

Application for Neighborhood and Community Development Funds

Submit original and 15 complete copies of this application to the CDBG Office by 4:30 p.m. on the 15th of the month, to be reviewed by the CDBG Committee on the first Thursday of the following month. **When possible, please duplex your original and copies and send an electronic version to the assigned project manager (if known).**

Program Title: <u>Cherokee Prairie Senior Housing</u>	Amount Requested: \$ <u>345,000</u>
Agency: <u>Independent Living, Inc.</u>	Tax ID/EIN/FEIN: <u>39-1186642</u>
Address: <u>815 Forward Drive</u>	DUNS #: <u>07-116-21-27</u>
Contact Person: <u>Rita Giovannoni</u>	Telephone: <u>(608) 274-7900</u>
Email: <u>rgiovannoni@indepnliving.com</u>	Fax: <u>(608) 274-9181</u>

1. **Program Abstract:** Provide an overview of the project. Identify the community need to be addressed. Summarize the program's major purpose in terms of need to be addressed, the goals, procedures to be utilized, and the expected outcomes. Limit response to 150 words.

Independent Living, Inc. seeks CDBG Rental Housing funds to acquire and construct 42 units of affordable rental housing for older adults. The CDBG funding will support the development of Phase I of an anticipated three phase project. Phases II & III will add an additional 58 units of independent apartments and 48 units of both assisted living and memory care apartments. When complete the project will be comprised of 148 units of rental housing. This housing is intended to address the limited supply of service supported housing options for older adult residents of the North Side neighborhoods. A recently conducted market study indicates that "the proposed development is feasible from a market perspective, and a market exists for the development as proposed. The prospect for long-term performance of the property is positive given the housing, demographic trends, and economic factors."

The age appropriate and service enriched independent and assisted housing offered will programmatically focus on an innovative health and wellness connectivity to the Cherokee Club Fitness center and nearby community center for additional programming. ILI has a particular interest in designing campus programming with specific focus on falls prevention for its resident population with personalized supports to improve strength, balance and nutrition to forestall and/or significantly reduce the incidence of falls in this population. Social, volunteer, meal and other support programs, as well as additional transportation services will be available to residents based on their interests and needs.

2. **Target Population:** Identify the projected target population for this program in terms of age, residency, race, income eligibility criteria, and other unique characteristics or sub-groups.

The target population for Cherokee Prairie Senior Housing is moderate and low-income, older adults 55+ seeking rental housing that offers a continuum of community including basic service support such as weekly meals, housekeeping services, fitness programming to round the clock assisted living and care for residents with a diagnosis of dementia or Alzheimer's disease.

222 # unduplicated individuals estimated to be served by this project.

148 # unduplicated households estimated to be served by this project.

3. Program Objectives: The 5-Year Plan lists 9 project objectives (A through N). Circle the one most applicable to your proposal and describe how this project addresses that objective.

- | | |
|---|--------------------------------|
| A. Housing – Existing Owner-Occupied | G. Neighborhood Civic Places |
| B. Housing – For Buyers | K. Community-based Facilities |
| C. Housing – Rental Housing | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise | |

C. Housing – Rental Housing

Cherokee Prairie Senior Housing will provide 148 environmentally sustainable, affordable rental units of service-supported senior housing for older adults. The North side planning area which includes the Northport, Warner Park, Sherman Avenue, and Cherokee neighborhoods are getting older experiencing a 6% increase in persons 65 or older from 1990 to 2000. The most populous age group is now 45-60 years of age. Those residents 65 years of age and older are some of the most economically dependent. “As this (45-60 age) population segment continues to age...there will be a much greater demand for senior services” (Neighborhood Plan 2009). Demographically, the Northside area is more ethnically diverse than other parts of Madison and has a somewhat lower median income” (Northside Market Analysis, 2008).

The planned Cherokee Prairie Senior Housing development is to be located just off Wheeler Road in proximity to St. Peter Catholic Church and the Cherokee Club driving range on Wheeler Road. Plans for the housing include an emphasis on “green” building with an ultimate goal of LEED certification. Independent Living, Inc., the developer, has a history of incorporating active living and lifelong learning in each of its three other senior facilities. Cherokee Prairie offers a unique opportunity for collaboration with the professional staff of Cherokee Fitness Center to introduce a “seniors” level of health and fitness activities within the facility and lifelong learning in its housing environment.

