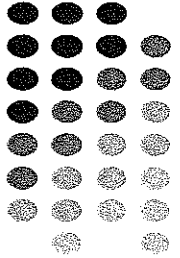


# Madison Area Community Land Trust

200 N. Blount Street  
Madison, WI 53703

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May 10, 2010

CDBG Committee  
City of Madison CDBG Office  
Room 280, Madison Municipal Building  
215 Martin Luther King, Jr. Boulevard  
P.O. Box 2985  
Madison, Wisconsin 53701-2985

Dear Chair Sanders and Members of the CDBG Committee,

The Madison Area Community Land Trust (MACLT) is pleased to support an application from Common Wealth Development (CWD) to the Futures Fund.

MACLT and CWD have spent the past 12 months exploring opportunities to strengthen and expand our shared commitment to affordable housing and its connection to neighborhood development and healthy communities. The exploration took a definite and positive step forward when the Boards of both organizations voted unanimously to move forward in good faith to officially affiliate. The full endorsement of both Boards was made under the belief that an affiliation will offer the most innovative opportunities to work together and will strength our shared abilities to work proactively within the community.

The exploratory phase of this endeavor is behind us and we are ready to move forward towards the clear goal of affiliation. We respectfully request your support through the Futures Fund to help us reach this goal.

Sincerely,

Laura M. Guyer  
President

# Application for Neighborhood and Community Development Funds

Submit original and 23 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:	CWD/MACLT Affiliation	Amount Requested:	\$ 20,000.00
Agency:	Common Wealth Development, Inc.	Tax ID/EIN/FEIN:	39-1323500
Address:	1501 Williamson Street, Madison, WI 53703	DUNS #:	030460778
Contact Person:	Marianne Morton	Telephone:	608-256-3527
Email:	marianne@cwd.org	Fax:	608-256-4499

- 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.

Common Wealth Development (CWD) and Madison Area Community Land Trust (MACLT) are pursuing an organization affiliation between our two organizations which would enable the combined entity to accomplish far more than either could individually. These two organizations share a commitment to building and renovating homes that are durable, green, accessible and affordable for generations of homeowners, as well as a history of deep engagement with the community they serve. In April 2010, the boards of these two organizations voted unanimously to move toward organizational affiliation by the end of 2010.

We are seeking CDBG funding to cover the costs associated with moving toward legal affiliation, including consultants, attorneys, and accountants whose work is essential to making all of this happen. Future Funds will help support the coming together of these two organizations to protect a strong and financially healthy partnership to provide long-term support for affordable housing in this community, and create a prototype for collaborative affiliation for other Madison nonprofits.

- 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.

## Historical Data about MACLT:

- 54 units of permanently affordable owner-occupied housing<sup>1</sup>
- Average AMI of homeowners for Camino del Sol and Troy Gardens: 65%
- Number of accessible units in inventory: 24 barrier-free, 9 visitable (61% of total units)
- Number of households owning their own home under the Section 8 program: 2 (4% of total units).
- Number of households where a person with disabilities owns their own home: 5 (9% of total units).
- Number of households where a person of color owns their own home: 11 (20% of total units).

## Historical Data about CWD:

### Owner-Occupied Housing

- 26 units of affordable owner-occupied housing (6 condos, 12 two-flats and 8 single family units)
- Number of accessible owner-occupied units in inventory: 1 barrier free, 4 accessible, 2 adaptable
- Percentage of owner-occupied households that are people of color: 11.5%

<sup>1</sup> There are an additional 10 units of market-rate housing at Troy Gardens.

## Rental Housing

- **99 units of rental housing**
  - **8 Market Rate, 26 at 80% of AMI, 43 at 60%, 19 at 50% and 3 at 40%**
  - **16 barrier free units, 48 accessible units**
- **Number of households that are disabled residents: 33**
- **Number of households that are families: 27**
- **Number of households with Section 8: 20**
- **Percentage of households that are people of color: 14%**
- **Percentage of households that are at or below 40% of AMI: 42%**

N/A # unduplicated individuals estimated to be served by this project.

N/A # 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.

