for end loans.

Homes range from a two bedroom/ one bath of approximately 1,000 s.f. to six bedroom/three bath of approximately 2,400 s.f.

The CDA feels that the revitalization efforts on Allied Drive need to rebalance the ratio of rental housing to ownership while also increasing in the overall quality of housing available. The goal of Mosaic Ridge is to add opportunities for home ownership which should increase the stability of the Allied community.

The CDA is seeking Affordable Housing Trust Funds (AHTF) to partially fund a construction loan fund for low and moderate income buyers at Mosaic Ridge. The AHTF will be coupled with CDA cash to provide construction financing for Mosaic Ridge buyers that (1) income qualify, (2) have completed Home Buyer Education and Readiness Training and (3) have obtained a financing commitment from one of the CDA's preferred lenders. The CDA will provide construction financing for up to three families at a time; however the loan fund will revolve. We expect to assist approximately six families over a three year period.

AHTF PRIORITIES

Please check which of the following objectives outlined in the Request for Proposals your proposal meets:

- Reduce the number of foreclosures or foreclosed properties
- Assist or create housing in areas with poor quality housing, high cost housing or negative neighborhood image
- Assist or create workforce housing
- Reduce the number of individuals who are homeless

AFFORDABLE HOUSING NEEDS

Please describe your knowledge of and experience in identifying the affordable housing needs of the City and the impact on the community.

As the housing authority and redevelopment authority of the City of Madison, the CDA has over 40 years of experience working on housing for low and moderate income people, assessing the housing needs of the City by neighborhood and implementing plans and initiatives to improve affordable housing in the City. While the CDA is a separate legal entity from the City of Madison, it has full access to the resources of the City including expertise in Community Development, Planning and Economic Development.

PROPOSED PROJECT GOALS

Please provide the total number of units in the project, the number of affordable units in the project and the number of units assisted with requested funds in the project.

Mosaic Ridge will provide for twenty-four (24) homes of which sixteen (16) will be affordable to low and moderate income families. The requested AHTF will assist approximately six families.

SERVICES INCLUDED IN PROPOSED PROJECT

Please describe any services (such as housing counseling or senior support) provided to the residents in this project.

The CDA in conjunction with Green Path has created a Home Buyer Education and Readiness (HBER) Program that will be required of any family choosing to take advantage of CDA of City financing at Mosaic Ridge. The program will be free of charge and will include community outreach, one on one credit counseling, budget review, and screening for mortgage readiness. Participants that are mortgage ready will be provided with a six hour HBER program. Those participants that have barriers to obtaining financing such as poor credit history, no credit history or lack of downpayment will be encouraged to sign up for a 12 month HBER program that will include monthly classes, coaching and quarterly meetings with credit counselors.

The CDA will have a team of qualified parties (architect, traditional lenders, subordinate lenders, contractor, and realtor) to provide a "one-stop-shop" for home buyers. Team members will assist buyers with understanding the home building and buying process, selection of finishes, down payment assistance and end loans.

POPULATION SERVED

Please describe the population you intend to serve (e.g., families, seniors, individuals with a disability).

Mosaic Ridge has the ability to serve families, seniors and individuals with disabilities. Home plans for large families are available. Home plans for smaller homes that are accessible and appropriate for either seniors or people with disabilities are also available. Design services will be available to modify homes for the special needs of a buyer.

LOCATION

Please identify the specific site address or target neighborhood and indicate why this site was chosen. Describe the neighborhood and surrounding community. Attach location map indicating project location. Identify if a market study has been done and if so, summarize the findings.

The property is located on Allied Drive and Dunns Marsh Terrace in the Allied Dunns Marsh Neighborhood. The site was chosen as part of a greater Allied Drive Neighborhood Redevelopment Initiative. Older blighted rental properties were taken down and a plan for a mix of rental housing and homeownership was planned for the area. Mosaic Ridge is the second phase of a three phase redevelopment plan and adds quality home ownership opportunities to a neighborhood that has a high proportion of affordable rental housing and suffers from high levels of transience.

What was the response of the alderperson of the district to this project?