In addition to providing experienced, quality services for the older adult residents, the development of Cherokee Prairie will bring additional high quality jobs to the North Side community. Initial impact will be with employment in the trades as part of the construction process through the three phases of the project. Long term it is expected that 30-40 FTE positions will be created. Additionally, as older adult homeowners move into Cherokee Prairie to enjoy a community of their peers, take part in fitness and other activities and receive the services needed as they age, such relocations free up housing stock for sale or rent by younger, first-time buyers in the area.

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

- | | | | | | |
|-----------------------|-------------------------------------|--|----------|--------------------------|----------------------------|
| Acquisition/
Rehab | <input type="checkbox"/> | New Construction, Acquisition,
Expansion of Existing Building | Futures | <input type="checkbox"/> | Prototype |
| | <input type="checkbox"/> | Accessibility | | <input type="checkbox"/> | Feasibility Study |
| | <input type="checkbox"/> | Maintenance/Rehab | | <input type="checkbox"/> | Revitalization Opportunity |
| | <input type="checkbox"/> | Other | | <input type="checkbox"/> | New Method or Approach |
| Housing | <input checked="" type="checkbox"/> | Rental Housing | Homeless | <input type="checkbox"/> | Housing |
| | <input type="checkbox"/> | Housing For Buyers | | <input type="checkbox"/> | Services |

5. **Budget:** Summarize your project budget by estimated costs, revenue, and fund source.

EXPENDITURES	TOTAL PROJECT COSTS	AMOUNT OF CD REVENUES	AMOUNT OF NON-CD REVENUES	SOURCE OF NON-CD FUNDED PORTION
A. Personnel Costs				
1. Salaries/Wages (attach detail)				
2. Fringe Benefits				
3. Payroll Taxes				
B. Non-Personnel Costs				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:				
C. Capital Budget Expenditures (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:	\$7,219,248	\$345,000	6,874,248	Bond/Commercial Financing & Grants
D. TOTAL (A+B+C)	\$7,219,248	\$345,000	6,874,248	

6. **Action Plan/Timetable**

Estimated Month of Completion
(If applicable)

Describe the major actors and activities, sequence, and service location, days and hours which will be used to achieve the outcomes listed in # 1.

Use the following format:
(Who) will do (what) to (whom and how many) (when) (where) (how often). A flowchart may be helpful.

Cherokee Prairie – Project Timeline – Revised 6/30/2010

Activity	Responsible	Timeframe	Status
1. Board presentation/updates	CEO/Development Mgr	On going May & Aug 2009 Feb, Mar, May 2010 Aug, Nov, Dec 2010	Done Done In Process
2. Board updates incl. Land Land offer, concept plans	CEO/Development Mgr	Mar. – April 2010	Done

Activity	Responsible	Timeframe	Status
3. Continuing Dialogue with City Leadership, Mayor, Alderman, Planning Dept Director and staff Meetings with Planning, Parks & others	CEO/Development Mgr	DAT Mtgs 5/27, 6/24 July, Aug, Sept.	Done In Process
4. Preliminary site plan drafts	CEO/Development Mgr/Engineer	March 2010	Done
5. Neighborhood Dialogue Periodic meetings throughout Planning process	Alderman/Staff Cherokee II Condo Assoc. Cherokee Townhomes Northside Planning Council ED Ald. Rummel/Jon Becker Neighbor mtg. Warner Park CC Friends of Cherokee Marsh	1 st Qtr 2010 March 2010 March 2010 March 2010 May 2010 June 17, 2010 June 21, 2010	In Process Done Done Done Done Done Done
6. Offer to purchase land	NESCO Lunch mtg Northside Planning Council Northside Business Association Legal/CEO/Dev Mgr	June 29, 2010 Mar. – April 2010	Done Done Pending Pending Done
7. Market Study – 3 rd Party Neighborhoods	CEO/Dev. Mgr/consultant CEO/Dev. Mgr	Mar 2010 June/July	Done In Process
8. Architectural concept plan	CEO/Dev. Mgr/Architect	1 st Qtr 2010	Done
9. Project Proforma	CEO/Dev.Mgr/Constr Estimator/Baker Tilly	1 st Qtr 2010	Done
10. Submit WHEDA App.	CEO/CFO/Dev. Mgr/	April 9, 2010	Done
11. CDBG application/land	CEO/CFO/Dev.Mgr	July 2010	In Process
12. Start City Review process (9-12 Weeks)	Team	2 nd Qtr 2010	In Process
13. Start Zoning change process	Team	April – July 2010	In Process
14. Financing Complete	CEO/Dev. Mgr.	4 th Qtr 2010	In Process
15. Construction Start (10 months)	Team	1 st Qtr 2011	
16. Construction Complete	Team	3 rd Qtr 2011	
17. Occupancy		3 rd Qtr 2011	

7. What was the response of the alderperson of the district to the project?

Michael Schumacher, District 18 Alderperson, is familiar with and supports the development of Cherokee Prairie Senior Housing.

