

Application for Neighborhood and Community Development Funds

Applications should be submitted electronically to the CDD by 12:00 p.m. on the first Friday of the month and will be reviewed by the CDBG Committee on the first Thursday of the following month.

Program Title: <u>Home Rental Acquisition</u>	Amount Requested: <u>\$ 216,000</u>
Agency: <u>Housing Initiatives, Inc.</u>	Tax ID/EIN/FEIN: <u>39-1781842</u>
Address: <u>1110 Ruskin St., Madison, WI 53704</u>	DUNS #: <u>111018466</u>
Contact Person: <u>Dean Loumos</u>	Telephone: <u>608-277-8330</u>
Email: <u>dloumos@housinginit.org</u>	Fax: <u>608-277-1726</u>

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.

There is a documented need for permanent housing for persons who are homeless and are also disabled through chronic mental illness. Housing Initiatives, Inc (HII) alone has over 100 persons on our waiting list for such housing.

The goal is to acquire/rehabilitate four units of this type of housing.

We will develop these properties by acquisition/rehabilitation to be funded by a CDBG HOME Loan (forgivable), City of Madison Scattered Site funds and a low interest Loan from WHEDA.

We have an option-to-purchase on this specific property.

The outcome will be HII's owning four additional units and providing these as additional units for persons who are homeless and disabled through mental illness.

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.

Target population is single individuals who are either disabled by mental illness, low-income and homeless.

4 # 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.

- | | |
|---|--------------------------------|
| A. Housing – Existing Owner-Occupied | G. Neighborhood Civic Places |
| 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 | |

This proposed project will, if completed, add four units to the existing (and woefully inadequate) supply of permanent rental housing available to single individuals who are disabled by mental illness and homeless.

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"/> New Construction, Acquisition,
Expansion of Existing Building | Futures | <input type="checkbox"/> Prototype |
| | <input checked="" 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 checked="" type="checkbox"/> Rental Housing | Homeless | <input checked="" type="checkbox"/> Housing |
| | <input type="checkbox"/> Housing For Buyers | | <input type="checkbox"/> Services |

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)	\$45,000	\$31,000	\$14,000	WHEDA
2. Fringe Benefits				
3. Payroll Taxes				
B. Non-Personnel Costs				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:	\$15,898		\$15,898	WHEDA
C. Capital Budget Expenditures (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs: Acquisition/Rehab	\$245,000	\$185,000	\$60,000	WHEDA
D. TOTAL (A+B+C)				
	\$305,898	\$216,000	\$89,898	

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.

1. **HII Executive Director locates Property**
2. **HII Executive Director acquires property**
3. **HII rehabilitates units**
4. **HII Staff moves tenants into units**

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.

- May 2012**
June 2012
June 2012 - August 2012
August 2012

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

We are in touch with the alderperson regarding the nature of our program and this acquisition project.

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:

<input type="checkbox"/>	D Facilities
<input type="checkbox"/>	E Housing for Buyers
<input checked="" 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?

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:

<input type="checkbox"/> Future Fund (Attachment A)	<input type="checkbox"/> Housing for Resale (Attachment E)
<input type="checkbox"/> Property Description (Attachment B)	<input checked="" type="checkbox"/> Rental Housing and Proforma (Attachment F)
<input checked="" type="checkbox"/> Capital Budget (Attachment C)	<input checked="" type="checkbox"/> CHDO (Attachment G)
<input type="checkbox"/> Community Service Facility (Attachment D)	<input type="checkbox"/> Scattered Site Funds Addendum (Attachment H)
	<input type="checkbox"/> ESG Funding Addendum (Attachment I)

13. Affirmative Action: If funded, applicant hereby agrees to comply with City of Madison Ordinance 39.02(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>
15. 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.

Signature: Robert L. Beelman May 4, 2012 Date:
President-Board of Directors/Department Head

Signature: Dean Jones May 4, 2012 Date:
Executive Director

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

FUTURE FUND PROPOSAL ONLY

- A. 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.

