

# Application for Neighborhood and Community Development Funds

Submit original and 27 complete copies of this application to the CD Office by 4:30 p.m. by the 15<sup>th</sup> of the month, to be reviewed by the CDBG Commission on the first Thursday of the following month.

Program Title: Porchlight Housing First Amount Requested: \$ 200,000  
Agency: Porchlight, Inc.  
Address: 306 North Brooks St., Madison, WI 53715  
Contact Person: Steven J. Schooler Telephone: (608) 257-2534  
Email: schooler@tds.net Fax: (608) 257-2507

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.

This is a modification / amendment of a proposal submitted and approved for 2007. Originally, Porchlight proposed to acquire a four-unit of two-bedrooms apartments for families on Lake Point. It was determined that Lake Point was not a suitable site and Porchlight sought housing in other locations. Porchlight now believes it can acquire similar housing in one of these other locations for \$270,000. Originally, Porchlight only sought \$50,000 for acquisition but it now believes it will need \$200,000 for acquisition with \$70,000 coming from other sources.

Porchlight is proposing to acquire the property in the City of Madison and operate the property as "Housing First" families about to become homeless. The objective would be further a partnership developed with the Madison Metropolitan School District (MMSD) where the school district identifies families about to enter shelter for various reasons. Porchlight then works with the family to place them in Porchlight housing before entering shelter with rent and security deposit assistance provided by the United Way Porchlight then provides case management assistance to increase their independence while continuing to subsidize the rent to insure the family pays no more than 30% of income per month as rent. Over time the subsidy is reduced or eliminated and the family can either remain in the housing or move to other market rate housing in the community.

This acquisition meets one of the objectives of the community's long-term plan to end homelessness by increasing the available supply of housing for homeless families. Like most homeless families, those served will receive supportive services and case management to address their multiple barriers to independence. Porchlight will provide case management to each household with the goal of increasing their independence and ability to maintain permanent housing.

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 population served will be families that are near homelessness. Each of the homeless families served will possess significant barriers to independence, including mental and physical disabilities, AODA issues, learning disabilities, lack of an education, employability issues, transportation, lack of health care, and child care issues. The services to each family will be provided on-site at their residences. These will be families that hopefully have not yet entered the shelter system but may without assistance. These will be low-income (50% or less of CMI upon entry), often without significant employment skills, that have children in the Madison Metropolitan School District. By avoiding shelter, the significant societal and human costs (including reduced educational achievement for children) related to homelessness will be avoided.

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

5 # 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       |                                |

This program addresses the need for more affordable housing for families with supportive services. It is intended to assist families in avoiding the shelter system altogether by providing "Housing First," housing before shelter.

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 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 checked="" 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 (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:	\$270,000	\$200,000	\$70,000	Courier Found. United Way
<b>D. TOTAL (A+B+C)</b>	<b>\$270,000</b>	<b>\$200,000</b>	<b>\$70,000</b>	

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.

8/08: Porchlight identifies property and makes offer to purchase.

12/08: Porchlight acquires property and begins transition of families over time into apartment units as they become available. MMSD identifies families as openings occur in the building.

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

We do not have a location yet.

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:

Future Fund (Attachment A)

Housing for Resale (Attachment E)

Property Description (Attachment B)

Rental Housing and Proforma (Attachment F)

Capital Budget (Attachment C)

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 3.02.(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: Christopher Sargent  
President-Board of Directors/Department Head

Date: 4/2/08

Signature: [Signature]  
Executive Director

Date: 4/2/08

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

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?	
TDB	Purchase Rehab Construct	0	4	TBD	0		\$270,000	\$260,000	0	1	
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET

Amount and Source of Funding: ***	TOTAL		TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)		Source/Terms**
	Amount	Source/Terms**	Amount	Source/Terms**	
<b>Acquisition Costs:</b>					
Acquisition	\$260,000	CDBG	\$60,000	Courier Foundation / United Way	
Title Insurance and Recording	1,000		1,000	Fundraising	
Appraisal	1,500		1,500	Fundraising	
*Predevlpmt/feasibility/market study					
Survey					
*Marketing/Affirmative Marketing					
Relocation					
Other:					
<b>Construction:</b>					
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					
*Development Fee					
*Leasing Fee					
Other:					
<b>Project Contingency:</b>					
<b>Furnishings:</b>					
<b>Reserves Funded from Capital:</b>					
Operating Reserve					
Replacement Reserve					
Maintenance Reserve					
Vacancy Reserve					
Lease Up Reserve					
Other (specify): Rehabilitation	\$7,500		\$7,500	Fundraising	
Other (specify):					
<b>TOTAL COSTS:</b>	<b>\$270,000</b>		<b>\$70,000</b>		

