

# Application for Neighborhood and Community Development Funds

Applications should be submitted electronically to [cdbg@cityofmadison.com](mailto:cdbg@cityofmadison.com) 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>310 E Mifflin/103 N Butler</u>	Amount Requested:	<u>\$650,000</u>
Agency:	<u>Housing Initiatives, Inc</u>	Tax ID/EIN/FEIN:	<u>39-1781842</u>
Address:	<u>1110 Ruskin St</u>	DUNS #	<u>111018466</u>
Contact Person:	<u>Dean Loumos</u>	Telephone:	<u>608 277 8330</u>
Email:	<u>dloumos@housinginitiatives.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.

HII will purchase an existing affordable housing program located in the downtown area of Madison. The units are now currently occupied and managed under an existing LURA that HII will honor. Eventually as vacancies become available by tenant choice HII will rent these units to homeless mentally ill individuals who will be at very low-income levels. This project will ensure that the existing 14 units will stay permanently affordable and eventually be used to house 14 mentally ill individuals- two of which will also have physical disabilities- in a location that many of our clients prefer.

The goal of providing permanent housing to our most vulnerable, homeless individuals has long been a goal and a priority of CDBG. HII has a successful history of providing housing to chronically homeless individuals/vets and adding these buildings meets our neighborhood centered approach to housing development.

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.

All tenants that are renting currently will stay until such a time that they inform HII that they will be moving. All current tenants are at income levels below 80% of AMI currently- 1 < 70%, 3 < 60%, 8 < 50%, 1 < 40%, 1 < 30%. When vacancies do occur HII will rent these units to homeless individuals who will also be at income levels below 80% of AMI but more typically at 50% or lower of AMI. As the units become available HII will also be renting several of these units to homeless veterans.

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

0 # 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.

- |  |   |
|--|---|
| <input type="checkbox"/> A. Housing – Existing Owner-Occupied      | <input type="checkbox"/> G. Neighborhood Civic Places   |
| <input type="checkbox"/> B. Housing – For Buyers                   | <input type="checkbox"/> K. Community-based Facilities  |
| <input checked="" type="checkbox"/> C. Housing – Rental Housing    | <input type="checkbox"/> L. Neighborhood Revitalization |
| <input type="checkbox"/> E. Economic Dev. – Business Creating Jobs | <input type="checkbox"/> N. Access to Housing Resources |
| <input type="checkbox"/> F. Economic Dev. – Micro-enterprise       |   |

HII will rent these units to individuals who are under 80% of AMI and eventually rent the units to individuals who suffer with a mental illness and became homeless because of it as vacancies become available. This will ensure that the units will stay affordable to our most vulnerable population in an area where many of them prefer to live. The area is very close to services many of our clients use making it very convenient for our clients.

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 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
<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:				
<b>C. Capital Budget Expenditures</b> (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:				
<b>D. TOTAL (A+B+C)</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.

HII will acquire the property from MDC in December.

HII will continue to manage the property "as is" and replace the current tenants with homeless individuals who suffer from a mental illness as units become available.

HII will receive permanent financing from WHEDA.

**Description**

Acquisition  
Construction/Rehab Start  
Construction/Rehab Completion  
Min. Housing Code & Lead Clearance Inspections  
Complete Lease-Up  
Submit Completion Report & All Required Docs  
Final Draw Request

**Projected Dates (Mo/Yr)**

December, 2015  
March, 2016  
December, 2016  
November 30, 2015  
On-going  
60 days from closing  
December, 2016

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

We have alder support.

