

Application for Community Development Reserve Funds

This application form is used for projects seeking City of Madison CDBG and HOME Development Reserve funds. Applications must be submitted electronically to the City of Madison Community Development Division by 12:00 PM on the first Friday of the month, and are typically reviewed by the CDBG Committee on the first Thursday of the following month.

Email to: cdbg@cityofmadison.com

APPLICANT INFORMATION

Proposal Title: ConMarc, Inc.-Balsam Rd.

Telephone: 608-206-2349

Amount of Funds Requested: \$225,300

Fax:

Name of Applicant: Constance Miles/ConMarc, Inc.

E-mail: selimconn@icloud.com

FEIN: 39-1754465

Project Contact: Constance Miles

DUNS #: 108002952

Mailing Address: 2004 Butler Ct. Middleton, WI 53562

Legal Status: For-Profit

Non-Profit

Non-Profit: CHDO

Type of Funds Requested: CDBG

HOME

Other

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 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/aaFormsID.cfm>.

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>

LOBBYING REGULATED

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if

you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF or similar assistance), then you likely are subject to Madison's lobbying ordinance, Sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520.

If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

SIGNATURE OF APPLICANT

Name: _____ Date: _____
Executive Director (or Authorized Agent)

CM By entering your initials in the box, you are electronically signing your name, agreeing to the terms listed above, and affirming that this proposal is hereby submitted with *the approval of the Board of Directors and with the knowledge of the agency executive director.*

For additional information or assistance in completing this application, please contact the Community Development Division at (608) 266-6520.

PROPOSAL DESCRIPTION

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

The purpose of the acquisition of 5834 Balsam Rd. is to preserve the units as affordable housing. Currently, the rents and the household incomes meet the city of Madison's affordable housing guidelines but if a buyer with another intent purchased the building, they could rehab the units and raise the rents to market value rents. Affordable housing is an ongoing issue in the city of Madison and its preservation is a critical need. The financial assistance of the CDBG office allows the purchase of Balsam Rd. without the encumbrance of a high debt service and therefore, maintaining the rents at the required levels. The balance of funding will be secured for the remainder of the purchase price and the rehab costs. My goal is to update the units to allow for better living conditions but yet preserve the affordable housing. The rehab work will not require the displacement of the tenants.

2. Describe the target population(s) this project intends to serve (e.g. low-income families, seniors, special needs populations, etc.) with this proposal.

Low-income families are the target population.

Number of unduplicated individuals estimated to be served by this project: 10
Number of unduplicated households estimated to be served by this project: 4

3. Please check which of the below Program Objectives with which your proposal most closely aligns. In the space provided, briefly describe how your proposal addresses that objective:

- Housing – Owner-Occupied Development
- Housing – Rental Development
- Economic Development – Job Creation
- Economic Development – Microenterprise
- Neighborhoods- Community-Based Facilities
- Neighborhoods- Civic Places/Revitalization

The site is a currently occupied four unit apartment building currently occupying low-income families. My proposal will preserve these rental units as affordable housing according to the Federal guidelines.

4. Will any business or residential tenants be temporarily or permanently displaced as a result of the proposed activities? YES NO
If yes, please describe the relocation plan and assistance that you will implement or have started to implement.

5. Please describe the public purpose of your proposal and the risks associated with the project.

This project involves the purchase of a four unit affordable housing apartment building in the Balsam neighborhood, a Target Neighborhood Resource Team area. The purpose is maintain this building as affordable housing units, even after the cosmetic rehab of updating the kitchens, bathrooms, painting and repairing the flooring as needed. As with most rental units, the potential risk is securing and/or retaining reliable tenants that will make timely rent payments and maintain the updated units. To minimize cost of the repair work, my intent is to use the Operation Fresh Start Grad Crew for the rehab projects. The risk associated with this team is the timeliness of their work.

6. Please complete and include the following attachments.

Attachment A – Futures Fund Proposal

For all projects involving Acquisition, Rehab or Construction:

Attachment B – Real Estate Property Summary

Attachment C – Budget Workbook (1. Capital Budget & 2. Rental Pro Forma, if applicable) and one of

the following, as applicable:

Attachment D – Rental Housing Development

Attachment E – Owner-Occupied Housing Development

Attachment F – Community-Based Facilities

FUTURE FUND PROPOSAL ONLY

A. Please check the type of proposal:

- Prototype
- Feasibility Study
- Revitalization Opportunity
- New Method or Approach

B. 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.

REAL ESTATE PROPERTY SUMMARY

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

Enter the site address (or addresses if scattered sites) of the proposed project and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post- Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced*	# of Units Accessible Current?	Number of Units Post- Project Accessible?	Appraised Value Current <small>(Or Estimated)</small>	Appraised Value After Project Completion <small>(Or Estimated)</small>	Purchase Price
Address:	5834 Balsam Rd. Madison, WI 53711								
	4	4	4	0	2	2	325,000	350,000	300,000
Address:	Enter Address 2								
Address:	Enter Address 3								

**Business or Residential.*

COMMUNITY-BASED FACILITIES

A. Type of Project: Funds would be applied to:

- Acquisition only Rehabilitation New Construction Acquisition and Rehab/Construction

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

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

Name	Amount

D. If rented space:

1. Who is the 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 the Fair Labor Standards Act and the payment of Federal Prevailing Wage Rate, if applicable.

