

# *Scattered Sites Project*

*Megan Schuetz*

*Movin' Out*

*Real Estate Development*

*Program Manager*

*Brad Hinkfuss*

*Housing Initiatives*

*Executive Director*



# Movin' Out's Mission

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Movin' Out, is a nonprofit that partners with people with disabilities and their allies, to create sustainable community-integrated affordable housing solutions.



# Housing Initiatives' Mission

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Housing Initiatives provides permanent housing for people in Dane County who have a severe and persistent mental illness and are experiencing homelessness because of the illness.



# Project Ownership

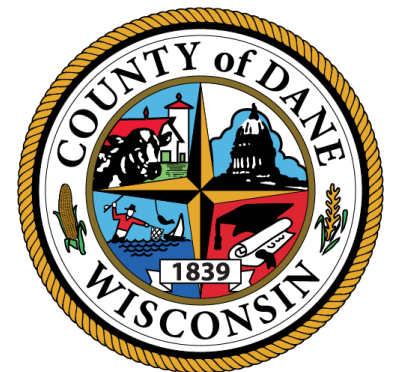
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Movin' Out, Inc. and Housing Initiatives will jointly own the tax credit partnership throughout the life of the development. The terms of that ownership are still in discussion.

# Property Manager & Service Partners

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- ❖ Wisconsin Management Company - Property Management
- ❖ Housing Initiatives - Homeless Services
- ❖ My Choice - Adults Services
- ❖ Dane County Dept. of Human Services - Children Services
- ❖ Dane County Veterans Service Office



# Project History

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- ❖ Movin' Out had a portfolio of single family homes that had long term capital needs but didn't have the income to put into the units. They also didn't have enough units to reach an economy of scale for a larger rehab/LIHTC project. With increased capital expenses and goal of keeping units affordable, we started to seek a mutually beneficial partnership.
- ❖ Both firms realized that selling these units creates a risk of less affordable units for vulnerable communities.
- ❖ Housing Initiatives has many scattered site properties that could benefit from renovation. Due to a well-established supportive service program with Coordinated Entry in the Dane County Continuum of Care, Housing Initiatives decided to partner with Movin' Out's LIHTC expertise.

# Project Overview

# Project Goals

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To preserve **quality affordable housing** spread across the City of Madison that provides housing choice for **lower-income people with a disability** - many of whom are also experiencing homelessness.



