

# 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>805 Troy Drive Refinance</u>	Amount Requested: \$ <u>\$51,681.91</u>
Agency: <u>Movin' Out, Inc.</u>	Tax ID/EIN/FEIN: <u>39-1833482</u>
Address: <u>600 Williamson St, Ste L-1, Madison WI 53703</u>	DUNS #: <u>019470348</u>
Contact Person: <u>Howard Mandeville</u>	Telephone: <u>608-251-4446 ext. 3</u>
Email: <u>Howard@movin-out.org</u>	Fax: <u>608-819-0623</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.

Movin' Out is requesting rental HOME funds to replace the current HOME funding at 805 Troy Drive. In 2003 Madison Area Community Land Trust (MACLT) used HOME funds to build this home and sold it to an income-qualified homeowner. That owner left the improvements to Movin' Out in his will, an arrangement that was agreed upon by MACLT, Movin' Out, and city staff at the time his will was made.

As a result Movin' Out currently has title to the improvements and MACLT owns the land. The lien on the land prevents Movin' Out from obtaining a mortgage to finance the improvements. We want to use HOME funds to purchase the land from MACLT which will enable us continue to use the property as a rental unit for low-income tenants with disabilities. Doing so would prevent dislocating the two current tenants, both of whom are low-income persons with severe disabilities.

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.

Low income (50% CMI or below) individuals with permanent disabilities.

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

1 # 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  |
| <b>C. Housing – Rental Housing</b>        | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise       |                                |

This project will address Objective C, Rental Housing, by enabling Movin' Out to own both the improvements and the land as rental property for low-income persons with permanent disabilities. Doing so will allow the current two severely disabled tenants to continue living at 805 Troy Drive.

Unfortunately the current situation, with Movin' Out owning the improvements and MACLT owning the land, is unsustainable. Movin' Out is unable to obtain a mortgage to replace the original owner's mortgage on the improvements due to the lien on the land from MACLT's HOME funds. Thus the two organizations are faced with a choice of either:

1. As this application requests, Movin' Out obtains HOME funds to replace MACLT's HOME funds in the land, thus ending MACLT's ownership in the property; or
2. Movin' Out sells the improvements back to MACLT so they can market it to an income-qualified homebuyer. This option would require displacing the two current residents, as neither of them is able to become a homeowner.

Note that Movin' Out's board of directors has passed a motion in favor of option #1 above and has directed staff to pursue it. MACLT's board of directors has not yet met to discuss this issue (their next meeting is scheduled for September 25). Both organizations wish to avoid displacing the two current residents if at all possible.

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

- |                       |  |          |   |
|-----------------------|--|----------|---|
| Acquisition/<br>Rehab | <input checked="" 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 checked="" type="checkbox"/> Rental Housing   | Homeless | <input 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
<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				
5. Work Supplies and Tools				
6. Other: Land	\$51,681.91	\$51,681.91		
<b>C. Capital Budget Expenditures (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs: Improvements	\$80,000.00		\$80,000.00	Private mortgage
<b>D. TOTAL (A+B+C)</b>	<b>\$131,681.91</b>	<b>\$51,681.91</b>	<b>\$80,000.00</b>	

6. Action Plan/Timetable

Estimated Month of Completion  
(If applicable)

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.

- |  |              |
|--|--------------|
| 1. Movin' Out receives HOME (rental) funds from City of Madison.                   | October 2012 |
| 2. Movin' Out uses those funds to replace MACLT's HOME funds in the land.          | October 2012 |
| 3. As a result, Movin' Out is able to obtain a first mortgage on the improvements. | October 2012 |

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

Movin' Out contacted Anita Weier, City of Madison Alderperson for District 18 to discuss the project. She requested additional information, which we sent to her. We will continue to be in contact as the project progresses.

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 checked="" type="checkbox"/>	Yes	Complete Attachment B and C and <u>one</u> 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 checked="" 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: \_\_\_\_\_ Date: \_\_\_\_\_  
President-Board of Directors/Department Head

Signature: *Juanita Boudreau* Date: 9-7-2012  
Executive Director

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

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?	
805 Troy Dr Land and Improvements	Purchase Rehab Construct	1	1	1	None	n/a	n/a	\$131,681.91	Yes	Yes	
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET

Amount and Source of Funding:***	TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)				
	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**
<b>Acquisition Costs:</b>					
Acquisition (land only)	51,681.91	51,681.91	HOME "rental" funds		
Title Insurance and Recording					
Appraisal					
*Predevelopment/feasibility/market study					
Survey					
*Marketing/Affirmative Marketing					
Relocation					
Other:					
<b>Construction:</b>					
Construction Costs					
Soils/site preparation					
Construction management					
Landscaping, play lots, sign					
Const interest					
Permits, print plans/specs					
Other:					
<b>Fees:</b>					
Architect					
Engineering					
*Accounting					
*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):	880,000	880,000	Private Mortgage		
Other (specify):					
<b>TOTAL COSTS:</b>	131,681.91	131,681.91			

\*\*\* 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.

