



MEMORANDUM
Department of City Development
730 Washington Avenue, Racine, Wisconsin 53403
Phone: (262) 636-9151 FAX: (262) 636-9329

TO: Community Development Committee Members
FROM: Joe Heck, Assistant Director of City Development
SUBJECT: 2009 HOME Funding Recommendations
DATE: March 20, 2009

Attached to this memorandum you will find a table summarizing the eight applications, which were submitted in response to the Department of City Development's notice of the availability of 2009 HOME Housing Investment Partnerships. The information on the table includes requested amounts, total project costs, and the staff's recommended allocations. The full applications are also attached for your review and information.

The anticipated amount of the 2009 HOME grant is \$573,120. In addition there are available to the city recaptured HOME funds from two principal sources: sales proceeds from projects that were approved in prior years, developed and then sold on the private market, and unused allocations for projects that were approved for funding but never went forward.

In light of the availability of the recaptured funds in addition to the 2009 grant funds three additional allocations are recommended. These are listed at the bottom of the table. They are \$57,312 for general program administration, \$125,000 for down payment assistance, and \$90,000 for closing cost assistance. The first amount represents 10 percent of the estimated 2009 HOME grant, the maximum amount HOME program regulations allow for grant administration, which includes monitoring and reporting on the use of funds, processing payment requests from subgrantees, collecting and analyzing data, and other associated activities.

The second allocation is for the city's down payment assistance program, which has provided \$2,808,166 to 725 homebuyers since its inception in 1994. Assistance is in the form of a five-year forgivable loan at zero percent interest secured by a second mortgage on the property. An eligible homebuyer can receive 7 ½ percent of the purchase price, or \$5,000, whichever is less. Additional funding is needed to replenish the loan fund.

The final allocation is for a program currently funded by a grant from the state of Wisconsin, which provides a grant of up to \$3,360 to qualified homebuyers for closing costs, first-year property insurance, and similar items. The state grant will expire in September, 2009, and the recommended funds are needed to continue the program, which operates in conjunction with the city's Individual Development Account (IDA) program.

City Development staff will be available at the April 2 committee meeting to answer questions about these recommendations. In the meantime, if you have questions, please call me at 636-9477.

Attachments

JH/bh

2009 HOME Applications

| PROPOSAL # | APPLICANT | ACTIVITY | REQUESTED AMOUNT | TOTAL PROJECT COST | RECOMMENDED AMOUNT |
|--------------|--|--|------------------|--------------------|---|
| 1 | Transitional Living Services, Inc. | SOS Crisis House Rehabilitation (3710 Douglas Avenue) | \$52,850 | \$52,850 | \$0 Property is ineligible for additional HOME funding. |
| 2 | Racine Habitat for Humanity | New Construction/Rehabilitation (6 Sites) | \$225,000 | \$560,000 | \$225,000 |
| 3 | Sylvia Davis | Owner-occupied Rehabilitation (1622 Packard Avenue) | \$3,000 | \$4,000 | \$0 City policy does not allow HOME-funded grants to individual property owners. |
| 4 | Michael Cornelius | Rental Rehabilitation (1515 Taylor Avenue) | \$119,223 | \$123,223 | \$92,425 Equals 75% of total project cost |
| 5 | Project New Life | Rental Rehabilitation (1017 Marquette Street) | \$28,175 | \$78,675 | \$28,175 |
| 6 | Racine Housing & Neighborhood Partnership | Lincoln-King Revitalization (3 Sites on or near Hamilton Street) | \$50,000 | \$320,000 | \$25,000 Provides funding for one house |
| 7 | Neighborhood Housing Services of Southeast Wisconsin | Live Towerview (4 Sites) | \$250,000 | \$986,000 | \$250,000 |
| 8 | Neighborhood Housing Services of Southeast Wisconsin | Live Towerview Operating Expenses (CHDO Operating) | \$50,000 | \$661,591 | \$28,656 Maximum amount allowable under HOME regulations |
| TOTAL | | | \$778,248 | \$2,786,339 | \$649,256 |

Plus:

| | |
|-------------------------|------------------|
| HOME Administration | \$57,312 |
| Down Payment Assistance | 125,000 |
| Closing Cost Assistance | <u>90,000</u> |
| SUBTOTAL | \$272,312 |

PROPOSAL # _____

DATE REC. 12/8/08

PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET

NAME OF PROGRAM: SOS Crisis House and Respite and Recovery Apartments

NAME OF APPLICANT: Transitional Living Services, Inc.

ADDRESS: 3710 Douglas Avenue, Racine, WI 53402-3227

PHONE NUMBER: 414-476-9631 or 414-937-2020

E-MAIL ADDRESS: rfare@mcfi.net

NAME OF CONTACT PERSON: Randy Fare

FINANCIAL REPORTING DONE BY: Vicki Hastings and/or Janine Thurwanger

TOTAL HOME FUNDS REQUESTED: \$52,850

TOTAL COST OF PROPOSED ACTIVITY: \$52,850

WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT? Potential equity from a WHEDA refinancing.

WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? Pending

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL:

Transitional Living Services (TLS) requests \$52,850 to make interior and exterior physical plant improvements at our facility located at 3710 Douglas Avenue in the City of Racine. TLS' Douglas Avenue location provides 14 crisis and respite apartments for adults with persistent mental illness and other co-occurring diagnosis such as alcoholism and drug addiction. This location also houses other vital mental health programs such as our Kismet Klub Day Program, TLS Community Pharmacy, Outpatient Clinic, doctor's offices and administrative offices. This facility is in great need of necessary property repairs and replacements as well as a "face lift" to create a safer, more welcoming ambience for those in crises or in need of our mental health recovery services.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.

This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on December 1, 2008 and all information contained in the proposal is true and correct to the best of our knowledge:

Board President's Signature: Wileen M. Dean

Board Treasurer's Signature: [Signature]

STATEMENT OF APPROVAL: Government Agencies and Individuals.

This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:

Signature: Robert E. [Signature]

Title: PRES. & CEO

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

1) Describe the need in the City that this proposal will address.

Transitional Living Services is the *only* fully comprehensive mental health service provider in Racine. Our Douglas Avenue location provides 14 crisis and respite apartments for adults with persistent mental illness and other co-occurring diagnoses such as alcoholism and drug addictions.

The SOS Crisis Center is also the *only* state-certified mental health crisis service facility in Racine County that is also certified to provide non-medical detoxification services. The SOS House serves as a 24/7 community-based, recovery-driven, voluntary, psychiatric crisis treatment center, which offers short-term stabilization services and focuses on connecting/reconnecting the target population to existing community services. Individuals may remain at the center for up to 72 hours, depending on the need. Services also include referrals, stabilization, counseling and detoxification. The SOS House reduces the number of individuals with mental illness who, during a psychiatric crisis, end up in the criminal justice system, local hospital emergency rooms or subject to involuntary psychiatric detention and jail diversion efforts.

The Respite and Recovery Apartments is a six-unit apartment program, staffed from 8 a.m. to 8 p.m. daily. These units provide a less restrictive setting than a traditional group home, helping individuals develop independent living skills. The program is transitional in nature, so stays are typically three to six months. The program focuses on symptom and medication education; medication monitoring; supportive counseling; social skills and leisure training; daily living skills and the next step in recovery services - transitional housing - and the options that will allow individuals to move to stabilization and permanent housing.

In addition, this facility houses several other mental health recovery services such as TLS day programming, outpatient clinic, pharmacy and psychiatric services.

2) Describe the basis on which you determined the need exists and identify the extent of the need.

In 2007, the TLS Douglas Avenue location served over 790 individuals in the Racine community who were in need of crisis support, transitional housing and mental health recovery services. The additional support services offered an opportunity for these individuals to regain independence and self-sufficiency and avoid the cycle of homelessness that carries a high cost in human and economic terms.

In Racine, 150 to 200 individuals need emergency shelter on a daily basis. TLS operates the only the only state-certified mental health crisis service facility in Racine County. Our SOS House and Respite and Recovery services serve over 560 individuals in 2007 with the following success in assisting those in crisis and in need of transitional housing options.

- **The SOS House:** The SOS crisis center had **542** voluntary admissions last year with more than **291** repeat admissions.
- In 2007, the center helped divert **385** individuals from hospital inpatient, emergency rooms and the Racine Behavioral Health Division. It also helped identify their needs, stabilize and link them to community resources.
- The SOS House served more than **257** individuals with alcohol and drug addictions and **231** individuals with mental health recovery needs in 2007.
- In addition, the center fielded over **1,200** phone calls in 2007 for support and counseling referrals.
- In 2007, the TLS Respite and Recovery Program transitioned **11** individuals to permanent housing.

SECTION 2: PROPOSAL OVERVIEW

Describe the activity(ies) for which funding is being requested. Include in the description what activities will take place, how the program will be administered, who will be served by the activities, and a timetable for the implementation of the proposal.

Program Activities:

Transitional Living services proposes improvements to our Douglas Avenue location, which houses over 14 crisis and respite housing, and various mental health recovery programs for adults in Racine County living with persistent mental illness. TLS proposes the following improvements:

1. New Siding
2. Balcony Repair
3. Concrete Repair and installation of a new sidewalk, adjacent to our driveway which shares an easement with neighboring apartments in order for clients to walk safely from the rear parking lot to our main clinical/administrative entrance which is located in the front of the building.
4. Asphalt Repair
5. Water Heater Replacement
6. New Property Signage
7. Replace 34 windows
8. Landscaping and removal of trees near dumpster
9. Installation of a range hood and wall cabinet and appliances in the Kismet Klub kitchen

Program Administration: Transitional Living Services manages all administrative and property management duties at Douglas Avenue. TLS is responsible for the financial and property management of this facility as well as supervising the contractors that will be bidding and performing the planned projects.

