



## Federal Funds (HOME, CDBG, EECBG) Development 2018-2019 Application

This application form should be used for projects seeking funding from City of Madison Request for Proposals #2018-8754; Federal Funds (HOME, CDBG, EECBG) for 2018-2019 Housing Development & Capital Improvement Projects. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on September 19, 2018**. Email to: [cddapplications@cityofmadison.com](mailto:cddapplications@cityofmadison.com)

### APPLICANT INFORMATION

Proposal Title:	Increasing Home Ownership Opportunities for Lower Income Households		
Amount of Funds Requested:	\$195,000	Type of Project:	<input checked="" type="checkbox"/> Housing <input type="checkbox"/> Community Facility
Name of Applicant:	Wisconsin Partnership for Housing Development		
Mailing Address:	2045 Atwood Avenue, Suite 101A Madison, WI 53704		
Telephone:	608-258-5560	Fax:	68-258-5565
Admin Contact:	Katherine Kamp	Email Address:	kathykamp@wphd.org
Project Contact:	Katherine Kamp	Email Address:	kathykamp@wphd.org
Financial Contact:	Katherine Kamp	Email Address:	kathykamp@wphd.org
Website:	www.wphd.org		
Legal Status:	<input type="checkbox"/> For-profit <input checked="" type="checkbox"/> Non-profit		
Federal EIN:	39-1508503	DUNS #:	157313453
Registered on SAM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

### AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 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/aaFormsID.cfm>.

### LOBBYING REGULATED

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. Applicants may find more information on registering on the [City Clerk's website](#).

### CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520.

If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

### SIGNATURE OF APPLICANT

Enter Name: Katherine Kamp

By entering your initials in this box **KSK** you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Date: 9/19/2018

## PROPOSAL OVERVIEW

1. Describe the primary community need(s) the proposed project seeks to address and the expected outcomes. (*Please limit response to 500 words including spaces*).

Home ownership is one of the best ways to stabilize housing costs and accumulate wealth. In Madison, the number of renters surpassed the number of owners in 2011; the current home ownership rate is 47.6%. Households are not able to buy homes because (1) the high cost of rental housing makes it difficult to save for a down payment, (2) the number of homes for sale does not meet demand, and (3) the homes that are available in the central city require additional investment after purchase.

2. Please provide an overview of the project, how it meets the criteria outlined in the Request for Proposals and the risks associated with the project. (*Please limit response to 500 words including spaces*).

We propose to purchase and rehab three homes so that they are safe and desirable places to live. We assist in overcoming the identified barriers by providing significant down payment assistance, offering homes at an affordable price, and developing housing that does not need additional investment, which ensures stable housing costs. While we are able to develop quality housing and make it affordable, we face the same barriers as others in the market in trying to purchase homes.

3. Describe the proposed project's consistency with adopted planning documents, including the City of Madison Comprehensive Plan, neighborhood plan(s) and any other relevant plans.

This project meets numerous community goals related to housing, as identified in the Consolidated Plan, including increasing the supply of affordable housing and ensuring long term housing affordability for low income households. In addition, when we rehab a home, we not only increase the value of the home that we are working on, but frequently we see that our investment in a home spurs others to improve their properties as well. As a result, while we are completing only one home, it can result in overall improvements in property values for adjacent properties.

WPHD generally uses Operation Fresh Start, a training program for at-risk youth, to complete rehab of the homes. As a result, work on the homes provides an opportunity for youth to gain the skills necessary to obtain a high quality job at a living wage.

In selecting homes, we try to work in neighborhoods where revitalization will benefit the neighborhood and where home ownership can assist in promoting neighborhood stability. We purchase homes that are frequently the "worst" on the block and make improvements that benefit and improve the housing stock.

4. Describe the target population(s) this project intends to serve (e.g. low-income families, seniors, special needs populations, etc.)

The WPHD project serves households with incomes less than 80 percent of the area median income. Generally we find our homeowners are between 65-80 percent of AMI. In order to ensure affordability, homeowners require the significant down payment assistance that we are able to provide. We reach out to underserved populations in a variety of ways to make them aware of the opportunity for home ownership. However, we do list our properties on the Multiple Listing Service so that any eligible household can take advantage of the opportunity.

