

# 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: Hauk/Marquette Redevelopment Amount Requested: \$ 200,000  
Agency: Habitat for Humanity of Dane County  
Address: 1014 Fiedler Lane, #29, Madison, WI 53725  
Contact Person: Mr. Thomas Popp, Executive Director Telephone: 255-1549 x. 103  
Email: tpopp@habitatdane.org Fax: 255-1823

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.

We'd like to buy and build upon land at the corner of Hauk and Marquette Streets, an intersection that sits at the nexus of the Starkweather, Darbo, and SASY neighborhoods, and lies adjacent to the East Washington/Milwaukee/Marquette/Hwy.30 commercial corridor. The site backs up to the Starkweather Creek, as well as the City bike path and East Washington pedestrian bridge. The Salvation Army, Hawthorne Library, the St. Paul community gardens, Atwood Avenue, Olbrich Park, Lowell Elementary School, East High, and numerous bus lines are all within a few minutes' walk. The site is currently used as low-income rental property offered to tenants on month-to-month leases, and tenant anecdote suggests that the units are routinely afflicted with bugs, rodents, water problems, and substandard living conditions. The intersection at which the site is located has suffered from criminal activity, including drug dealing, prostitution assaults, and break-ins. The site, like many of those platted between Marquette and the Starkweather, sits within the flood plain and needs earthwork to elevate the site into compliance with HOME fund requirements. We'd like to offer the current tenants right of first refusal, relocate one of the three pre-existing buildings; demolish the other two buildings; elevate the site; provide eight owner-occupied townhouses to families who otherwise couldn't afford them, by drawing upon volunteer labor, sweat equity provided by the homeowner, and 0% mortgage financing provided by Habitat itself; and thereby transform the demeanor of this part of the neighborhood by providing a genuine community asset.

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.

Habitat for Humanity of Dane County provides homeownership opportunities to Dane County residents who earn between 30% and 60% of DCMI. We serve a variety of household types, but prioritize families. We draw our homeowners from a racially diverse set of applicants, and in recent years we've been serving an increasing number of refugees, from places such as Bosnia, the Sudan, Cambodia and Laos. Because our families enter Habitat's homeownership program well before construction begins, we're able to closely tailor our homes to the needs of the individual families, in terms of size and accommodations for disabilities. Regardless, all Habitat families contribute 250 hours of sweat equity to their build; they participate in a dozen or more homeowner education training classes; they match with community members who support the family and advocate on its' behalf during the build; and they partner with Habitat in promoting its' mission of providing affordable housing to Dane County residents,.

32-40 # 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   |
| <input checked="" type="radio"/> 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                      |                                |

Habitat's model of financing and construction will provide homeownership opportunities for eight income-qualified buyers at the Hauk/Marquette site. We plan to build town homes with the community of volunteers working alongside our homeowners, and we'll finance the build both with sponsorships and with donations of professional services, gift-in-kind donations, and money to purchase other supplies and necessary labor. Habitat of Dane County finances and holds the mortgages of our buyers, who pay the affiliate a monthly mortgage adjusted to 25% of the household's gross income, at 0% interest.

This project has encouraged us to explore partnership with Madison Area Community Land Trust in an effort to create a land development and ownership mechanic whereby families are insulated from otherwise prohibitive acquisition and land development costs, as well as to protect our families from spikes in property taxes. We're still working out details of how partnership would play out completely at Hauk/Marquette; nevertheless, the conversation between our two organizations suggests more and more how our models might compliment and augment one another.

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 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 type="checkbox"/> Rental Housing                                                   | Homeless | <input type="checkbox"/> Housing                    |
|                       | <input checked="" type="checkbox"/> Housing For Buyers                                    |          | <input type="checkbox"/> Services                   |

We seek CD funds to catalyze our land acquisition and site redevelopment efforts at Hauk/Marquette. The support of CD funds allows us to draw upon internal resources and conventional loans to a degree that renders the initial project costs feasible. Our site development work will yield a site compliant with HOME fund requirements, and we would enjoy the opportunity to request support for build-out, to yield an even more affordable project for our families.