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:

Future Fund (Attachment A)

Housing for Resale (Attachment E)

Property Description (Attachment B)

Rental Housing and Proforma (Attachment F)

Capital Budget (Attachment C)

CHDO (Attachment G)

Community Service Facility (Attachment D)

Scattered Site Funds Addendum (Attachment H)

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: Oliver J. Frank 9-25-15 Date:  
Executive Director

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

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?	
103 N Butler 310 E Mifflin	Purchase Rehab Construct	14	14	14	0	1.1m	?	1.1m	Yes-2	2	Yes
	Purchase Rehab Construct										
	Purchase Rehab Construct										

<b>SOURCES &amp; USES</b>
---------------------------

Butler/Mifflin
----------------

**SOURCES**

WHEDA	\$600,000.00	
Loan	\$0.00	<b>Total Loans</b>
Loan	\$0.00	\$600,000.00
CDBG	\$650,000.00	
Grant	\$0.00	
Other	\$0.00	<b>Total Grants</b>
Other	\$0.00	\$650,000.00

<b>Total Sources</b>	<b>\$1,250,000.00</b>
----------------------	-----------------------

<b>Total Cost</b>	<b>\$1,247,300.00</b>
-------------------	-----------------------

<b>difference</b>	<b>\$2,700.00</b>
-------------------	-------------------

# PROJECT SUMMARY

## Butler/Mifflin

Project Name	Butler/Mifflin
Address	
Total Units	4
Set-aside Units	4

INCOME								
# of Units	#set-aside	# Br	Rent	Utility	Gross Rent	Rent Limi	Mon. Rent	Yr. Rent
1	0	1	\$ 470		\$470		\$470	\$5,640
6	0	1	\$ 565		\$3,390		\$3,390	\$40,680
5	0	1	\$ 650		\$3,250		\$3,250	\$39,000
1	0	1	\$ 600		\$600		\$600	\$7,200
1	0	1	\$ 770		\$770		\$770	\$9,240

Total Units	14
Total Rent	\$101,760
Rent Vacancy Rate	2%
Vacancy	\$2,035
Net Rent	\$99,725

Appraised Value	\$1,100,000
-----------------	-------------

laundry	\$500
Other Vacancy Rate	0%
Other Vacancy	\$0
Net Other Income	\$500

<b>TOTAL INCOME</b>	<b>\$100,225</b>
---------------------	------------------

OPERATING EXPENSES						
	Yearly Amount	Monthly Amount	PUY	PUPM		subtotals
Management Fee 6.00%	\$6,013	\$501	\$430	\$36		
Admin - Salaries	\$3,200	\$267	\$229	\$19		
Admin - Supplies	\$150	\$13	\$11	\$1		
Accounting	\$550	\$46	\$39	\$3		
Financial Statements	\$750	\$63	\$54	\$4	\$63	Admin
Util - Electric	\$4,000	\$333	\$286	\$24		
Util - Gas	\$5,000	\$417	\$357	\$30		
Util - Water/Sewer	\$3,000	\$250	\$214	\$18	\$71	Util
Maint Salaries	\$3,000	\$250	\$214	\$18		
Maint- Supplies	\$1,500	\$125	\$107	\$9		
Oper -Lawns	\$0	\$0	\$0	\$0		
Oper - Trash	\$3,700	\$308	\$264	\$22		
Oper - Cleaning	\$2,500	\$208	\$179	\$15	\$64	op/maint
Insurance	\$6,200	\$517	\$443	\$37		
Taxes (PILOT)	\$4,000	\$333	\$286	\$24	\$61	tax/insur
Replacement Reserve	\$2,000	\$167	\$143	\$12		
		\$0	\$0	\$0		
<b>TOTAL OP EXPENSES</b>	<b>\$45,563</b>	<b>\$3,797</b>	<b>\$3,255</b>	<b>\$271</b>		
<b>NET OPERATING INCOME</b>	<b>\$54,661</b>	<b>\$4,555</b>	<b>\$3,904</b>	<b>\$325</b>		