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.

G. Describe the historical uses of the site. Identify if a Phase 1 Environmental Site Assessment has been completed and summarize any issues identified. Identify any environmental remediation activities planned, completed, or underway, and note if any existing conditions of environmental significance are located on the proposed site.

OWNER-OCCUPIED HOUSING DEVELOPMENT

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, and 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:

RENTAL HOUSING DEVELOPMENT

SITE INFORMATION

1. Identify the specific Site
Address(es): **5834 Balsam Rd. Madison, WI 53711**

2. Applicant has site control. YES NO

3. Funds would be applied to:
 Acquisition only Rehabilitation New Construction Acquisition and Rehab/Construction

4. Explain why this site was chosen and how it helps the City to expand affordable housing opportunities where most needed? Describe the neighborhood and surrounding community. Provide the streets of the closest major intersection as well as known structures/activities surrounding the site that identifies where the site is located. (Attach a map indicating project location. Include one close-up map of the site and a second map to show the site in context of the City.)

This site was chosen because the Balsam Rd. neighborhood is a designated Neighborhood Resource Team area which serves to connect the residents to City services such as housing, transportation, employment and child care. My intent is to preserve the site as an affordable housing residence.

The closest major intersection is Raymond Rd. and Leland Dr. Orchard Ridge Elementary and Toki Middle Schools are the designated schools for the community. The Meadowood Public Library and The Meadow Neighborhood Center serve the community. The Madison Fire and Police Departments have stations within a mile of the site. The Road Home, a neighborhood organization, provides rapid rehousing services as well as case management and educational support to children and their families to prevent homelessness. The Russett Rd. Joining Forces for Families agency provides limited financial assistance for utilities and rent and serves as an advocate and referral for basic needs such as housing, food, and employment.

5. Identify any existing buildings on the proposed site, noting any that are currently occupied. Describe the planned demolition of any buildings on the site.

The four unit at 5834 Balsam Rd. is the only building on the proposed site and the building is fully occupied. There are no plans for demolition. Rehab will begin as unit becomes vacant. The vacant unit will be completed first.

6. Describe the historical uses of the site. Identify if a Phase 1 Environmental Site Assessment has been completed and summarize any issues identified. Identify any environmental remediation activities planned, completed, or underway, and if any existing conditions of environmental significance are located on the proposed site.

A phase 1 Environmental Site Assessment is a key contingency in the offer to purchase. An assessment will be completed before the noted contingency deadline in the offer to purchase contract.

7. Identify if the following amenities are within 1 mile of the proposed site.

Type of Amenities & Services	Check if Within 1 Mile
Full Service Grocery Store	x
Public Elementary School	x
Public Middle School	x

Public High School	
Job-Training Facility, Community College or Continuing Education Programs	x
Childcare	
Library	x
Neighborhood or Community Center	x
Full Service Medical Clinic or Hospital	
Pharmacy	x
Public Park or Hiking/Biking Trail	x
Banking	
Retail	x
Restaurants	x
Other (list the amenity(ies):	

8. What is the distance between the proposed site and seven-day a week transit stops (i.e. weekday and weekends)? List the seven-day transit stop street intersections and describe any other transit stops (include street intersections and schedule) located near the proposed site.

The bus stop on Raymond Rd. and Leland Dr. - Route 50/51 is approximately 500 feet from the Balsam Rd. address. There are additional stops at the intersections of Cameron Dr. and Rae Ln. Route 50/51 run seven days a week with different time intervals for the weekends

9. Describe the transit options for children to get to their elementary and middle schools.

Orchard Ridge Elementary and Toki Middle School are within very close proximity and are within walking distance from Balsam Rd.

10. Describe the transit options for people to access amenities such as childcare, after school activities, grocery stores, the nearest library, neighborhood centers, and other amenities described above.

The nearest library, neighborhood center with after school options are within walking distance. Walgreens, in the Meadowood Shopping Center along with restaurants are also within walking distance. The new full-service grocery store, Luna's Groceries is across Verona Rd. and is accessible via bus transportation.

