

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:

Royster Crossing Multifamily

Amount Requested: \$ 394,159 (using \$128,318 of Movin' Out's approved HOME funding and requesting \$265,841 in additional HOME)

Agency: Movin' Out, Inc.

Tax ID/EIN/FEIN: 39-1833482

Address: 600 Williamson Street, Madison, WI.

DUNS #: 019470348

Contact Person: David Porterfield

Telephone: (608) 251-4446 x 8

Email: dp@movin-out.org

Fax: (608) 819-0623

- 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.**

The project involves developing a newly constructed 70 unit multifamily rental housing development located near the intersection of Cottage Grove and Dempsey Roads on Madison's East side. The project will meet an increasing need for affordable housing that integrates housing options for people with disabilities within the community. The housing will be a mixed income project with 59 units reserved for household with incomes below 60% of median of the Dane County Area Median Income ("AMI") with the remaining eleven units being rented to households with incomes below 80% of the median. Through affirmative fair marketing efforts Movin' Out will target 25 percent of the total unit count to individuals with disabilities. The project will be financed in part with Wisconsin Housing and Economic Development Authority ("WHEDA") LIHTC Program resources. The proposed development will be part of a larger mixed-use redevelopment plan for the 28+ acre Royster Clark site. Planned uses include the subject LIHTC multifamily rental units, additional market rate multifamily units, approximately fifty-three single-family homes sites, a potential City of Madison Public Library branch, as well as office and retail uses. Potential demand is defined as the pool of income-qualified households that can afford the proposed rents. The need for this project is evidenced by our third party market analysis done by Baker Tilly which verifies a strong market for these types of units. The overall goal and planned outcome for the project is to provide high quality, affordable rental housing that is integrated within the surrounding neighborhood and that includes housing for low income people with disabilities. This project is a joint venture between Movin' Out, Inc. and Stone House Development. We will be co-developers and long-term co-owners with controlling interest held by Movin' Out, Inc. as the managing member of the LLC ownership entity.

- 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.**

The project is designed to meet housing needs of working families in the area and to provide affordable and accessible housing options for people with permanent disabilities. Through affirmative fair marketing Movin' Out will be making extra efforts to include households that include someone with a permanent disability as part of the tenant mix. We expect the residents demographics to be highly reflective of the existing surrounding community.

_____150_____ # unduplicated individuals estimated to be served by this project.

_____70_____ # 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 project will meet program objective C. Rental Housing. It meets this by producing a minimum of 11 units with rents that meet the HOME rent level requirements. The project will meet or exceed all required building codes. The amount per unit being requested is \$60,000. The project will exceed all accessibility and energy requirements. The project will be a highly efficient design including high levels of insulation and solar hot water heating to help lower energy costs for the tenants. The proposed project is consistent with the Royster Clark Special Area Plan. The project will be within the total secured funds to value ratio policy of the City and a minimum of 85% of the funds will be used for project capital costs as defined by the City. Additionally this project is located in census tract 27 which is within the Scattered Site target area. Therefore we are including a request for Scattered Site funding to be considered as part of our funding request if that resource is available.

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

- | | | | |
|-----------------------|--|----------|----------------------------------|
| Acquisition/
Rehab | _____ New Construction, Acquisition,
Expansion of Existing Building | Futures | _____ Prototype |
| | _____ Accessibility | | _____ Feasibility Study |
| | _____ Maintenance/Rehab | | _____ Revitalization Opportunity |
| | _____ Other | | _____ New Method or Approach |
| Housing | <u> x </u> Rental Housing | Homeless | _____ Housing |
| | _____ Housing For Buyers | | _____ 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:				
C. Capital Budget Expenditures (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:	\$11,650,550	\$660,000	\$10,026,833	See Attachment C
D. TOTAL (A+B+C)	\$11,650,550	\$660,000	\$10,026,833	

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.

Action Plan/ Timetable		
Project Activity/ Milestone	Begin	Complete
Site Control	June 20,2013	June 20, 2013
WHEDA Tax Credit		
Initial Application	November 15, 2013	January 31, 2014
Tax Credits Award Announcement		April 15, 2014
Finalize Project Design and City Approvals	April 15, 2014	August 1, 2014
Close on Financing	October 15, 2014	
Construction	October 15, 2014	October 15, 2015
Marketing/ Rent-up	August 1, 2015	April 1, 2016

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

Have met with alderperson for district 15, David Ahrens and described the project and this request for funding. He indicated support for the project and will be assisting us as we work with the surrounding neighborhood to get input regarding the details of planning the project. Please see the attached letter of support from Alder Ahrens.

