

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>Jenifer Street Housing</u>	Amount Requested: \$ <u>432,000</u>
Agency: <u>Common Wealth Development, Inc.</u>	Tax ID/EIN/FEIN: <u>39-1323500</u>
Address: <u>1501 Williamson Street</u>	DUNS #: <u>030460778</u>
Contact Person: <u>Marianne Morton</u>	Telephone: <u>256-3627, ext 12</u>
Email: <u>marianne@cwd.org</u>	Fax: <u>256-4499</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.

Common Wealth Development (CWD) will acquire and rehabilitate two of the three 4-unit buildings located at 434 South Thornton Ave, 1526 Jenifer and 433 Cantwell Court.

The property currently consists of three gutted-out buildings that are subject to a pending foreclosure action. The buildings have sat vacant and abandoned since the fall of 2008 and represent both a blight and potential safety hazard given their proximity to Marquette Elementary and O'Keefe Middle Schools.

CWD is working in collaboration with Madison Community Cooperative (MCC) to facilitate the redevelopment of this site. CWD will acquire and rehabilitate two buildings and MCC would acquire the third building.

CWD will create 2 units for households at or below 50% of Dane County Median Income and 6 units for households at or below 80%.

This project will take a vacant, abandoned property on the brink of foreclosure and turn it into safe, affordable housing for 8 households in our community.

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.

Common Wealth Development currently rents 99 apartments to a diverse group of residents. 33 units serve residents with disabilities, 27 units serve families, 20 units serve those holding Section 8 vouchers, 14% of the units serve people of color and 42% of the units serve households at or below 40% of Dane County Median Income.

For this development, Common Wealth Development will provide 2 units at 50% of Dane County Median Income and 6 units at 80% of Dane County Median Income. We expect similar diversity in this development as we've seen in our current apartments.

16-24 # unduplicated individuals estimated to be served by this project.

8 # 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 | |

Common Wealth Development's project fits Outcome Objective C: Rental Housing: Expand the number of affordable housing rental units and/or improve the quality and/or diversity of units available to low income individuals throughout the community.

This project will create 2 units for households at or below 50% of Dane County Median Income and 6 units for households at or below 80% of Dane County Median Income.

Common Wealth Development will incorporate accessibility into the design of four of the units and provide lead paint and asbestos abatement on any affected units. All rehabilitation will be done according to Energy Star standards.

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 checked="" 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 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:	1,062,600	432,000	630,600	
D. TOTAL (A+B+C)	1,062,600	432,000	630.600	

Estimated Month of Completion
(If applicable)

6. Action Plan/Timetable

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.

<u>Activity</u>	<u>Whom</u>	<u>When</u>
Neighborhood Meetings	CWD & MCC	August & September, 2010
Site Control	CWD	September 1, 2010
Lead Paint Risk Assessment	CWD & Assurance	September 30, 2010
Final Plans & Specs	Architect	October 15, 2010
Financing Secured	CWD & Lender	November 30, 2010
Real Estate Closing	CWD & Title Co.	December 30, 2010
Construction	General Contractor	January thru July 2011
Certificate of Occupancy	CWD	July 2011
Rent up of units	CWD	July & August, 2011

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

Aldersperson Marsha Rummel is very positive and supportive of this proposal. She says, "I am excited that Common Wealth Development is stepping up to redevelop this site and partnering with Madison Community Cooperative to do it. The site sat unfinished for a long time and has caused a lot of concern in the neighborhood. I am very confident that Common Wealth Development will be able to finish the job."

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:

<input type="checkbox"/>	D Facilities
<input type="checkbox"/>	E Housing for Buyers
<input checked="" type="checkbox"/>	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 checked="" 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:
Executive Director

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

2010/07-18929

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?	
434 S Thornton	Purchase Rehab Construct	4	4	0	0	See below *	\$500,000		No	Yes	No
1526 Jenifer	Purchase Rehab Construct	4	4	0	0	See below *	\$500,000		No	Yes	No
433 Cantwell Court	Purchase Rehab Construct	4	4	0	0	See below *	\$500,000		No	Yes	No

* The existing 4-unit buildings have 2010 assessments between \$230,000 and \$425,500.

Common Wealth Development will purchase two of the properties. Madison Community Cooperative will purchase the other one without the use of CDBG funds.

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							
Title Insurance and Recording							
Appraisal							
*Predvlpmnt/feasibilty/market study							
Survey							
*Marketing/Affirmative Marketing							
Relocation							
Other: _____							
Construction:							
Construction Costs							
Soils/site preparation							
Construction management							
Landscaping, play lots, sign							
Const interest							
Permits; print plans/specs							
Other: _____							
Fees:							
Architect							
Engineering							
*Accounting							
*Legal							
*Development Fee							
*Leasing Fee							
Other: _____							
Project Contingency:							
Furnishings:							
Reserves Funded from Capital:							
Operating Reserve							
Replacement Reserve							
Maintenance Reserve							
Vacancy Reserve							
Lease Up Reserve							
Other (specify): _____							
Other (specify): _____							
TOTAL COSTS:							

* 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.)

CW and MCC are involved in nghd collaborative effort...

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

<u>Amount</u>	<u>Name</u>
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There are no current CDBG funds in this project.