11. Identify the current zoning classification of the site. Describe any necessary zoning-related approvals (re-zoning, conditional use, demolition, zoning variance, etc.) that must be obtained for the proposal to move forward.

The site is currently zoned residential multi-family housing and will not require any re-zoning or variances.

12. Describe the proposed project's consistency with adopted planning documents, including the City of Madison Comprehensive Plan, the Neighborhood Plan(s) and any other relevant plans.

The Balsett-Russett area has been identified as one of the sub-areas of the City of Madison's Southwest Neighborhood Plan to receive revitalization strategies. Currently the neighborhood is a mix of single family and multi-family housing. It includes the services of Joining forces for Families and the Meadowood Neighborhood Center and the Meadowood Library. Amenties in the area are the Meadowood Shopping Center and Meadowood Park.

My project identifies with the City's concerns in the Southwest Neighborhood Plan of safe homes and streets; retaining a strong housing market and strengthening the neighborhood and their families. My project aligns with one of the areas of focus in the vision of the City's plan in that the neighborhood will offer affordable, well maintained housing. One of the goals of The Southwest Neighborhood Plan is to provide a variety of housing types.

A short term goal within the next year is to promote to new or current tenants existing programs and create new homeownership education programs that address credit building and credit requirements, financial stability, the lending process, and home maintenance. The intent is prepare and eventually transition families that are interested in home ownership. As a licensed real estate agent, my services could be significant during the transition process.

13. Describe the response and level of support of the alderperson of the district in which the proposal is located? What issues or concerns with the project did s/he identify, if any?

Alder Matthew Phair has expressed his support of my project.

14. For new construction projects or projects requiring a conditional use permit, describe the neighborhood input process, including notification to and input from the nearby Neighborhood Association(s), either already underway or planned. If that process has begun, please summarize its results to date.

N/A

SITE AMENITIES

15. Describe the exterior and common area amenities that will be available to tenants and guests, including parking, laundry and cost of each, if any.

Free parking is available in the rear of the building for the tenants and their guests. The use of a washing machine and dryer are located in basement of the building at no cost to the tenants.

16. Describe the interior unit amenities, including plans for internet service (and cost, if any) and a non-smoking environment.

The building is wired for cable and internet service. Tenants are responsible for the cost of their specific service.

PROPOSAL ACTIVITIES

17. Please describe activities/benchmarks and associated completion dates to illustrate how your proposal will be implemented (e.g. acquisition, closing, zoning-related applications and approvals, start of construction, end of construction, commencement of lease-up, stabilization, etc.).

Activity/Benchmark	Estimated Month/Year of Completion
Submission of Application for Zoning Change &/or Conditional Use Permit	N/A
Plan Commission Approval for Rezoning &/or Conditional Use Permit	N/A
Secure Project Financing	April 30, 2019
Acquisition/Real Estate Closing	May 15, 2019
Rehab or New Construction Bid Publishing	May 10, 2019
New Construction/Rehab Start	May 15, 2019
Begin Lease-Up	
New Construction/Rehab Completion	August 15, 2019
Occupancy Permit Obtained	N/A
Begin Lease-Up	
Complete Occupancy	

HOUSING INFORMATION & UNIT MIX

18. Provide the total number of units proposed, the number of income and rent restricted units proposed, and the number of units proposed to be assisted with CDD funds. Identify if any of the units will be supported by Section 8 project vouchers.

There are four units that will be included in this proposal that currently and will continue to meet the income and rent restrictions. The requested funds will be 70% of the acquisition costs. None of the units are supported by Section 8 vouchers.

19. Provide the following information for your proposed project. List address along with the number of units you are proposing by size, income category, etc. If this is a scattered site proposal, list each address separately with the number of units you are proposing by income category, size, rent, for that particular address &/or phase. Attach additional pages if needed.

ADDRESS #1:		5834 Balsam Rd. Madison, WI 53711									
		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
80%	0	0	0	0	0	0			850		
Sub-total	0	0	0	0	0	0					
Market*	0	0	0	0	0	0					
Total Units	0	0	0	0	0	0	Notes: Rent range is \$750-950				

* 50% = 31-50% CMI; 80% = 51-80% CMI; Market = >81% CMI.

ADDRESS #2:											
		# of Bedrooms					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
80%	0	0	0	0	0	0					
Sub-total	0	0	0	0	0	0					
Market*	0	0	0	0	0	0					
Total Units	0	0	0	0	0	0	Notes:				

* 50% = 31-50% CMI; 80% = 51-80% CMI; Market = >81% CMI.