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

**The affiliation of the Madison Area Community Land Trust with Common Wealth Development will enhance our stewardship and housing development capacity. We expect that this combined capacity will result in increased homeownership opportunities for low- and moderate-income households for years to come. Common Wealth Development will also continue its commitment to development and management of energy-efficient, accessible and affordable rental housing for low- and moderate-income households.**

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

- |                       |   |          |  |
|-----------------------|---|----------|--|
| Acquisition/<br>Rehab | <input type="checkbox"/> New Construction, Acquisition,<br>Expansion of Existing Building | Futures  | <input checked="" 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 checked="" type="checkbox"/> New Method or Approach |
| Housing               | <input 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
<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	\$25,000.00	\$20,000.00	\$5,000.00	½ CWD and ½ MACLT
5. Work Supplies and Tools				
6. Other:				
<b>C. Capital Budget Expenditures (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:				
<b>D. TOTAL (A+B+C)</b>	<b>\$25,000.00</b>	<b>\$20,000.00</b>	<b>\$5,000.00</b>	<b>½ CWD and ½ MACLT</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.

**Milestones to Organizational Affiliation:**

- Initial approval by CWD and MACLT Board of Directors: April 2010 (completed)

- **Staff and board leadership working with consultant to develop Memorandum of Understanding: May – July 2010**
- **Approval of Memorandum of Understanding by CWD and MACLT Boards: July 2010**
- **Staff and board leadership working with the attorneys to clarify legal issues surrounding affiliation and to draft revised bylaws. Continued work with consultant to assist with engagement process with MACLT homeowners: June – August 2010**
- **Approval by MACLT membership of bylaws changes necessary to legally affiliate with CWD: September 2010**
- **Staff and board leadership working with the attorneys, accountants and auditors to draft all documents necessary for organizational affiliation: September – December 2010**
- **Completion of all legal documents required for organizational affiliation: December 2010**
- **Signing of all documents and completion of organizational affiliation: January 2010**

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

**Alderperson Marsha Rummel is very supportive.**

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.]

N/A No Complete Attachment A

N/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

  X   Yes - Complete Attachment G

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

  N/A   No

  N/A   Yes - Complete Attachment B, C, F, and H

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

  N/A   No

  N/A   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:

  X   Future Fund (Attachment A)

         Housing for Resale (Attachment E)

         Property Description (Attachment B)

         Rental Housing and Proforma (Attachment F)

         Capital Budget (Attachment C)

  X   CHDO (Attachment G)

         Community Service Facility (Attachment D)

         Scattered Site Funds Addendum (Attachment H)

         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: JR Loun Date: 5/13/2010  
President-Board of Directors/Department Head

Signature: Marianne Moritz Date: 5/13/10  
Executive Director

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



**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.

The economic downturn of 2008 created a new set of challenges for the Madison nonprofit sector – decreased funding for operations coupled with increased need for services. And, for nonprofit housing organizations, there has been the additional challenge of a dramatically scaled-back market for affordable owner-occupied housing, created by (a) increased unemployment; (b) less access to mortgage financing; and (c) decreased availability of construction financing.

In the face of this challenging economic climate, in the summer of 2009, Common Wealth Development and Madison Area Community Land Trust began a conversation about how the two organizations could work together to not only weather the storm, but to create a synergistic partnership that could surpass what either organization could do individually. Over the course of the next 9 months, the two organizations explored a variety of alternatives, and determined that a formal affiliation would be in the interests of both organizations.

**Background on the Organizations:** Madison Area CLT was founded in 1991, to create permanently affordable homeownership opportunities for households at or below 80% of county median income. Unlike most small organizations, Madison Area CLT has always done its own housing development work, and with its work on Troy Gardens, achieved a nationally recognized stature as a sustainable housing developer. And like many small-scale housing developers across the U.S., it has been placed in a precarious financial situation by the downturn in the housing market, due to its reliance on developer fee income as a primary source of operating revenue for the organization.

Common Wealth Development (CWD) has long shared many core values with Madison Area CLT, including a commitment to long-term affordable housing, green building, universal design, and community engagement. And with highly diverse programs spanning rental and owner-occupied housing, business and arts incubators, and youth employment and financial education, CWD is well-positioned to survive and thrive in the current economic downturn.

By entering into an affiliation agreement, the two organizations could combine their respective strengths to create a combined organization that will successfully steward a combined 180 units of housing long into the future, as well as continue to do some of the most innovative housing development work in the U.S.

Affiliation of these two organizations will involve legal, accounting and consultant expenses. These professional services are needed to help put the deal together, and neither organization has surplus funds on hand to cover the cost of this work. We estimate that the total cost of consulting, accounting and legal work to accomplish this organizational affiliation will be approximately \$25,000. This cost assumes reduced legal and consultant fees.

**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.