8. Does agency seek funds for property acquisition and/or rehab? [If applicable, describe the amount of funds committed or proposed to be used to meet the 25% match requirements (HOME or ESG) with its qualifications.]

No Complete Attachment A
 Yes Complete Attachment B and C and one of the following:
 D Facilities
 E Housing for Buyers
 F Rental Housing and Proforma

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)

No Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

No Yes - Complete Attachment B, C, F, and H

11. Do you seek ESG funds for services to homeless persons?

No Yes - Complete Attachment I

12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

<input type="checkbox"/> Future Fund (Attachment A)	<input type="checkbox"/> Housing for Resale (Attachment E)
<input checked="" type="checkbox"/> Property Description (Attachment B)	<input checked="" type="checkbox"/> Rental Housing and Proforma (Attachment F)
<input checked="" type="checkbox"/> Capital Budget (Attachment C)	<input type="checkbox"/> CHDO (Attachment G)
<input type="checkbox"/> Community Service Facility (Attachment D)	<input type="checkbox"/> Scattered Site Funds Addendum (Attachment H)
	<input type="checkbox"/> ESG Funding Addendum (Attachment I)

13. Affirmative Action: If funded, applicant hereby agrees to comply with City of Madison Ordinance 39.02(9) 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/aaForms.cfm>.

14. Non-Discrimination Based on Disability: Applicant shall comply with Section 39.05, Madison General Ordinances, Nondiscrimination Based on Disability in City-Assisted Programs and Activities. Under section 39.05(7) of the Madison General Ordinances, no City financial assistance shall be granted unless an Assurance of Compliance with Sec. 39.05 is provided by the applicant or recipient, prior to the granting of the City financial assistance. Applicant hereby makes the following assurances: Applicant assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, entitled "Nondiscrimination Based on Disability in City Facilities and City-Assisted Programs and Activities," and agrees to ensure that any subcontractor who performs any part of this agreement complies with sec. 39.05, where applicable, including all actions prohibited under

section 39.05(4),. MGO." <http://www.cityofmadison.com/dcr/aaForms.cfm>

Signature: _____ Date:
President-Board of Directors/Department Head

Signature: _____ Date:
CEO

For additional information or assistance in completing this application, please contact the CDBG Office at 267-0740.

N/A

FUTURE FUND PROPOSAL ONLY

- A. Describe the project features which make this a prototype project, feasibility study, addresses a short-lived revitalization opportunity or develops a new method or approach, which triggered the need for Future Funds.

COMPLETE IF PROJECT INVOLVES PURCHASE, REHAB, OR CONSTRUCTION OF ANY REAL PROPERTY:

INFORMATION CONCERNING PROPOSALS INVOLVING REAL PROPERTY

ADDRESS	ACTIVITY (Circle Each Applicable Phase)	NUMBER OF UNITS		Number of Units Currently Occupied	Number of Tenants To Be Displaced?	APPRAISED VALUE:		PURCHASE PRICE (If Applicable)	ACCESSIBLE TO INDIVIDUALS WITH PHYSICAL HANDICAPS?		PRIOR USE OF CD FUNDS IN BUILDING?
		Prior to Purchase	After Project			Current	After Rehab/ Construction		Currently?	Post-project?	
Wheeler Road	Purchase*** Rehab Construct***	0	42	0	0	\$294,000 est.	To be determined	\$294,000	no	yes	Pre-develop Futures/HTF
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET

TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)

Amount and Source of Funding: ***	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition Costs:							
Acquisition	294,000	294,000	CDBG-Rental				
Title Insurance and Recording	7,000					7,000	Donations/Grants
Appraisal	4,500					4,500	Donations/Grants
*Predvlpmnt/feasibilty/market study	99,578	39,578	CDBG/Futures-HTF			60,000	Donations/Grants
Survey	5,000					5,000	Donations/Grants
*Marketing/Affirmative Marketing	63,100					63,100	Donations/Grants
Relocation							
Other: <u>Env. Report, Misc.</u>	17,768					17,768	Donations/Grants
Construction:							
Construction Costs	4,487,634	51,000	CDBG-Rental	3,400,000	Bond Financing	1,036,634	Donations/Grants
Soils/site preparation	56,700					56,700	Donations/Grants
Construction management							
Landscaping, play lots, sign	49,899					49,899	Donations/Grants
Const interest	120,542					120,542	Donations/Grants
Permits; print plans/specs	146,101					146,101	Donations/Grants
Other: Impact fees, insurance, RE Taxes, Miscellaneous							
Fees:							
Architect	84,000					84,000	Donations/Grants
Engineering	29,000					29,000	Donations/Grants
*Accounting	10,500					10,500	Donations/Grants
*Legal	78,000					78,000	Donations/Grants
*Development Fee	762,000					762,000	Donations/Grants
*Leasing Fee							
Other: Loan Orig. Fee	170,000					170,000	Donations/Grants
Project Contingency:							
Furnishings:	153,500					153,500	Donations/Grants
Reserves Funded from Capital:							
Operating Reserve	246,426					246,426	Donations/Grants
Replacement Reserve							
Maintenance Reserve							
Vacancy Reserve	334,000					334,000	Donations/Grants
Lease Up Reserve							
Other (specify): _____							
Other (specify): _____							
TOTAL COSTS:	7,219,248	384,578		3,400,000		3,434,670	

