

City of Racine, WI Common Application for Capital Projects Single and Multifamily Homeownership Housing General Instructions



The Common Application for Capital Projects Homeownership Housing must be used for applications for HOME.

Application Components:

The City of Racine, WI Common Application for Capital Projects has **four** parts, all of which must be submitted for an application to be reviewed:

1. Narrative Questions

This WORD document contains the Narrative Questions portion of the application. The Narrative Questions are divided into “Sections.” For example, Section 1 is *Project Summary*.

2. Project Workbook

The Project Workbook portion of the application is an EXCEL document that is divided into “Forms.” For example, Form 1 Project Summary. Forms 1 should be filed behind Tab 1.

3. Common Attachments

The Table of Contents of this document lists the attachments that are required behind each tab.

4. Addenda

Each program may have requirements specific to their funding sources. For this reason, there may be additional information that needs to be provided after the application is submitted.

Application Assembly:

- Applications must include a completed and signed *Table of Contents/Self-Certification Checklist*.
- The Combined Application requires 7 Tabs as outlined in the Table of Contents. Materials should be organized behind each tab in the following manner:
 - First, insert the responses to the narrative questions of that Section
 - Second, insert relevant Forms
 - Third, insert required attachments using colored separator sheets labeled with the name of the Attachment in front of each attachment
 - Fourth, insert required attachments as instructed by the public funder addenda

Note: If you wish to use the tab key to move through this Word Document from entry box to entry box, you must lock the form using the “Protect Document” feature of MS Word.

Table of Contents/Self-Certification Checklist

Tab 1: Project Summary – Form 1 Excel

Form 1	<input type="checkbox"/> Project/Program Summary
Attachments	<input type="checkbox"/> Board resolution or board minutes authorizing application submittal, if non-profit. <input type="checkbox"/> Audit reports for the past three years, and each of the past three fiscal years and year to date statement certified by CFO. Additionally last three years of the organizations tax returns

Tab 2: Project Overview

Section 2	<input type="checkbox"/> Project Design
Section 2	<input type="checkbox"/> Readiness
Section 2	<input type="checkbox"/> Property Selection
Form 2	<input type="checkbox"/> Project Schedule

Tab 3: Project Need and Buyer information

Section 3	<input type="checkbox"/> Discussion of Need and Consistency with Local Plan
Section 3	<input type="checkbox"/> Hardships Faced by Target Buyers
Section 3	<input type="checkbox"/> Homebuyer Readiness
Section 3	<input type="checkbox"/> Special Needs Projects/Programs
Section 3	<input type="checkbox"/> Home Availability – For Projects using existing housing stock
Section 3	<input type="checkbox"/> Market Study
Section 3	<input type="checkbox"/> Project Marketing
Section 3	<input type="checkbox"/> Loan Qualification
Attachments	<input type="checkbox"/> Market Study <input type="checkbox"/> Consistency with Consolidated Plan Letter <input type="checkbox"/> Other Market information

Tab 4: Property Information

Section 4	<input type="checkbox"/> Property Location
Section 4	<input type="checkbox"/> Property Description
Section 4	<input type="checkbox"/> Zoning
Section 4	<input type="checkbox"/> Site Control
Section 4	<input type="checkbox"/> Environmental
Section 4	<input type="checkbox"/> Sustainable Design
Section 4	<input type="checkbox"/> Tenant Relocation
Attachments	<input type="checkbox"/> Tenant Relocation Plan <input type="checkbox"/> Samples of notices re: displacement and benefits <input type="checkbox"/> Copy of Site Control Document (Purchase and Sale, Deed, Preliminary Title)

	<input type="checkbox"/> Environmental Studies (Phase I, Lead, Asbestos, etc.)
--	--

Tab 5: Development Budgets

Section 5	<input type="checkbox"/> General Description of the Construction Project
Section 5	<input type="checkbox"/> Acquisition Rehabilitation Projects
Form 5A	<input type="checkbox"/> Residential Development Budget
Form 5B	<input type="checkbox"/> Non-Residential Development Budget
Form 5C	<input type="checkbox"/> Residential Development Budget Narrative
Form 5D	<input type="checkbox"/> Supplemental Development Budget
Attachments	<input type="checkbox"/> Third Party Cost Estimate