The alderperson was integrally involved in the creation of the Allied Drive Neighborhood Redevelopment Plan. He is regularly informed of progress through monthly presentations to the Allied Area Task Force on which he sits and is supportive of the efforts to bring affordable home ownership opportunities to the residents of the Allied Neighborhood.

MARKETING

Please describe your marketing and rent up or home purchase plan.

The CDA will start with outreach to residents of the neighborhood. The outreach will be done through communication with local community groups such as the Allied Dunns Marsh Neighborhood Association, Allied Area Task Force, Allied Welcomers, Mom's in the Neighborhood, Allied Community Coop and the local JFF worker. There will be at least two community meetings where the CDA will present the Mosaic Ridge home purchase program and encourage residents to sign up for credit screening with Green Path.

Marketing materials will include a web-site, site sign, brochure, rendered site plan and marketing home plans.

Once the neighborhood residents have had an adequate opportunity to participate, the CDA will broaden its outreach to other community organizations that serve areas greater than the Allied Neighborhood but have contact with low and moderate income families

Eventually, Mosaic Ridge will be marketed in a traditional manner for single family subdivisions.

PROJECT ACTIVITIES

Please describe activities/benchmarks by timeline to illustrate how your project will be implemented (such as acquisition, finance closing, start of construction, end of construction, available for occupancy, rent-up; etc).

Activity/Benchmark	Estimated Month/Year of Completion
Acquisition and Infrastructure Construction	Done
Neighborhood Outreach and Marketing	Sept 2012 continuing until lots are sold
Land Use Approvals	Nov 2012
Lots Available for Sale	January 2013
Start of construction is dependant on having a qualified buyer with an end loan commitment	
End of construction is eight to nine months after start	
Duration of subdivision build out is dependant on the market	

PUBLIC PURPOSE AND RISK

Please describe the public purpose of your project and the risks associated with the project.

Mosaic Ridge is the continuation of efforts on Allied Drive to address neighborhood instability as indicated by concentrations of poverty, crime, and high resident turnover. Single family home ownership will provide a more stable resident base which we hope will address some of the issues in the neighborhood.

Neighborhood reputation, softness in the single family home market, and the limited number of qualified buyers will all affect our ability to sell homes. If after thoughtful efforts with a qualified team, we are unable to find qualified buyers we will need to reassess the program. We also have a risk that those families interested in buying a home do not have the ability (financial or experience) to be successful long term home owners. We are increasing the probability of long term successful home ownership through our Home Buyer Education and Readiness Program.

The Mosaic Ridge construction loan fund is needed to address a gap in available construction financing for low income home buyers. Our preferred lenders have construction loan programs available; however, the cash required for existing loan products will be prohibitive to our low income buyers. The CDA's risks to repayment of the construction loans are (1) failure to complete the home on time, and (2) change in the buyers financial strength during the term of the construction loan that limit their ability to close on the end loan. Having an experienced qualified contractor addresses the first risk. Having good a Home Buyer Education and Readiness Program and limiting the number of construction loans to three at any time mitigate the second risk. To the extent a buyer's financial status changes during construction and the buyer is unable to close on the end loan, the CDA would be forced to hold the house and market it to a third party.

EXPERIENCE AND CAPACITY

Please describe your organizations affordable housing development experience, qualifications of proposed project staff, financial capacity of your organization to secure financing and to complete your proposed project and past performance that will contribute to the success of the proposed program. List how many affordable housing units your organization has created in the past five years. If you have provided property management in the past, please describe your experience including number of years experience, number of units managed and performance record.

The CDA's affordable housing development experience goes back approximately 30 years to its work in the West Broadway Redevelopment District. On West Broadway aka Lake Point, the CDA implemented a neighborhood revitalization strategy that included the financing and redevelopment of 104 apartments. The implementation of the redevelopment plan also called for a reduction in density and the creation of affordable ownership opportunities. Since that time the CDA has financed and developed Burr Oaks Senior Housing (50 units of affordable housing for Seniors), Revival Ridge (49 affordable apartments for families) and began redevelopment at Truax Park with renovation of 71 public housing apartments.