Households served by the program are encouraged to seek down payment assistance and are required to participate in home buyer counseling so that they are aware of the opportunities and challenges of home ownership and aware of all types of assistance that might be available to them as they move through the purchase process. Households are encouraged to reach out to us with questions about housing maintenance after they have purchased their home.

5. How many unduplicated individuals are estimated to be served by this project:

How many unduplicated households are estimated to be served by this project: 3

6. Please describe whether/how this project relates to efforts undertaken by other community groups or agencies.

Our projects are unique in that we partner with OFS to provide the training options to at risk youth. In addition, we are often able to obtain homes through the National Community Stabilization Trust, which offers WPHD a "first look" at foreclosed properties before they are offered on the open market. While there are other agencies that offer home ownership opportunities, each has unique features and the need is large enough that we do not duplicate or compete with one another.

7. Describe the response and level of support of the alderperson of the district in which the proposal is located. What issues or concerns with the project did s/he identify, if any?

Because we do not have a specific site identified, we have had no contact with the alderperson. However, once we identify a home for purchase, we inform the alderperson of the address and work that we will do so that they are aware. We also invite them to the Open House upon completion so that they can see the impact of the project on the block and neighborhood.

8. Describe the neighborhood input process, including notification to and input from the nearby Neighborhood Association(s), either already underway or planned. If that process has begun, please summarize its results to date.

In addition to notifying the alderperson, we inform immediate neighbors of the work that is planned and always invite them to see the completed project. We generally do not get push back from neighbors because we are improving a home and creating home ownership opportunities, which is typically consistent with neighborhood plans.

9. Will any business or residence, including rental tenants, be temporarily or permanently displaced as a result of the proposed activities? ☐ Yes ☒ No ☐ Unknown

If yes, please describe your relocation plan, including assistance you will offer to those displaced by the project.

Not applicable

10. The follow repayment terms will be selected for the project as offered in the Request for Proposals (Please check one):

☒ **Option 1:** Zero percent, long-term deferred loan payable upon sale, transfer, or change in the use of the property. The promissory note will require repayment of either a percentage of the appraised value after rehab or construction, based on the amount of the CDD funds invested in the property, or a percentage of the net proceeds, whichever is less.

☐ **Option 2:** Long-term deferred loan - principal plus 2% accrued simple interest, payable upon sale, transfer, or change in the use of the property. Repayment will be equal to the amount of the CDD funds awarded, plus 2% simple interest accrued over the life of the loan.

☐ **N/A-** Agency is renting space.

## AGENCY OVERVIEW

11. Describe the Agency's Mission Statement and explain how this project supports the Mission Statement.

The mission of Wisconsin Partnership for Housing Development is to increase access to affordable housing. We do this by creating rental and ownership housing in communities across the state. We have purchased and renovated over 100 homes across the state in the last ten years, and developed 50 units of rental housing. In addition, we administer programs across the state offering rehabilitation and down payment assistance loans. We manage over 100 rehab projects each year and offer down payment assistance to over 100 households. We believe that in the current environment, long term housing affordability can best be achieved by offering home ownership opportunities. Ownership offers the opportunity to manage housing costs and build wealth for lower income households.

12. Identify all key roles in your project development team, including architect, general contractor, legal counsel, property management agent, if applicable supportive services provider(s), and any other key consultants, if known.

Name	Company	Role in Development	Contact Person	Phone
Katherine Kamp	WPHD	Construction oversight	Katherine Kamp	608-258-5560
Eddie Sherman	OFS	Site Supervisor	Eddie Sherman	608-244-4721

13. Please describe the development team's experience using federal HOME, CDBG or EECBG funds.

WPHD staff has years of experience both using HOME and CDBG funds for development activities and providing technical assistance to nonprofits, states and local communities on the use of these funds to undertake development activities. WPHD has been providing technical assistance for over 30 years on the use of federal funds to produce affordable housing. WPHD staff has over 25 years of experience using HOME and CDBG funds for housing development, including single family housing for ownership, scattered site rental housing and larger rental projects using HOME funds. We are current using both HOME and CDBG funds to undertake similar single family housing development in Rock County (Janesville and Beloit), Milwaukee County, Dane County and in Racine. In addition, we have worked for over ten years in Madison on single family development, first with NSP funds and now with HOME funds. We manage programs that provide rehab and down payment assistance using HOME and CDBG funds in five Wisconsin counties.