Tab 6: Project Financing

Section 6	<input type="checkbox"/> Project/Program Funding Sources
Section 6	<input type="checkbox"/> Funding and Terms
Form 6A	<input type="checkbox"/> Residential Per Unit Cost Data
Form 6B	<input type="checkbox"/> Estimate of Cash Flow during development
Form 6C	<input type="checkbox"/> Homebuyer Affordability Worksheet
Attachments	<input type="checkbox"/> Funding commitment letters
	<input type="checkbox"/> Other

Tab 7: Development Team

Section 7	<input type="checkbox"/> Project Team
Form 7A	<input type="checkbox"/> Contact List
Form 7B	<input type="checkbox"/> Sponsor Experience
Form 7C	<input type="checkbox"/> Development Consultant Experience
Form 7D	<input type="checkbox"/> Property Manager Experience
Attachments	<input type="checkbox"/> Development consultant agreement
	<input type="checkbox"/> Signed board resolution authorizing application submission
	<input type="checkbox"/> Secretary of State certification of existence (RCW 24.03)
	The following are required only if your organization did not receive a public funding award in the preceding year or if there have been changes in staffing/status:
	<input type="checkbox"/> Board Composition list
	<input type="checkbox"/> Resumes of development team members
	<input type="checkbox"/> Resumes of property management team members
	<input type="checkbox"/> 501(c)3 letter of determination from IRS

If any item listed above is not checked or is not applicable to your project, please reference the specific document and provide an explanation here:

Overwrite this text with your answer

Self-Certification of Threshold Requirements

I, Michael Lechner, Housing Tec. of City of Racine acknowledge that I have completed the self-certified threshold checklist and that all the required documentation necessary to review this application has been included.

ORIGINAL SIGNATURE OF AUTHORIZED OFFICIAL

Signature:	_____	Title:	<u>Housing Tec.</u>
Name:	<u>Michael Lechner</u>	Date:	<u>6-1-15</u>
Organization:	<u>City of Racine Housing Dept.</u>	Project:	<u>1801 Grand Ave</u>



Section 1.

Please complete the following Excel forms and insert them behind Tab 1:

- ▶ Form 1, Project/Program Summary

Attachments behind Tab 1:

Attachments	<input type="checkbox"/> Board resolution or board minutes authorizing application submittal, if non-profit. <input type="checkbox"/> Audit reports, financial statements, and tax returns for the past three years.
--------------------	---

N.A.

Section 2.

Project Overview

Project Design:

Provide a brief description of your project and/or program including: The kind of project or program and the type of activities planned (e.g. development, construction, rehabilitation) and financial assistance to be provided (e.g., down payment and/or mortgage (including rehab) to homebuyers and homeowner households.

Single Family New construction homes

Indicate the target area location, characteristics and the specific population served.

Racine WI. Low to moderate Income buyers

Describe how your project/program will result in creating or preserving affordable homeownership units.

New construction homes on vacant lots

Readiness:

Please list any issues that may affect the timing of this project or program, including current status of architectural plans, permits, availability of private mortgage financing, etc. **Ready to bid immediately upon approval of application.**

Property Selection Criteria for Down Payment Assistance & Rehab/Acquisition Programs:

Describe the home selection guidelines, including the type(s) and costs of typical properties that homebuyers will purchase, the maximum purchase price, and the minimum property standards that homes must meet before acquisition and before occupancy if rehab will be required: **Homes to be built to current state and local building codes and sold at fair Market Rate.**

Describe the appraisal and home inspection processes: **Homes will be built to new construction state and local building codes. Inspections will be performed by building inspectors from City of Racine and Housing Tec. to inspect on a daily basis. Realtor will appraise post construction.**

Identify the proposed resale restrictions:

80% county Median income

Please complete the following Excel forms and insert them behind Tab 2:
▶ Form 2, Project Schedule

Section 3.

Project Need

Discussion of Need & Consistency with Local Plans:

Instructions: Provide references to consistency with local plans. Citations must specifically reference the area where the project will be located. Provide an analysis of the data from your cited sources that supports the need for your project.

Overwrite this text with your answer

Describe the critical, unmet need for homeownership in the community your project/program will address:
Provide safe, sound, energy efficient and affordable housing for home ownership.

What is the magnitude and extent of the need? (Some examples of magnitude may include increased real estate values in the in the target market, the economy of the area, risk of closure of current subsidized housing units, higher than normal vacancy rates, possible health and safety issues due to the physical conditions of the property, extraordinarily long waiting lists for affordable housing.)

