

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>Eagle Harbor Apartments</u>	Amount Requested:	<u>\$ 550,000</u>
Agency:	<u>Care Net Pregnancy Center of Dane County Inc.</u>	Tax ID/EIN/FEIN:	<u>39-1472091</u>
Address:	<u>Care Net current facility: 1350 MacArthur Rd. Proposed Eagle Harbor: 1360 MacArthur Rd.</u>	DUNS #:	<u></u>
Contact Person:	<u>Kevin Page, Kothe Real Estate Partners</u>	Telephone:	<u>608-443-1973</u>
	<u>Email: kevin@kotherep.com</u>	Fax:	<u></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.

Eagle Harbor Apartments will be a new three-level residential building at this location including 36 apartment units and a 2,038 square foot daycare facility.

Eagle Harbor Apartments will be marketed to a variety of people with varying incomes (see #2 below for more details). This integrated environment will include housing units for people with incomes equal to 60%, 50% and 30% of the County Median Income ("CMI"), and will also include "market" units without any income limitations.

The daycare on the first floor of the proposed building will be a great amenity for young families residing in the building and/or families living in the neighborhood.

Care Net

Care Net Pregnancy Center of Dane County operates a Center immediately adjacent the property. Since its inception in 1985, the Center has served more than 9,000 women in unplanned pregnancies, often including their families and male partners. Care Net is a professional pregnancy medical clinic and they provide all services free of charge and confidentially.

Care Net's residential program, The Elizabeth House, supports pregnant single mothers ages 18-26. For six to nine months, the Center provides a safe and secure environment for mothers to become emotionally healthy and self-sufficient members of the community, while building life skills that will enable each young mom to secure employment, housing, manage money and foster sound decision-making while learning effective parenting skills.

Care Net will offer many of their services to residents at Eagle Harbor Apartments (see section 6 for details). Six of the 36 apartment units will be considered "Supportive Housing" units (as defined by WHEDA). The Supportive Housing units will be offered at the 30% CMI level to people at risk of homelessness.

WHEDA Submittal

The Owner will be applying for Low-Income Housing Tax Credits ("LIHTC") through the Wisconsin Housing and Economic Development Authority ("WHEDA") in February.

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.

Eagle Harbor Apartments will target women that have previously lived in The Elizabeth House. The project will also be a great workforce housing option in the general marketplace.

Clients served by Care Net, January-October, 2012 included the following (Care Net estimates):

Marital Status:

Single = 68%
Married = 19%
Divorced/Separated = 6%
Unknown = 7%

Age:

14 and younger = 3%
15-19 = 23%
20-24 = 37.5%
25-29 = 21%
30-34 = 27%
35+ = 9%
Unknown = 2%

Income:

<\$14,000 = 46%
\$15-29,000 = 17%
\$30-44,000 = 8.5%
\$44-59,000 = 6%
\$60,000+ = 3%
Unknown = 14%

Education Status:

Middle/High School student = 14%
Tech school/college/university student = 24%
Not a student = 57%

Race/ethnicity:

African American = 21%
Asian = 8%
Caucasian = 60%
Hispanic = 9%
Multi-racial = 4%
Native American = 1%
Other/not specified = 2%

_____98_____ # unduplicated individuals estimated to be served by this project.

_____36_____ # 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 |
| <u>C. Housing – Rental Housing</u> | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise | |

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 checked="" 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
A. Personnel Costs				
1. Salaries/Wages (attach detail)				
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: Management Fee & Insurance				
C. Capital Budget Expenditures (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs: Construction of Building	6,357,702	550,000	5,807,702	Low-income housing tax credit equity, 1 st mortgages, GP contribution, & Deferred Developer Fee
D. TOTAL (A+B+C)	6,357,702	550,000	5,807,702	

Estimated Month of Completion
(If applicable)

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.

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

Please see attached timeline as well.