14. Please describe the capacity of your agency to secure the total financing necessary to complete your proposed project, and past performance that will contribute to the success of the proposed program.

WPHD has a line of credit with Forward Community Investments that can be used to purchase and rehab properties to leverage the funds available from the federal programs. We have used this facility for over 10 years. Once a property is identified, we provide information to FCI and generally use the FCI funds to purchase the property with the city funds used to cover the rehab costs. We have had a long standing relationship with FCI and expect this line of credit to continue to be available for our use for purchase and rehab projects.

15. Indicate by number the following characteristics for your agency's current staff and Board of Directors.

DESCRIPTOR	STAFF	BOARD
<b>GENDER</b>		
Female	3	7
Male		4
Unknown/Other		
<b>TOTAL GENDER</b>	3	11

<b>AGE</b>		
Less than 18 yrs old		
18-59 Yrs	2	10
60 and older	1	1
<b>TOTAL AGE</b>	3	11
<b>RACE*</b>		
White/Caucasian	3	10
Black/African American		1
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
<b>MULTI-RACIAL:</b>		
Black/AA & White/Caucasian		
Asian & White/Caucasian		
Am Indian/Alaskan Native & White/Caucasian		
Am Indian/Alaskan Native & Black/AA		
Balance/Other	3	11
<b>TOTAL RACE</b>	3	11
<b>ETHNICITY</b>		
Hispanic or Latino		
Not Hispanic or Latino	3	11
<b>TOTAL ETHNICITY</b>	3	11
<b>PERSONS WITH DISABILITIES</b>	0	0

\*These categories are identified in U.S. Department of Housing and Urban Development (HUD) Standards.

16. List Percent of Staff Turnover: 25%

Divide the number of resignations or terminations in calendar year 2017 by total number of budgeted positions. Do not include seasonal positions. Explain if you had 20% or more turnover rate. Discuss any other noteworthy staff retention issues or policies in place to reduce staff turnover.

We have a small staff and one person moved out of Madison to take a new job. We currently have one open position for a Construction Manager that will be filled in 2018.

17. The following attachments are included with this application:

- ☒ Housing – Owner-Occupied Development (Complete Attachment A and Budget Workbook)
- ☐ Housing – Rental Development (Complete Attachment B and Budget Workbook)
- ☐ Neighborhoods- Community-Based Facilities (Complete Attachment C and Budget Workbook)

Note: Proposals for Community-Based Facilities should only complete Worksheet 1 (Agency Overview), Worksheet 2 (Capital) and 3 (Expenses) in the Budget Workbook. Proposals for residential developments should complete the entire Budget Workbook.

**ATTACHMENT A- Housing Development- Owner- Occupied Development**

1. Identify the source of federal funds the agency will accept for the project: ☒ HOME ☒ CDBG ☐ EECBG

2. What is the total number of units to be assisted with HOME, CDBG or EECBG funds and the amount of HOME, CDBG or EECBG requested per affordable unit?

We are requesting \$65,000 per unit and propose to do three units (\$195,000 total).

3. Provide your assessment of the market conditions of the neighborhood (including anticipated demand for the proposed target populations). Explain why this site or area was chosen. If a specific site has not been identified, what criteria do you use to assess the appropriateness of a site and neighborhood for an assisted housing project?

Because of the rapidly increasing median home price in Madison and because of a small supply of available housing under \$200,000, it is difficult for households in our target population to identify affordable housing. As a result, we anticipate sufficient demand for single family homes that we rehab and make available.