* If CDBG funds are used for items with an *, 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 CRF.

*** Identify if grant or loan and terms.

FACILITIES

A. Recap: Funds would be applied to:

___ acquisition only; ___ rehab; ___ new construction; ___ acquisition and rehab or construction

B. State your rationale in acquiring or improving this space. (i.e., lower costs, collaborative effort, accessibility, etc.)

C. What are the current mortgages or payments on property (including outstanding CDBG loans)?

<u>Amount</u>	<u>Name</u>
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D. If rented space:

1. Who is current owner?
2. What is length of proposed or current lease?
3. What is proposed rental rate (\$/sq. ft. and terms) and how does this compare to other renters in building or in area?

E. If this is new space, what is the impact of owning or leasing this space compared to your current level of space costs?

F. Include:

1. A minimum of two estimates upon which the capital costs are based.
(Be sure to base your labor costs on enforcement of Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)
2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.
3. If you own the building: A copy of your long range building improvement plan and building maintenance plan.
(Include a narrative describing what the building needs and how you expect to maintain it over time.)

HOUSING FOR BUYERS

A. Recap briefly the key or unique features of this project:

1. Activities to bring it to housing and code standards:

2. Ways to assure the long-term affordability of the unit? (i.e. Repayment or land use/lease restriction or other special funding features to make it affordable):

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

Table B: OWNER									
Unit #	# of Bedroom	Purchase Price	Amt of CD \$	Use of CD Funds*	Projected Monthly PITI	Household Income Category**	Affordability Period # of Years	Sale Price	Appraised Value

* Refer to 24 CFR 92.206 or 570.202 for such costs as construction, acquisition, architectural engineering services, affirmative marketing, relocation.

** Less than or equal to 30% of median income, less than or equal to 50% of median, less than or equal to 60% of median, or less than or equal to 80% of median.

C. Describe proposed improvements to increase the level of accessibility:

RESIDENTIAL RENTAL PROPERTY

A. Provide the following information for rental properties:

Table A: RENTAL						
	Site 1		Site 2		Site 3	
Unit #	# of Bedrooms	Amount of CD \$	Use of CD Funds*	Monthly Unit Rent	Includes Utilities?	Household Income Category
6	1	\$345,000	ACQ/CONSTR	\$750	Yes	30%-50%
2	1			\$800	Yes	50%-60%
9	1			\$850	Yes	>80%
12	2			\$899	Yes	50%-80%
12	2			\$1,150	Yes	>80%
1	2			\$0 (Mgr unit)	Yes	N/A

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards.

The project is new construction and will meet all housing and code standards required by the City of Madison and State of Wisconsin.

C. Describe briefly your tenant selection criteria and process.

The tenant selection criteria and process will follow the tenant selection criteria and process already established and in use an Independent Living's other senior property located at 602 North Segoe Road. Cherokee Prairie specific adjustments if needed, will be made prior to marketing of the units. The existing tenant selection criteria and process are on file at the CDBG office.

D. Does the project include plans to provide support services to assisted residents or to link assisted residents to appropriate services? If yes, describe:

Yes, this is an independent and service supported Senior Housing Project. It is anticipated that a variety of direct services will be available to all residents. Services such as housekeeping, meals, care management, emergency call system and access to health, fitness and wellness programming will be available. An onsite resident services manager will provide linkages to appropriate community services. Transportation will be available along with access to the spectrum of support services offered by Independent Living, Inc.

