

Home Improvement Capital Access Program (HICAP)

CDBG funds

YEAR 2002 ENTITLEMENT FUNDS
REQUEST FOR PROPOSALS

Program Category: Home Improvement Capital Access Program (HICAP)

Total Funds Available: \$ 75,000 (CDBG funds)

Total Request: \$ 75,000

Applicant	Project Description	Amount Requested	Comments	CBGA Recommendation
Neighborhood Housing Services of Milwaukee	<p>Administer second mortgage loans whose proceeds are used for housing rehabilitation in the City of Milwaukee. Proceeds to be used only to finance renovations that protect or improve the basic utility and livability of the property.</p> <p>Only HUD eligible activities will be approved.</p>	\$75,000	<p>Applicant is a current provider of homebuying counseling and homeownership assistance; recently opened new Homeownership Center. Good track record, exceeds CBGA goals. Applicant will market the program, pre-qualify clients for loans, provide credit counseling for clients who don't pre-qualify and will provide approximately 80 home improvement loans to low income persons.</p> <p>As a condition of award, CBGA must be provided with Loan Committee membership, loan guidelines, policies, procedures and marketing/outreach materials. CBGA believes that the \$500 fee charged to clients is excessive. Additionally, specific HUD requirements relating to administrative costs must be adhered to: if the CDBG funds is used for administrative costs and are the only administrative costs for the program, all persons benefitting must be LMI (80% and under). If the total administrative costs exceed the amount CBGA is putting in this project, the amount over and above CDBG dollars can be used (prorated) for over income clients - but not the CDBG portion. All beneficiaries from the CDBG portion must be income eligible. *</p>	\$75,000 with conditions*

**INFILL Housing (New Construction)
and/or
Acquire/Rehab/Sell to Owner Occupants**

HOME funds

YEAR 2002 ENTITLEMENT FUNDS
REQUEST FOR PROPOSALS

Program Category: Infill Housing (New Construction) or Acquire/Rehab/Sell

Program Activity : Homes to be sold to low/moderate income owner occupants. Citywide.

Total Funds Available: \$ 260,874 (HOME funds)

Total Request: \$ 260,874

Applicant	Project Description	Amount Requested	Comments	CBGA Recommendation
West End Development Corporation	<p>Acquire/Rehab/Sell Applicant proposes to create a housing production program. As a housing producer, it proposes to rehab 5 housing units, single family or duplex, to be marketed to income-eligible owner occupants. Funds will support capacity building and production activities.</p>	\$260,874	<p>Agency has a positive accomplishment history of moderate-rehabilitation activities (NIP). Experienced in moderate owner-occupied rehabilitation only.</p> <p>Application deviates from RFP guidelines by requesting 2-year pilot status. If funded, conditioned on project being designated as a two-year pilot program, as per CBGA policy.</p> <p>Concern with NIP manager being over-extended into Infill and HOME pool activities. CBGA recommends that additional staff be hired to assist in project administration. *</p>	\$260,874 with conditions*