\* If CDBG funds are used for items with an amount greater than 15% of 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
1	2	\$50,000	acquisition	\$675	TBD	Very or Extreme Low Income
2	2	\$50,000	acquisition	\$675	TDB	"
3	2	\$50,000	acquisition	\$675	TDB	"
4	2	\$50,000	acquisition	\$675	TDB	"

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

Porchlight is responsible for the housing meeting all housing and code standards.

C. Describe briefly your tenant selection criteria and process.

Prospective tenants and program participants undergo a thorough City of Madison-approved screening process to determine suitability for housing. Porchlight conducts a thorough background check of each prospective resident but also takes into account other factors when selecting potential residents. Porchlight understands that many applicants will have backgrounds that are detrimental to obtaining private market housing. The background and reference checks include: Housing/landlord references, Income/employment verification, Character/professional references which may include treatment providers and professionals working in mental health, social work, alcohol or drug abuse, and the criminal justice/probation & parole fields, Credit report, and Criminal history.

Willingness to participate in supportive case management services, compliance with program rules, and a demonstration of efforts to change detrimental behavior patterns are also taken into account when selecting tenants for housing.

As previously indicated, the main process for getting tenants will be referral through Madison Metropolitan School District. Hopefully, these referrals will enable Porchlight to avert homelessness for those that have children in the MMSD.

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

Each person living in Porchlight housing is assigned a case manager who provides a variety of services that are designed to assist the household to not only maintain their housing with Porchlight, but also develop skills that will help them obtain and maintain housing in the private market. These skills include budgeting, housekeeping, life skills development, developing a solid rental history, and developing and maintaining connections to community resources that are essential to household stability. Each resident also has an individual achievement plan that states the goals they should achieve while participating in the program. Achievement plans include a goals to obtain or increase their income security. The case manager assigned to each respective household then works with them to take the steps necessary to successfully achieve the goal. The case manager meets frequently with each household, often multiple times in a week, to work on each goal.

AVERAGE UNIT RENT 675 \$ MONTHLY RENT 2,700 \$ TOTAL MONTHLY RENT 4@ \$ 675 \$ MONTHLY RENT 2,700 \$ TOTAL ANNUAL RENT 32,400 \$ MONTHLY RENT 807 \$ TOTAL ANNUAL RENT 32,400 \$

4 TWO-BEDROOMS 4@ \$ 675 \$ MONTHLY RENT 2,700 \$ TOTAL ANNUAL RENT 32,400 \$ MONTHLY RENT 807 \$ TOTAL ANNUAL RENT 32,400 \$