The CDA has secured financing of approximately \$50 Million to further its development activity.

Natalie Erdman will lead the team for Mosaic Ridge. The team includes staff from the City of Madison's Office of Economic Revitalization and Housing Operations as well as consultants that have experience with Home Buyer Education and Readiness, Architecture and Design, and Home Building and Sales. Natalie has more than 25 years of real estate finance and development experience which includes the finance and development of rental properties, for sale housing and affordable housing. The principals of Kegonsa Builders have been developing real estate for more than 45 years and have built and sold more than 1,000 new, single family, homes in Dane County. Kegonsa Builders has specialized in working with entry level home buyers. Chris Engstrom, the Kegonsa project manager for Revival Ridge has worked for Kegonsa Builders for 17 years.

The CDA has financed, developed or renovated close to 200 affordable dwelling units in the past five years.

The CDA owns and manages over 1,000 apartments for very low income families and administers rental assistance for approximately 1600 very low income families. In addition, we have assisted 24 families with the purchase of housing using a Section 8 voucher for loan payments. On the lending side, we provide approximately 50 low and moderate income families with down payment assistance each year. Our organization has been providing housing for low income families for more that 40 years.

Please provide qualifications and relevant contact information for all members of your development team. Indicate, if any, qualify as a Small Business Enterprise.

Name	Relationship	Email Address	Phone
Ellen Bernards/Green Path	Home Buyer Education and Readiness	ebernards@greenpath.com	608 576-8658

Chris Engstrom/Kegonsa Builders	Builder	cengstrom@kegonsabuilders.com	608 205-3245
Susan Day/Anchor Bank	Lender	sday@anchorbank.com	608 252-8815

PERIOD OF AFFORDABILITY

Please describe the period of affordability (income and rent restricted) for your project.

There will be no long term land use restriction requiring affordability; however, CDA downpayment assistance for income qualified families will be structured as a soft second mortgage with a zero interest rate. The loan will amortize over 10 years on a straight line basis with the balance due upon transfer of the property to a third party.

REFERENCES

Please list at least three references whom are familiar with your affordable housing work.

Name	Relationship	Email Address	Phone
Tom Landgraf/Dimension Development	Consultant	tom@dimdevllc	608 442-0006
David Porterfield/Movin Out	Affordable Housing Developer	dp@movin-out.org	608 251-4446 x8
Bill Boerigter/WHEDA	Lender	bill.boerigter@wheda.com	608 267 1450

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PLEASE COMPLETE THIS SECTION IF PROPOSING A RENTAL HOUSING PROJECT (Skip to Page 11 if proposing a ownership project)

1. Provide the following information for rental housing projects (list each address with unit number separately).

Address/Unit Number	# Bedrooms	Req. Amount of AHTF \$	Projected Income Category* To be Served	Projected Monthly Unit Rent	Includes Utilities?

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

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

- Incorporates accessibility features
- Incorporates energy efficiency features
- Involves lead paint removal
- Involves asbestos removal

Please describe the level of accessibility that you plan to provide.

3. Please describe the energy efficient features you plan to provide and indicate the resulting monthly utility saving to the renter or owner.

4. For projects that include rehabilitation, have you completed a capital needs plan for this property? Describe.

5. Please describe the proposed terms of the AHTF loan you are requesting.

6. If your proposal includes new construction, please check one of the following: Housing is located in an area that does not have a high concentration of low-income housing.

Housing is part of a larger neighborhood revitalization effort.

7. Real Estate Project Data Summary

Enter the site address (or addresses) for the proposed project and answer the identified questions by column for each address site.

# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	Appraised Value Current	Appraised Value After Project Completion	Purchase Price or Construction Cost	Accessible Current?	Post-Project Accessible?
Address:								

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	Appraised Value Current	Appraised Value After Project Completion	Purchase Price or Construction Cost	Accessible Current?	Post-Project Accessible?
Address:									
Address:									
Address:									
Address:									

CAPITAL BUDGET

8. Enter the proposed project capital budget. Identify the financing 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 AHTF (P), \$120,000 from Anchor Bank @5% interest/15 years (C).