We generally identify homes in several ways including those available from the National Community Stabilization Trust First Look Program, which may be located in any neighborhood or area, but are always foreclosures that have generally been vacant for a significant time period. In addition, we look on the MLS for properties and may also identify homeowners that want to sell their homes on their own (FSBO). Homes identified can be in any area of the city. In all cases before we take ownership we ensure that they are adjacent to transportation options, job centers, grocery stores, and other services.

4. Describe your affirmative marketing strategy and any other strategies to engage your intended population.

We always offer our homes on the Multiple Listing Service (MLS) and we also list them on our website, Facebook page, and through the home buyer counseling programs. We also reach out to neighbors in the areas where we are rehabbing homes. We try to reach out in unique ways to traditionally underserved households by providing information sessions and promoting the option of home ownership when meeting with local groups.

Once the home is listed, we (1) take offers on the homes, (2) send out an income verification package to determine income eligibility, (3) refer potential buyers to home buyer counseling if they have not already participated, and (4) work with lenders to ensure that down payment assistance is considered and that homeowners take advantage of options available to them to ensure affordability.

5. How will this project address barriers to housing experienced by your target population? Describe financial literacy, credit builder programs or HUD-approved education counseling available to potential buyers.

As noted above, we require all potential home buyers to engage in home buyer counseling classes to ensure that they are aware of the opportunities and challenges associated with home ownership.

6. Projects with HOME funds must have a ratified sales contract within nine months of construction/rehab completion. If the project is non-compliant, the developer must either convert the project to a HOME rental unit or be responsible for repayment of all funds dispersed. Describe the experience and qualifications of the entity that will manage the property, including maintaining property standards and ongoing compliance if converted to rental.

We feel confident that homes can be sold within the time frame allowed by the HOME program. However, if that does not occur, WPHD can manage the property as rental units. We currently own a large rental project in Sun Prairie, which is managed by a management company. In addition, we own other scattered site rental property in Rock County and are starting a small rental development in Stoughton. We ensure that units are maintained and meet Housing Quality Standards, we complete income certification as required. We work with local agencies to serve those households who may have a Section 8 voucher, or who are eligible to receive rapid rehousing assistance through the local continuum of care. About 50% of the tenants in our Janesville project were previously homeless.

## PROPOSAL TIMELINE

Describe activities/benchmarks by month/year to illustrate how your project will be implemented. At a minimum, please include site control, financing secured, acquisition, start of construction/rehab, end of construction/rehab, available for occupancy, submission of completion report/final draw request.

Activity/Benchmark	Estimated Month/Year of Completion
	Number of weeks past home purchase
Inspections completed/rehab scope of work developed	3 weeks
Contract with OFS	5 weeks
Construction Time	32 weeks ( because of the training component, it does take longer to complete rehab of home)
Post-rehab appraisal and inspections completed	36 weeks
Home listed for sale	38 weeks
Home Sale	42-52 weeks

**ATTACHMENT B- Housing Development- Rental Development**

1. Identify the source of federal funds the agency will accept for the project: ☐ HOME ☐ CDBG ☐ EECBG

2. What is the total number of units to be assisted with HOME, CDBG or EECBG funds and the amount of HOME, CDBG or EECBG requested per affordable unit? Indicate whether any of the units will be supported by Section 8 project-based vouchers.

3. If the single-purpose entity will be owned, in part, by a for-profit company, will a non-profit organization have a controlling interest in the property or a statutory Right of First Refusal to acquire such interest?

4. Identify, and describe the experience and qualifications of the entity that will manage the property, including maintaining property standards, ongoing compliance, and annual reporting requirements in accordance with contract requirements and/or federal regulations. How many units does that entity currently manage?

5. Who will be responsible for monitoring compliance with federal regulations and requirements?  
Are they trained on federal requirements?

**SITE INFORMATION**

6. Provide your assessment of the market conditions of the neighborhood (including anticipated demand for the proposed target populations). Explain why this site or area was chosen. If a specific site has not been identified, what criteria do you use to assess the appropriateness of a site and neighborhood for an assisted housing project?