Population Served: TLS serves the greater community of Racine by providing their mental health recovery services, crisis services and transitional housing. Each year we serve over 790 adults in which over 250 individuals utilize our mental health recovery services through our Community Support Program, Target Case Management, Outpatient Clinic and another 542 through our crisis and transitional housing services.

Timetable: Rehabilitation will immediately commence upon the award of HOME funds. All projects would be completed within one year of the funding cycle award date.

SECTION 3: COLLABORATION

1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

The SOS House and R & R offer short-term stabilization and transitional housing options during a time when the individual living with mental illness is most at risk for becoming homeless. These programs address the need for recovery services and affordable safe housing options for adults living with chronic mental illness in Racine.

The additional support services provide an opportunity for these individuals to regain independence and self-sufficiency and avoid the cycle of homelessness that carries a high cost in human and economic terms.

TLS' crisis services also collaborate with Racine's law enforcement, the Health and Human Services Division and area emergency rooms by addressing the reduction of the following: incarceration rate of persons with mental illness, underlying causes of homelessness, psychiatric emergency detentions and the use of public and private emergency rooms and inpatient services.

2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

Diminished public and private resources have shifted mental health services from institutions to community-based organizations.

The increasing need for housing for individuals with mental illness has been identified in Racine and no single provider can meet all of the needs. Programs like our Respite and Recovery Services, HAP and other housing options through organizations like HALO offer long and short-term options to address the need.

Support services are also critical to successful recovery, and both TLS and Friendship Club offer a variety of options. The day services that are offered through TLS and the HAP program differ from Friendship Club in one primary way: Club models such as Grand Avenue Club in Milwaukee and Friendship Club in Racine have more advanced participation requirements and goals for their consumers. Consumers in the TLS programs are in earlier stages of recovery and have not yet reached the ability to participate at those levels. We work with these other agencies to refer our consumers when advancement is appropriate.

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|-------------------------------------|--------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | \$52,850.00 |
| OTHER FUNDS: LIST SOURCE AND AMOUNT | |
| _____ | \$ _____ .00 |
| _____ | \$ _____ .00 |
| _____ | \$ _____ .00 |
| TOTAL REVENUES | \$52,850.00 |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

Project Budget for Douglas Avenue Rehabilitation Projects

| | |
|---|----------|
| Install New Siding | \$3,900 |
| Balcony Repair (front entrance) | \$2,450 |
| Concrete Costs | \$3,200 |
| Asphalt Costs | \$2,200 |
| Replace Water Heater | \$3,800 |
| Replace 34 windows | \$20,750 |
| New Property Sign | \$3,800 |
| Landscaping Costs | \$3,100 |
| Install new GFCI receptacles in bathrooms and kitchens | \$950 |
| Automatic Door Openers | \$5,000 |
| Range, hood, Wall cabinet and appliances in the Kismet Klub | \$3,700 |
| <ul style="list-style-type: none"> • Budget estimates were taken from a need assessment prepared for TLS by Cardinal Capital Management. | |

PROPOSAL # 2
DATE REC. 12/10/08

**PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET**

NAME OF PROGRAM: Racine Habitat for Humanity, Inc.

NAME OF APPLICANT: Racine Habitat for Humanity, Inc.
ADDRESS: 1501 Villa Street, Racine, WI 53403
PHONE NUMBER: 262-637-9176
E-MAIL ADDRESS: info@racinehabitat.org
NAME OF CONTACT PERSON: Nora S. Grosse, Executive Director
FINANCIAL REPORTING DONE BY: Nora S. Grosse

TOTAL HOME FUNDS REQUESTED: \$ 225,000
TOTAL COST OF PROPOSED ACTIVITY: \$ 560,000
WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT? Corp.&Fdn. \$155,000; Churches&Indiv.\$60,000; Mtg.Pmts.\$120,000
WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? Mtg.Pmts & most of the above

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL:

Racine Habitat for Humanity plans to build four homes and rehab two homes in 2009 and sell them to very low-income, responsible families with a no-interest mortgage. These homes will be located in census tracts 1 through 5 in Racine. Habitat families put in 300 hours of "sweat equity" on a home in order to qualify for homeownership. Habitat also plans to purchase land and/or rehabs for future housing.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.
This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on 11-10-08 and all information contained in the proposal is true and correct to the best of our knowledge:

Board President's Signature: Jan Roland
Board Treasurer's Signature: Nora S. Grosse

STATEMENT OF APPROVAL: Government Agencies and Individuals.
This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:

Signature: _____
Title: _____

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

1) Describe the need in the City that this proposal will address.

Racine Habitat for Humanity provides homeownership for low-income families in Racine, families whose income is 30% to 60% of the county median. According to the Housing Authority of Racine County, there is a three- to four-year waiting period for households waiting for Section 8 HOUSING CHOICE VOUCHER, especially larger units of 3-4 bedrooms. In fact, the Housing Authority is not taking any new applicants because of the long waiting list. The Housing Authority also reported that the rent right now in Racine for a two-bedroom apartment is \$675 per month and for a three-bedroom apartment is \$840 per month.

2) Describe the basis on which you determined the need exists and identify the extent of the need.

The need was determined by studying Habitat's list of low-income families hoping to be homeowners and by discussing the need with the Housing Authority.

All families applying for a home must attend an Orientation meeting which is held about every two months. Generally 20 to 30 low-income families sign up to attend. At this meeting the Habitat for Humanity program is explained in detail and applications are filled out.

The need for decent affordable housing is greatest in very low-income households, and those are the families that Habitat targets. These families do not qualify for conventional mortgages.

SECTION 2: PROPOSAL OVERVIEW

Describe the activity(ies) for which funding is being requested. Include in the description what activities will take place, how the program will be administered, who will be served by the activities, and a timetable for the implementation of the proposal.

With the help of volunteers and potential homeowners, Racine Habitat for Humanity will build four homes and rehab two homes in 2009. Our Executive Director, Board of Directors, and construction leader will administer the building of these homes. Very low-income families will be served because they will eventually live in the homes.

Habitat families average five people per family, and many of them make just over \$20,000 per year and none would make it to HUD's \$35,000. Almost all Habitat families have incomes that would be closer to "extra low income" (30%) rather than "very low income" (50%). By Habitat not charging interest, these families are able to become homeowners. It should take about a year to build four homes.

Besides building these four homes, Racine Habitat for Humanity will rehab two homes.

SECTION 3: COLLABORATION

1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

Racine Habitat for Humanity has completed 56 homes in Racine, 31 new constructions and 25 rehabs. We are currently working on four new constructions and two rehabs. All of these are in census tracks 1-5. Habitat definitely promotes affordable homeownership in target neighborhoods.

2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

The City of Racine, the County of Racine, the Housing Authority of Racine County, and Neighborhood Housing all collaborate to help provide decent affordable housing in Racine.

Racine Habitat for Humanity is different from the above services because we provide homeownership to extremely low-income families with a no-interest mortgage.

Racine Habitat for Humanity is the only agency that provides a completely no-interest mortgage to low-income families. All of the above agencies, City of Racine, County of Racine, the Housing Authority of Racine County, and Neighborhood Housing, have been very helpful in many ways in our mission to provide decent affordable homeownership.

For example, the City of Racine provides a Down Payment Assistance Grant of \$1,000 to each Habitat family who lives in census tracks 1-5. Also the City of Racine, County of Racine, and the Housing Authority of Racine County have helped Habitat obtain homes to rehab and lots on which to build new houses. We all work together to provide affordable homeownership to low-income families.

2009 Home Grant

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|---|------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | \$ 225,000 |
| OTHER FUNDS: LIST SOURCE AND AMOUNT | |
| <u>Corporations & Foundations & ReStore</u> | \$ 155,000 |
| <u>Individuals & Churches</u> | \$ 60,000 |
| <u>Mortgage Payments</u> | \$ 120,000 |
| TOTAL REVENUES | \$ 560,000 |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

**2009 HOME GRANT
USES OF FUNDING**

| EXPENSES | HOME GRANT | OTHER FUNDS | TOTAL |
|--|------------------|------------------|------------------|
| Salaries | | | |
| 2 Constr, Leaders ½-¼ time \$26/\$15/ hr. | | \$ 35,000 | \$ 35,000 |
| 1 Executive Director ½ time \$11,000/yr. | | 11,000 | 11,000 |
| 3 Office workers ¼ time \$9/hr. | | 12,000 | 12,000 |
| Payroll Taxes | | 7,000 | 7,000 |
| Permits and Titlework | \$ 16,000 | | 16,000 |
| Audit Fees and Other Fees | | 4,000 | 4,000 |
| Insurances | | 9,000 | 9,000 |
| Rent and Utilities | | 10,000 | 10,000 |
| Telephone and Internet | | 4,000 | 4,000 |
| Office Supplies, Postage, etc. | | 10,000 | 10,000 |
| Maintenance Habitat Truck – Gas etc. | | 3,000 | 3,000 |
| Equipment - Tools etc. | | 5,000 | 5,000 |
| Complete 1 rehab | | 40,000 | 40,000 |
| Building Supplies – Complete 4 homes | | 160,000 | 160,000 |
| Land Acquisition and/or Purchase Rehabs | 50,000 | | 50,000 |
| Fund for future ReStore building | | 15,000 | 15,000 |
| Building Prep, Expenses for 4 new homes | | | |
| Excavation, Backfill and Grading | 30,000 | | 30,000 |
| Pour Foundation | 40,000 | | 40,000 |
| Sewer and Water | 32,000 | | 32,000 |
| Pour Basement Floor | 12,000 | | 12,000 |
| Driveway, Sidewalk, Sod, and Porch | 20,000 | | 20,000 |
| Garages | 25,000 | | 25,000 |
| Habitat International Tithe | | 10,000 | 10,000 |
| Total Expenses | 225,000 | \$335,000 | \$560,000 |

PROPOSAL # 3
DATE REC. 12/18/08

**PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET**

NAME OF PROGRAM: Home Program Funding Proposal

NAME OF APPLICANT: Sylvia Davis
ADDRESS: 1622 Packard Ave Racine WI 53403
PHONE NUMBER: 262-632-3797
E-MAIL ADDRESS: _____
NAME OF CONTACT PERSON: Sylvia
FINANCIAL REPORTING DONE BY: Sylvia Davis

TOTAL HOME FUNDS REQUESTED: \$ 3000
TOTAL COST OF PROPOSED ACTIVITY: \$' 3,000 to \$4,000
WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT? None except from my employment \$1,000
WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? None

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL: Home was build in 1942 and windows and porch are in need of repair. Also needs to be mudjack, due to property left beam is crooked on left side needs to be put in up right position.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.