D. If rented space: Not Applicable

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
1	two	\$54,000	Acquisition	700	No	50%
2	two	\$54,000	Acquisition	700	No	80%
3	two	\$54,000	Acquisition	770	No	80%
4	two	\$54,000	Acquisition	770	No	80%
5	two	\$54,000	Acquisition	700	No	50%
6	two	\$54,000	Acquisition	700	No	80%
7	two	\$54,000	Acquisition	770	No	80%
8	two	\$54,000	Acquisition	770	No	80%

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

CWD will obtain a Lead Paint Risk Assessment and complete lead paint abatement. After rehab a lead paint clearance test will be obtained. An asbestos survey will be obtained and asbestos will be abated as necessary. This project is a substantial rehab project which will require a building permit and a certificate of occupancy upon completion of construction.

C. Describe briefly your tenant selection criteria and process.

Common Wealth will use its CDBG-approved tenant selection and affirmative marketing plan.

Tenants apply for housing using the housing application. Applications are reviewed using the following categories: criminal record, credit history, rental history, employment history and income. After review, applicants are notified of their application status. Equal housing opportunities are provided for everyone.

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

Housing Staff are very knowledgeable about community resources and routinely assist residents in connecting with those resources. In addition, Housing Staff provide referrals to other Common Wealth Development programs such as the Youth-Business Mentoring Program, artist gallery and the business incubators.

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															
Less Vacancy															
Net Income															
Expenses															
Audit															
Taxes															
Insurance															
Maintenance															
Utilities															
Property Management															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Affirmative Marketing															
Other _____															
Total Expenses															
NET OPERATING INCOME															
Debt Service															
First Mortgage															
Other															
Other															
Total Debt Service															
Total Annual Cash Expenses															
Debt Service Reserve															
Cash Flow															
Assumptions:															
Vacancy Rate															
Annual Increase															
Carrying Charges															
Expenses															

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.

Common Wealth Development has been certified as a Community Housing Development Organization by the City of Madison.

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.

15 Year Cash Flow Proforma

	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 revenue	70,560	71,971	73,411	74,879	76,376	77,904	79,462	81,051	82,672	84,326	86,012	87,732	89,487	91,277	93,102
less vacancy	(3,528)	(3,599)	(3,671)	(3,744)	(3,819)	(3,895)	(3,973)	(4,053)	(4,134)	(4,216)	(4,301)	(4,387)	(4,474)	(4,564)	(4,655)
Net Income (EGI)	67,032	68,373	69,740	71,135	72,558	74,009	75,489	76,999	78,539	80,109	81,712	83,346	85,013	86,713	88,447
Operating Expenses															
Audit	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,852	2,937	3,025
Maintenance	6,300	6,489	6,684	6,884	7,091	7,303	7,523	7,748	7,981	8,220	8,467	8,721	8,982	9,252	9,529
Utilities	4,060	4,182	4,307	4,436	4,570	4,707	4,848	4,993	5,143	5,297	5,456	5,620	5,789	5,962	6,141
Property management	8,496	8,751	9,013	9,284	9,562	9,849	10,145	10,449	10,762	11,085	11,418	11,760	12,113	12,477	12,851
Operating Reserves Pmt	2,822	2,907	2,994	3,084	3,177	3,272	3,370	3,471	3,575	3,683	3,793	3,907	4,024	4,145	4,269
Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affirmative Marketing	600	618	637	656	675	696	716	738	760	783	806	831	855	881	908
Other (snow & lawn care)	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131	3,225	3,322	3,422	3,524	3,630
Total Operating Expenses	27,678	28,509	29,364	30,245	31,152	32,087	33,049	34,041	35,062	36,114	37,197	38,313	39,463	40,647	41,866
Net Operating Income	39,354	39,864	40,376	40,890	41,405	41,922	42,439	42,958	43,477	43,995	44,514	45,032	45,550	46,066	46,581
Debt Service															
First mortgage	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746	33,746
Other															
Other															
Total Debt Service															
Total Annual Cash Expenses															
Debt Service Reserve															
Cash Flow	5,608	6,118	6,630	7,144	7,659	8,176	8,693	9,212	9,730	10,249	10,768	11,286	11,804	12,320	12,835
Assumptions															
Vacancy rate	5.0%														
Annual Increase															
Income	2.00%														
Expenses	3.00%														

CAPITAL BUDGET - Attachment C

		Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms
Acquisition Costs							
Acquisition	150,000	150,000	HOME Funds				
Title insurance & Recording	6,000	6,000	HOME Funds				
Appraisal	5,000	5,000	HOME Funds				
Feasibility	-	-					
Marketing	3,000	3,000	HOME Funds				
Relocation	-						
Construction							
Construction Costs	550,000	203,200	HOME Funds	80,000	lead paint abatement	266,800	1st mortgage loan
Soils/Site prep	30,000					30,000	" " "
Construction Management	39,000					39,000	" " "
Landscape/Play Lots, sign	50,000					50,000	" " "
Construction Interest	27,500					27,500	" " "
Permits/Print plans & specs	10,000					10,000	" " "
Other: <u>ADA accessibility</u>	14,000					14,000	" " "
Fees							
Architect	32,500	20,000				12,500	1st mortgage loan
Engineering	10,000	10,000				-	
Accounting	600					600	" " "
Legal	10,000	5,000				5,000	" " "
Development fee	80,000	29,800	Home Funds			50,200	" " "
Leasing Fee	-					-	
Other	-					-	
Project Contingency	30,000					30,000	1st Mtg/ Other
Furnishings	-						
Reserves Funded from Capital							
Operating Reserves	-						
Replacement Reserves	-						
Maintenance reserves	-						
Vacancy Reserves	-						
Lease Up Reserve	15,000					15,000	Equity/Grants
Other							
Other							
Total Costs	1,062,600	432,000		80,000		550,600	