805 Troy Drive Refinance  
Project Pro Forma

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>Revenue</b>										
Gross Income	\$ 9,000	\$ 9,180	\$ 9,364	\$ 9,551	\$ 9,742	\$ 9,937	\$ 10,135	\$ 10,338	\$ 10,545	\$ 10,756
Vacancy (5%)	\$ (450)	\$ (459)	\$ (468)	\$ (478)	\$ (487)	\$ (497)	\$ (507)	\$ (517)	\$ (527)	\$ (538)
<b>Net Income</b>	\$ 8,550	\$ 8,721	\$ 8,895	\$ 9,073	\$ 9,255	\$ 9,440	\$ 9,629	\$ 9,821	\$ 10,018	\$ 10,218
<b>Operating Expenses</b>										
Audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes (1st yr only)	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 200	\$ 206	\$ 212	\$ 219	\$ 225	\$ 232	\$ 239	\$ 246	\$ 253	\$ 261
Maintenance	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	\$ 580	\$ 597	\$ 615	\$ 633	\$ 652
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Management	\$ 750	\$ 773	\$ 796	\$ 820	\$ 844	\$ 869	\$ 896	\$ 922	\$ 950	\$ 979
Replacement Reserves	\$ 840	\$ 840	\$ 840	\$ 840	\$ 840	\$ 840	\$ 840	\$ 840	\$ 840	\$ 840
Miscellaneous Expenses	\$ 225	\$ 232	\$ 239	\$ 246	\$ 253	\$ 261	\$ 269	\$ 277	\$ 285	\$ 294
<b>Total Expenses</b>	\$ 4,515	\$ 2,565	\$ 2,617	\$ 2,670	\$ 2,725	\$ 2,782	\$ 2,840	\$ 2,900	\$ 2,962	\$ 3,025
<b>Net Operating Income</b>	\$ 4,035	\$ 6,156	\$ 6,278	\$ 6,403	\$ 6,530	\$ 6,658	\$ 6,789	\$ 6,921	\$ 7,056	\$ 7,193
Debt Service (1st mortg)	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400
<b>NET CASH FLOW</b>	\$ (1,365)	\$ 756	\$ 878	\$ 1,003	\$ 1,130	\$ 1,258	\$ 1,389	\$ 1,521	\$ 1,656	\$ 1,793

Assumptions: 2% increase/year for revenue, 3% increase/year for expenses

P. 1



805 Troy Drive Refinance  
Project Pro Forma

	YR 11	YR 12	YR 13	YR 14	YR 15
<b>Revenue</b>					
Gross Income	\$ 10,971	\$ 11,190	\$ 11,414	\$ 11,642	\$ 11,875
Vacancy (5%)	\$ (549)	\$ (560)	\$ (571)	\$ (582)	\$ (594)
<b>Net Income</b>	\$ 10,422	\$ 10,631	\$ 10,843	\$ 11,060	\$ 11,282
<b>Operating Expenses</b>					
Audit	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes (1st yr only)	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 269	\$ 277	\$ 285	\$ 294	\$ 303
Maintenance	\$ 672	\$ 692	\$ 713	\$ 734	\$ 756
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -
Property Management	\$ 1,008	\$ 1,038	\$ 1,069	\$ 1,101	\$ 1,134
Replacement Reserves	\$ 840	\$ 840	\$ 840	\$ 840	\$ 840
Miscellaneous Expenses	\$ 302	\$ 311	\$ 321	\$ 330	\$ 340
<b>Total Expenses</b>	\$ 3,091	\$ 3,159	\$ 3,228	\$ 3,300	\$ 3,374
<b>Net Operating Income</b>	\$ 7,331	\$ 7,472	\$ 7,615	\$ 7,761	\$ 7,908
Debt Service (1st mortg)	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400
<b>NET CASH FLOW</b>	\$ 1,931	\$ 2,072	\$ 2,215	\$ 2,361	\$ 2,508

Assumptions: 2% increase/yr

**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
805 Troy Dr.	2	51,681.91	Purchase of land	\$750	no	50% CMI

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

The improvements at 805 Troy Drive were built in 2004 to housing codes and have been well-maintained since. Movin' Out has a robust property management program that provides regular maintenance inspections and repairs as needed. We also maintain a capital account to plan for future replacements and improvements of our properties.

C. Describe briefly your tenant selection criteria and process.

Movin' Out has a full rental application and review process, including the following:

- Income and asset documentation requirements
- Documentation of permanent disability
- Rental history review
- Criminal history review via C-Cap
- Review of tenant's need for supportive services and support provision

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

Movin' Out does not provide direct services to our tenants. Rather, we work closely with agencies that provide support services and our tenants' support brokers to ensure that the service needs of our tenants are met.

**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY**

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

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

Movin' Out, Inc. is currently in good standing as a CHDO.