7. Identify the distance the following amenities are from the proposed site.

Type of Amenities & Services	Name of Facility	Distance from Site (in miles)
Full Service Grocery Store		
Public Elementary School		



Public Middle School		
Public High School		
Job-Training Facility, Community College, or Continuing Education Programs		
Childcare		
Public Library		
Neighborhood or Community Center		
Full Service Medical Clinic or Hospital		
Pharmacy		
Public Park or Hiking/Biking Trail		
Banking		
Retail		
Other (list the amenities):		

8. If a site has been identified, what is the distance between the proposed site and the nearest seven-day per week transit stops? List the seven-day transit stop location and describe any other transit stops (include street intersections and schedule) located near the proposed site.

9. Describe the impact this housing will have on the schools in this area. Please include information on school enrollment data (e.g. at capacity, above capacity, below capacity); how this housing development will impact the schools' enrollment; and approximately how many elementary and middle school children are projected to live at the proposed housing development based on your proposed unit mix and previous housing experience.

## SITE AMENITIES

10. Describe the exterior and common area amenities that will be available to tenants and guests, including parking (and cost, if any).

11. Describe the interior apartment amenities, including plans for internet service (and cost, if any) and a non-smoking environment.

12. What fees, if any, will be charged to residents of the proposed building (e.g. parking, laundry, pet fees, etc.)?

**HOUSING INFORMATION & UNIT MIX**

13. If a site has been identified, provide the following information for your proposed project. List the property address along with the number of units you are proposing by size, income category, etc. If this is a scattered site proposal, list each address separately with the number of units you are proposing by income category, size, and rent for that particular address and/or phase. Attach additional pages if needed.

<b>ADDRESS #1:</b>		<b># of Bedrooms</b>					<b>Projected Monthly Unit Rents, Including Utilities</b>				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
<b>Market*</b>	0	0	0	0	0	0					
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Notes:				

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; Market = >61% CMI.

<b>ADDRESS #2:</b>		<b># of Bedrooms</b>					<b>Projected Monthly Unit Rents, Including Utilities</b>				
% of County Median Income (CMI)	Total # of units	# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs	\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
≤30%	0	0	0	0	0	0					
40%	0	0	0	0	0	0					
50%	0	0	0	0	0	0					
60%	0	0	0	0	0	0					
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
<b>Market*</b>	0	0	0	0	0	0					
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Notes:				

\*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; Market = >61% CMI.

14. Utilities included in rent: ☐ Water/Sewer ☐ Electric ☐ Gas ☐ Free Internet In-Unit ☐ Other:

15. Describe the number and percent of accessible units proposed for each of level of accessibility. For rehab, describe the accessibility modifications that will be incorporated into the existing housing.

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16. Describe the energy efficient features you plan to provide, the energy standard to be achieved, and the resulting estimated monthly utility savings for the project and for the tenant.

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17. For proposals that include rehabilitation and where a site has been identified, have you completed a capital needs assessment for this property? If so, summarize the scope and cost; Attach a copy of the capital needs assessment.

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#### 18. Real Estate Project Data Summary

If a site has been identified, enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	# of Units Accessible Current?	Number of Units Post- Project Accessible?	Appraised Value Current (Or Estimated)	Appraised Value After Project Completion (Or Estimated)	Purchase Price
Address:	Enter Address 1								
Address:	Enter Address 2								
Address:	Enter Address 3								

#### INTEGRATED SUPPORTIVE HOUSING UNITS

19. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) if serving populations requiring intensive case management or ongoing supportive services. Provide a detailed description of the type and level of supportive services (such as assessment and referral, on-site intensive case management, etc.) that will be provided to residents of the proposed project.

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20. What, if any, financial support will be offered to help finance the provision of support services to tenants? Attach a letter from the service provider(s) detailing the services to be provided to residents of the supportive housing units, the cost of those services and how they will be financed (i.e., through the development, fundraising, existing program dollars, etc.)

## TENANT SELECTION

21. Describe your plans to incorporate flexible tenant selection criteria for households who are connected to supportive services, in order to provide housing opportunities for persons or families who would otherwise face common obstacles to obtaining housing (e.g., poor credit or rental histories, criminal conviction records, etc.)