This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on _____ and all information contained in the proposal is true and correct to the best of our knowledge:

Board President's Signature: _____
Board Treasurer's Signature: _____

STATEMENT OF APPROVAL: Government Agencies and Individuals.

This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:

Signature: _____
Title: _____

2)

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

1) Describe the need in the City that this proposal will address.

Windows, porch and Beam
Will provide the property to look in a better condition.
And provide the heat to stay inside for better living conditions.
The beam supports the porch so it won't lean.

2) Describe the basis on which you determined the need exists and identify the extent of the need.

Due to the need the house needs to be weatherize, and safe conditions for the porch, due to it has started to be rotting and holds water when it rains. And the beam is leaning more every year. There is a great need for said repairs.

SECTION 2: PROPOSAL OVERVIEW

Describe the activity(ies) for which funding is being requested. Include in the description what activities will take place, how the program will be administered, who will be served by the activities, and a timetable for the implementation of the proposal.

Windows are shakey may be lead base. There's a need for weather proofing. The porch has buckled and is now in bad shape with some rotting. The beam has a great need to be put back to sit upright position. What will take place is it, the program will provide better living conditions, and a safe place. Also a update look for the neighborhood and the tenants that live at 1622 packard ave. We would look at getting this done when funds are provided and in a timely manner there after.

(4)

SECTION 3: COLLABORATION

1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

Better living conditions for the tenant, rehabilitating the property for a safe and clean environment in a target neighborhood. So the property looks good on the outside, and in the inside it will be warm and comfortable for the people that live there.

2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

In the future I would like my property to be approved for Section 8 or other government programs to better serve the Racine area, there are so few properties that except these tenants. With the upgrades to my property it would provide a great place to live, and a better look for the neighborhood.

5

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|-------------------------------------|-------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | \$ 3,000.00 |
| OTHER FUNDS: LIST SOURCE AND AMOUNT | |
| <i>Employment \$1,000</i> | \$.00 |
| <i>Home program - 3,000</i> | \$.00 |
| _____ | \$.00 |
| _____ | \$.00 |
| TOTAL REVENUES | \$ 4,000.00 |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

Ar

⑥ Budget - Expenses - SpreadSheet for use of Proposal Funds.

Contractor

Labor - 1,000

Permits - \$50 ^{\$125⁰⁰} 1-for windows / ^{\$125⁰⁰} 1-for porch and Beam mudjacking

materials - 1,800

① new water heater \$400⁰⁰

Total 3,250

PROPOSAL # 4
DATE REC. 12/18/08

PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET

NAME OF PROGRAM: Mike Cornelius Project

NAME OF APPLICANT: Michael R. Cornelius
ADDRESS: 2240 Howe St.
PHONE NUMBER: (262) 633-1687 Cell: (262)412-1186
E-MAIL ADDRESS: Mikecorn31@yahoo.com
NAME OF CONTACT PERSON: Michael Cornelius
FINANCIAL REPORTING DONE BY: *Michael Cornelius*

TOTAL HOME FUNDS REQUESTED: \$119,222.52
TOTAL COST OF PROPOSED ACTIVITY: \$123,222.52
WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT? Personal Funds
WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? Personal Funds

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL:

I am requesting the allocated amount above to demonstrate my passion for the community to assist the extremely low income families and individuals (as indicated on HUD Home Program Income limits statement). I have identified that there is an urgent need for quality affordable housing in Racine WI. I am requesting these funds to rehabilitate, and do repairs and maintenance at 1515 Taylor Ave. Racine WI. This is a six unit apartment building that will provide quality affordable housing for individuals and small families. The funding that I am requesting will enable me to keep rental costs at a low rate for the tenants because I will not have the added costs of repaying loans, and the apartments will be energy efficient which will result in low utility costs for myself and the tenants.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.

This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on _____ and all information contained in the proposal is true and correct to the best of our knowledge:

Board President's Signature: _____

Board Treasurer's Signature: _____

STATEMENT OF APPROVAL: Government Agencies and Individuals.

This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:

Signature: *Michael R. Cornelius*
Title: _____

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

- 1) Describe the need in the City that this proposal will address.

Growing up in poverty may hinder a child's educational achievement and lower self esteem. Moreover, in adults poverty may lead to depression, anger, and low self esteem. Our city of Racine has a need for quality affordable housing. Just within this year, the number of people below the state's poverty level has increased. According to the US government website, residents of Racine who are currently below the poverty level that are renting apartments/homes are 78.5%, whereas, the residents above the poverty level renting are at a low of 34.3%. With the economy continuing to be in a drastic downfall, the need is most definitely there for the city of Racine, and for the residents of Racine to have affordable housing. Furthermore, with a landlord that has a desire and compassion to assist those in need of an affordable place to reside in the great city of Racine. This proposal will address the need for affordable housing with the provision of a landlord who cares about the residents, and has the passion to rehabilitate the apartment facility to always suit the needs of the Racine residents. This in turn will provide children, adults, the disabled, and elderly with an affordable place to reside, which in turn may possibly benefit the individuals self esteem, decrease stress levels, thus decreasing hostility, and potentially will not hinder the education level of an individual, and the prevention of homelessness.

- 2) Describe the basis on which you determined the need exists and identify the extent of the need.

I have experienced this first hand with some of my current tenants. For example, one of my residents had a small misdemeanor charge and was having difficulty finding employment and a place to live. I took the tenant into my building, and provided the individual with a place to live and sleep. I have been monitoring the individual as well, and have witnessed the much needed improvement in the individual's life. By providing a friendly gesture of taking this individual into the building, I have assisted the tenant in locating a church home, obtain employment, and have witnessed great improvements in his overall well being. Another tenant currently residing in my building has been struggling financially with the fluctuating economy. This tenant has had difficulty paying rent, daycare, and all of the other bills that come along with living in America today. On several occasions, when I go over to the building to do yard work, or just to make sure that everything is okay, tenants will express their frustrations to me. I have found that they just need someone to talk to, and someone that will listen. As the landlord, I always want the lines of communication to remain open; therefore I make an effort to make sure that their needs are always being met. Moreover, what I discussed above is just two of my tenants, which makes the extent of the need for HUD housing abundantly high.

SECTION 2: PROPOSAL OVERVIEW

Describe the activity(ies) for which funding is being requested. Include in the description what activities will take place, how the program will be administered, who will be served by the activities, and a timetable for the implementation of the proposal.

1. Funding is being requested to rehabilitate, do repairs and maintenance at 1515 Taylor Ave. to provide quality affordable housing to current and future tenants. The upkeep of the building and yard will be maintained. In order to execute on this matter, the time lines will be implemented as follows:

Q1:

January 2009

- Rehabilitation of building will begin. This will take 4-8 weeks to complete.

February 2009

- Review of additional tenants for placement.

March 2009

- Selection of tenants will be completed and move in dates will be confirmed.

April 2009

- All tenants will be moved in this month.

Q2:

May 2009: On going placement of tenants.

June 2009: On going placement of tenants.

July 2009: On going placement of tenants.

Q3:

August 2009: On going placement of tenants.

September 2009: On going placement of tenants.

October 2009: On going placement of tenants.

Q4:

November 2009: On going placement of tenants.

December 2009: On going placement of tenants.

SECTION 3: COLLABORATION

1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

This proposal will improve and develop a better community of affordable housing, while assisting low income individuals and families in the prevention homelessness in the Racine community. This will make an immediate impact on the community by empowering individuals and showing them that "we care," and to boost the morale for the betterment of our community.

2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

This proposal supports many other housing providers in terms of being able to provide affordable housing to families and individuals that are in high demand for affordable housing. Moreover, this proposal also complements the other housing providers because I have experienced and listen to tenants concerns about not being able to make ends meet from month to month, and living from pay check to pay check. This would provide a great opportunity to partner with many of the assistance programs that are currently available in Racine. My goal is to maximize the level of support that we can provide to the people of our community.