Stabilize home value in target area.

Provide a discussion about how this project is a local priority:
This is an area of blighted homes.

Hardships Faced by Target Buyers:

Describe the intensity of hardship facing the intended population in the geographic area to be served. (Some examples of intensity include but are not limited to rent burden for the targeted population, lack of safe and affordable housing units in the target area, lack of living wage jobs, unemployment rates higher than the state average.)

This area has High unemployment and lack of safe clean affordable housing for home ownership.

Homebuyer Readiness:

Describe the readiness of the applicant households for your project/program. Include the number and type of households on any waiting list and their prequalification status.

To be sold on open market see market analyses.

Special Needs Projects/Programs: *(if the proposed project does not serve special needs, skip the next two boxes)*

For homeownership projects/programs designed to help disabled households, describe the geographic area(s) from which this project will draw its target population (e.g., city, county, region, state).

Overwrite this text with your answer

What is the estimated number of people in the target population needing affordable housing within this service area?

Overwrite this text with your answer

Home Availability- For Programs Using Existing Housing Stock:

Describe the availability of affordable homes in the area where this program will be located:

See Market analyses.

Market Study- For Large Scale Development Projects Only (10 or more units):

Discuss the availability of homes affordable to the target population in the area where this project will be located: **N.A.**

Date of Market Study:

Overwrite this text with your answer

Absorption Rate for Project:

Overwrite this text with your answer

Capture Rate for Project:

Overwrite this text with your answer

Number of Days on Market for Comparable Homes:

Overwrite this text with your answer

Cite any relevant data identified in the market study:

Overwrite this text with your answer

Project Marketing:

Describe how your agency will market this particular project or program to potential homebuyers: Realtor will list property on MLS. Housing Resources will help with first time buyers.

Loan Qualification Process:

Describe your process for qualifying applicants for mortgage for this project. Describe how you prioritize homebuyers for this project and the process for closing the loan. **The City of Racine Housing Dept. employs a Housing Loan Processor for income eligibility as per program guidelines. Home buyer must secure a conventional mortgage from a lending institute.**

Tab 3 Attachments	<input type="checkbox"/> Market Study, if applicable
	<input type="checkbox"/> Consistency with Consolidated Plan Letter
	<input type="checkbox"/> Other Market information

Section 4. Property Information

Property Location:

If this is a development (construction and/or rehab) project, describe the property location, neighborhood, transportation, local services, etc. If this is a down payment assistance program, describe the targeted neighborhood(s) or area(s) where assisted households will be purchasing homes:

Parcel is located at 1801 Grand Ave. It is Inner city Redevelopment.

Property Description- Development Project:

For a development project, describe the existing property including vacant land and existing structures that may be demolished or rehabilitated: Both are vacant lots

If your project is an existing structure, include the age of building(s), size, number of stories, type of construction, physical condition, layout of buildings, and any unique features in your description. **N.A.**

Zoning:

Current zoning is consistent for proposed project

Current zoning is not consistent

Legal nonconforming

If zoning is consistent, state the source of verification below and attach documentation: **See Attachment A**

If zoning is not consistent, explain how inconsistency will be resolved and the timeframe involved:

Overwrite this text with your answer

Site Control:

Describe the type of site control (e.g., statutory warranty deed, purchase and sale agreement, lease agreement, etc.) and key dates (e.g., purchase date, closing date, option to purchase expiration date, maximum extension, etc.) and attach documentation. 15 Year deed restriction from date of closing

Environmental:

Instructions: A Phase 1 Environmental Site Assessment (ESA) is required for subdivision and mobile home parks and must follow the American Society for Testing and Materials (ASTM) E1527-2000 standard.

What recognized environmental conditions, hazards, or risk issues were identified in the Phase 1 ESA? Provide page numbers. Provide a plan to abate or manage what was identified and an estimate of the cost.

See attachment B Environmental review

Did the Phase 1 ESA recommend a Phase II be completed?

Yes

No

If yes, attach a copy and explain the plan and budget to address these issues. This cost estimate should be included in your development budget.

Asbestos, Lead-based Paint, Mold, Wetlands

Instructions: The Phase 1 ESA ASTM E1527-2000 does not require assessments for asbestos, lead-based paint, mold, and wetlands, but the first three are required in this application for existing buildings and the latter for any vacant land. Specify these limited surveys when ordering environmental assessments and attach in the appropriate area.