## DEBT SERVICE

Loan Amount #1	\$600,000	Source of Loan	DCR	1.50
Interest Rate	4.50%		LTV	1.83
Amortization (months)	360		loan #1	
Term (Months)	360			
Monthly Debt Service	\$3,040.11			
Yearly Debt Service	\$36,481.34	\$42,857		loan #1 per unit
Loan Amount #2	\$0	Source of Loan	DCR	#NUM!
Interest Rate	0.00%		LTV	#DIV/0!
Amortization (months)	0			1.83
Term (months)	0			
Monthly Debt Service	#NUM!			
Yearly Debt Service	#NUM!	\$0		loan #2 per unit
Loan Amount #3	\$0	Source of Loan	DCR	#NUM!
Interest Rate	0.00%		LTV	#DIV/0!
Amortization (months)	0			\$ 1.83
Term (Months)	0			
Monthly Debt Service	#NUM!			
Yearly Debt Service	#NUM!	\$0		loan #3 per unit
<b>Total Debt Service</b>	<b>#NUM!</b>			
<b>Total Loans</b>	<b>\$600,000</b>	<b>\$42,857</b>		<b>all loans per unit</b>
<b>YEARLY CASH FLOW</b>	<b>#NUM!</b>			
<b>TOTAL DCR</b>	<b>#NUM!</b>			
<b>TOTAL LTV</b>	<b>1.83</b>			



**Project Name**

**Cash Flows**

	inflation %	Co Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Rent	1.5%		\$101,760	\$103,286	\$104,836	\$106,408	\$108,004	\$109,624	\$111,269	\$112,938	\$114,632	\$116,351
Rent Vacancy Rate			2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Vacancy			\$2,035	\$2,066	\$2,097	\$2,128	\$2,160	\$2,192	\$2,225	\$2,259	\$2,293	\$2,327
Net Rent			\$99,725	\$101,221	\$102,739	\$104,280	\$105,844	\$107,432	\$109,043	\$110,679	\$112,339	\$114,024
Other Income	1.5%		\$500	\$508	\$515	\$523	\$531	\$539	\$547	\$555	\$563	\$572
Other Vacancy Rate			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Vacancy			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Other Income			\$500	\$508	\$515	\$523	\$531	\$539	\$547	\$555	\$563	\$572
<b>TOTAL INCOME</b>			\$100,225	\$101,728	\$103,254	\$104,803	\$106,375	\$107,971	\$109,590	\$111,234	\$112,902	\$114,596
Management Fee			\$6,013	\$6,104	\$6,195	\$6,288	\$6,382	\$6,478	\$6,575	\$6,674	\$6,774	\$6,876
Admin - Salaries	1.5%		\$3,200	\$3,248	\$3,297	\$3,346	\$3,396	\$3,447	\$3,499	\$3,552	\$3,605	\$3,659
Admin - Supplies			\$150	\$152	\$155	\$157	\$159	\$162	\$164	\$166	\$169	\$172
Accounting			\$550	\$558	\$567	\$575	\$584	\$593	\$601	\$610	\$620	\$629
Financial Statements			\$750	\$761	\$773	\$784	\$796	\$808	\$820	\$832	\$845	\$858
Util - Electric	2.0%		\$4,000	\$4,080	\$4,162	\$4,245	\$4,330	\$4,416	\$4,505	\$4,595	\$4,687	\$4,780
Util - Gas			\$5,000	\$5,100	\$5,202	\$5,306	\$5,412	\$5,520	\$5,631	\$5,743	\$5,858	\$5,975
Util - Water/Sewer			\$3,000	\$3,060	\$3,121	\$3,184	\$3,247	\$3,312	\$3,378	\$3,446	\$3,515	\$3,585
Maint Salaries	1.5%		\$3,000	\$3,045	\$3,091	\$3,137	\$3,184	\$3,232	\$3,280	\$3,330	\$3,379	\$3,430
Maint- Supplies			\$1,500	\$1,523	\$1,545	\$1,569	\$1,592	\$1,616	\$1,640	\$1,665	\$1,690	\$1,715
Oper -Lawns			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oper - Trash			\$3,700	\$3,756	\$3,812	\$3,869	\$3,927	\$3,986	\$4,046	\$4,106	\$4,168	\$4,231
Oper - Cleaning			\$2,500	\$2,538	\$2,576	\$2,614	\$2,653	\$2,693	\$2,734	\$2,775	\$2,816	\$2,858
Insurance	2.0%		\$6,200	\$6,324	\$6,450	\$6,579	\$6,711	\$6,845	\$6,982	\$7,122	\$7,264	\$7,410
Taxes	2.0%		\$4,000	\$4,080	\$4,162	\$4,245	\$4,330	\$4,416	\$4,505	\$4,595	\$4,687	\$4,780
Replacement Reserve	0.0%		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Other												
<b>TOTAL OP EXPENSES</b>			\$45,563	\$46,328	\$47,106	\$47,898	\$48,704	\$49,525	\$50,361	\$51,211	\$52,077	\$52,958
<b>NET OPERATING INCOME</b>			\$54,661	\$55,400	\$56,148	\$56,905	\$57,671	\$58,445	\$59,230	\$60,023	\$60,826	\$61,638
Debt Service			\$36,481	\$36,481	\$36,481	\$36,481	\$36,481	\$36,481	\$36,481	\$36,481	\$36,481	\$36,481
Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEBT SERVICE</b>			36,481	36,481	36,481	36,481	36,481	36,481	36,481	36,481	36,481	36,481
<b>CASH FLOW</b>			\$18,180	\$18,919	\$19,667	\$20,423	\$21,189	\$21,964	\$22,748	\$23,542	\$24,345	\$25,157
<b>DCR</b>			1.50	1.52	1.54	1.56	1.58	1.60	1.62	1.65	1.67	1.69