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|-----------------------------------|---------------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | \$119,222.52 |
| OTHER FUNDS: Personal | \$4,000.00 |
| TOTAL REVENUES | \$123,222.52 |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

Rehabilitation Project For Michael Cornelius

| | |
|--|----------------------|
| Rubber Roof includes Labor and Material | \$ 12,654.87 |
| Windows and Frames for 62 windows | 12,034.56 |
| Repair External Brick and Cracks | 3,676.00 |
| Exterior & Interior Lead Paint Removal | 1,252.37 |
| Repair External Rear Floor Boards, Stairs & Railings | 1,687.33 |
| Exterior & Interior Lead Paint Removal | 1,237.89 |
| Electrical Repair & Upgrade | 17,652.49 |
| Plumbing Repair for 6 Units | 8,783.37 |
| Replace Radiators for 6 Units | 22,000.00 |
| | |
| Material to Replace Wall Covering and Trimming for 6 Units | 3,960.96 |
| Remodel Bathrooms for 6 Units | 11,406.90 |
| Remodel kitchens for 6 Units | 9,750.78 |
| Carpeting and Tile for 6 Units | 7,230.00 |
| Light Fixtures for 6 Units | 1,200.00 |
| | |
| Estimated Labor Cost | 8,695.00 |
| | |
| Total | \$ 123,222.52 |

PROPOSAL # 5
DATE REC. 12/18/08

PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET

NAME OF PROGRAM: Marquette Street Neighborhood Revitalization Project

NAME OF APPLICANT: Project New Life Community Development Corporation (PNL, CDC)
ADDRESS: 1809 Douglas Avenue, Ste. 306 Racine, Wisconsin 53402
PHONE NUMBER: (262) 898-3268
E-MAIL ADDRESS: administration@alccm.org
NAME OF CONTACT PERSON: Sergio Diaz
FINANCIAL REPORTING DONE BY: Whitfield & Associates, LLC

TOTAL HOME FUNDS REQUESTED: \$28,175.00
TOTAL COST OF PROPOSED ACTIVITY: \$78,675.00
WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT? Racine Community Foundation, Kaplan College and Abundant Life
WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? Kaplan College and Abundant Life

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL: Project New Life Community Development Corporation in collaboration with volunteers through Habitat for Humanity and the First Choice Pre-Apprenticeship Training Program proposes to rehabilitate a 4 bedroom single family home previously damaged by fire in the Lincoln-King Community. Project New Life will provide a homeownership opportunity for a low-moderate income individual/family that meets all eligibility standards set by the U.S. Department of Housing and Urban Development (HUD) in accordance with use of the 2009 HOME Housing Investment Partnership Funds. This proposed development is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness. Our project will furthermore compliment existing area structures and create new standards for area housing by progressively revitalizing our communities.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.
This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on 12-04-2008 and all information contained in the proposal is true and correct to the best of our knowledge:

Board President's Signature: Stephen Gungbe
Board Treasurer's Signature: Sydney Palmer

STATEMENT OF APPROVAL: Government Agencies and Individuals.
This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:

Signature: Deborah K. Cohen
Title: Executive Director

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

1) Describe the need in the City that this proposal will address.

The City of Racine has a need in the central city to eliminate neighborhood blight, abandoned, vacant or inadequately maintained properties, boarded vacant homes, empty lots and under-utilized properties; there is an on-going need for an increase of owner-occupied housing in our inner-city neighborhoods. Currently 61% of the housing stock in Racine is owner occupied while 39% of the properties account for renter-occupied homes. The vacant housing percentage is approximately 8.6%. The rising number of foreclosures nationally (over 100,000) and locally (527) in the City of Racine has created a need for neighborhood stabilization through quality affordable housing with affordable payments and sound financing for low-income families. The median monthly rent is \$640 while the median mortgage payment is \$622. Our plan is positioned to assist the individual/family with cost-savings while stabilizing the neighborhoods.

The Marquette Street Neighborhood Revitalization Project proposes to address the need in the City of Racine for neighborhood revitalization and rehabilitation projects that will promote neighborhood stabilization, promote physical improvements to surrounding properties and promote the pride of homeownership. This project will also support continuous new construction and housing rehabilitation activities in the Lincoln-King Community.

The Racine unemployment rates particularly for minorities in census tracks 1-5 is almost twice the City rate of 9.2% and higher than the state percentages. Our project aims to create more than housing; the project will also address a need for employment opportunities by creating 5 part-time jobs in the rehabilitation phase for at-risk youth providing them with the tools to pursue a path for work in high demand fields such as construction.

2) Describe the basis on which you determined the need exists and identify the extent of the need.

The basis for the need was determined by marketing data available in the Consolidated Plans of the City of Racine and the State of Wisconsin. Market data has also been utilized by the Racine City Assessors, local housing realtors, financial lending institutions and the Housing Authority of Racine County. Preliminary market analysis has identified a continuous need in the Lincoln-King Community for affordable, safe and quality housing.

This need for continued neighborhood revitalization and stabilization is evidenced by the City of Racine investment into surrounding community pillars such as the Dr. Martin Luther King Center, the Julian Thomas Elementary School, area community churches including the expansion of the Greater Mt. Eagle Facility, the Quintanilla COP House and the addition new COP House on the 900 block of Hamilton Street. The options for affordable homeownership are often limited for low income families.

The Marquette Street Neighborhood Revitalization Project specifically targets low income families as a population base providing them with opportunities to stabilize and improve the quality of their lives. The completed project will have a positive impact on the overall neighborhood property values and expand the property tax base through property taxes paid upon the sale of the completed project.

SECTION 2: PROPOSAL OVERVIEW

The funding requested from the 2009 HOME Housing Investment Partnership program will be used to assist Project New Life Community Development Corporation in the rehabilitation of a 1,056 sq. ft; 4 bedroom single family home located at 1017 Marquette Street. This property is located in the Lincoln-King Community and was provided as a charitable donation to Project New Life Community Development Corporation through a private donor aware of the agencies mission in helping to build stronger neighborhoods through revitalization and stabilization efforts. The equity established through the rehabilitation of this property will provide greater flexibility to make the sale of the home once completed extremely affordable for low income families. The property is also located within the Down Payment Assistance Area in the City of Racine and the Racine Safe Neighborhood Alliance (RSNA) area. The property location is an advantage for qualified low income families to achieve self-sufficiency through home ownership.

The property rehabilitation of this project will also provide an education and training component to high risk youth by providing them with tools to pursue a path for work in high demand fields such as construction. We are anticipating employing approximately 5 at-risk youth on a part-time basis that have been in the juvenile justice system, youth aging out of foster care, high school drop outs and other at-risk populations, and immediately use the vocational tools learned to expand affordable housing in low income neighborhoods. This vocational experience will strengthen the leadership and learning skills of participating youth to help in future employment

Activity for this project will be coordinated by Sergio Diaz a current lead volunteer with Habitat for Humanity. The training component of this project will also be supported through collaboration efforts from volunteers with the First Choice Pre-Apprenticeship Training Program operated by Ola Baiyewu.

Development Timeline:

- | | |
|---------------|---|
| December 2008 | - Submit 2009 HOME Housing Investment Partnership Application |
| January 2009 | - Submit Plans for approval, Secure Permits and Begin Rehabilitation |
| June 2009 | - Complete Rehabilitation |
| July 2009 | - Open House - Market availability of home using services from Racine area Realtors - Sell property to qualified low income buyer that participated in Home Buyers Education Courses and Individual Development Account (IDA)Program. |

SECTION 3: COLLABORATION

1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

This proposal is consistent with the City of Racine's Consolidated Plan priority housing goals of promoting homeownership and rehabilitation and/or constructing affordable housing in targeted neighborhoods, while developing strong, stable and sustained neighborhoods. Project New Life Community Development Corporation has a proven track record of providing quality services to the residents of the Racine Community for over 9 years. Our ability to form collaborations and partnerships has provided an opportunity to expand our services without compromising the mission of our agency which is to empower individuals and families to achieve a better quality of life. The limited experience of our agency in housing and neighborhood development is coupled with the experience and knowledge of competent program administration through volunteers with the Habitat for Humanity and volunteers through the First Choice Pre-Apprenticeship Training Program that are assisting with mentorship of our agency in housing and neighborhood development strategies. These two programs have more than adequate housing development experience in helping to assist Project New Life Community Development Corporation with the implementation of this rehabilitation project. We also have a good working relationship with Housing Resources Incorporated and the Wisconsin Housing and Economic Development Authority (WHEDA) to find qualified home buyers and assist them with one-on-one counseling; group home buyer education workshops, post-purchase counseling, down payment assistance, and other financing tools for home ownership.

2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

Project New Life Community Development Corporation is one of only two agencies in the City of Racine that provides permanent housing and supportive services for clients that are homeless. Although the properties that we manage for the clients are leased properties, we have demonstrated for more than four years operating this program our ability to monitor the 10 units within the scope of our housing contracts. Project New Life Community Development Corporation is involved with promoting the goals shared with other housing and community development agencies of revitalizing consolidated plan and inner city target areas through projects that promote homeownership, neighborhood revitalization and stabilization. Project New Life will continue to collaborate and partner with agencies committed to strengthening the affordable housing communities and community revitalization initiatives that foster an improved standard and quality of life for the City of Racine residents.

Project New Life had previously participated on a limited basis with the meetings of the Neighborhood Housing Coalition. Our goal in 2009 is to be more actively involved and a regular attendee to the monthly meetings. We continue to regularly review the minutes of the meetings that are sent through email transmittal each month.

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|-------------------------------------|--------------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | <u>\$28,175.00</u> |
| OTHER FUNDS: LIST SOURCE AND AMOUNT | |
| <u>Kaplan College</u> | <u>\$ 2,000.00</u> |
| <u>Abundant Life</u> | <u>\$ 2,000.00</u> |
| | <u>\$</u> |
| <u>TOTAL REVENUES</u> | <u>\$32,175.00</u> |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

Project New Life Community Development Corporation
 1809 Douglas Avenue Ste. 306
 Racine, Wisconsin 53402

Revitalization Project
 1017 Marquette Street
 Racine, Wisconsin 53404

| <u>Item</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|---------------------------------|--------------------|
| Permits | | \$625.00 |
| Drywall | | \$1,500.00 |
| Cabinets & Vanities | | \$600.00 |
| Floor Beams | | \$500.00 |
| Linoleum | | \$325.00 |
| Carpentry | | \$1,275.00 |
| Bathroom Sink | | \$825.00 |
| Toilet | | \$250.00 |
| Windows | | \$900.00 |
| Counter Tops | | \$425.00 |
| Siding | | \$875.00 |
| Hot water Heater | | \$400.00 |
| Furnace | | \$1,500.00 |
| Roofing | | \$400.00 |
| Plumbing | | \$525.00 |
| Electrical | | \$1,125.00 |
| Ext. Doors | | \$700.00 |
| Insulation | | \$250.00 |
| Paint | | \$375.00 |
| Tools, etc | nails, screws, wood sealer, etc | \$150.00 |
| Gutters | | \$250.00 |
| Deck | | \$500.00 |
| Parking Slab | | \$ 400.00 |
| Appliances | | \$1,500.00 |
| Property & Land Acquisition | | \$34,000 (In Kind) |
| Labor Fee | | \$12,500 (In Kind) |
| 5 Trainees | @ \$8/hr x 20hrs/wk (5 mons.) | \$16,000 |

Total Cost of Proposed Activity **\$78,675.00**

PROPOSAL # 6
DATE REC. 12/18/08

PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET

NAME OF PROGRAM: Lincoln-King Revitalization

NAME OF APPLICANT: Racine Housing and Neighborhood Partnership, Inc.