	TOTAL	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms
Acquisition Costs:							
Acquisition	0						
Title Insurance and Recording	0						
Appraisal	0						
Predvlpmnt/feasibility/market study	0						
Survey	0						
Marketing	0						
Relocation	0						
Other (List)	0						
Construction:							
Construction Costs	0						
Soils/Site Preparation	0						
Construction Mgmt	0						
Landscaping, Play Lots, Signage	0						
Construction Interest	0						
Permits; Print Plans/Specs	0						
Other (List)	0						
Fees:							
Architect	0						
Engineering	0						
Accounting	0						
Legal	0						
Development Fee	0						
Leasing Fee	0						
Other (List)	0						
Project Contingency:							
Furnishings:	0						
Reserves Funded from Capital:	0						
Operating Reserve	0						
Replacement Reserve	0						
Maintenance Reserve	0						
Vacancy Reserve	0						
Lease Up Reserve	0						
Other: (List)	0						
TOTAL COSTS:	0	0		0		0	

9. Total Project Proforma

Enter total Revenue and Expense information for the proposed project for a 30 year period of affordability.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue:															
Gross Income															
Less Vacancy/Bad Debt															
Income from Non-Residential Use*															
Total Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses:															
Office Expenses and Phone															
Real Estate Taxes															
Advertising, Accounting, Legal Fees															
Payroll, Payroll Taxes and Benefits															
Property Insurance															
Mtc, Repairs and Mtc Contracts															
Utilities (gas/electric/fuel/water/sewer)															
Property Mgmt															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Other (List)															
Total Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service:															
First Mortgage															
Second Mortgage															
Other (List)															
Total Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual Cash Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Reserve															
Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

Enter total Revenue and Expense information for the proposed project for a 30 year period of affordability.

	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Revenue:															
Gross Income															
Less Vacancy/Bad Debt															
Income from Non-Residential Use*															
Total Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses:															
Office Expenses and Phone															
Real Estate Taxes															
Advertising, Accounting, Legal Fees															
Payroll, Payroll Taxes and Benefits															
Property Insurance															
Mtc, Repairs and Mtc Contracts															
Utilities (gas/electric/fuel/water/sewer)															
Property Mgmt															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Other (List)															
Total Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service:															
First Mortgage															
Second Mortgage															
Other (List)															
Total Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual Cash Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Reserve															
Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Assumptions

Vacancy Rate	%
Annual Increase	%
Other	

PLEASE COMPLETE THIS SECTION IF PROPOSING AN OWNER-OCCUPIED HOUSING PROJECT

1. Real Estate Project Data Summary

# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	Appraised Value Current	Appraised Value After Project Completed	Purchase Price or Construction Cost	Accessible Current?	Post-Project Accessible?
Address: 2347 Allied Drive--the approved plat will allow for up to 24 single family homes to be constructed. The land is owned and improved								
0	24	0	0	Unknown--Land only	Unknown	Varied	NA	As needed
Address: Average Home at Mosaic Ridge								
0	1	0	0	land only unknown	\$200,000	\$200,000 purchase price and \$163,000 construction cost	no	If needed
Address:								
Address:								
Address:								
Address:								

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

Address/Unit Number	# Bedrooms	Req. Amount of AHTF \$	Projected Monthly PITI	Projected Income Category* to be served	Sale Price to Home Owned
2 Bedroom/1 Ba 1,000 s.f.	2	60,000	Interest only during construction of \$137.50 per month	50% or below	\$193,000 with approximately \$50,000 of down payment assistance
2 Bedroom/1 Ba 1,000 s.f.	2	60,000	Interest only during construction of \$137.50 per month	50% to 80%	\$193,000 with approximately \$35,000 of downpmt assistance
Four Bedroom/2 Ba 1,600 s.f.	4	60,000	Interest only during construction of \$137.50 per month	50% or below	\$205,000 with approx. \$50,000 of downpayment assistance
Four Bedroom/2 Ba 1,600 s.f.	4	60,000	Interest only during construction of \$137.50 per month	50% to 80%	\$205,000 with approximately \$35,000 of downpayment assistance
Three Bedroom/1.5 ba 1450 s.f.	3	60,000	Interest only during construction of \$137.50 per month	50% or below	\$200,000 with approx. \$50,000 of down payment assistance
Three Bedroom/1.5 ba 1450 s.f.	3	60,000	Interest only during construction of \$137.50 per month	50% to 80%	\$200,000 with approximately \$35,000 of downpayment assistance