A community room will be located on the first floor of the building. A portion of this room can be used by Care Net to provide services to the residents. Additionally, Care Net's existing facility is located adjacent the site and a sidewalk will connect the properties. Care Net will provide the following services to all residents in need:

- Individual and group parenting education
- Childbirth education
- Breastfeeding support

- Healthy relationships education
- Infant CPR and basic first aid classes – in collaboration with Madison Police Department
- Access to Care Net medical clinic services:
 - Pregnancy testing and verification
 - Medically indicated obstetrical ultrasound for dating and viability
 - STI testing and treatment for women
 - Options counseling
 - Post-abortion support for women and men

Six of the 36 apartment units will be considered "Supportive Housing" units (as defined by WHEDA) and will be eligible for additional services including:

- Financial literacy support
- Life skills training and support
- Nutrition education and support
- Case management through licensed social worker
- Material incentives for meeting program goals

Community Living Alliance is also located next to site. They are interested in providing the following services to the residents in the six Supportive Housing units:

- Supportive services to developmentally or physically disabled residents, particularly with regard to personal care/hygiene
- Supportive services to frail elderly residents
- In-home nursing/health care for disabled residents
- Case management
- Financial literacy education
- Job preparedness training
- Potential employment opportunities

Catholic Charities is also in talks with Care Net to provide services to the tenants.

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

Joe Clausius has indicated that he is in strong support of the project (email from Joe November 20 and numerous conversations)

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:

- D Facilities
- E Housing for Buyers
- 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?

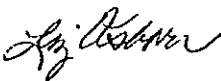
No Yes - Complete Attachment I

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:

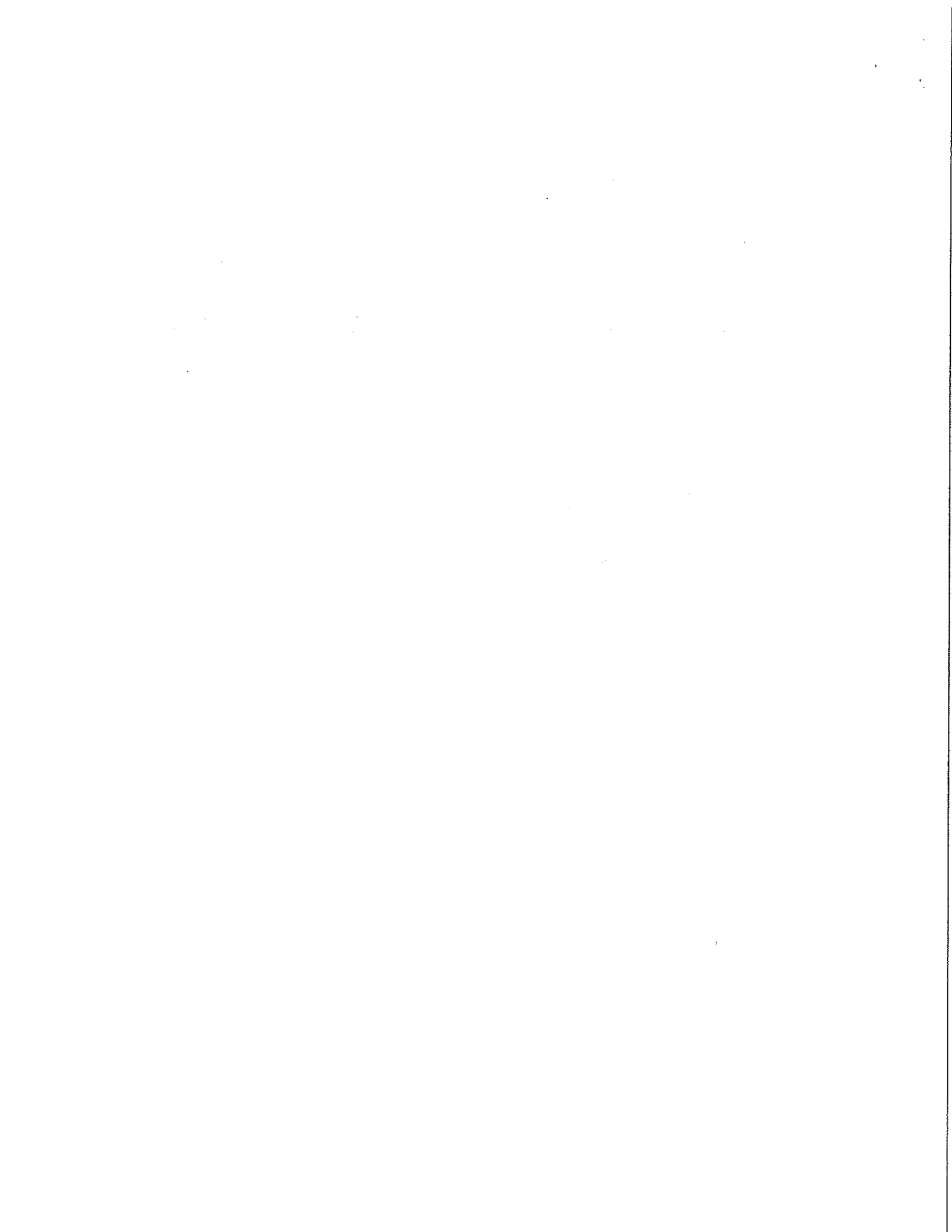
- | | |
|---|--|
| <input checked="" type="checkbox"/> Future Fund (Attachment A) | <input type="checkbox"/> Housing for Resale (Attachment E) |
| <input checked="" type="checkbox"/> Property Description (Attachment B) | <input checked="" type="checkbox"/> Rental Housing and Proforma (Attachment F) |
| <input checked="" type="checkbox"/> Capital Budget (Attachment C) | <input type="checkbox"/> CHDO (Attachment G) |
| <input checked="" 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: 12/7/12
Treasurer/Officer-Board of Directors