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue																
Gross Income	32,400	33,048	33,709	34,383	35,071	35,772	36,488	37,217	37,962	38,721	39,495	40,285	41,091	41,913	42,751	43,606
Less Vacancy	(1,620)	(1,652)	(1,685)	(1,719)	(1,754)	(1,789)	(1,824)	(1,861)	(1,898)	(1,936)	(1,975)	(2,014)	(2,055)	(2,096)	(2,138)	(2,180)
Net Income	30,780	31,396	32,024	32,664	33,317	33,984	34,663	35,357	36,064	36,785	37,521	38,271	39,036	39,817	40,614	41,426
Expenses																
Audit	300	300	306	312	318	325	331	338	345	351	359	366	373	380	388	396
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019
Maintenance	8,000	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556
Utilities	6,000	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917
Trash Service	1,500	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979
Supplies	500	510	520	531	541	552	563	574	586	598	609	622	634	647	660	673
Pest Control	400	400	408	416	424	433	442	450	459	469	478	488	497	507	517	528
Support Services	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805	3,881	3,958	4,038
Property Management (7%)	2,155	2,198	2,242	2,286	2,332	2,379	2,426	2,475	2,524	2,575	2,626	2,678	2,733	2,787	2,843	2,900
Replacement Reserve Pmt	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Vacancy / Damage	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	24,955	25,098	25,568	26,047	26,536	27,035	27,543	28,062	28,591	29,131	29,682	30,244	30,816	31,401	31,997	32,605
NET OPERATING INCOME	5,825	6,298	6,456	6,617	6,781	6,948	7,120	7,294	7,472	7,654	7,839	8,028	8,220	8,416	8,617	8,821
Depreciation	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
NET INCOME	(675)	(202)	(44)	117	281	449	620	794	972	1,154	1,339	1,528	1,720	1,916	2,117	2,321
Total Debt Service	(675)	(202)	(44)	117	281	449	620	794	972	1,154	1,339	1,528	1,720	1,916	2,117	2,321
Debt Coverage Ratio	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Annual Cash Expenses	24,280	24,896	25,524	26,164	26,817	27,484	28,163	28,857	29,564	30,285	31,021	31,771	32,536	33,317	34,114	34,926
Debt Service Reserve																
Cash Flow	5,825	6,298	6,456	6,617	6,781	6,949	7,120	7,294	7,472	7,654	7,839	8,028	8,220	8,416	8,617	8,821
Assumptions																
Vacancy Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Annual Increase - Rent	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Carrying Charges																
Expenses	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

PROFORMA FOR 4-UNIT



## APPLICATION FOR SCATTERED SITE ACQUISITION FUNDS

Address: 306 North Brooks St., Madison, WI 53715 Amount Requested: \$ \$200,000

1. Which State of Wisconsin statute are you organized under?  Chapter 181  
 Chapter 185
  
2. Proposed Acquisition Site: TBA
  - A. Address: TBA
  - B. Current appraised value: TBA
  - C. Accepted purchase price (if offer has been made): TBA
  - D. Number of bedrooms, living units, or shared living units: TBA
  - E. Number of square feet on the property: TBA
  
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.

This is a "Housing First" program for families working with the Madison Metropolitan School District (MMSD) to help families avoid entering shelter. MMSD has contact with a number of families that are on the verge of entering shelter. When the families enter shelter there are incredible costs, both in terms of the expenses of the shelter itself and the impact on the family and the children. Once a family enters shelter, it often takes ninety or more days to get the family out of shelter with all of the shelter costs, staff time and social impact on the family and the children.

This program is already operating and five families have been assisted with four remaining in housing. Porchlight and United Way would like to expand the program. United Way has committed an additional \$18,000 to assist with emergency rental, utility and other assistance so these households will be assured rent. Another significant sum (\$39,344), has been committed to enable Porchlight to purchase a property for the purpose expanding this program. United Way has also committed \$25,000 for operations of the program to assist with rental payments and expenses of the households.

As previously discussed, not only will families be provided with financial assistance, but also case management services. As previously discussed, case managers who provide a variety of services that are designed to assist the household to not only maintain their housing with Porchlight, but also develop skills that will help them obtain and maintain housing in the private market. These skills include budgeting, housekeeping, life skills development, developing a solid rental history, and developing and maintaining connections to community resources that are essential to household stability. In addition, residents develop individual achievement plans that states the goals they should achieve while participating in the program. Achievement plans include a goals to obtain or increase their income security. The case manager assigned to each respective household then works with them to take the steps necessary to successfully achieve the goal. The case manager meets frequently with each household, often multiple times in a week, to work on each goal.

The long-term goal is to assist these families to financial and social independence, either remaining in the housing or moving to other permanent housing in the community. We expect to assist four families at any given time, with turnover that will probably mean five families in any year and are targeting a 70% retaining housing for a period of years to be a goal for this program.

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

All of the families served will all be less than 60% of CMI (County Median Income)); almost all of the families served will be extremely low income (less than 30% CMI). These will be families that are near homelessness mainly referred through the Madison Metropolitan School District. Porchlight will assist these families in moving into the apartment units, providing furniture and other household items, and case management services that are designed to assist these households in maintaining housing. This housing will be permanent housing. This meets the CDA definition of special needs by serving those households that are low income and very low-income.