Asbestos

Lead-based paint

Mold

Wetlands

If any of the above were found, describe how each will be abated or managed and provide an estimate of cost:

N.A.

Sustainable Design Features and Specifications:

List features that promote the health and safety of residents, increase durability/sustainability, and/or minimize use of resources during construction/building operation. Provide a brief narrative describing how these features will be used in the project. Please confirm that they have been included in your development budget.

House will use green technology such as low VOC floor coverings and paint, Smartside exterior siding, insulation to focus on energy standards, floor truss or TGI and energy Star appliances.

Tenant Relocation:

Will this project involve:

Residential tenant relocation?

Yes

No

Commercial tenant relocation?

Yes

No

Briefly describe anticipated relocation needs and how they will be addressed:

Vacant Lot No Relocation

What requirements or guidelines govern your relocation plan? (check all applicable)

- Uniform Relocation Act
- Section 104 [d] (if HOME or CDBG funded)
- Wisconsin State Department of Transportation
- Other (please specify)

Have you developed a relocation plan for this project?

- Yes
- No

How many tenants will need to be relocated in this project?

Overwrite this text with your answer

Have you provided notices to the tenants indicating the type of displacement and benefits provided to tenants?

- Yes
- No

Have you identified replacement or temporary units for those who will be displaced?

- Yes
- No

Have you determined those tenants' relocation benefits?

- Yes
- No

Tab 4 Attachments	<input type="checkbox"/> Tenant Relocation Plan
	<input type="checkbox"/> Samples of notices re: displacement and benefits
	<input type="checkbox"/> Copy of Site Control Document (Purchase and Sale, Deed, Preliminary Title)
	<input type="checkbox"/> Environmental Studies

Section 5.

Construction/Rehab Information

General Description of the Construction Project:

Provide a detailed description of the proposed design, construction, rehabilitation, site development and/or other project related improvements.

New construction single family two story home and two car garage

Down payment assistance programs not doing construction or rehab are not required to complete this section.

Acquisition/Rehabilitation Projects:

For acquisition rehabilitation programs, describe the types of repairs and improvements that will be undertaken. Summarize your rehab standards, including the projected life span of rehabilitated homes:

Overwrite this text with your answer

Construction Cost Estimates:

Instructions: Both single unit and multi-unit construction and/or rehabilitation projects must have a written construction cost estimate prepared by an independent professional third party. The estimate should include site development costs (if applicable) as well as building construction information. The cost estimate must identify an inflation adjustment linked to the start date, and be dated no more than 12 months prior to the date of application submission. The construction cost line items in the development budget should reconcile with the third party construction cost estimate. In your narrative be explicit about how you arrived at the construction line items in the development budget.

Note below any line item differences between the cost estimate and the base construction cost in the development budget. Explain any increases, decreases, exclusions, additions, inflation, the escalation factor applied and number of months applied or any other factor which causes the two amounts to differ.

The total construction cost reflected in the 3rd party estimate, excluding sales tax, is:

The base construction contract line item reflected in the development budget, excluding sales tax, is:

Please complete the following Excel forms and insert them behind Tab 5:

- ▶ Form 5A, Residential Development Budget
- Form 5B, Non-Residential Development Budget
- Form 5C, Residential Development Budget Narrative
- Form 5D, Supplemental Development Budget

Tab 5
Attachments

Third Party Cost Estimate

Section 6. Project Financing

Project/Program Funding Sources:

Provide relevant information not included on the form for each source, including any award conditions, performance requirements, date(s) of funding availability, approval process(s), timing issues, etc. as applicable.

Were you denied funding by any entity?

NO

If you were denied funding, briefly explain why.

Overwrite this text with your answer

Instructions: List funding sources you considered applying for, but did not or will not apply for and why.

Funding Source:

N.A.

Reason for not Applying:

Overwrite this text with your answer

Instructions: If your financing plan includes a capital campaign to raise additional capital funds, list the activities and benchmark dates.

Activities:

N.A.