N/A

ATTACHMENT B

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?	
706 Pincrest	<u>Purchase</u> <u>Rehab</u> Construct	4	4	0	0			\$46,250 each \$185,000 Total	0	0	N/A
	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	\$185,000	\$0		\$185,000	CDBG HOME Funds (forgivable loan) Madison Scattered Site Funds		
Title Insurance and Recording	\$800	\$800	WHEDA Low Interest Loan				
Appraisal	\$1,000	\$1,000	WHEDA Low Interest Loan				
*Predvlpmnt/feasibilty/market study							
Survey	\$1,000	\$1,000	WHEDA Low Interest Loan				
*Marketing/Affirmative Marketing							
Relocation							
Other: Loan Application Fee	\$250	\$250	WHEDA Low Interest Loan				
Construction:							
Construction Costs (Rehab)	\$60,000	\$60,000	WHEDA Low Interest Loan				
Soils/site preparation							
Construction management							
Landscaping, play lots, sign							
Const interest							
Permits; print plans/specs	\$1,500	\$1,500	WHEDA Low Interest Loan				
Other: <u>Environmental</u>	\$300	\$300	WHEDA Low Interest Loan				
Fees:							
Architect							
Engineering							
*Accounting	\$500	\$500	WHEDA Low Interest Loan				
*Legal	\$2,500	\$2,500	WHEDA Low Interest Loan				
*Development Fee	\$45,000	\$14,000	WHEDA Low Interest Loan	\$31,000	CDBG HOME Funds (forgivable loan) Madison Scattered Site Funds		
*Origination Fee – WHEDA Loan	\$1,348	\$1,348	WHEDA Low Interest Loan				
Other:							
Project Contingency:							
Furnishings:							
Reserves Funded from Capital:							
Operating Reserve							
Replacement Reserve	\$1,200	\$1,200	WHEDA Low Interest Loan				
Maintenance Reserve							
Vacancy Reserve							
Lease Up Reserve							
Other: Taxes during Construction	\$5,500	\$5,500	WHEDA Low Interest Loan				
Other:							
TOTAL COSTS:	\$305,898	\$89,898	WHEDA Low Interest Loan	\$216,000	CDBG HOME Funds (forgivable loan)		

* 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.

FACILITIES

A. Recap: Funds would be applied to:

___ acquisition only; ___ rehab; ___ new construction; X acquisition and rehab or construction

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

This acquisition/rehab will provide permanent housing for person who are disabled through chronic mental illness and are homeless.

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

Amount Name

See Attached Spreadsheet

D. If rented space: **N/A**

1. Who is 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?

N/A

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 Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)
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.)

HOUSING FOR BUYERS

N/A

RESIDENTIAL RENTAL PROPERTY

A. Provide the following information for rental properties:

Table A: RENTAL						
	Site 1		Site 2		Site 3	
Unit #	# of Bedrooms	Amount of CD \$	Use of CD Funds*	Monthly Unit Rent	Includes Utilities?	Household Income Category
4	1	\$216,000	Acquisition/ Developer Fee	\$760	Yes	<30% CMI

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards.

Units will be inspected by City prior to occupancy for code compliance.

C. Describe briefly your tenant selection criteria and process.

HII selects tenants from a waiting list of tenants referred from Dane County CSP organizations trying to place clients who are chronically mentally ill and homeless.

D. Does the project include plans to provide support services to assisted residents or to link assisted residents to appropriate services? If yes, describe.

While the specific project does not include funding for services, all HII tenants are required to have case workers from community service organizations and HII maintains staff to assist tenants in staying in touch with their case workers.

TOTAL PROJECT PROFORMA (total units in the project)															
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Gross Income			See Attached Spreadsheet												
Less Vacancy															
Net Income															
Expenses															
Audit															
Taxes															
Insurance															
Maintenance															
Utilities															
Property Management															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Affirmative Marketing															
Other _____															
Total Expenses															
NET OPERATING INCOME															
Debt Service															
First Mortgage															
Other															
Other															
Total Debt Service															
Total Annual Cash Expenses															
Debt Service Reserve															
Cash Flow															
Assumptions:															
Vacancy Rate															
Annual Increase															
Carrying Charges															
Expenses															

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY

A. Please describe how the organization meets the following key criteria:

- X a. Possesses not-for-profit, tax exempt 501(c) status;
- X b. Has a board with fewer than 1/3 of its members as public officials;
- X c. Includes provision of affordable housing within its statement of purpose;
- X d. Includes lower income or lower income representatives for a minimum of 1/3 of its board and includes a means for lower-income participation;
- X e. Demonstrates its capacity and experience in service the community.

- a. HII is a 501(c) 3 corporation.**
- b. HII has no public officials on its board**
- c. HII statement of purpose includes affordable housing (HUD Shelter Plus Care requires tenants to be below 50% CMI)**
- d. HII board is comprised of twelve members and four of them are low-income per HII by-laws.**
- e. HII is restricted to serving tenant with chronic mental illness and has served this function from 1993. In that time HII has grown from providing 9 persons with housing, to 130 in 2012. All of which are low-income and diagnosed with chronic mental illness.**

APPLICATION FOR SCATTERED SITE ACQUISITION FUNDS

N/A

EMERGENCY SHELTER GRANT FUNDING

N/A