# Project Details

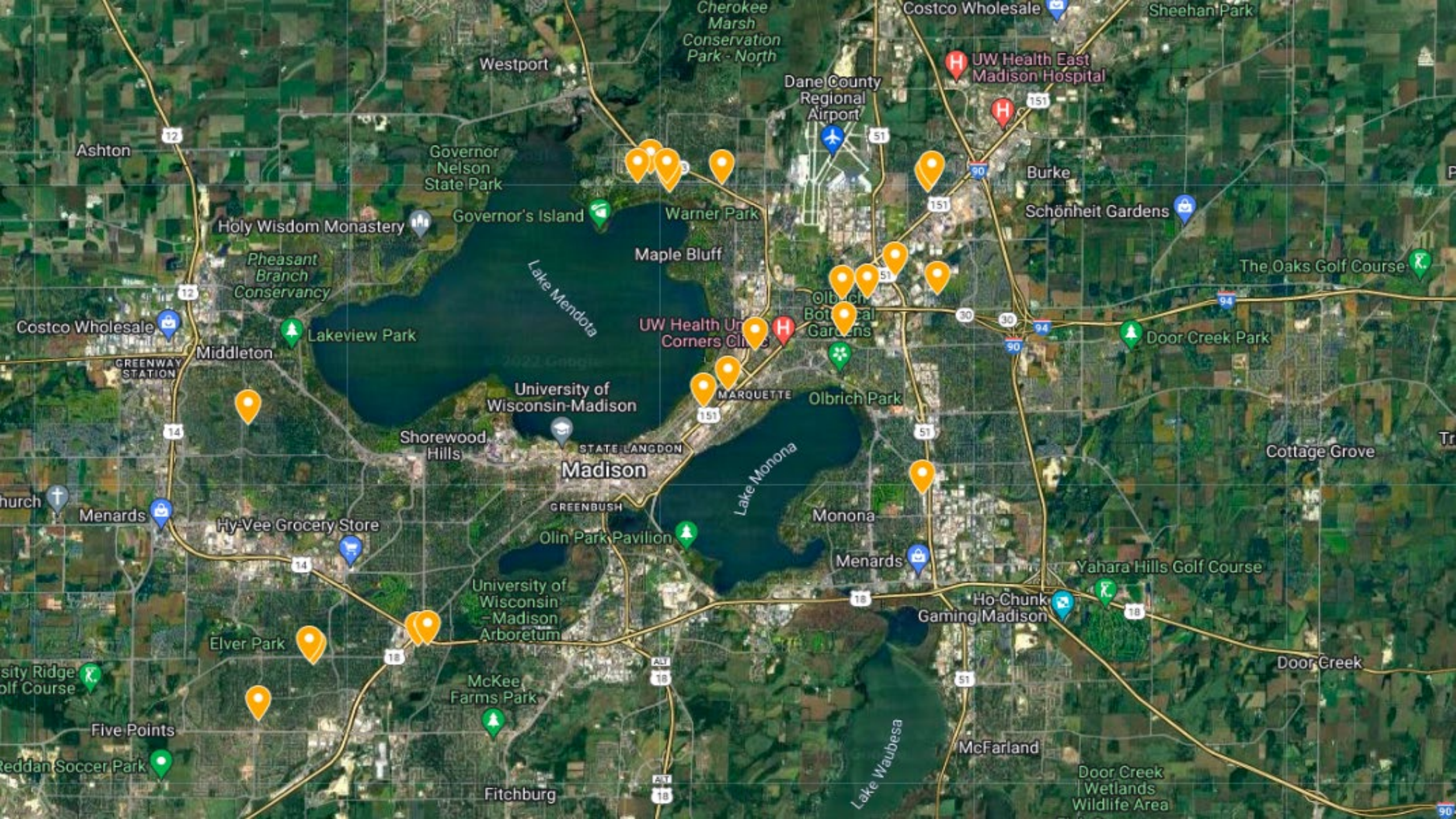
Preservation  
& Permanent  
Supportive  
Housing

Target  
population are  
people who  
have a  
disability,  
many of  
whom are also  
homeless

71 units and 8  
new  
construction  
units

Amenities  
available in  
neighborhoods  
include  
transportation,  
grocery,  
medical,  
services, and  
more







# Demonstrated Need

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Movin' Out has 1,442 on waitlist in Dane County

Dane County Coordinated Entry has 741 Clients on the Priority List

Of the Priority List Clients, 313 are Chronically Homeless

Of the Priority List Clients, 413 have Severe Mental Health Disabilities

242 Clients are both Chronically Homelessness and have Mentally Health Disabilities. This is Housing Initiatives' Target Market.

# Project Financials

# Budget

<u>Sources</u>		<u>Uses</u>	
First Mortgage	\$3,773,731	Acquisition (pay off of existing debt & soft loans)	\$4,751,517
Tax Credit Equity	\$3,859,059	Hard Costs	\$6,014,500
Existing Soft Loans	\$3,318,697	Soft Costs & Fees	\$3,222,305
City of Madison AHF	\$2,960,000	Reserves	\$426,635
Dane County AHF	Included in above		
Deferred Developer Fee	\$503,470		
<b>TOTAL</b>	<b>\$14,414,957</b>	<b>TOTAL</b>	<b>\$14,414,957</b>

# Underwriting Assumptions

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- ❖ 79 total units
- ❖ Includes new construction of 8 units of stabilization housing on an existing site along with new, consolidated space for Housing Initiatives to provide services
- ❖ 30 year minimum affordability
- ❖ Rehab Costs – \$50,000 per unit
- ❖ Many units have existing soft debt that will be noted as an acquisition expense but then also shown as a source with the funder rolling the existing soft funding into the rehab project
- ❖ Acquisition costs also assumes paying off all existing permanent loans
- ❖ Soft costs account for 23 separate sites (survey, environmental, appraisal, etc.)
- ❖ Operating expenses set at \$6K per unit per year + \$1200 per unit per year for supportive services