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.] The project will provide a minimum of 25% HOME match in cash match from other eligible project funding sources (AHP, TIF, etc.)

☐ 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 x Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

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

Signature: Date: 7-12-2013
President-Board of Directors/Department Head



Signature: Date: 7-11-2013
Executive Director



For additional information or assistance in completing this application, please contact the CDBG Office at 267-0740.

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?	
Lot 5 Royster Crossing	Purchase Rehab Construct	0	70	0	0	Not Currently available will provide spring 2014	\$12,000,000	\$750,750	N	Y	N
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET							
TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)	TOTAL	Amount	Source/Terms** City HOME- Deferred 0% *** See Note Below	Amount	Source/Terms** First Mortgage- 7.25% 30 yr Fixed	Amount	Source/Terms** LIHTC Equity
Amount and Source of Funding: ***							
Acquisition Costs:							
Acquisition	\$750,750.00	\$25,377		\$165,144		\$472,290	
Title Insurance and Recording	\$14,625.00	\$494		\$3,217		\$9,200	
Appraisal	\$4,875.00	\$165		\$1,072		\$3,067	
*Predv/pmnt/feasibility/market study	\$7,000.00	\$237		\$1,540			
Survey	\$5,850.00	\$198		\$1,287		\$3,680	
*Marketing/Affirmative Marketing	\$30,000.00	\$1,014		\$6,599		\$18,873	
Taxes during Const	\$29,250.00	\$989		\$6,434		\$18,401	
Other:							
Construction:							
Construction Costs	\$7,990,905.00	\$270,115		\$1,757,779		\$5,027,008	
Soils/site preparation	\$7,800.00	\$264		\$1,716		\$4,907	
Const. Period Insurance	\$19,500.00	\$659		\$4,289		\$12,267	
Landscaping, play lots, sign				\$0			
Const Interest	\$318,825.00	\$10,777		\$70,133		\$200,570	
print plans/specs							
Other:							
Fees: (Impact and utility)	\$100,000.00	\$3,380		\$21,997		\$62,909	
Architect	\$180,375.00	\$6,097		\$39,678		\$113,472	
Engineering	\$24,375.00	\$824		\$5,362		\$15,334	
*Accounting	\$14,625.00	\$494		\$3,217		\$9,200	
*Legal	\$73,125.00	\$2,472		\$16,085		\$46,002	
*Development Fee	\$1,174,875.00	\$39,714		\$258,440		\$739,104	
WHEDA Fees	\$90,000.00	\$3,042		\$19,798		\$56,618	
Investor Fees	\$30,000.00	\$1,014		\$6,599		\$18,873	
Project Contingency	\$400,920.00	\$13,552		\$88,191		\$252,215	
Furnishings							
Reserves Funded from Capital:							
Post Const Interest Carry	\$115,000.00	\$3,887		\$25,297		\$72,345	
Replacement Reserve							
Operating Reserve	\$277,875.00	\$9,393		\$61,125		\$174,809	
Other							
(specify):							
TOTAL COSTS:	\$11,660,550.00	\$394,159.00		\$2,565,000.00		\$7,331,146.36	
* 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.							
*** The actual method and line item amounts of cost allocation for the various source will be negotiated with the City and other funding sources to meet program and regulatory requirements							

TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)		Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**
Amount and Source of Funding: ***						
Acquisition Costs:						
Acquisition	\$27,041	FHLBC AHP Secured Grant	\$32,192	City of Madison TIF Grant/ Loan	\$17,116	City of Madison AHTF Loan
Title Insurance and Recording	\$527		\$627		\$333	
Appraisal	\$176		\$209		\$111	
*Pred/Prmt/feasibility/market study	\$252		\$300		\$160	
Survey	\$211		\$251		\$133	
*Marketing/Affirmative Marketing	\$1,081		\$1,286		\$684	
Taxes during Const	\$1,054		\$1,254		\$667	
Other:	\$0		\$0		\$0	
Construction:	\$0		\$0		\$0	
Construction Costs	\$287,823		\$342,647		\$182,179	
Soils/site preparation	\$281		\$334		\$178	
Const. Period Insurance	\$702		\$836		\$445	
Landscaping, play lots, sign	\$0		\$0		\$0	
Const interest	\$11,484		\$13,671		\$7,269	
print plans/specs	\$0		\$0		\$0	
Other:	\$0		\$0		\$0	
Fees: (Impact and utility)	\$3,602		\$4,288		\$2,280	
Architect	\$6,497		\$7,734		\$4,112	
Engineering	\$878		\$1,045		\$556	
*Accounting	\$527		\$627		\$333	
*Legal	\$2,634		\$3,136		\$1,667	
*Development Fee	\$42,318		\$50,378		\$26,785	
WHEDA Fees	\$3,242		\$3,859		\$2,052	
Investor Fees	\$1,081		\$1,286		\$684	
Project Contingency	\$14,441		\$17,191		\$9,140	
Furnishings	\$0		\$0		\$0	
Reserves Funded from Capital:	\$0		\$0		\$0	
Post Const Interest Carry	\$4,142		\$4,931		\$2,622	
Replacement Reserve	\$0		\$0		\$0	
Operating Reserve	\$10,009		\$11,915		\$6,335	
	\$0		\$0		\$0	
	\$0		\$0		\$0	
Other	\$0		\$0		\$0	
(specify):	\$0		\$0		\$0	
TOTAL COSTS:	\$420,000.00		\$500,000.00		\$265,841.00	
* 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.						
*** The actual method and line item amounts of cost allocation for the various source will be negotiated with the City and other funding sources to meet program and regulatory requirements						

TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)	Amount	Source/Terms**
Amount and Source of Funding: ***		
Acquisition Costs:		
Acquisition	\$11,589	Developer
Title Insurance and Recording	\$226	Deferred Loan
Appraisal	\$75	
*Predev/pmmt/feasibility/market study	\$108	
Survey	\$90	
*Marketing/Affirmative Marketing	\$463	
Taxes during Const	\$452	
Other:	\$0	
Construction:		
Construction Costs	\$123,353	
Soils/site preparation	\$120	
Const. Period Insurance	\$301	
Landscaping, play lots, sign	\$0	
Const interest	\$4,922	
print plans/specs	\$0	
Other:	\$0	
Fees: (Impact and utility)	\$1,544	
Architect	\$2,784	
Engineering	\$376	
*Accounting	\$226	
*Legal	\$1,129	
*Development Fee	\$18,136	
WHEDA Fees	\$1,389	
Investor Fees	\$463	
Project Contingency	\$6,189	
Furnishings	\$0	
Reserves Funded from Capital:		
Post Const Interest Carry	\$1,775	
Replacement Reserve	\$0	
Operating Reserve	\$4,289	
Other	\$0	
(specify):	\$0	
TOTAL COSTS:	\$180,000.00	

* 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.

*** The actual method and line item amounts of cost allocation for the various source will be negotiated with the City and other funding sources to meet program and regulatory requirements

RESIDENTIAL RENTAL PROPERTY**A. Provide the following information for rental properties:**

Table A Rental								
# of Units	# of Bedrooms	Amount of CD\$	Use of CD Funds	HOME Units	Rent	Utility Allowance	Gross Rent	Household Income Category
9	1	\$360,000	See ATT. F	6	\$355	\$98	\$453	<=50%
3	1				\$660	\$98	\$758	<=50%
7	1				\$725	\$98	\$823	51% - 60%
9	2	\$300,000	See ATT. F	5	\$425	\$112	\$537	<=50%
5	2				\$795	\$112	\$907	<=50%
10	2				\$875	\$112	\$987	51% - 60%
16	3				\$920	\$128	\$1,048	<=50%
6	1				\$900	\$98	\$998	<=80%
5	2				\$1,150	\$112	\$1,262	<=80%

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

The project will be designed by a licensed architect and engineer who will ensure it meets or exceeds all required codes and building standards.

C. Describe briefly your tenant selection criteria and process.

In addition to traditional marketing efforts that will be carried out by our development partner Stone House Development Movin' Out engages in affirmative marketing which is intended to reach populations that may not otherwise hear of our housing opportunities. We also use an extensive network among disability related organizations, brokers and local residential service agencies to get the word out that a unit is available. All applicants are required to complete an application and submit income and disability verifications. Each application undergoes a criminal and credit check as well as a review of the applicant's rental history. Attached to this application is a copy of Movin' Out's Tenant Selection Policy.

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 develop, own or operate any housing that congregates special needs households or requires any licenses. Our mission is to provide affordable and accessible housing opportunities to households with disabilities in highly integrated settings. We plan to accomplish this through affirmative marketing efforts.

For the households that include people who need supportive services Movin' Out coordinates with other residential support service agencies to ensure those services are available. These proposed tenants receive comprehensive, self-directed, community-based supportive services funded and administered by the Adult Community Services Division of the Dane County Department of Human Services (ACS). Service planning and coordination is undertaken by ACS and its affiliated support brokers and service providers. Each tenant has a support broker who assists the tenant in creating a service plan and budget, identifying service providers, and monitoring and documenting the quality of support delivered. Participants have a range of supportive service providers capable of planning and providing individualized services.