ADDRESS: 718 N. Memorial Drive, Racine, WI 53404

PHONE NUMBER: 262-633-8898

E-MAIL ADDRESS: Glorenzen@wi.rr.com

NAME OF CONTACT PERSON: Gal Lorenzen

FINANCIAL REPORTING DONE BY: Gordon J. Maier and Co., Accountants

TOTAL HOME FUNDS REQUESTED: \$50,000.00

TOTAL COST OF PROPOSED ACTIVITY: \$320,000.00

WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT?: Program income (HOME), CDBG, and contributions

WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? Program income (HOME) and CDBG

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL: RHNP will use HOME funds to develop projects in the Lincoln-King Neighborhood. RHNP has targeted the Hamilton Street area within the Lincoln-King Neighborhood. It will consist of rehabilitating properties in the neighborhood.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.

This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on November 12, 2008 and all information contained in the proposal is true and correct to the best of our knowledge:

Board President's Signature: 

Board Treasurer's Signature: _____

STATEMENT OF APPROVAL: Government Agencies and Individuals.

This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:

Signature: _____

Title: _____

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

1) Describe the need in the City that this project addresses.

There is a continued need to stabilize neighborhoods and provide affordable housing in the City of Racine.

Housing that falls into disrepair and vacant lots that are not maintained create a serious and immediate threat to the health and welfare of the citizens residing in those neighborhoods. If these issues are not properly addressed, neighborhoods take on slum and blighted characteristics. Vacant housing also becomes a "magnet" for illegal activity such as graffiti, trespassing and drugs. RHNP has been involved in revitalization of the Lincoln-King neighborhood since January 2004. RHNP's objective is to improve the appearance of the properties in the area, increase home ownership and maintain property values. Maintaining these properties also keeps them on the tax rolls, which will generate funds that can be reinvested into the community.

2) Describe the basis on which you determined the need exists and identify the extent of the need.

We have relied on statistical data from the City of Racine Assessor Office, Department of City Development, Multiple Listing Service, and 2000 Census data. Additionally, we have been in the neighborhood since 2004 doing revitalization and have anecdotal data and first hand observations. Property values in the area have increased since the revitalization effort began. In 2003, the average property value ranged from \$35,310 to \$44,983. In 2005, the average sale price was \$65,000. The "foreclosure crisis" has resulted in vacant properties, as conditions are not optimal for selling these properties. As more of these properties remain vacant, the neighborhood deteriorates. It is necessary to continue to have a presence in the neighborhood to encourage home owners to maintain their properties, and to provide assistance to rehabilitate properties for resale.

The Lincoln-King Neighborhood has a total of 666 property parcels with 63 percent (419) being eligible for RHNP programs. The eligible properties include 50% owner occupied residences. There are pockets of commercial and industrial properties along with vacant lots that can be developed for housing. According to the 2000 Census, the area is very diverse: 49% Hispanic, 37% African American, 13% Caucasian, and .026% Native American. It is expected that the current state of affairs in the mortgage industry will have some impact on property values in the neighborhood, and continued revitalization efforts are needed to maintain the current values. The number of eligible properties increase as foreclosures increase in the area.

SECTION 2: PROPOSAL OVERVIEW

Describe the activity(ies) for which funding is being requested. Include in the description what activities will take place, how the program will be administered, who will be served by the activities, and a timetable for the implementation of the proposal.

RHNP will coordinate revitalization in the Lincoln-King neighborhood through programs designed to increase owner occupancy, improve the appearance of area housing and maintain/raise property values. This project will purchase and rehabilitate substandard structures. HOME funds will be used to rehabilitate properties for low to moderate-income homebuyer. Initially, RHNP intends to rehabilitate a minimum of 3 homes.

RHNP will provide community outreach to make residents aware of the project, and home ownership opportunities available in the Lincoln-King neighborhood. Outreach will include referrals to Housing Resources, Inc. (HRI) for homebuyer counseling.

RHNP will make referrals to the City of Racine IDA (Individual Development Account) program to assist individuals to purchase homes. We will provide housing at an affordable cost to qualified graduates of that program.

RHNP will also participate in home ownership information sessions held at the Workforce Development Center. These sessions are currently held and include a representative from UW-Extension and WHEDA. RHNP will develop educational material that is complementary to the material already provided.

The Board of Directors will identify and obtain properties to be rehabilitated. A project director will oversee the rehabilitation and provide outreach, as well as referrals to HRI and the City of Racine IDA. RHNP will begin activities within 90 days of securing HOME funding.

SECTION 3: COLLABORATION

- 1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

Racine's top priority in its housing programs is encouraging home ownership, particularly among low and moderate income households. The homes being purchased and rehabilitated by RHNP will be sold to individuals who have incomes in the low and moderate income range. The target area to purchase and rehabilitate homes, is a relatively unstable area in terms of home ownership. Developing residential properties in this area and encouraging home ownership is a positive step toward stabilization of this neighborhood. Providing affordable housing opportunities for homeless individuals who are currently participating in transitional housing programs, is a step toward moving those individuals into permanent housing.

- 2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

Neighborhood Housing Services (NHS) engages in similar activities. However, its activities are in a different neighborhood. Habitat for Humanity builds housing, but operates in a different manner and structure. There are a number of homeless service housing providers that provide either transitional or permanent housing, but it is rental housing. The Housing Authority of Racine County provides vouchers for individuals to utilize in rental units, and also operates Family Self Sufficiency which permits a voucher to be used for house payments if other requirements are met. The housing provided by RHNP would be a viable option for formerly homeless persons who are leaving transitional housing and looking for permanent housing, as well as persons involved in the Family Self Sufficiency program. Housing Resources, Inc. provides pre-purchase homeowner counseling, and the homes provided by RHNP are options for those completing the course.

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|-------------------------------------|------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | \$ 50,000 |
| OTHER FUNDS: LIST SOURCE AND AMOUNT | |
| 1. CDBG | \$ 20,000 |
| 2. Program income (HOME funds) | \$ 180,000 |
| TOTAL REVENUES | \$250,000 |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include Acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, Disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

EST. DRAFT PROJECT BUDGET: Lincoln-King Revitalization

Revenue (Project specific):

| | |
|-----------------------|------------------|
| HOME FUNDS | \$50,000 |
| CDBG FUNDS | 20,000 |
| Program Income (HOME) | 200,000 |
| Contributions | 50,000 |
| TOTAL | \$320,000 |

Costs

| | |
|---|------------------|
| 1. Purchase/acquisition and rehabilitation of 3 homes (Est. Purchase \$60,000, Rehab. \$20,000 per home) | 255,000 |
| 2. Holding costs (Est. ins., utilities, -12 months ave.) | 36,000 |
| 3. Office overhead and project manager (Est. Office \$9000, project manager .50 FTE contract \$20,000) | 29,000 |
| TOTAL | \$320,000 |

PROPOSAL # 7
DATE REC. 12/18/08


PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET

NAME OF PROGRAM: Live Towerview

NAME OF APPLICANT: Neighborhood Housing Services of Southeast Wisconsin, Inc.
ADDRESS: 1700 Mead Street Racine, WI 53403
PHONE NUMBER: 262-633-3330
E-MAIL ADDRESS: jane@nhswi.org, Rachel@nhswi.org
NAME OF CONTACT PERSON: Jane Hoftiezer, Rachel Westergren
FINANCIAL REPORTING DONE BY: Jane Hoftiezer

TOTAL HOME FUNDS REQUESTED: \$ 250,000
TOTAL COST OF PROPOSED ACTIVITY: \$986,000
WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT? NeighborWorks, NHS Capital
WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? NHS Capital

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL:
Neighborhood Housing Services of Southeastern Wisconsin (NHS) will increase the value of the Towerview neighborhood. The NHS mission is to restore pride and confidence in Towerview neighborhood through new construction, purchase/ rehab projects, lending to neighborhood home improvements, teaching home buyer education and community building. NHS cultivates relationships with a variety of stakeholders, in relation to the Towerview neighborhood, to further the goals outlined for the neighborhood in the **Live Towerview: Building a Neighborhood of Choice** neighborhood plan. NHS Staff facilitates and implements the strategies outlined in the Live Towerview neighborhood plan, specifically to address the image, market, physical conditions, and neighborhood management in Towerview.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.
This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on _____ and all information contained in the proposal is true and correct to the best of our knowledge:
Board President's Signature: 
Board Treasurer's Signature: Mike Capodaso

STATEMENT OF APPROVAL: Government Agencies and Individuals.
This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:
Signature: _____
Title: _____

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

1) Describe the need in the City that this proposal will address.

There is a need to follow a strategy for the revitalization as described in the City adopted plan for the Towerview neighborhood- **Live Towerview: Building a Neighborhood of Choice.**

Racine Central City neighborhoods are suffering. As these neighborhoods age, they begin to lose their competitive advantage as a place that can attract residents. More homes need repair and more properties transition to rental. The social connection between neighbors is weakening as more neighbors are transient. Neighborhood conditions make attracting investment of new home owners or quality home improvements a challenge. Residents are not sure of the future of the neighborhood. These neighborhoods and their long term health are important to Racine.