22. Describe the proposed development's minimum occupancy standards that will prevent or reduce over-housing residents in such limited affordable housing opportunities.

## PROPOSAL TIMELINE

23. Describe activities/benchmarks by month/year to illustrate how your project will be implemented. At a minimum, please include: site control, financing secured, acquisition, start of construction/rehab, end of construction/rehab, available for occupancy, submission of completion report/final draw request.

Activity/Benchmark	Estimated Month/Year of Completion

**ATTACHMENT C- Community Facilities Development**

1. Funds will be applied to:

- ☐ Acquisition only      ☐ Rehabilitation  
☐ New Construction      ☐ Acquisition and Rehab/New Construction

2. Please explain why you are interested in acquiring or improving this space (e.g. cost savings, collaborative effort, accessibility improvements, etc.). Please describe the work being contemplated.

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3. What is the current outstanding debt on the property (including any existing CDBG and City loans)?

Source/Name	Amount
	\$
	\$
	\$

4. If the applicant is renting space:

a. Who is the current owner of the property?

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b. What is the length of the proposed or existing lease and the proposed rental rate (in rent per square foot)?

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5. If this proposal will be in new space, what is the impact of owning or leasing this space compared to your agency's current level of space-related costs?

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**PROPOSAL TIMELINE**

6. Describe activities/benchmarks by month/year to illustrate how your project will be implemented. At a minimum, please include site control, financing secured, acquisition, start of construction/rehab, end of construction/rehab, available for occupancy, submission of completion report/final draw request.

Activity/Benchmark	Estimated Month/Year of Completion

Activity/Benchmark	Estimated Month/Year of Completion

**PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION AND CHECK THE BOX WHEN ATTACHED:**

- ☒ A completed Application Budget Workbook, showing the City's proposed financial contribution and all other proposed financing.
- ☒ A current list of Board of Directors
- ☐ A Capital Needs Assessment report of the subject property, if the proposal is for a housing rehabilitation project and if the report is available at the time of application.
- ☐ A recent market study, prepared by a third-party market analyst, if available at the time of application.
- ☐ For applicants seeking EECBG funds, an energy audit, prepared by a certified Focus on Energy auditor, if available at the time of application.
- ☐ For community facilities proposals, a minimum of two estimates upon which capital costs are based (please ensure that Fair Labor Standards and the payment of Federal Prevailing Wage Rates are considered in these estimates).
- ☐ For community facilities proposals, a copy of the plans and specifications for the work, or a description of the design specifications you are contemplating.
- ☐ For community facilities proposals, if the applicant owns the space, a copy of the long-range building improvement plan and building maintenance plan (please include a narrative describing what the building needs and how you expect to maintain it over time).

**NOTE:** If an appraisal, market study, or capital needs assessment is not available at the time of application, and the proposal is funded through this RFP process, these items must be submitted to the City prior to receiving a Loan Agreement.

APPLICANT & PROJECT NAME: **Wisconsin Partnership for Housing Development: Home Ownership**

# 1. AGENCY OVERVIEW

This chart describes your agency's total budget for 3 separate years. Where possible, use audited figures for 2017 Actual.

Account Description	2017 Actual	2018 Budget	2019 Proposed
<b>A. PERSONNEL</b>			
Salary (including benefits)	316,936	259,022	275,000
Taxes			
<b>Subtotal A</b>	<b>316,936</b>	<b>259,022</b>	<b>275,000</b>
<b>B. OPERATING</b>			
All "Operating" Costs	119,047	125,000	130,000
<b>Subtotal B</b>	<b>119,047</b>	<b>125,000</b>	<b>130,000</b>
<b>C. SPACE</b>			
Rent/Utilities/Maintenance	69,818	60,208	60,000
Mortgage/Depreciation/Taxes			
<b>Subtotal C</b>	<b>69,818</b>	<b>60,208</b>	<b>60,000</b>
<b>D. SPECIAL COSTS</b>			
Subcontracts			
Deposits to Reserves			
Debt Service (Excl Mortgage)	564,678	650,000	750,000
Other: (Specify)			
<b>Subtotal D</b>	<b>564,678</b>	<b>650,000</b>	<b>750,000</b>
<b>Total Operating Expenses:</b>	<b>1,070,479</b>	<b>1,094,230</b>	<b>1,215,000</b>
<b>REVENUE</b>			
Direct Public Grants	685,094	800,000	875,000
Direct Public Support			
Indirect Public Support	82,310	85,000	85,000
Miscellaneous Revenue	119,842	200,000	250,000
Restricted Funds Released	198,696	15,000	20,000
Program Income			
<b>Total Income</b>	<b>1,085,942</b>	<b>1,100,000</b>	<b>1,230,000</b>
<b>Net Income</b>	<b>15,463</b>	<b>5,770</b>	<b>15,000</b>