The initial tenants have access to support brokers who help to identify and coordinate supports within the supportive service funding available to the person. The support broker assists the person in developing an individualized person-centered plan. Tenants may choose a support broker from among the support broker agencies that contract with Dane County Department of Human Services.

These tenants are expected to be eligible for supportive services funded by Medicaid waiver and other programs and administered by the Adult Community Services Division of Dane County Department of Human. Prospective tenants are now affiliated or may choose to affiliate with an county-approved agency that meets their needs and choices.

The initial tenants are expected to be eligible for vocational services or adult day services administered by the Adult Community Services Division of the Dane County Department of Human Services. Prospective tenants are now affiliated or may choose to affiliate with a county or managed care contracted agency that meets their needs and choices.

The Dane County Department of Human Services website, <http://www.danecountyhumanservices.org>) provides information on the self-directed services program, supportive service provider agencies, and other community resources. Information about applying for supportive services is available at the intake line at 608-242-6440 or email DDInfo@countyofdane.com or from the independent living center, Access to Independence, <http://www.accesstoind.org>.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY

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

Yes a. Possesses not-for-profit, tax exempt 501(c) status;

Yes b. Has a board with fewer than 1/3 of its members as public officials;

Yes c. Includes provision of affordable housing within its statement of purpose;

Yes 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;

Yes e. Demonstrates its capacity and experience in service the community.

4. Describe how your target population meets the CDA definition of special needs.

Movin' Out, Inc. provides training, information and referral, and housing counseling regardless of income, as its resources allow. Movin' Out, Inc. provides home ownership and rental resources to households with low income, as defined in HUD and IRS regulations. Movin' Out, Inc. assists people who have permanent developmental, physical, sensory, medical or mental health disabilities, or a combination of impairments, that make them eligible for long term care services. The population that Movin' Out focuses on and those who will be eligible to live at this project meet the CDA definition of special needs.



Office of the Common Council

City-County Building, Room 417
210 Martin Luther King, Jr. Blvd.
Madison, Wisconsin 53703-3345
Office: 608 266 4071
FAX: 608 267 8669
TTY: 608 267 8670
council@cityofmadison.com

July 9, 2013

Dave Porterfield, Real Estate Developer
Movin' Out, Inc.
600 Williamson Street
Madison, Wisconsin 53703

Dear Mr. Porterfield:

I want to let you know that I enthusiastically support the application of Movin' Out for funding of its proposed mixed-use residential apartments on the Royster Corners property at Dempsey Road and Cottage Grove Road.

Our community has a great need for housing for people with disabilities as well as affordable housing. Most of the residents of the immediate neighborhood are at or below median income and have a great need for the housing that will be offered by your project. I have discussed this project at many community meetings, and it has been very warmly received.

If I can be of any assistance in moving this project forward, please do not hesitate to contact me.

Sincerely,

David Ahrens

David Ahrens
Alder, 15th District

**Affirmative Marketing Plan
Royster Clark Multifamily Project
Madison, WI**

Movin' Out, Inc. strives to offer our rental homes to as broad a population as possible, using the following specific strategies in our affirmative marketing plan:

1. Market to under-represented populations through media specifically targeted to such populations. We use display and classified ads in ethnic newspapers and magazines. For our Royster Clark Multifamily project, these publications will include:
 - a. La Comunidad, the largest Spanish language periodical in Southern Wisconsin;
 - b. Asian Wisconsin, an online periodical serving Asians all over Wisconsin; and
 - c. Capital City Hues, a local paper serving Southern Wisconsin's African American community.
2. We will continue to use radio to the extent possible by seeking out opportunities to participate in community-based radio shows targeted to minority populations.
3. We also plan to post flyers about Royster Clark Multifamily at the public offices of community-based organizations serving specific populations. These will include Centro Hispano, United Asian Services of Wisconsin, and the Urban League, among other possibilities. In addition, we will work with the outreach staff at these agencies to ensure that their clientele are aware of the housing opportunity at Royster Clark Multifamily. We have found this to be a good source of referrals for eligible low-income potential tenants (both those with- and without disabilities).
4. We also work closely with agencies that provide residential services to people with disabilities in their homes. In the Madison area, these agencies include Community Living Connections, Create-Ability, and Options for Community Living. These agencies serve people from diverse populations through contracts for case management and residential services, and thus serve as an effective affirmative marketing outreach tool for Movin' Out.
5. Movin' Out adheres to the federal Fair Housing Law (Title VIII of the Civil Rights Act of 1968), the Wisconsin Open Housing Law, and all local ordinances. To keep up to date on these laws, we require training in Fair Housing for all Movin' Out staff involved in rental activities.
6. Movin' Out also posts a HUD Fair Housing poster at the site of all available units.