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

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

- Incorporates accessibility features
- Incorporates energy efficiency features
- Involves lead paint removal
- Involves asbestos removal

Please describe the level of accessibility that you plan to provide.

Accessibility specific to the buyer's needs will be incorporated into home plans prior to the start of construction.

4. Please describe the energy efficient features you plan to provide and indicate the resulting monthly utility savings to the home-owner.

CDA homes at Mosaic Ridge will be Wisconsin Green Built Certified and Wisconsin Focus on Energy New Homes Program Certified which generally produces a home that is 25% more efficient than homes that meet minimum code requirements. Insulation will provide for a ceiling with R-50 rating, exterior walls and box sill of R-21. Furnace will be a minimum of 96% efficient and air conditioner will be a minimum of 14 seer. Thermostats will be programmable. Appliances will be Energy Star compliant.

5. Please describe the proposed terms of the AHTF loan you are requesting.

The CDA is seeking Affordable Housing Trust Funds (AHTF) to partially fund a construction loan fund for low and moderate income buyers at Mosaic Ridge. The AHTF will be coupled with CDA cash of approximately \$365,000 to create a \$545,000 revolving, construction loan fund (the "Mosaic Ridge Loan Fund"). The Mosaic Ridge Loan Fund will provide construction financing for up to three income qualified Mosaic Ridge buyers at any time. Buyers will have to completed Home Buyer Education and Readiness Training and obtained a financing commitment from a CDA preferred lenders. Additional underwriting criteria will be established by staff and approved by the CDA Board.

The Mosaic Ridge Loan Fund will be administered by the City of Madison Office of Economic Revitalization with the assistance of the employees that currently administer the Home Buy Loan, Homebuyer's Assistance and Deferred Payment Loan programs.

The CDA is requesting a loan from the AHTF in the amount of \$180,000 with simple interest of 2.75% and balloon payment due at the end of three years. We expect that the funds will revolve once during the three year period allowing us to serve up to six families over a three year term.

6. Enter the proposed project capital budget. Identify the financing 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 AHTF (P), \$120,000 from Anchor Bank @5% interest/15 years (C).**

	TOTAL	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms
Acquisition Costs:							
Acquisition	30000	30000	Downpmt Assist	note that this proforma is for an average home	Lots are owned and cost of infrastructure has been paid		
Title Insurance and Recording	0						
Appraisal	0						
Predvlpmnt/feasibility/market study	0						
Survey	0		CDA Operations				
Marketing	0		CDA Operations				
Relocation	0	0					
Other (List)							
Closing costs Appraisal , Title Etc	4000	4000	Downpmt Assist				
Construction:							
Construction Costs	163,000	163,000	Mosaic Ridge Const. Loan Fund				
Soils/Site Preparation	0	0					
Construction Mgmt	0	0					
Landscaping, Play Lots, Signage	0	0					
Construction Interest	1100	1100	Mosaic Ridge Const. Loan Fund				
Permits; Print Plans/Specs	0		In construction cost				
Other (List)							
	0						
Fees:							
Architect	1000	1000	Mosaic Ridge Const. Loan Fund				
Engineering	0		CDA Operations				
Accounting	0						
Legal	0						
Development Fee	0						
Leasing Fee	0						
Other (List)							
Soft Costs	1200	1200	Downpmt Assist				
Project Contingency:							
Furnishings:	0						
Reserves Funded from Capital:	0						
Operating Reserve	0						
Replacement Reserve	0						
Maintenance Reserve	0						
Vacancy Reserve	0						
Lease Up Reserve	0						
Other: (List)							
	0						

TOTAL COSTS:

200,300	200,300
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0

0