Large Impact Development (LID) Fund

CDBG funds

YEAR 2002 REQUEST FOR PROPOSALS
LARGE IMPACT DEVELOPMENT (LID) FUND

Total Funds Available \$ 644,584
Funds Requested \$ 3,541,479

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recomm
United Community Center	<p>Building Construction - LID funds requested to help underwrite construction of a 30,000 sq. ft. Alternative Middle School/Human Services building. Building will house an alternative middle school, an ESL/GED program for adults, and a Human Service counseling program serving children and families and other persons dealing with anxiety, anger, addictions or other issues.</p> <p>West Washington, between 7th and 6th Streets</p>	\$225,000	\$3.0 M	\$175,000 HUD Grant	<p>UCC has extensive experience in completing this type of development as documented by 4 construction projects completed over the last 10 years and according to an established timeline.</p> <p>It has effectively used public funds to leverage private sector dollars. Cost of previous construction projects exceeded \$12 M, 80% of which was received from private funds.</p> <p>UCC also has an accomplishment history of effective programs in the areas of education, recreation, cultural arts, community development and health and human services.</p> <p>UCC has indicated that <u>this project</u>, which follows the completion of UCC village and the construction of Bruce Guadalupe Middle School, <u>will be the final piece of the Campus Master Plan of the United Community Center</u>. The land is ready for building. UCC holds title to the land. Construction and dedication timetable - March 2002 - September 2002.</p>	\$225,000
Midtown Neighborhood Association	<p>Commercial Building: Construct building for a special economic development activity -LID funds will be used for pre-development costs and to purchase land for the construction of a 8,000 sq. ft. multi-tenant retail project within the Metcalfe Park neighborhood.</p> <p>A \$2.3 M credit tenant has committed to the site. Ten (10) full time jobs to be created.</p> <p>36th & North Avenue.</p>	\$175,000	\$900,000	\$120,000 Wisconsin Preservation Fund	<p>Project is part of the North Avenue Business Corridor where much redevelopment is taking place. City of Milwaukee has committed to sale one of the three buildings within the site. Commitment is on the table with Jewel Osco to purchase two other parcels. DCD is providing pre-development assistance. LISC is assisting with project implementation. Development assistance will be provided by the Endeavor Company, who have successfully implemented two LID projects. Project will be co-developed and co-owned by MTNA and Wisconsin Preservation Fund.</p>	\$100,000

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommend
Mitchell Street Development Opportunities	<p>Request for additional LID funds New Construction - Additional LID funds requested for unanticipated expenses. Project is a three story building with 27,000 sq. ft. of space. Caissons and piers are required to support the building foundation. Retail development will occupy the first floor and office space on the upper two floors.</p> <p>Existing \$200,000 LID award under the 2000 Northside/Southside LID Fund.</p> <p>627 W. Historic Mitchell Street</p>	\$100,000	\$2.3 M	<p>\$2.2 M includes</p> <ol style="list-style-type: none"> 1. \$1.8 in Loan Commitments 2. \$200,000 LID Grant 3. \$140,000 Metropolitan Ventures LLC 4. MS-DOC - \$60,000 	<p>According to the applicant, the additional activity is the last piece of the project; the appraisal is at its limits for loan underwriting guidelines and MSDOC is unable to roll the extra expense into a conventional loan package.</p> <p>Applicant has successfully completed two other LID projects.</p> <p>Construction is scheduled to begin March 2001.</p> <p>The Building will be owned and managed by MS-DOC.</p> <p>Substantial private sector partners.</p>	\$100,000
Ezekiel Community Development Corporation	<p>Request for additional LID funds (Funded at \$100,000 9/5/00 for Brownfield Remediation)</p> <p>Site Improvements. LID funds requested "to offset removal of an alley and utilities, preparation of a subdivision plat, and to cover unusual sewer and water installation expenses required by lot layouts given to Ezekiel by DCD." Nine (9) new homes will be built after site improvements are completed.</p>	\$180,054*	\$1,224,004	<p>\$43,950 - of this amount \$36,000 is in donated time.</p>	<p>Midtown-Lindsay Heights area.</p> <p>*HOME funding recommended for eligible activities. See 2001 HOME Reprogramming spreadsheet.*</p>	\$ 0 *