Benchmark Dates:

Overwrite this text with your answer

Funding and Terms:

Terms requested (grant, loan and interest rate, or combination thereof):

100%

Indicate the amount of HOME funding necessary for your project or program (this number must agree with the amount entered on the development budget). Please explain why you are proposing the terms above:

\$280,000.00

Explain what will happen to your project or program if you do not receive HOME funding at the time(s) requested:

Will not build

Please complete the following Excel forms and insert them behind Tab 6:

- ▶ Form 6A, Residential Per Unit Cost Data
- ▶ Form 6B, Estimate of Cash Flow during development
- ▶ Form 6C, Homebuyer Affordability Worksheet

Attachments	<input type="checkbox"/> Funding commitment letters
	<input type="checkbox"/> Other

**SECTION 7
PROJECT TEAM**

GENERAL

1. Indicate the role of the Sponsor in the project. *(check all that apply)*

- Ownership Entity
 Sponsoring Organization
 XX Developer
 Other, Describe:

2. List by name all projects your organization is submitting an application for in this Round, in order of priority (highest to lowest). State your rationale for this order (e.g., committed funding, local priority population).

Project Name	Rationale
1.1801 Grand	Vacant Corner Lot very visible to neighborhood
2.	
3.	
4.	

PERSONNEL

3. List the names of key members of the Sponsor organization's development team, their titles and their years of experience in affordable housing below.

Name	Title <i>(e.g., executive director, project manager.)</i>	Years Experience in Affordable Housing
Brian O'Connell	Director	12
Michael Lechner	Housing Tec	5

ORGANIZATIONAL HISTORY

4. Has the Sponsor organization developed affordable homeownership projects Previously? Yes X No

5. Years Experience Years

6. Number of Projects Projects

7. Number Units completed and sold Units

8. When was the Sponsor organization last audited?

a. Were there any findings? Yes x No

b. Have these findings been resolved? Yes x No

c. If not, what is your plan for resolution?

Overwrite this text with your answer

OWNERSHIP ENTITY

9. What is the legal status of the Ownership Entity for the project?

- Currently Exists
- To Be Formed. Estimated formation date

10. Ownership Entity

Name: City of Racine

Address: 730 Washington Ave.

City: Racine State: WI. Zip Code: 53403

Phone: 262-636-9197 E-mail: Michael.lechner@CityofRacine.org

Fax: _____ Federal Identification Number: FEIN-39-6005581

11. State of Incorporation/Formation:

12. Fiscal Year: to

13. Accounting Method of Partnership

- Cash
- Accrual

14. Individuals/Organizations that Comprise the Ownership Entity (if known at time of application):

Name	Address	Phone	Entity Type	Federal ID #	% Ownership
City of Racine	730 Washington	262-636-9151	City	FEIN-39-6005581	100%

15. If the ownership entity and project Sponsor are or will be different entities, describe the relationship and role of each during and following project development

Overwrite this text with your answer

16. Is the relationship between the ownership entity and Sponsor expected to Yes No

change over time?

a. How will the relationship change?

Overwrite this text with your answer

17. In the past seven (7) years, have any bankruptcy proceedings been initiated by or against the sponsor organization, or ownership entity (whether or not closed) or is any bankruptcy proceeding pending by or against the sponsor organization or ownership entity regardless of the date of filing?

Yes No

18. Describe your organization's current financial condition and outlook for sustainability. Provide sufficient detail to illustrate your organization's financial viability to carry out the services proposed in this RFP. If the organization is facing financial challenges, describe what steps are being taken to strengthen the organization's financial condition.

Overwrite this text with your answer

MANAGEMENT

Briefly summarize the management plan for this project.

Daily oversight by this Department

Describe your organization's experience with income verification including information collected, required documentation, and third party verifications. **The City of Racine Housing Dept. employs a Housing Loan Processor.**

Please complete the following Excel forms and insert them behind Tab 7:

- ▶ Form 7A, Contact List
- ▶ Form 7B, Sponsor Experience
- ▶ Form 7C, Development Consultant Experience

Attachments	<input type="checkbox"/> Development consultant agreement, if applicable
	<input type="checkbox"/> Signed board resolution authorizing application submission, if applicable
	<input type="checkbox"/> Secretary of State certification of existence
	The following are required only if your organization did not receive a public funding award in the preceding year or if there have been changes in staffing/status:
	<input type="checkbox"/> Board Composition list
	<input type="checkbox"/> Resumes of development team members
	<input type="checkbox"/> Resumes of property management team members

	501(c)3 letter of determination from IRS