Despite Towerview's advantage of location and diversity, the area suffers from a negative image. While physical conditions on certain blocks are strong, there are many homes that are under maintained and blocks that look unmanaged. Activities that would not be tolerated in other neighborhoods are allowed. Negative behaviors are tolerated and expectations are lowered. Tolerance of negative activities is not lost on neighborhood residents. As they see conditions around them slip, their expectations slowly erode and continual decline is the result.

2) Describe the basis on which you determined the need exists and identify the extent of the need.

Research to identify the need for intervention in the Towerview neighborhood is based on U.S. Census Data, City of Racine Assessments, City of Racine property transfers, dataplace, Multiple Listing Service, neighborhood interviews and community meetings.

According to Census data from 2000, the census tracts for Towerview have the lowest owner occupancy rates in the City of Racine 37.7-39%, the Racine County home ownership rate was 70%. In the City of Racine rents have maintained an average \$667 in 2000 to \$694 in 2004, rents below \$750 have actually increased. There is a surplus of under maintained and non owner occupied housing in Towerview. Nearly 100 homes have entered foreclosure in the Towerview neighborhood the majority transitioning from owner occupied to investment property.

Even though the crime watch and community policing efforts in place that have lowered crime, Racine Police Squad areas 04 and 05 that cover the Towerview neighborhood, reveal violent crime has decreased by 52% from 1995 to 2007, property crime decreased by 35% from 1995 to 2007 but the image of the neighborhood as a dangerous place persists.

In addition to statistical research, the neighborhood study that produced the **Live Towerview** plan also included qualitative research methods; neighborhood meetings and neighborhood interviews. The findings from those methods are listed below.

1. The neighborhood has tremendous location advantages that need to be recognized as outweighing its disadvantages in building a more positive image. Property values are on average 30% lower in Towerview than in Kenosha or Milwaukee.

2. The neighborhood needs more homeowners – particularly those who have the capacity to make improvements to older homes – permanent and committed to the neighborhood’s future. According to 2000 Census, the poverty rate in Towerview is 18-26.7% with a median income between \$24,875 and \$34,985 per year.
3. The fact that the neighborhood has some of these homeowners now – including people who have moved here from outside Racine and who work locally – suggests that these market segments can be expanded upon to attract people to the neighborhood. According to Census data 80% of Towerview residents are minorities, property values range from \$20,000 to \$500,000 along the banks of Lake Michigan, 13-17% of residents east of Franklin have a bachelors degree or higher, while less than 7% of residents who live west of Franklin have a bachelors degree. Nearly ½ of the new home owners who purchased in Towerview in 2008 did not live in Racine before.
4. There is a standard that defines what a house in the neighborhood should look like that is already in place to a degree. More properties need to move toward that standard and program tools need to provide incentives for homeowners and investors to meet that standard. Most homes in Towerview are 100 years old. Assessed values have steadily increased though on average Towerview homes remain assessed at ½ that of the rest of the City.
5. While it may not be feasible at this time to build a neighborhood-wide organization, there are substantial untapped opportunities to engage neighbors in small-scale block projects that enhance neighborhood pride, strengthen social connections, and build leadership capacity.
6. There is tremendous pride and loyalty for this neighborhood, but people recognize the neighborhood has a “stigma”. It is perceived as second class and a problem. People felt the rules were not being fully enforced to maintain standards and that landlords could get away with poorer maintenance, bringing down neighborhood conditions. According to Census data from 2000, the census tracts for Towerview have the lowest owner occupancy rates in the City of Racine 37.7-39%, while in 2000 the Racine County home ownership rate was 70%. In the City of Racine rents have maintained an average \$667 in 2000 to \$694 in 2004, rents below \$750 have actually increased. There is a surplus of under maintained and non owner occupied housing in Towerview.

SECTION 2: PROPOSAL OVERVIEW

Describe the activity(ies) for which funding is being requested. Include in the description what activities will take place, how the program will be administered, who will be served by the activities, and a timetable for the implementation of the proposal.

As identified in the **Live Towerview** plan for the neighborhood, one goal is to attract a steady stream of homebuyers. If the home-ownership rate is going to increase, the neighborhood needs 65-75 new homeowners a year, Towerview attracted about 50 homeowners each year between 2004 and 2007. Due to recent market conditions that have been prevalent for 2008, Towerview attracted fewer home owners, while vacancy rates and foreclosures increased. Neighborhood Housing Services of Southeastern Wisconsin (NHS) will increase the value of the Towerview neighborhood by restoring pride and confidence with new construction, purchase/ rehab projects, lending to neighborhood home improvements, attracting home buyers and community building.

NHS will build new construction and revitalize existing properties that set a higher standard in the Towerview neighborhood. These projects also diversify the housing stock available in the neighborhood, giving Towerview the ability to compete with more suburban homes that feature; large closets, multiple bathrooms, attached garages, dishwashers, ample electrical outlets, energy efficient mechanicals. The 3 homes NHS sold in 2007 were assessed at a total of \$407,000 compared to the most recent city assessed values of a total of \$102,000 in increase of nearly 400%. The 3 homes NHS sold in 2008 were sold for a total price of \$382,000 compared to the most recent sale prices totaling \$177,100 an increased sale price of more than 200%. The City of Racine benefits from increased tax revenues in central city neighborhoods. All home owners benefit from increases in property values. For many Towerview homeowners, their home is there greatest investment and building equity is necessary for their financial future. In addition to providing a superior quality yet affordable home for lower income buyers, NHS also increases the value of the neighborhood with home improvement lending.

In a neighborhood revitalization approach, the lending objective is not just to make a lot of loans, but to make loans that create impact. There is substantial lending capacity in Racine, but to achieve neighborhood revitalization outcomes, it is important this lending capacity be targeted much more strategically so that individual loans create more physical and market impact. There are several key lending impact needs in Towerview, these include: Home improvement loans that raise exterior standards on properties; Loans that promote energy conservation; Loans to home purchasers for acquisition and rehab; Small incentive loans to stimulate multiple home improvement projects; Rehab financing to competent, qualified investors. NHS will recruit and oversee home improvements loans.

The reason for providing larger, lower-interest loans for purchase-rehab on key properties are this: some of the larger homes need this level of improvement, particularly in raising exterior standards. The neighborhood needs buyers who want to make this kind of investment and having funds to lend at an attractive rate can be a factor in attracting those buyers. NHS has the ability to offer low interest financing and the 2009 CDBG fund allocation can subsidize contractor and/or design services for borrowers. Neighbors have consistently stated they feel more confident about the future of their neighborhood when they see improvements being made. Loans, whether they are originated by the City of Racine or NHS, have to encourage higher standards in rehab so the homes at the end reflect pride of ownership and investment that adds value to the property. To further the NHS mission of restoring pride and confidence in the featured neighborhood, NHS will use a strategy that heightens awareness of quality and good design of the NHS signature construction product.

SECTION 3: COLLABORATION

1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

The neighborhoods category of the City of Racine Consolidated Housing and Community Development 2005-2009 Strategic Plan, includes homeownership programs, code enforcement, housing renovation and construction, neighbor based recreation; a strong neighborhood serving retail sector and sustainable co-ordinated planning. As defined on page 3 of the plan; *"CDBG, HOME and ESG funds are directed geographically to the maximum extent feasible to low and moderate income areas of the city... Funding priorities is given to activities in the following areas; jobs, neighborhoods, youth services*

and shelter.” On page 5 in the 2-5 year strategic plan identifies neighborhood projects as one of the four areas to be given the highest priority. The neighborhood category includes; encouraging homeownership, code enforcement, strong neighborhood serving retail, housing renovation and construction, neighborhood based recreation and sustainable coordinated planning. NHS is applying to support housing renovation and construction. NHS is reducing the number of housing units with lead based paint through demolition, lead abated rehab and providing new construction without lead for lower income buyers. Identified on page 9, ***“Racine’s top priority in its housing programs is encouraging home ownership...higher rates of home ownership tend to have a greater stake in their neighborhoods and support actions... to encourage neighborhood stability”***. While NHS directly supports home ownership efforts with counseling, the other NHS activities additionally restore the pride and confidence for other potential buyers in the neighborhood. Residents and neighbors are beginning to sense the Towerview is trending upward. Identified on page 10, 22 and 24 of the City’s Consolidated plan; ***“High central city residential vacancy rates are indicative of the need for comprehensive code enforcement and housing rehabilitation programs. Racine’s high neighborhood development priority is given to such programs.”*** The City of Racine has identified the program goals of NHS to be worthwhile and a priority for the future of the City of Racine. On page 3 of the Fourth Program Year Racine 2008 Action Plan, ***“Within the CDBG and HOME programs, funds are dedicated to activities, which benefit specific neighborhoods, including...the Towerview neighborhood. It is estimated that approximately one-third of all CDBG and HOME funds will...be in activities specifically benefiting one or more of these neighborhoods”***.

2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

The neighborhood plan identifies strategies for any housing provider to participate in the revitalization of the Towerview neighborhood. NHS is in collaboration with the Racine Housing Coalition, the Racine Individual Development Account, Habitat for Humanity, and Racine Neighborhood Watch to provide the desired outcomes of achieving a positive image, improving the quality of homes, the housing market, and increasing neighborhood management.