# New Construction

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- ❖ The team has yet to identify the site of the new construction units. We have been focused on getting proposals for Capital Needs Assessments on the properties to gain a better understanding of the condition of units and appropriateness for adding units.
- ❖ We are committed to working through the provided process once we have a clearer understanding of location. This will include meeting with City staff as needed along with any potential Alder and neighborhood meetings.
- ❖ We are also committed to energy efficiency on both the rehabilitation units and new construction units (as budget allows).

# Unit Mix

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- ❖ The project includes 71 existing units that are a mix of efficiency, one-, two-, three-, and four-bedroom units. The 8 new construction units are anticipated to be a mix of efficiency and one bedroom units.
- ❖ These units have a mix of targeting set asides mostly based on the housing subsidy being used for the tenants.
- ❖ For the purpose of the WHEDA application we would categorize all units as 60% units. This allows us maintain a higher income level if, for some reason, a unit loses its operating subsidy.
- ❖ Currently, the units that Movin' Out operates are all rented to those at or below 50% CMI.
- ❖ Currently, 93% of Housing Initiatives' units are occupied by those at or below 30% CMI, and 7% are occupied by those between 30 to 50% CMI.



# Strategy for Property Management & Supportive Services

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- ❖ Movin' Out and Housing Initiatives have established working relationships with local systems to both receive referrals for those seeking permanent housing that is linked with their supportive services as well as coordinating with these systems to help these residents to successfully maintain their housing.
- ❖ Movin' Out's experience focuses on individuals with disabilities and Housing Initiatives' experience focuses on individuals experiencing homelessness.
- ❖ The project has a budget of \$1,200 per unit per year to pay for services.
- ❖ Movin' Out has worked with Wisconsin Management Company who is very experienced in providing compliance and financial management. Housing Initiatives will retain its role of other property management services including intake, resident management, maintenance, and more.



# Tenant Selection Plan

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- ❖ Project will adhere to Tenant Selection Best Practices & Affirmative Marketing Best Practices as noted on Attachment B-1 & B-2.
- ❖ Many of the units utilize a Housing First approach for tenancy. This allows for residents to be housed more quickly. We will balance this with tax credit investor/program requirements.
- ❖ The project will utilize A and B criteria in its Tenant Selection Plan. The A criteria is still very flexible as compared to many standard approaches. B criteria allow alternate paths if needed.
- ❖ Housing Initiatives has extensive experience with intake of residents based on applicable rental assistance rules and requirements.
- ❖ Security deposits will never exceed one month of rent. With some rental assistance the security deposit is waived or supplemented. We offer a payment plan for security deposits, as needed.

# Community Support Plan

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- ❖ Both organizations plan on using the Integrated Supported Housing Model.
- ❖ Movin' Out creates a service plan for every project, has a full time Resident Services Coordinator on staff, and partners with local firms to provide supportive services.
- ❖ Housing Initiatives has 4 full time staff who provide support networks for clients to allow them to live independently and have access local community, city, and county resources to live successfully.

# Past Collaborations with Service Providers

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- ❖ Dane County Continuum of Care
- ❖ Aging and Disability Resources Center
- ❖ Comprehensive Community Services
- ❖ Wisconsin Family Care
- ❖ Journey Mental Health
- ❖ Tellurian
- ❖ Access to Independence
- ❖ Community Living Connections
- ❖ Options for Community Living
- ❖ IRIS (Include, Respect, I Self-Direct)

# Support Service Categories

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Mental  
Health

Employment  
Services &  
Financial  
Literacy

Empowerment  
Services

Transportation  
Assistance

Food and  
Personal  
Needs

# Timeline

2022

Apply to Soft  
Funding  
Sources

Receive  
awards

2023

Apply to  
WHEDA &  
AHP Funding

Receive  
awards

2023

Construction  
Begins on a  
rolling basis

2024

Lease-Up  
Begins on a  
rolling basis

# Questions?

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