TOTAL PROJECT PROFORMA (total units in the project)															
	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	460,056	469,257	478,642	488,215	497,979	507,939	518,098	528,460	539,029	549,810	560,806	572,022	583,462	595,131	607,034
Less Vacancy	230,028	32,160	33,505	34,175	34,859	35,556	36,267	36,992	37,732	38,487	39,256	40,042	40,842	41,659	42,492
Net Income	230,028	437,097	445,137	454,040	463,120	472,383	481,831	491,468	501,297	511,323	521,550	531,980	542,620	553,472	564,542
Expenses															
Audit	6,500	6,565	6,762	6,965	7,174	7,389	7,611	7,839	8,074	8,316	8,566	8,823	9,087	9,360	9,641
Taxes	13,148	39,838	41,033	42,264	43,532	44,838	46,183	47,569	48,996	50,466	51,980	53,539	55,145	56,799	58,503
Insurance	2,800	8,484	8,739	9,001	9,271	9,549	9,835	10,130	10,434	10,747	11,070	11,402	11,744	12,096	12,459
Maintenance	8,042	24,368	25,099	25,852	26,628	27,426	28,249	29,097	29,970	30,869	31,795	32,749	33,731	34,743	35,785
Utilities	11,550	34,997	36,047	37,128	38,242	39,389	40,571	41,788	43,042	44,333	45,663	47,033	48,444	49,897	51,394
Property Management	11,501	21,855	22,257	22,702	23,156	23,619	24,092	24,573	25,065	25,566	26,077	26,599	27,131	27,674	28,227
Operating Reserve Pmt															
Replacement Reserve Pmt	3,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Support Services	9,959	30,174	31,079	32,012	32,972	33,961	34,980	36,029	37,110	38,224	39,370	40,551	41,768	43,021	44,312
Affirmative Marketing	1,050	3,182	3,277	3,376	3,477	3,581	3,689	3,799	3,913	4,031	4,152	4,276	4,405	4,537	4,673
Other Senior Services, Misc	3,467	10,504	10,819	11,144	11,478	11,822	12,177	12,542	12,919	13,306	13,705	14,116	14,540	14,976	15,425
Total Expenses	71,517	190,467	195,612	200,944	206,430	212,074	217,887	223,866	230,023	236,358	242,878	249,588	256,495	263,603	270,919
NET OPERATING INCOME	158,511	246,630	249,525	253,096	256,690	260,309	263,944	267,602	271,274	274,965	278,672	282,392	286,125	289,869	293,623
Debt Service															
First Mortgage	81,539	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617
Other															
Other															
Total Debt Service	81,539	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617	244,617
Total Annual Cash Expenses	153,056	435,084	440,229	445,561	451,047	456,691	462,504	468,483	474,640	480,975	487,495	494,205	501,112	508,220	515,536
Debt Service Reserve															
Cash Flow	76,972	2,013	4,908	8,479	12,073	15,692	19,327	22,985	26,657	30,348	34,055	37,775	41,508	45,252	49,006
Assumptions:															
Vacancy Rate	50%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Annual Increase		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Carrying Charges															
Expenses		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY

A. Please describe how the organization meets the following key criteria:

- _____ a. Possesses not-for-profit, tax exempt 501(c) status;
- _____ b. Has a board with fewer than 1/3 of its members as public officials;
- _____ c. Includes provision of affordable housing within its statement of purpose;
- _____ d. Includes lower income or lower income representatives for a minimum of 1/3 of its board and includes a means for lower-income participation;
- _____ e. Demonstrates its capacity and experience in service the community.

APPLICATION FOR SCATTERED SITE ACQUISITION FUNDS

Address: _____ Amount Requested:
\$ _____

- 1. Which State of Wisconsin statute are you organized under? _____ Chapter 181
_____ Chapter 185

2. Proposed Acquisition Site:

- A. Address: _____
- B. Current appraised value: _____
- C. Accepted purchase price (if offer has been made): _____
- D. Number of bedrooms, living units, or shared living units: _____
- E. Number of square feet on the property: _____

- 3. Program Abstract: Provide an overview of the service program. Identify the community need to be addressed. Summarize the program's major purpose in terms of problems to be addressed, the goals and procedures to be utilized, and the expected outcomes. Limit response to 150 words.

- 4. Describe how your target population meets the CDA definition of special needs.

EMERGENCY SHELTER GRANT FUNDING

A. Describe how you coordinate tasks and responsibilities or target groups with other agencies. (i.e., agencies from whom you commonly receive referrals or to whom you make referrals, and the sequence of contact.) Describe, if appropriate, how a partnership will be formed among local organizations and individual involved with the implementation of the program.

B. If funds are requested for supportive services or prevention activities, describe how the service qualifies as a new service or how it will be a quantifiable increase in services.