APPLICANT & PROJECT NAME:

## 2. CAPITAL BUDGET

Enter ALL proposed project funding sources.

### FUNDING SOURCES

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
	\$ 485,000	Y	5%	1	NA	9000
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan						
City-AHF Deferred Loan						
City-AHF Interest/Cash Flow Loan						
City-TIF Loan						
Other-Specify Grantor:						
HOME FUNDS	\$ 195,000					
Other-Specify Grantor:						
Other-Specify Grantor:						
Tax Credit Equity						
Historic Tax Credit Equity						
Deferred Developer Fees						
Owner Investment	\$ 16,000					
Other-Specify:						
<b>Total Sources</b>	<b>\$ 696,000</b>					

Construction Financing			
Source of Funds	Amount	Rate	Term (monthly)
Construction Loan-Lender Name:			
Bridge Loan-Lender Name:			
Tax Credit Equity:			
<b>Total</b>	<b>\$ -</b>		

Estimated pricing on sale fo Federal Tax Credits:

Remarks Concerning Project Funding Sources:

We are requesting a total of \$195,000 in Home Funds, with \$24,000 in the form of a grant and thre remainder a loan to be paid from net proceeds upon sale of the home.



APPLICANT:

WPHD/HOME OWNERSHIP-3 Homes

### 3. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Acquisition	420,000
Title Insurance and Recording	9,000
Appraisal	2,250
Predvlpmnt/feasibility/market study	0
Survey	0
Marketing	0
Relocation	0
Other (List)	
	0
<b>Construction:</b>	
Construction Costs	204,000
Demolition	0
Soils/Site Preparation	0
Construction Mgmt	15,000
Construction Interest	9,000
Permits; Print Plans/Specs	0
Landscaping, Play Lots, Signage	2,250
Other (List)	
	0
<b>Fees:</b>	
Architect	0
Engineering	0
Accounting	1,500
Legal	0
Development Fee	24,000
Leasing Fee	0
Park Impact Fees	0
Other (List)	
	0
<b>Project Contingency:</b>	9,000
<b>Furnishings:</b>	0
<b>Reserves Funded from Capital:</b>	
Operating Reserve	0
Replacement Reserve	0
Maintenance Reserve	0
Vacancy Reserve	0
Lease Up Reserve	0
<b>Other: (List)</b>	
	0
<b>TOTAL COSTS:</b>	<b>696,000</b>

APPLICANT:

#### 4. PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	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	Year 16
Gross Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy/Bad Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Income from Non-Residential Use*</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Expenses:</b>																
Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Advertising, Accounting, Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll, Payroll Taxes and Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mtc, Repairs and Mtc Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities (gas/electric/fuel/water/sewer)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Mgmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service:</b>																
First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Annual Cash Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

<b>DCR Hard Debt</b>	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	0.00
<b>DCR Total Debt</b>	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	0.00

#### Assumptions

Vacancy Rate	0.0%
Annual Increase Income	0.0%
Annual Increase Expenses	0.0%
Other	

APPLICANT:

3. PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy/Bad Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Income from Non-Residential Use*</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Expenses:</b>														
Office Expenses and Phone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Advertising, Accounting, Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll, Payroll Taxes and Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mtc, Repairs and Mtc Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities (gas/electric/fuel/water/sewer)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Mgmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service:</b>														
First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Annual Cash Expenses</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Net Operating Income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Debt Service Reserve</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Developer Fee</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash Flow</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHF City Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

<b>DCR Hard Debt</b>	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
<b>DCR Total Debt</b>	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

**Assumptions**

Vacancy Rate	0.0%
Annual Increase Income	0.0%
Annual Increase Expenses	0.0%
Other	



## **Federal Funds (HOME, CDBG, EECBG) Development 2018-2019 Application- Supplemental Answers Questions 1 & 2**

1. Describe the primary community need(s) the proposed project seeks to address and the expected outcomes. (Please limit response to 500 words including spaces).

