

May 7, 2010

To the CDBG Commission members:

Thank you for your support of The Road Home Dane County's Housing and Hope Apartments. With your support, and through the initial success of our fundraising campaign, we purchased the buildings for the first neighborhood of 15 apartments last fall. Thirteen homeless families who could not qualify for any other housing have moved into newly renovated apartments, and two additional families will join them this month. Each of these families is working closely with an onsite case manager to accomplish their housing, financial and personal goals, and the families are also working together to create a supportive community, including plans to develop a tenant association and to plant a community garden.

The Housing and Hope apartments are an innovative strategy that will create 30 total units of permanent, affordable, supported housing for homeless families when complete. We are very pleased to be working on this project with Meridian Group, Inc. who are partnering with us as our development consultant and property manager.

This project is unique for several reasons. First of all, it creates housing that is specifically designed to help homeless families succeed. It is affordable for families at or below 30% AMI, includes intensive, personalized onsite case management services and targets families unable to access other housing options. Secondly, the project includes the creation and capitalization of a "Forever Fund" that will permanently support the project's operating costs. Thirdly, our partnership with Meridian allows The Road Home to stay focused upon our core mission and strengths, knowing that the project development and management will be handled by those who have expertise in those areas.

We approached the commission in 2007 with a great vision and a request for \$616,000. We were granted \$308,000 and encouraged to return with the results of that investment to ask for the "second installment". We return now with much to show: Phase one has become a reality. The buildings are purchased and fully renovated. The Forever Fund has a balance of \$1 million to support operations. And real families with young children, who would otherwise be homeless, are making new lives. We ask now that you support phase two with another investment of \$308,000.

For further information you may contact me at 294-7998 x 302 or [rachelk@trhome.org](mailto:rachelk@trhome.org). Doug Strub and Kurt Wolff at Meridian Group, Inc are also available to answer questions. We thank you for your consideration of our application.

Sincerely,

Rachel Krinsky, MSW  
Executive Director

# 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 15<sup>th</sup> 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: Housing and Hope phase II Amount Requested: \$ 308,000  
Agency: The Road Home Dane County, EIN: 31-1618925  
Address: 128 E. Olin Avenue, Suite 202, Madison, WI 53713  
Contact Person: Rachel Krinsky, MSW, Executive Director Telephone: 294-7998 x 302  
Email: [rachelk@trhome.org](mailto:rachelk@trhome.org) Fax: 294-8007

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.

Hundreds of families are homeless in Madison each year, in large part because of a critical lack of affordable housing, particularly for those at or below 30% of the Area Median Income. The Road Home is raising \$4.5 million through the Housing & Hope campaign to create 30 units of affordable, supported housing for homeless families with children. Half of the funds will be used to purchase and renovate four existing eight-unit apartment buildings in two neighborhoods, while the other half will be invested in an endowment fund that will allow the 30 apartments to be permanently affordable and supported. This "Forever Fund," capitalized at \$2,000,000, will support operations, allowing rents to be affordable to families below 30% of the area median income. To date, the first phase - 15 apartments, a case management office and \$1,000,000 in the Forever Fund - is complete.

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 project will serve homeless families with children in the Madison Area, most with incomes below 30% AMI. We expect the demographic to mirror that of our other programs, meaning that the families will be primarily people of color with the large majority being African-American (70-80%).

53 # unduplicated individuals estimated to be served by this project. (phase two)

15 # unduplicated households estimated to be served by this project. (phase two)

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: This project will create affordable housing for some of Madison’s most needy families at or below 30% AMI, a level that very few projects have been able to meet.

N: This project will create more access to permanent housing and permanency support for homeless families.

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

- |                       |  |          |   |
|-----------------------|--|----------|---|
| Acquisition/<br>Rehab | <input checked="" type="checkbox"/> New Construction, Acquisition,<br>Expansion of Existing Building | Futures  | <input type="checkbox"/> Prototype                  |
|                       | <input type="checkbox"/> Accessibility   |          | <input type="checkbox"/> Feasibility Study          |
|                       | <input checked="" 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 checked="" 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
<b>A. Personnel Costs</b>				
1. Salaries/Wages (attach detail)				
2. Fringe Benefits				
3. Payroll Taxes				
<b>B. Non-Personnel Costs</b>				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:				
<b>C. Capital Budget Expenditures</b> (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:	\$2,250,000	\$308,000	\$1,942,000	Capital Campaign
<b>D. TOTAL (A+B+C)</b>				

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.

Capital/Endowment campaign completed	2010	The Road Home
Purchase phase two buildings	Late 2011	The Road Home/Meridian
Rehabilitation complete	Spring 2012	Meridian
100% occupancy	Summer 2012	The Road Home/Meridian

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

Not yet applicable since we have not selected a site for phase II



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?	
	Purchase Rehab Construct										
	Purchase Rehab Construct										
	Purchase Rehab Construct										

Properties not yet identified. The properties (8 plexes) will be identified in 2011 when we are in a position to purchase.

**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**
<b>Acquisition Costs:</b>							
Acquisition	\$750,000	\$750,000	Capital Campaign	\$308,000	CDBG/HOME Funds		
Title Insurance and Recording	7,500	7,500	Capital Campaign				
Appraisal							
*Predvlpmnt/feasibilty/market study							
Survey	3,000	3,000	Capital Campaign				
*Marketing/Affirmative Marketing							
Relocation							
Other: _____							
<b>Construction: rehab</b>	<u>185,000</u>	<u>185,000</u>	Capital Campaign				
Construction Costs							
Soils/site preparation							
Construction management							
Landscaping, play lots, sign							
Const interest							
Permits; print plans/specs							
Other: _____							
<b>Fees:</b>							
Architect							
Engineering							
*Accounting							
*Legal	5,000	5,000	Capital Campaign				
*Development Fee	25,000	25,000	Capital Campaign				
*Leasing Fee							
Other: <u>environmental review</u>	2,500	2,500	Capital Campaign				
<b>Project Contingency:</b>							
<b>Furnishings:</b>							
<b>Reserves Funded from Capital:</b>							
Operating Reserve	<u>9,000</u>	<u>9,000</u>					
Replacement Reserve	13,000	13,000	Capital Campaign				
Maintenance Reserve							
Vacancy Reserve							
Lease Up Reserve							
<b>Other (specify):</b> _____							
<b>Other (specify):</b> _____							
<b>TOTAL COSTS:</b>	<u>1,000,000</u>	<u>692,000</u>	Capital Campaign	<u>\$308,000</u>	CDBG		

\* 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.

**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

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

Meridian Group, Inc. will be the property manager. The Road Home will rely on Meridian's property management expertise to ensure and code standards are met.

C. Describe briefly your tenant selection criteria and process.

The Road Home accepts applications from homeless families with children through referral by a family shelter case manager. Families are screened using a tool developed to give preference to those with the greatest barriers to other housing and with the greatest demonstrated ability to work with case management. Eligible families are screened for criminal background and landlord references by Meridian property management. Prior to program selection, each family selected through these screening criteria is interviewed by the Housing & Hope case manager to evaluate program fit.

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, the project will provide comprehensive case management to residents. For each set of 15 units there will be one full-time case manager at 40 hours per week. The case managers' schedules will be flexible to address the needs of families and to respond to emergencies or problems in a timely fashion.

When families move into the project they will be required to meet with a case manager once per week to design and work on a case plan. After six months, assuming good progress and on-time rent payments, they may move to less frequent meetings. Case management will always be available to respond to families as needed, and as a preventive measure.