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|-------------------------------------|---------------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | \$250,000.00 |
| OTHER FUNDS: LIST SOURCE AND AMOUNT | |
| NHS Capitol and Financing | \$736,000.00 |
| TOTAL REVENUES | \$986,000.00 |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

Neighborhood Housing Services of Southeast WI, Inc.
Racine 2009 HOME Program Application
NHS 2009 Healthy Neighborhood Campaign: Program Budget
(Projects undertaken are estimates contingent upon funding sources)

| <u>Sources of Funds</u> | <u>New Construction/ Rehab of 4 Houses</u> |
|---------------------------------|--|
| Proposed Racine HOME 2009 Grant | 250,000 |
| NHS Capital & Financing | 736,000 |
| Total Sources of Funds | <u>986,000</u> |

Uses of Funds

| | |
|------------------------------------|----------------|
| Acquisition | 250,000 |
| Demolition | 32,000 |
| Rehab/New Construction Costs | 600,000 |
| Construction Management | 60,000 |
| Carrying Costs | 17,920 |
| Sub-Total Uses of Funds | <u>959,920</u> |
| Marketing/Outreach/Education Costs | 4,000 |
| Closing Costs | 22,080 |
| Total Uses of Funds | <u>986,000</u> |

Project Summary

| | |
|--------------------------------|----------------|
| Total HOME Grant Funds Used | <u>250,000</u> |
| Total HOME Subsidy Per Project | 62,500 |
| Total HOME Subsidy Per Unit | 62,500 |

| | |
|--------------------------------------|---|
| <i>Number of projects undertaken</i> | 4 |
| <i>Number of units</i> | 4 |

PROPOSAL # 8
DATE REC. 12/18/08

PROPOSAL FOR 2009 HOME FUNDING
SUMMARY SHEET

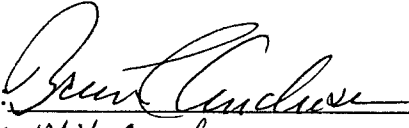
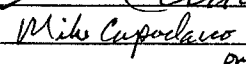
NAME OF PROGRAM: Live Towerview

NAME OF APPLICANT: Neighborhood Housing Services of Southeast Wisconsin, Inc.
ADDRESS: 1700 Mead Street Racine, WI 53403
PHONE NUMBER: 262-633-3330
E-MAIL ADDRESS: jane@nhswi.org, Rachel@nhswi.org
NAME OF CONTACT PERSON: Jane Hoftiezer, Rachel Westergren
FINANCIAL REPORTING DONE BY: Jane Hoftiezer

TOTAL HOME FUNDS REQUESTED: \$ 50,000
TOTAL COST OF PROPOSED ACTIVITY: \$661,591
WHAT OTHER FUNDING SOURCES HAVE BEEN IDENTIFIED FOR THIS PROJECT? NeighborWorks, HUD, NHS Contributions, Loan fees and Loan interest
WHAT FUNDING SOURCES HAVE BEEN CONFIRMED? NeighborWorks, HUD, contributions, Loan fees, and loan interest

PROVIDE A BRIEF SUMMARY OF THE PROPOSAL:
Neighborhood Housing Services of Southeastern Wisconsin (NHS) will increase the value of the Towerview neighborhood. The NHS mission is to restore pride and confidence in Towerview neighborhood through new construction, purchase/ rehab projects, lending to neighborhood home improvements, teaching home buyer education and community building. NHS cultivates relationships with a variety of stakeholders, in relation to the Towerview neighborhood, to further the goals outlined for the neighborhood in the **Live Towerview: Building a Neighborhood of Choice** neighborhood plan. NHS Staff facilitates and implements the strategies outlined in the Live Towerview neighborhood plan, specifically to address the image, market, physical conditions, and neighborhood management in Towerview.

STATEMENT OF APPROVAL: Non-profit and For Profit Organizations.
This proposal for HOME funds was considered and approved by our Board of Directors at a meeting at which a quorum was present on _____ and all information contained in the proposal is true and correct to the best of our knowledge:

Board President's Signature: 
Board Treasurer's Signature: 

STATEMENT OF APPROVAL: Government Agencies and Individuals.
This proposal for HOME funds has been reviewed and approved for submission and all information contained in the proposal is true and correct to the best of my knowledge:

Signature: _____
Title: _____

SECTION 1: NEEDS STATEMENT - Limit your response to the space provided.

1) Describe the need in the City that this proposal will address.

There is a need to follow a strategy for the revitalization as described in the City adopted plan for the Towerview neighborhood- **Live Towerview: Building a Neighborhood of Choice.**

Racine Central City neighborhoods are suffering. As these neighborhoods age, they begin to lose their competitive advantage as a place that can attract residents. More homes need repair and more properties transition to rental. The social connection between neighbors is weakening as more neighbors are transient. Neighborhood conditions make attracting investment of new home owners or quality home improvements a challenge. Residents are not sure of the future of the neighborhood. These neighborhoods and their long term health are important to Racine.

Despite Towerview's advantage of location and diversity, the area suffers from a negative image. While physical conditions on certain blocks are strong, there are many homes that are under maintained and blocks that look unmanaged. Activities that would not be tolerated in other neighborhoods are allowed. Negative behaviors are tolerated and expectations are lowered. Tolerance of negative activities is not lost on neighborhood residents. As they see conditions around them slip, their expectations slowly erode and continual decline is the result.

2) Describe the basis on which you determined the need exists and identify the extent of the need.

Research to identify the need for intervention in the Towerview neighborhood is based on U.S. Census Data, City of Racine Assessments, City of Racine property transfers, dataplace, Multiple Listing Service, neighborhood interviews and community meetings.

According to Census data from 2000, the census tracts for Towerview have the lowest owner occupancy rates in the City of Racine 37.7-39%, the Racine County home ownership rate was 70%. In the City of Racine rents have maintained an average \$667 in 2000 to \$694 in 2004, rents below \$750 have actually increased. There is a surplus of under maintained and non owner occupied housing in Towerview. Nearly 100 homes have entered foreclosure in the Towerview neighborhood the majority transitioning from owner occupied to investment property.

Even though the crime watch and community policing efforts in place that have lowered crime, Racine Police Squad areas 04 and 05 that cover the Towerview neighborhood, reveal violent crime has decreased by 52% from 1995 to 2007, property crime decreased by 35% from 1995 to 2007 but the image of the neighborhood as a dangerous place persists.

In addition to statistical research, the neighborhood study that produced the **Live Towerview** plan also included qualitative research methods; neighborhood meetings and neighborhood interviews. The findings from those methods are listed below.

1. The neighborhood has tremendous location advantages that need to be recognized as outweighing its disadvantages in building a more positive image. Property values are on average 30% lower in Towerview than in Kenosha or Milwaukee.

2. The neighborhood needs more homeowners – particularly those who have the capacity to make improvements to older homes – permanent and committed to the neighborhood’s future. According to 2000 Census, the poverty rate in Towerview is 18-26.7% with a median income between \$24,875 and \$34,985 per year.
3. The fact that the neighborhood has some of these homeowners now – including people who have moved here from outside Racine and who work locally – suggests that these market segments can be expanded upon to attract people to the neighborhood. According to Census data 80% of Towerview residents are minorities, property values range from \$20,000 to \$500,000 along the banks of Lake Michigan, 13-17% of residents east of Franklin have a bachelors degree or higher, while less than 7% of residents who live west of Franklin have a bachelors degree. Nearly ½ of the new home owners who purchased in Towerview in 2008 did not live in Racine before.
4. There is a standard that defines what a house in the neighborhood should look like that is already in place to a degree. More properties need to move toward that standard and program tools need to provide incentives for homeowners and investors to meet that standard. Most homes in Towerview are 100 years old. Assessed values have steadily increased though on average Towerview homes remain assessed at ½ that of the rest of the City.
5. While it may not be feasible at this time to build a neighborhood-wide organization, there are substantial untapped opportunities to engage neighbors in small-scale block projects that enhance neighborhood pride, strengthen social connections, and build leadership capacity.
6. There is tremendous pride and loyalty for this neighborhood, but people recognize the neighborhood has a “stigma”. It is perceived as second class and a problem. People felt the rules were not being fully enforced to maintain standards and that landlords could get away with poorer maintenance, bringing down neighborhood conditions. According to Census data from 2000, the census tracts for Towerview have the lowest owner occupancy rates in the City of Racine 37.7-39%, while in 2000 the Racine County home ownership rate was 70%. In the City of Racine rents have maintained an average \$667 in 2000 to \$694 in 2004, rents below \$750 have actually increased. There is a surplus of under maintained and non owner occupied housing in Towerview.

SECTION 2: PROPOSAL OVERVIEW

Describe the activity(ies) for which funding is being requested. Include in the description what activities will take place, how the program will be administered, who will be served by the activities, and a timetable for the implementation of the proposal.

As identified in the **Live Towerview** plan for the neighborhood, one goal is to attract a steady stream of homebuyers. If the home-ownership rate is going to increase, the neighborhood needs 65-75 new homeowners a year, Towerview attracted about 50 homeowners each year between 2004 and 2007. Due to recent market conditions that have been prevalent for 2008, Towerview attracted fewer home owners, while vacancy rates and foreclosures increased. Neighborhood Housing Services of Southeastern Wisconsin (NHS) will increase the value of the Towerview neighborhood by restoring pride and confidence with new construction, purchase/rehab projects, lending to neighborhood home improvements, attracting home buyers and community building.

NHS will build new construction and revitalize existing properties that set a higher standard in the Towerview neighborhood. These projects also diversify the housing stock available in the neighborhood, giving Towerview the ability to compete with more suburban homes that feature; large closets, multiple bathrooms, attached garages, dishwashers, ample electrical outlets, energy efficient mechanicals. The 3 homes NHS sold in 2007 were assessed at a total of \$407,000 compared to the most recent city assessed values of a total of \$102,000 in increase of nearly 400%. The 3 homes NHS sold in 2008 were sold for a total price of \$382,000 compared to the most recent sale prices totaling \$177,100 an increased sale price of more than 200%. The City of Racine benefits from increased tax revenues in central city neighborhoods. All home owners benefit from increases in property values. For many Towerview homeowners, their home is there greatest investment and building equity is necessary for their financial future. In addition to providing a superior quality yet affordable home for lower income buyers, NHS also increases the value of the neighborhood with home improvement lending.