Housing costs in the City of Madison have been rising rapidly over the past few years. Supply of both rental units and homes for purchase have been low, pushing housing costs up much more rapidly than income. Home ownership is one of the best ways to stabilize housing costs and accumulate wealth. In Madison, the number of renters surpassed the number of owners in 2011 and currently the home ownership rate is 47.6%.

It is difficult for households to move into home ownership for many reasons:

- The high cost of rental housing makes it difficult to save for a down payment.
- There is not enough housing supply in Madison—there is current just about a 2 month supply of housing for purchase at any price.
- Many of the homes that are available in Madison also require a significant amount of additional investment after purchase, which is not always possible financially for a new homeowner.

There are very few home ownership opportunities for lower income families. In Madison currently, there are only 2 single family homes available under \$150,000 and 13 under \$175,000. The median home price in Dane County is almost \$280,000 as of the end of August 2018. Limitations on the supply of homes for purchase means that housing purchase prices can be expected to continue to increase over the next several years.

And yet, one of the major ways to increase wealth for households continues to be owning a home. According to the Harvard Joint Center for Housing Studies, the average net worth of home owners is \$195,400 while the average net worth of renters is \$5,400 (2015). And for blacks, wealth from home ownership represents 71% of total net worth, while for whites it is only 51%. So providing opportunities for home ownership can build wealth, and providing home

ownership opportunities to low income and minority families could be one of many tools to reduce inequity in our community.

The program proposed by WPHD helps address the need for affordable ownership housing. In addition, because we use Operation Fresh Start crews for the rehabilitation of homes, the project also provides an opportunity to address the critical need for skilled construction workers in our community. Working together, we are able to have a two fold impact on housing opportunities and wealth creation in our community.

2. Please provide an overview of the project, how it meets the criteria outlined in the Request for Proposals and the risks associated with the project. (Please limit response to 500 words including spaces).

We propose to purchase and rehab three homes so that they are safe and desirable places to live. We purchase homes that are generally not habitable at the time of purchase. In many cases, this means that households who require a mortgage to purchase a home are not able to purchase the homes because they do not meet insurance requirements. About fifty percent of the time we purchase homes that have been in foreclosure through the First Look program at the National Community Stabilization Trust. However, the number of homes in foreclosure in Madison remains low, and so we also purchase homes on the open market that require a significant amount of work.

Once we have taken ownership, we undertake a complete inspection of the property, including a lead risk assessment if the home was built prior to 1978. Using these inspections, we develop a scope of rehab work that needs to be completed in order for the home to be healthy, safe and sanitary.

When we use OFS crews, we need to start by procuring the services of a lead certified contractor to address all lead issues in the home. Once they are done, OFS begins their work, which may include roofing, siding, flooring, drywall, painting and cabinet installation. We pay for all of the materials necessary to complete the work and we pay a construction management fee to pay for the costs of construction supervision. While we don't pay for labor, the use of OFS labor does not save money as it takes them longer to complete a project and as a result we have carrying costs for 9-12 months as opposed to three months of carrying costs if private contractors are used. However, we believe that our partnership is a "win-win" as we develop affordable housing and we help train the construction workers of the future.

Once the home is complete, we list the home so that anyone interested in homeownership is aware that the home is available. In addition, we provide

information to lenders who work with lower income buyers and with home buyer counselors. We work to reduce additional barriers to ownership as described above by providing significant down payment assistance, offering homes at an affordable price, ensuring that the home will not need any additional investment for at least 5-10 years. All of this ensures stable long-term housing costs for our buyers.