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	\$106,000	-	\$106,000	HfH, bank loan
5. Work Supplies and Tools	-	-	-	-
6. Other: permits	\$10,000	-	\$10,000	HfH, bank loan
<b>C. Capital Budget Expenditures (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)	-	-	-	-
2. Other Capital Costs: land acquisition, surveys, engineering, build-out, etc.	\$1,100,000	\$200,000	\$900,000	HfH, bank loan, sponsorship, donation
<b>D. TOTAL (A+B+C)</b>	<b>\$1,216,000</b>	<b>\$200,000</b>	<b>\$1,016,000</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.

By early March, Habitat will agree to final terms of purchase and timelines with the seller. We anticipate an August closing. In the interim, Habitat will petition City Engineering to vacate the Hawk Street terminus that bisects the site; we will work with Alder Palm and City Engineering to co-ordinate efforts related to the relocation of sewer lines that run underneath the Hawk Street terminus; we will petition the City to rezone the aggregate properties into a PUD; we will prepare and submit for approval the building plans intended for the site; we will perform the necessary soil tests and carry out surveys necessary to ensure proper final site elevation. Pending successful closing, we intend to work with Henshue Construction and City Engineering to clear the site, relocate the sewer lines, and elevate the grade into compliance. By late fall, the necessary site procedures having been completed, we intend to establish by survey and submit to FEMA the new site elevations, and wait during the winter for their clearance to build. Come Spring, 2009, we anticipate beginning construction upon four of the units, with build-out of the final four to begin in Fall of 2009. Closings begin in Fall of 2009 and continue on into Spring of 2010.

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

Alder Palm has proven himself extraordinarily supportive of the project: He's served as an excellent liaison Between the neighborhood, City staff, and Habitat. By his invitation, we've attended neighborhood meetings to present the project to interested residents, and to answer questions and address concerns. The Hauk/Marquette project has enjoyed tremendous support at these meetings, and we hope for and anticipate an eager and willing contingent of locals to come down and lend a hand during the build...as well as the Alder!

Please see Alder Palm's letter of support, attached.

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)

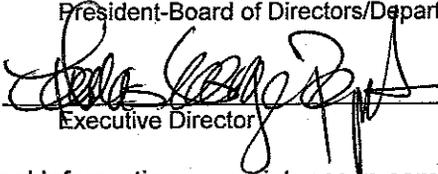
ESG Funding Addendum (Attachment I)

13. **Affirmative Action:** If funded, applicant hereby agrees to comply with City of Madison Ordinance 3.58(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: 2-14-08  
Executive Director

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		Current?	Post-project?	
*245 N. Marquette	Purchase Rehab Construct	6	8	4	**1 - other tenants on month-to-month leases	\$423,000	1,000,000	\$420,000	N	Y, according to needs of homeowners	no
2902 Hauk St.	Purchase Rehab Construct										
305 N. Marquette	Purchase Rehab Construct										

\* Owing to the anticipated PUD upon these lots, the totals given represent the site in aggregate

\*\* Offer to purchase contingent upon seller paying relocation costs

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	420,000	AHTF	\$220,000	HFH	
Title Insurance and Recording					
Appraisal					
*Pred/primt/feasibility/market study					
Survey	11,000		11,000	HFH	
*Marketing/Affirmative Marketing					
Relocation					
Other:					
<b>Construction:</b>					
Construction Costs	680,000		680,000	Sponsorship, donation	
Soils/site preparation	40,000		40,000	HFH	
Construction management					
Landscaping, play lots, sign	10,000		10,000	donation	
Const interest					
Permits; print plans/specs	10,000		10,000	HFH	
Other:					
<b>Fees:</b>					
Architect	15,000		15,000	HFH	
Engineering					
*Accounting	30,000		30,000	HFH	
*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):				
Other (specify):				
<b>TOTAL COSTS:</b>	1,216,000	200,000		1016000

\* 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.