Year 11	Year 12	Year 13	Year 14	Year 15
------------	------------	------------	------------	------------

\$118,097	\$119,868	\$121,666	\$123,491	\$125,343
2%	2%	2%	2%	2%
\$2,362	\$2,397	\$2,433	\$2,470	\$2,507
\$115,735	\$117,471	\$119,233	\$121,021	\$122,837

\$580	\$589	\$598	\$607	\$616
0%	0%	0%	0%	0%
\$0	\$0	\$0	\$0	\$0
\$580	\$589	\$598	\$607	\$616

\$116,315	\$118,060	\$119,831	\$121,628	\$123,452
-----------	-----------	-----------	-----------	-----------

\$6,979	\$7,084	\$7,190	\$7,298	\$7,407
\$3,714	\$3,769	\$3,826	\$3,883	\$3,942
\$174	\$177	\$179	\$182	\$185
\$638	\$648	\$658	\$667	\$677
\$870	\$883	\$897	\$910	\$924
\$4,876	\$4,973	\$5,073	\$5,174	\$5,278
\$6,095	\$6,217	\$6,341	\$6,468	\$6,597
\$3,657	\$3,730	\$3,805	\$3,881	\$3,958
\$3,482	\$3,534	\$3,587	\$3,641	\$3,695
\$1,741	\$1,767	\$1,793	\$1,820	\$1,848
\$0	\$0	\$0	\$0	\$0
\$4,294	\$4,358	\$4,424	\$4,490	\$4,557
\$2,901	\$2,945	\$2,989	\$3,034	\$3,079
\$7,558	\$7,709	\$7,863	\$8,020	\$8,181
\$4,876	\$4,973	\$5,073	\$5,174	\$5,278
\$2,000	\$2,000	\$2,000	\$2,000	\$2,000

\$53,855	\$54,768	\$55,698	\$56,644	\$57,607
----------	----------	----------	----------	----------

\$62,460	\$63,292	\$64,133	\$64,984	\$65,845
----------	----------	----------	----------	----------

\$36,481	\$36,481	\$36,481	\$36,481	\$36,481
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0

36,481	36,481	36,481	36,481	36,481
--------	--------	--------	--------	--------

\$25,979	\$26,810	\$27,652	\$28,503	\$29,364
----------	----------	----------	----------	----------

1.71	1.73	1.76	1.78	1.80
------	------	------	------	------