

**2009 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures
Funds)**

1. **Project Name/Title:** 2009 Additional Funds for Rental Acquisition
2. **Agency Name:** Housing Initiatives, Inc.
3. **Requested Amount:** \$108,000
4. **Project Type:** New or Continuing

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

D: Rental Housing: Expand the number of affordable rental units and/or improve the quality and/or diversity of units available to lower income individuals throughout the community.

6. **Product/Service Description:**

Housing Initiatives (HII) develops and manages permanent, affordable rental housing for people who are homeless and are also disabled through chronic mental illness. HII acquires and rehabilitates the housing, provides property management, secures rent subsidies for the tenants and ensure the tenants receive case management services.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

The additional funds will provide for the development of 4 additional units of affordable, rental housing for people who are homeless and disabled through chronic mental illness.

8. **Staff Review:**

At their March 2009 meeting, the CDBG Committee authorized \$432,000 in HOME funds for Housing Initiatives to develop eight units of housing for their clients. Since that time they have acquired and are rehabilitating a 4-unit on Brentwood Parkway that was in foreclosure. They are confident that they will secure a second 4-unit before the end of 2009.

Based on their recent search for 4-unit buildings and the availability of a below-market loan from WHEDA, HII believes with an additional \$108,000 in HOME funds they can develop four more units of affordable housing. This is about half the per-unit amount allowed in the current 2009-2010 Program Funding Framework and is possible only because of the availability of WHEDA funds and the growing number of 4-unit properties facing foreclosure.

Waive the 2009-2010 Program Funding Framework requirements that repayment include a share of appreciated value and require only repayment of the amount of the loan.

Total Cost/Total Beneficiaries Equals:	273,660 / 4 = 68,415
CD Office Funds/CD-Eligible Beneficiaries Equals:	108,000 / 4 = 27,000
CD Office Funds as Percentage of Total Budget:	40%

9. **Staff recommendation:**

Provide Housing Initiatives, Inc. with an additional \$108,000 in HOME funds as a long-term deferred loan under the terms of the 2009-2010 Program Funding Framework except for the requirement that repayment include a share of appreciated value.

Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	TBD
Within Subsidy layering limits/ analysis	TBD
Environmental Review issues	TBD
Eligible project	Yes
Conflict of interest	No
Church/State issues	No
Accessibility of program	OK
Accessibility of structure	TBD
Lead-based paint issues	TBD
Relocation/displacement	Try to prevent relocation
Zoning restrictions	TBD
Fair Labor Standards	No
Vulnerable populations	Yes
Matching Requirement	Yes (HOME requirements)
Period of Affordability for HOME funds	Est. 10 Years
Site and neighborhood Standards	TBD
IZ Enhancement Benefits or issues	No
Supplanting issues	No
Living wage issues	Yes
B.A.D. building process	No
MBE goal	No
Aldermanic/neighborhood communication	TBD
Management issues:	No