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommen
Burleigh Street Community Development Corporation	<p>Request for additional LID funds - Existing \$160,000 LID grant</p> <p>Building Construction and other related costs associated with building a 28,000 sq. ft. community/retail center. Potential uses include a bookstore and gift shop, a counseling center, a community center, a kosher restaurant and other retail and office space.</p> <p>54th & Burleigh</p>	\$100,000	\$2,967,000	<p>\$100,000 LID Grant</p> <p>\$1.8 M Private sources</p>	<p>Existing LID grant of \$160,000 awarded February 14,2000 and extended to 12/31/01.</p> <p>The City has demolished the existing structure and conducted a environmental study. 10-25 new jobs projected after the development is completed.</p> <p>Substantial private sector partners. Worthy project to consider for additional funding. Funding at this time will not bridge the funding gap to move this project forward.</p>	\$ 1
Living Recovery	<p>Funded at \$1 July 31, 2001</p> <p>Building Renovation - LID funds requested for upgrading the HVAC system, the security & fire system, roof repair and enclosing lot line with fencing. Applicant is a transitional living facility for AODA services, psychological services, vocational preparation, and youth services.</p> <p>2319 - 2327 West Capitol Drive</p>	\$100,000	\$200,000	\$100,000 Applicant investment	<p>Applicant has invested \$100,000 of its own money in Phase I rehabilitation of the mixed use property. The building has 24 apartment units on the upper unit and 3 vacant commercial units on the lower level.</p> <p>Hold over for possible funding associated with the commercial units. Use of commercial units not clearly defined in the application.</p>	\$ 1
The Irish Cultural and Heritage Center (ICHC)	<p>Building Renovation - LID funds requested for exterior restoration of a national and local designated historic building. Funds to be used for cleaning, tuckpointing; repairs to the leaking roof and replacing broken windows. Project is part of a comprehensive interior and exterior renovation plan.</p> <p>The ICHC, located at 2133 W. Wisconsin Avenue, provides dance lessons, music instruction, theatrical performances, cultural activities for youth and families and serves as a public meeting facility for non-profit agencies.</p>	\$195,440	\$1,677,165	\$75,500 Private donors	<p>Applicant indicates that \$80,000 in private dollars have been donated to projects already completed including electrical upgrade, air conditioning, and outdoor facade lights.</p> <p>Building is designated as a historical site on the national and local registry; the City has an interest in preserving historical sites. Applicant should investigate the possibility of historic tax credits for the renovation.</p> <p>Part of a TIN and TIF district and the Avenues West BID.</p>	\$ 1

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommen
Curative Care Network	<p>Building Rehabilitation - Interior and exterior improvements to the building housing the Curative Care Network Day Service Program. Program serves persons with developmental disabilities.</p> <p>LID funds requested to expand work areas for workers and to provide for a larger variety of jobs. Several exterior improvement and safety improvements will also be made; i.e., fencing, lighting, resurfacing parking lot, etc.</p> <p>2607 W. Fond du Lac Avenue.</p>	\$128,531 Building Renovation	\$257,062	\$ 128,531 (source not identified)	<p>Applicant states that it will provide 50% of the funds for this project; some of the structural improvements have already been completed.</p> <p>Funding for activities serving the disabled population is in line with city priorities identified in the 5-year CDBG Consolidated Strategy and Plan.</p>	\$128,531
Martin Luther King Economic Development Corporation	<p>New Construction: Commercial Development and Residential Housing Development - LID funds requested for pre-development expenses associated with developing a 2,500 sq. ft. commercial complex for office or retail use and 7 rental, factory-built townhouse units, to be developed as low-income housing tax credit units.</p> <p>Center Street on the South, Locust Street on the North, Second Street on the east and Highway 43 on the west.</p>	\$173,000	\$1,755,035	\$ 0 *	<p>RACM has given tentative approval to purchase the land.</p> <p>*Applicant submitted written confirmation from M&I Bank indicating its interest in being a participant in this project either with lending for rehabilitation and new construction of residential units or funding investment in small businesses or the purchase of tax credits supporting affordable housing.</p>	\$ 91,053
Harambee Ombudsman Project, Inc. (HOPI)	<p>New Construction: Commercial Development LID funds requested for pre-development cost associated with building a McDonalds Restaurant on the lower level and a training facility on the upper level. Proposed training includes food service and carpentry (floor installation).</p> <p>2700 N. Dr. Martin Luther King Dr.</p>	\$228,631	\$2,399,686	\$ 0	<p>Application does not indicate any financial subsidy from the McDonalds Corporation toward the construction cost of this project.</p> <p>Restaurant expected to employ 40 individuals. HOPI will train 50 individuals for the floor installation program.</p>	\$ 0