20. Please check and/or describe the utilities that are/will be included in rent:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Water/Sewer | <input type="checkbox"/> Free Internet (In-Unit) |
| <input checked="" type="checkbox"/> Electric | <input type="checkbox"/> Other: |
| <input checked="" type="checkbox"/> Gas | |

21. For proposals that include rehabilitation, have you completed a capital needs assessment for this property? If so, summarize and attach a copy of the capital needs assessment. If not, please include a detailed scope of work demonstrating that the housing development will meet minimum housing code and rehabilitation standards, upon completion. [Minimum of two estimates upon which capital costs are based.]

The rehabilitation is not required but will be an upgrade to each unit. The scope of the work includes replacing kitchen counters, kitchen flooring, appliances, carpets as needed, bathroom vanities, bathroom lighting and flooring as needed. In order to minimize rehab costs and to support another affordable housing organization, I have chosen to use Operation Fresh Start's Grad Crew to complete the work. Operation Fresh Start has completed several similar rehab projects. The rehab estimate from Operation Fresh Start Crew is pending.

22. For proposals that include rehabilitation, what level of lead-based paint and/or asbestos removal will be required?

To my knowledge lead-based paint or asbestos removal are not required. A lead paint assessment contingency is included in the offer to purchase.

23. Describe the level of accessibility you plan to provide. Identify the number of accessible units and the specific type of accessibility modifications that will be incorporated.

The level of accessibility will remain the same.

24. Describe the energy efficient features you plan to provide, the energy standard to be achieved, and the resulting monthly utility saving for the project and for the tenant.

Low flow shower heads will be installed to maximize water efficiency. Energy efficient light bulbs will be installed in the common hallways and basement. These light bulbs luminate the required lighting but use less wattage. As toilets need to be replaced, they will be replaced with low flow toilets. As the utilities are paid by the landlord, the cost savings will be passed onto the tenants and reflected in the rents. The boiler will be inspected during the home inspection and any necessary repairs will be made.

25. Describe briefly your tenant selection criteria and process. Describe your plans to incorporate flexible tenant selection criteria in order to provide housing opportunities for persons or families who otherwise would face common obstacles obtaining housing (e.g. poor credit or rental histories, arrest or conviction records, etc.).

In working with the property management, the primary focus will be that the tenants can afford the rent. Income sources will be verified. Poor credit and criminal history, if applicable will require an explanation but will not be automatic disqualification. If applicants have obstacles obtaining housing, a possible compromise could be a month-to-month lease vs. a year long lease.

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

Yes. As a part of my introduction as the new owner, I will provide the information about the neighborhood resources. In addition, I will let the tenants know that I am available as a referral source to these services, as needed. As noted earlier, I will connect with families that have intentions of home ownership and refer them to programs that assist in that transition and as a real estate agent, I can assist them in finding a new home.

DEVELOPMENT TEAM

27. Will your project be owned by a single-purpose entity organized as an LLC or LP? If so, please attach an organization chart, including ownership percentages, along with your application.

YES NO

28. Identify all key roles in your project development team, including lead developer, architect, general construction contractor, legal, property management, supportive services provider, and any other key consultants, if known.

Name	Company	Role in Development	Phone
Constance Miles	ConMarc, Inc.	President/Project Manager	608-206-2349
Jason Henkins	Operation Fresh Start Grad Crew	Construction/Rehab Manager	608-244-4721
Qiana Holmes-Abanukam	Road Home	Education Coordinator	608-535-0330

EXPERIENCE AND CAPACITY

29. Please describe the project team’s experience in performing the activities proposed in this application. Be sure to:
- Address years in operation, qualifications of staff, capacity of the organization to secure financing and complete the project as proposed, and past performance.
 - If applicable, identify how many affordable housing units your organization has created and/or managed in the past five years.

The President of ConMarc, Inc. , non-profit organization has experience in real estate investing since 2014. The President is also a state of WI licensed real estate agent. The rehabilitation work will be completed by Operation Fresh Start's Grad Crew. Operation Fresh Start has provided construction training and services for affordable housing for over 45 years. ConMarc, Inc. is working with Park Bank to secure the funding for the balance of acquisition and rehab costs.

30. Applicant organization meets the following key criteria to be certified or re-certified as a Community Housing Development Organization (CHDO) in consideration of this proposal for HOME funds: YES NO

- Possesses not-for-profit, tax exempt 501(c) status;
- Has a board with no more than 1/3 of its members as public officials;
- Includes provision of affordable housing within its statement of purpose;
- Includes low income residents or low income representatives as a minimum of 1/3 of its board;
- Includes a means for participation by lower-income residents;
- Demonstrates its capacity and experience in service the community.

If Yes, CHDO Application and subsequent certification will be required prior to award of funds.

31. Other. TBD. Placeholder.

The budget intentionally does not include expenses for accounting, legal, payroll, accounting, and advertising. Because this is a small project, I will conduct these services myself or cover the costs as needed.