

Application for Neighborhood and Community Development Funds

Submit original and 24 complete copies of this application to the CD Office by 4:30 p.m. by the 15th of the month, to be reviewed by the CDBG Commission on the first Thursday of the following month.

Program Title: Habitat of Humanity Urban initiative Amount Requested: \$ 286,000
Agency: Habitat of Humanity Dane County
Address: 1014 Fielder Lane #29 Madison WI 53725
Contact Person: Perry L. Ecton Telephone: 608-255-1549 #103
Email: pecton@habitatdane.org Fax: 608-255-1823

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.

Habitat of Humanity Dane County is currently working on a 3 year urban initiative that seeks to provide homeownership to Madison residents of incomes between 30-60% of Dane County medium. The underlying goal is to reach families at the lower end around 30-35% of medium income. This initiative is design to purchase existing multi family buildings and convert them into homeownership.

This specific grant request is to purchase one of the many existing 4 unit multi family for sale buildings in the Raymond Road and Whitney Way neighborhood of Madison. Censes tracks 4.02 4.04 5.01 and 5.02. It is HFHDC understanding that the City of Madison has also defined this community as a targeted one to stabilize property values and increase homeownership.

HFHDC wants to start the process of revitalization and neighborhood stabilization in the hope that other non profit and for profit organizations see the benefits in working in this community and continue the work that HFHDC have started to bring property values and pride back to this neighborhood.

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.

HFHDC serves individuals and families whose income falls between 30-60% of Dane County medium income. The basic guidelines for our program are as follows

- 1) family income within 30-60%
- 2) 2 years good rental history
- 3) Current on credit account and no collections or outstanding judgments at time of closing. Medical collections can be in a repayment arrangement. HFHDC does not use credit scores in our decision making.
- 4) Willingness to partner. A family or individual must be willing to commit 300-350 hours of sweat equity into building their home and others or in some sort of volunteer commitment.
- 5) Families and intervals must show a need either through a rent burden, meaning that a large percent of their income goes to paying rent over 25%. Their current living situation is overcrowded for their family size, or is substandard to basic living conditions.

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

4 # 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.

- | | |
|---|---|
| <input type="radio"/> A. Housing – Existing Owner-Occupied | <input type="radio"/> G. Neighborhood Civic Places |
| <input checked="" type="radio"/> B. Housing – For Buyers | <input type="radio"/> K. Community-based Facilities |
| <input type="radio"/> C. Housing – Rental Housing | <input checked="" type="radio"/> L. Neighborhood Revitalization |
| <input type="radio"/> E. Economic Dev. – Business Creating Jobs | <input type="radio"/> N. Access to Housing Resources |
| <input type="radio"/> F. Economic Dev. – Micro-enterprise | |

#B HFHDC program is design to create new homeowners opportunities in existing housing for individuals and families whose income are between 30-60% of Dane county medium income.

#L HFHDC program is design to start a neighborhood revitalization and stabilization effort that the City of Madison has identified in its 5 year comprehensive plan. By creating homeownership opportunities it will allow this neighborhood to start stabilizing property values and attract others in the housing community to invest and continue the efforts started by HFHDC.

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

- | | | | | |
|-----------------------|---------------------------------------|--|----------|--|
| Acquisition/
Rehab | <input checked="" type="checkbox"/> X | New Construction, Acquisition,
Expansion of Existing Building | Futures | <input type="checkbox"/> Prototype |
| | <input type="checkbox"/> | Accessibility | | <input type="checkbox"/> Feasibility Study |
| | <input checked="" type="checkbox"/> X | Maintenance/Rehab | | <input checked="" type="checkbox"/> Revitalization Opportunity |
| | <input type="checkbox"/> | Other | | <input checked="" type="checkbox"/> X New Method or Approach |
| Housing | <input type="checkbox"/> | Rental Housing | Homeless | <input type="checkbox"/> Housing |
| | <input checked="" type="checkbox"/> X | Housing For Buyers | | <input type="checkbox"/> Services |

New Method or Approach

HFHDC request from City of Madison CDBG is more then the value of the finished product given the economics of the existing neighborhood. It is the City desire to be able to reuse these funds in the future and HFHDC agrees with that method. It is HFHDC desire to create a mortgage for the City of Madison CDBG that allows the City of recover its funds and allows HFHDC to sell the units and create a first mortgage.

HFHDC is asking the City of Madison to work with HFHDC in determining the correct amount of mortgage on each unit that covers the city and HFHDC desires. The remaining balance of CDBG funds HFHDC is requesting it to be distributed over future builds in the Madison city limits to insure that funds are 100% covered by collateral and that allows HFHDC to help future families with resources that keep payments within HFHDC guidelines and policies.

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)	10,980			
2. Fringe Benefits	1530.4			
3. Payroll Taxes				
B. Non-Personnel Costs				
1. Office Supplies/Postage	2494.70			
2. Telephone	843.40			
3. Rent/Utilities	5178.4			
4. Professional Fees & Contract Services	6188.1			
5. Work Supplies and Tools	3560.2			
6. Other:	2305.07			
C. Capital Budget Expenditures (Detail in attachment C) \$300,000				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:				
D. TOTAL (A+B+C)	330080	286000	47080	HFHDC

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.

Estimated Month of Completion
(If applicable)

Use the following format:
(Who) will do (what) to (whom and how many) (when) (where) (how often). A flowchart may be helpful.