HOUSING FOR BUYERS

A. Recap briefly the key or unique features of this project: *Site offers a superior urban location at which to offer income-qualified families the opportunity for homeownership; challenging physical features of land demand careful site preparation; project transforms an area defined by substandard rental properties and their associated effects into a vibrant community asset.*

1. Activities to bring it to housing and code standards: *Elevation of site out of the flood plain; substandard rentals Replaced with new owner-occupied housing*
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): *0% mortgage financing adjusted to 25% of families' gross monthly income; 250 hours sweat equity by homebuyer; volunteer labor; LURA agreement accompanying title*

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
1	2	80000	25000	Acq./site dev.	25% GMI	30%-60%	N/A ?	120,000	120,000
2	2	"	"	"	"	"	"	"	"
3	3	85000	"	"	"	"	"	125,000	125,000
4	3	"	"	"	"	"	"	"	"
5	3	"	"	"	"	"	"	"	"
6	3	"	"	"	"	"	"	"	"
7	4	90,000	"	"	"	"	"	130,000	130,000
8	4	"	"	"	"	"	"	"	"

\*\*Bedroom mix as indicated represents typical family distributions: Final units will be distributed according to actual family needs at time of family enrollment into Habitat's homebuyer program\*\*

\* 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.

Describe proposed improvements to increase the level of accessibility:

We enjoy the ability and opportunity to meet with our homeowners individually to determine accessibility needs on a unit-by-unit basis, and we will continue that practice within this build.



Office of the Common Council

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City-County Building, Room 417  
210 Martin Luther King, Jr. Boulevard  
Madison, Wisconsin 53703  
(Phone) 608.266.4071  
(FAX) 608.267.8669  
(TTY) 608.267.8670

DATE: February 14, 2008  
TO: Whom It May Concern  
FROM: Larry Palm, Alder District 15 *Larry Palm*  
RE: Habitat for Humanity Hawk/Marquette Street Project

As Alder for District 15 on Madison's near east side, I am in full support of the proposed Habitat for Humanity project on the eastern edge of the Hawk and Marquette Street intersection immediately adjacent to the Starkweather Creek.

The neighborhood that this project is proposed in is currently severely depressed, principally because of the physical condition and occupancy of the units that are currently on the site.

I have hosted multiple neighborhood meetings on this project, and while final details of the project are not available, general consensus exists to support the redevelopment of this area into multi-family owner-occupied housing as proposed by Habitat for Humanity.

In the 2008 City of Madison Capital budget debate, TIF money was removed from this project because it currently did not fall within the boundaries of the TIF. However, it was clear through the debate and subsequent approval language adopted "comfort language" in the 2008 Capital budget to that the majority of the City Council supported this project, and I do not have any indication that this support has been removed.

The specific language approved in the 2008 Capital Budget is:

"This project directs the Department generally, and the CDBG Office specifically, to work with Habitat for Humanity of Dane County and the Madison Area Land Trust to create homeownership opportunities in the area of Hawk Street and North Marquette Street."

Habitat For Humanity Hawk/Marquette Street Project Letter  
Alder Larry Palm, District 15  
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The responses by residents on the proposed removal of TIF funds for this project were overwhelming, perhaps one of the top ten communication items to the Common Council. It was clear that the neighborhoods residents supported this project and the use of city-controlled funds on the redevelopment of this blighted property.

In addition, the City of Madison has invested significant resources to improve this area, such as the pedestrian bridge crossing East Washington Avenue at Marquette Street, the restoration of the bank of the Starkweather Creek, the improvements to Clyde Gallagher Avenue and the proposed improvements to Marquette Street itself.

**I encourage you to support this project.** Even at this early stage in the planning and development of the project, there is much neighborhood and community support, and positive encouragement from all city departments that have engaged in this conversation.

If you have any questions, please do not hesitate to contact me at 692.8416 or [lpalm@cityofmadison.com](mailto:lpalm@cityofmadison.com).