Signature:  Date: 12/7/12
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.

Please see the attached land use application and building plans. Please also see the Program Abstract on page 1.

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?	
1360 MacArthur Rd.	Purchase Rehab <u>Construct</u>	0	36 + Daycare	0	0	357,000	2,100,000	N/A	0	8	N/A
	Purchase Rehab Construct										
	Purchase Rehab Construct										

NOTE: The appraised value is low due to the land use restriction in place for 30 years
 Please see the attached land use application and building plans.

CAPITAL BUDGET - Please See the Attached Capital Budget

Amount and Source of Funding: ***	TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)				
	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition Costs:					
Acquisition					
Title Insurance and Recording					
Appraisal					
*Preci/pmnt/feasibility/market study					
Survey					
*Marketing/Affirmative Marketing					
Relocation					
Other:					
Construction:					
Construction Costs					
Soils/site preparation					
Construction management					
Landscaping, play lots, sign					
Const interest					
Permits; print plans/specs					
Other:					
Fees:					
Architect					
Engineering					
*Accounting					
*Legal					
*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:					

* 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; acquisition and rehab or construction

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

Please see the Program Abstract on page 1.

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

<u>Amount</u>	<u>Name</u>
NONE	

D. If rented space:

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?

A Third Party Property Manager (Meridian Group, Inc.) will be in charge of leasing the space to tenants.

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.)
Building costs are based on estimates from Landgraf Construction who has built numerous other similar projects.
Cost estimates due include the payment of Federal Prevailing Wage Rates.
2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.

Please see the attached land use application and building plans.

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

A. Recap briefly the key or unique features of this project:

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

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):

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

* 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:

RESIDENTIAL RENTAL PROPERTY

A. Provide the following information for rental properties: *Please see the attached unit mix.*

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

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

Please see the attached land use application and building plans.

C. Describe briefly your tenant selection criteria and process.

Plans and Procedures for Marketing Units, Achieving and Maintaining Full Occupancy, and Meeting HUD Form 935.2A, "Affirmative Fair Housing Marketing Plan" Requirements.