Action Plan/ timetable

- 1) Acquisition involves the Community Development Manager and the Land Acquisition committee, with the ultimate decision to acquire being made by the Board of Directors of HFHDC.
- 2) Construction activity will happen during our normal hours of operation: Tues through Saturday 8:00 to 3:30 pm
- 3) The construction activity shall be done with volunteer labor under the supervision of a site supervisor and an americore construction worker.

Estimated month of completion

- May 2009 Acquisition closing on property at Community Title Company by CEO
- June Construction Manager bids on exterior work and one vacant unit
- July Construction Manager, CEO, Site Supervisors, Americore and volunteer labor start the rehab of the first unit and exterior work and bid for second unit
- August Construction Manager, CEO, Site Supervisors, Americore, and volunteer labor completion of the rehab of the first unit and bids on third unit
- September Construction Manager, Site Supervisor, Americore and volunteer labor start the rehab of the second unit and exterior work and bids for the fourth unit
- October Construction Manager, Site Supervisor, Americore and volunteer labor completion of the rehab of the second unit
- November Construction Manager, CEO Site Supervisors Americore and volunteer labor start the rehab of the third unit
- December Construction Manager, Site Supervisor, Americore and volunteer labor finish the rehab of the third unit
- January 10 Construction Manager, CEO Site Supervisors Americore and volunteer labor start the rehab of the fourth unit and bids for the common areas
- February Construction Manager, Site supervisors Americore and volunteer labor finish the rehab of the fourth unit
- March Construction Manager, Site supervisor americore and volunteer labor start the rehab of the common areas
- April Construction Manager, Site Supervisors, Americore and volunteer labor finish the rehab of the common areas
- May Construction Manager, Site Supervisor, Americore and volunteer labor work on punch list work of both interior and exterior
- June Construction Manager, Site Supervisor, Americore and volunteer labor finish all construction on project

This time table is assuming that the units are available with the work is scheduled to start.

This work will all happen by the CEO and the Construction Manager, Site Supervisors, Americore workers and volunteer labor.

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

Alderperson Thuy Pham Remmele is supportative of this project. I personally met with her the week before Christmas to discuss her vision and seek her input of the specific of the grant request. It was based on that conversation that this grant request is being submitted.

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.]

- | | | | | | |
|-------------------------------------|-----|--|-------------------------------------|---|-----------------------------|
| <input type="checkbox"/> | No | Complete Attachment A | <input type="checkbox"/> | D | Facilities |
| <input checked="" type="checkbox"/> | Yes | Complete Attachment B and C and <u>one</u> of the following: | <input checked="" type="checkbox"/> | E | Housing for Buyers |
| | | | <input 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?

 X 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:

- | | | | |
|-------------------|---|-------------------|--|
| <u> </u> | Future Fund (Attachment A) | <u> X </u> | Housing for Resale (Attachment E) |
| <u> X </u> | Property Description (Attachment B) | <u> </u> | Rental Housing and Proforma (Attachment F) |
| <u> x </u> | Capital Budget (Attachment C) | <u> </u> | CHDO (Attachment G) |
| <u> </u> | Community Service Facility (Attachment D) | <u> </u> | Scattered Site Funds Addendum (Attachment H) |
| <u> </u> | | <u> </u> | ESG Funding Addendum (Attachment I) |

Signature: Ann Eves 1-12-09 Date:
President-Board of Directors/Department Head

Signature: [Signature] 1-12-09 Date:
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		Currently?	Post-project?	
	Purchase Rehab Construct	4	4	3	0	240,000		240,000	0	0	0
	Purchase Rehab Construct										
	Purchase Rehab Construct										

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	2220,000	220,000	City of Madison CDBG				
Title Insurance and Recording	500		HFHDC				
Appraisal	600	600	HFHDC				
*Pred/pmmt/feasibility/market study							
Survey	1000	1000	HFHDC				
*Marketing/Affirmative Marketing							
Relocation							
Other: Moving expense	4000	4000	HFHDC				
Construction:							
Construction Costs	66,000	66,000	City of Madison CDBG				
Soils/site preparation							
Construction management							
Landscaping, play lots, sign	1000	1000	HFHDC				
Const interest							
Permits; print plans/specs	600	400	HFHDC				
Other:							
Fees:							
Architect							
Engineering							
*Accounting							
*Legal	500	500	HFHDC				
*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:	300,000	286,000	City of Madison CDBG	14,000	HFHDC general funds		

* 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:

This program is design to create homeownership for individuals and families whose income falls between 30-60% of Dane County medium income. The additional benefits of this program are to start the stabilization efforts in this specific neighborhood in order to attract others to continue the efforts that this project starts.

1. Activities to bring it to housing and code standards:

The rehabilitation of the existing 4 unit building including but not limited to roofing, mechanicals, windows and rehabilitation of individual units and common areas. The existing code issues will be corrected during the project.

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):

HFHDC will continue to utilize the deed restriction of the CDBG program for the first 15 years which include a resale for a family that falls within the program guidelines as they currently exist. In addition HFHDC first mortgage has a first right of refusal to purchase the property for resale to income qualified persons.

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	1	55,000	71,500	16,500	600	50	15	65,000	65,000
2	2	55,000	71,500	16,500	750	50	15	75,000	75,000
3	2	55,000	71,500	16,500	750	60	15	75000	75000
4	3	55,000	71,500	16,500	850	60	15	85000	85000

* 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:

This grant does not provide a specific unit that will be fully accessible, but HFHDC will use every effort possible to provide general accessibility whenever possible including the common space and ground floor units.