In a neighborhood revitalization approach, the lending objective is not just to make a lot of loans, but to make loans that create impact. There is substantial lending capacity in Racine, but to achieve neighborhood revitalization outcomes, it is important this lending capacity be targeted much more strategically so that individual loans create more physical and market impact. There are several key lending impact needs in Towerview, these include: Home improvement loans that raise exterior standards on properties; Loans that promote energy conservation; Loans to home purchasers for acquisition and rehab; Small incentive loans to stimulate multiple home improvement projects; Rehab financing to competent, qualified investors. NHS will recruit and oversee home improvements loans.

The reason for providing larger, lower-interest loans for purchase-rehab on key properties are this: some of the larger homes need this level of improvement, particularly in raising exterior standards. The neighborhood needs buyers who want to make this kind of investment and having funds to lend at an attractive rate can be a factor in attracting those buyers. NHS has the ability to offer low interest financing and the 2009 CDBG fund allocation can subsidize contractor and/or design services for borrowers. Neighbors have consistently stated they feel more confident about the future of their neighborhood when they see improvements being made. Loans, whether they are originated by the City of Racine or NHS, have to encourage higher standards in rehab so the homes at the end reflect pride of ownership and investment that adds value to the property. To further the NHS mission of restoring pride and confidence in the featured neighborhood, NHS will use a strategy that heightens awareness of quality and good design of the NHS signature construction product.

SECTION 3: COLLABORATION

1) Describe the extent to which your proposal is consistent with the City of Racine's Consolidated Plan priority housing goals: promoting homeownership; rehabilitating or constructing affordable housing in target neighborhoods; preventing homelessness.

The neighborhoods category of the City of Racine Consolidated Housing and Community Development 2005-2009 Strategic Plan, includes homeownership programs, code enforcement, housing renovation and construction, neighbor based recreation; a strong neighborhood serving retail sector and sustainable co-ordinated planning. As defined on page 3 of the plan; *"CDBG, HOME and ESG funds are directed geographically to the maximum extent feasible to low and moderate income areas of the city... Funding priorities is given to activities in the following areas; jobs, neighborhoods, youth services*

and shelter.” On page 5 in the 2-5 year strategic plan identifies neighborhood projects as one of the four areas to be given the highest priority. The neighborhood category includes; encouraging homeownership, code enforcement, strong neighborhood serving retail, housing renovation and construction, neighborhood based recreation and sustainable coordinated planning. NHS is applying to support housing renovation and construction. NHS is reducing the number of housing units with lead based paint through demolition, lead abated rehab and providing new construction without lead for lower income buyers. Identified on page 9, ***“Racine’s top priority in its housing programs is encouraging home ownership...higher rates of home ownership tend to have a greater stake in their neighborhoods and support actions... to encourage neighborhood stability”***. While NHS directly supports home ownership efforts with counseling, the other NHS activities additionally restore the pride and confidence for other potential buyers in the neighborhood. Residents and neighbors are beginning to sense the Towerview is trending upward. Identified on page 10, 22 and 24 of the City’s Consolidated plan; ***“High central city residential vacancy rates are indicative of the need for comprehensive code enforcement and housing rehabilitation programs. Racine’s high neighborhood development priority is given to such programs.”*** The City of Racine has identified the program goals of NHS to be worthwhile and a priority for the future of the City of Racine. On page 3 of the Fourth Program Year Racine 2008 Action Plan, ***“Within the CDBG and HOME programs, funds are dedicated to activities, which benefit specific neighborhoods, including...the Towerview neighborhood. It is estimated that approximately one-third of all CDBG and HOME funds will...be in activities specifically benefiting one or more of these neighborhoods”***.

2) Describe how your proposal supports or complements the activities of other housing providers in Racine.

The neighborhood plan identifies strategies for any housing provider to participate in the revitalization of the Towerview neighborhood. NHS is in collaboration with the Racine Housing Coalition, the Racine Individual Development Account, Habitat for Humanity, and Racine Neighborhood Watch to provide the desired outcomes of achieving a positive image, improving the quality of homes, the housing market, and increasing neighborhood management.

SECTION 4: BUDGET

BUDGET FOR ACTIVITIES PROPOSED FOR HOME FUNDING IN WHOLE OR IN PART:

| | |
|-------------------------------------|--------------|
| REVENUES: | |
| FUNDS REQUESTED FROM HOME PROGRAM | \$50,000.00 |
| OTHER FUNDS: LIST SOURCE AND AMOUNT | |
| NeighborWorks | \$100,000.00 |
| Private Contributions | \$120,000.00 |
| TOTAL REVENUES | \$220,000.00 |

EXPENSES: Attach a budget spreadsheet specifying the uses of the funding. For example, include acquisition, architect's fees, permits, and other soft costs, holding costs, labor and materials, disposition costs, permits, organizational overhead, contractor profit, contingencies, etc.

**Neighborhood Housing Services of Southeast Wi, Inc.
NHS F2009 Cash Budget**

For the year Oct. 1, 2008 through Sept. 30, 2009

(Board Approval on Sept. 30, 2008)

| DESCRIPTION | Community | Existing | Home | R.E. | Asset & | 2009 |
|-------------------------------|--------------------------------------|-----------------------------------|------------------------------------|----------------|------------------------------|----------------|
| | Building & Organizing DEPT 210 | HomeOwner Services DEPT 220 | Ownership Promotion DEPT 230 | | Property Mgmt DEPT 255 | |
| Grant-NRC | 0 | 50,000 | 50,000 | 0 | 0 | 100,000 |
| Grant-HUD Counseling | 0 | 0 | 12,000 | 0 | 0 | 12,000 |
| Grant-CDBG | 35,000 A | 0 | 0 | 40,000 A | 0 | 75,000 |
| Grant-HOME | 0 | 0 | 0 | 203,425 B | 0 | 203,425 |
| Contributions | 110,000 | 0 | 0 | 0 | 0 | 110,000 |
| Rents | 0 | 0 | 0 | 0 | 106,918 | 106,918 |
| Developer/Rehab Fees | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan/Counseling Fees | 0 | 0 | 14,100 | 0 | 0 | 14,100 |
| Loan Interest | 0 | 57,803 | 0 | 0 | 0 | 57,803 |
| Interest on Investments | 0 | 0 | 0 | 7,500 | 0 | 7,500 |
| Tl. Sources of Funds | 145,000 | 107,803 | 76,100 | 250,925 | 106,918 | 686,746 |
| Salaries | 86,550 | 82,850 | 47,850 | 39,400 | 28,350 | 285,000 |
| Payroll Tax | 6,621 | 6,338 | 3,661 | 3,014 | 2,169 | 21,803 |
| Health Insurance | 17,300 | 23,200 | 11,200 | 9,100 | 6,200 | 67,000 |
| Unemployment Compensation | 0 | 0 | 9,100 | 0 | 0 | 9,100 |
| Retirement Set-aside | 8,655 | 8,285 | 4,785 | 3,940 | 2,835 | 28,500 |
| Ed., Training, Seminar | 900 | 975 | 475 | 350 | 300 | 3,000 |
| Telephone | 2,550 | 2,763 | 1,346 | 992 | 850 | 8,500 |
| Postage | 1,800 | 1,950 | 950 | 700 | 600 | 6,000 |
| Computer Equip/Supplies | 3,000 | 3,250 | 1,583 | 1,167 | 1,000 | 10,000 |
| Office & Other Supplies | 3,600 | 3,900 | 1,900 | 1,400 | 1,200 | 12,000 |
| Printing | 1,350 | 1,463 | 713 | 525 | 450 | 4,500 |
| Audit Fees | 3,600 | 3,900 | 1,900 | 1,400 | 1,200 | 12,000 |
| Legal Fees | 3,000 | 3,250 | 1,583 | 1,167 | 1,000 | 10,000 |
| HBE Materials | 0 | 0 | 2,500 | 0 | 0 | 2,500 |
| Neighborhood Organizing | 5,000 | 0 | 0 | 0 | 0 | 5,000 |
| Other Professional Services | 0 | 0 | 0 | 0 | 0 | 0 |
| NHS Web-page | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Processing | 0 | 1,800 | 1,800 | 0 | 0 | 3,600 |
| Advertising | 750 | 1,625 | 792 | 583 | 500 | 4,250 |
| Business Devl./Events | 1,350 | 813 | 396 | 292 | 250 | 3,100 |
| Coml Package Insurance | 6,000 | 6,500 | 3,167 | 2,333 | 2,000 | 20,000 |
| Builders Risk Insurance | 2,400 | 2,600 | 1,267 | 933 | 800 | 8,000 |
| Utilities | 10,800 | 11,700 | 5,700 | 4,200 | 3,600 | 36,000 |
| Snow Removal & Lawncare | 7,500 | 8,125 | 3,958 | 2,917 | 2,500 | 25,000 |
| Property Maintenance | 10,500 | 11,375 | 5,542 | 4,083 | 18,500 | 50,000 |
| Property Taxes | 0 | 0 | 0 | 5,000 | 30,000 | 35,000 |
| Janitorial Expense | 3,000 | 3,250 | 1,583 | 1,167 | 1,000 | 10,000 |
| Alarm Expense | 1,350 | 1,463 | 713 | 525 | 450 | 4,500 |
| Total Expenditures | 187,576 | 191,373 | 114,462 | 85,187 | 105,754 | 684,353 |
| Sources Less Exp. | (42,576) | (83,570) | (38,362) | 165,738 | 1,164 | 2,394 |
| Capital Investment | 0 | 0 | 0 | (1,476,244) C | 0 | (1,476,244) |
| NHS Loan Portfolio | 0 | 0 | (240,000) | 0 D | 0 | (240,000) |
| Cash/Property Sales | 0 | 0 | 0 | 1,904,700 E | 0 | 1,904,700 |
| Tl. Other Uses of Cash | 0 | 0 | (240,000) | 428,456 | 0 | 188,456 |
| Net Cash | (42,576) | (83,570) | (278,362) | 594,194 | 1,164 | 190,850 |