- a. Meridian Group Inc. will work closely with Care Net to identify clients that need housing.
- b. All marketing practices will be consistent with the items outlined in the Affirmative Fair Housing Marketing Plan. The plan is reviewed frequently. Outreach efforts are conducted annually to insure that low income and minority persons are urged to apply.
- c. Units will be advertised in local newspapers, shoppers, etc. in order to maintain a waiting list at the project. All advertising will conform to Equal Opportunity Housing requirements.
- d. Constant marketing efforts including advertising and community relations are conducted by site staff to achieve highest occupancy levels.
- e. Local social service agencies will be utilized to assist in communication with applicants and residents who may not speak English or may have sight or hearing impairments.
- f. All requests for reasonable accommodation will be considered. Future improvements at the property will address accessibility needs.

- g. Waiting list will be maintained according to HUD requirements. Potential applicants will fill out a preliminary application for occupancy to determine their eligibility. Waiting lists are updated at least annually. Copies are maintained at the project site and in the Corporate Office.
- h. All prospective residents will be allowed to inspect the unit prior to occupancy. Within 7 days of occupancy, the resident completes a detailed move-in inspection form with the Manager. The resident receives a copy of the form and two copies are retained in the resident file.
- i. All tenants are given an orientation to the project by site staff. A handbook is provided to the tenant that outlines care of the units. Prospective applicants can view this information.
- j. Tenant selection is done by the site manager. Any disputes are referred to the Corporate Office.

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

Please see Section 6.

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	348,768	355,743	362,858	370,115	377,518	385,068	392,769	400,625	408,637	416,810	425,146	433,649	442,322	451,169	460,192
Less Vacancy	(24,414)	(24,902)	(25,400)	(25,908)	(26,426)	(26,955)	(27,494)	(28,044)	(28,605)	(29,177)	(29,760)	(30,355)	(30,963)	(31,582)	(32,213)
Net Income	324,354	330,841	337,458	344,207	351,091	358,113	365,276	372,581	380,033	387,633	395,386	403,294	411,360	419,587	427,979
Expenses															
Audit	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
Taxes	46,600	47,998	49,438	50,921	52,449	54,022	55,643	57,312	59,031	60,802	62,627	64,505	66,440	68,434	70,487
Insurance	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
Maintenance	21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565	27,362	28,183	29,029	29,899	30,796	31,720	32,672
Utilities	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434	27,227
Property Management	22,450	23,124	23,817	24,532	25,268	26,026	26,806	27,611	28,439	29,292	30,171	31,076	32,008	32,969	33,958
Operating Reserve Pmt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Pmt	10,800	11,124	11,458	11,801	12,155	12,520	12,896	13,283	13,681	14,092	14,514	14,950	15,398	15,860	16,336
Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affirmative Marketing	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088	2,150	2,215	2,281	2,350	2,420
Other : Salaries & Benefits	39,000	40,170	41,375	42,616	43,895	45,212	46,568	47,965	49,404	50,886	52,413	53,985	55,605	57,273	58,991
Total Expenses	175,050	180,302	185,711	191,282	197,020	202,931	209,019	215,289	221,748	228,401	235,253	242,310	249,579	257,067	264,779
NET OPERATING INCOME	149,304	150,540	151,748	152,925	154,071	155,182	156,257	157,292	158,285	159,233	160,133	160,984	161,780	162,520	163,200
Debt Service															
First Mortgage	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420	124,420
Total Annual Cash Expenses	299,470	304,722	310,131	315,702	321,441	327,351	333,439	339,710	346,168	352,821	359,673	366,730	374,000	381,487	389,199
Debt Service Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow	24,884	26,120	27,327	28,505	29,651	30,762	31,837	32,871	33,864	34,813	35,713	36,563	37,360	38,100	38,780
Assumptions:															
Vacancy Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Rent Increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Carrying Charges	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Expense Increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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.

EMERGENCY SHELTER GRANT FUNDING

- A. Describe how you coordinate tasks and responsibilities or target groups with other agencies. (i.e., agencies from whom you commonly receive referrals or to whom you make referrals, and the sequence of contact.) Describe, if appropriate, how a partnership will be formed among local organizations and individual involved with the implementation of the program.
- B. If funds are requested for supportive services or prevention activities, describe how the service qualifies as a new service or how it will be a quantifiable increase in services.