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommend
West End Development Corporation	<p>Commercial Improvements - LID funds requested to renovate the commercial space of a mixed unit development. The commercial space will be renovated to "solicit new retail and service businesses to the area." Targeted use of funds will be retail spaces, exterior facades, and an adjacent parking lot.</p> <p>Project is part of a larger project to redevelop a 4- story mixed use building with condo suites on the upper three floors. <u>A LID proposal for has been submitted to renovate condo suites.</u></p> <p>2632 West Wells Street</p>	\$100,000	<p>\$1,685,096 * total redevelopment cost</p> <p>\$232,907 commercial renovation costs</p>	<p>\$100,000- Insurance Settlement Class Committee</p> <p>\$5,000 - Avenues West</p>	<p>The LID policy applies to the total project development.</p> <p>Site control closing expected 10/30/01.</p> <p>Applicant indicated that it is simultaneously pursuing the development of a market study and analysis of the area as information to enhance business development and create jobs through new and expanded businesses. <u>A market study should be completed before LID funding is committed.</u> Additionally, this proposal is part of a larger project, to include the development of condo suites. The HOME regulations requires the whole structure to be code compliant. Applicant can't proceed until the entire project is ready to move forward. See comments in the Reprogramming spreadsheet.</p>	\$ 1 *
Cathedral of St. John the Evangelist	<p>Building Renovation. LID funds requested for converting a vacant school building into an Outreach Center for various social programs, including programs for the homeless, an AIDs ministry services, a meeting space for alcoholic support groups, a clothing ministry as well as a mental and physical health clinic, and on site mental health counseling.</p> <p>Van Buren Building</p>	\$250,000	\$10.5 M	\$8.8 M Foundations, Corporations and individuals	Substantial partnerships. However, citizens who attended public hearings on the 2002 Funding Allocation Plan identified other high priorities for limited CDBG funds. The proposed supportive services are being provided by a number of CDBG funded programs.	\$ 0

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommend
Cornerstone Achievement Academy, Inc.	<p>Building Renovation - Convert a vacant warehouse facility into an alternative high school for at risk high school aged youth. Rehab of the building, vacant more than 20 years, will include removing asbestos and mole, installing a new roof and floor, and refurbishing the exterior.</p> <p>3040 North Capitol Drive</p>	\$250,000	\$1,083,726 (estimate)	\$ 350,000 HUD Housing and Neighborhood Stabilization Grant	Substantial partnerships. However, citizens who attended public hearings on the 2002 Funding Allocation Plan identified other high priorities for limited CDBG funds.	\$ 0
Grand Avenue Club, Inc.	<p>Building Acquisition & Relocation - LID funds requested to cover the cost associated with the acquisition and relocation of the organization to 210 E. Michigan Street. Funds requested for "moving, management, architectural, appraisal, engineering and information technology fees."</p> <p>Organization provides services to adults with mental illness.</p>	\$186,300	\$2 M (purchase and renovation of the building)	\$200,125 Sources not identified	<p>Substantial partnerships. However, citizens who attended public hearings on the 2002 Funding Allocation Plan identified other high priorities for limited CDBG funds.</p> <p>Inappropriate use of scarce block grant funds to purchase a building for an organization's headquarters</p>	\$ 0
Lisbon Avenue Neighborhood Development Corporation	<p>Building Construction and Renovation. LID funds requested toward the construction of a new charter school and cost associated with the renovation of the former St. Thomas Aquinas Church Complex. The renovated building will house the LAND office and a Family Community Learning Center.</p> <p>LAND will co-develop the projects with MPS. MPS will own the facility. LAND will enter into a 20-25 year lease agreement with MPS.</p> <p>1952 N. 36th Street.</p>	\$325,000	<p>\$7.1 M</p> <p>Applicant states that MPS will pay its proportional share of the budget. LAND will need to raise \$3.3 M.</p>		Applicant has two unfinished LID projects on the table. It is not feasible to consider another project until these two projects are completed.	\$ 0

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommen
ASHA Family Services, Inc.	<p>Building Acquisition and Renovation. LID funds requested to acquire & renovate a 12,500 sq. ft. building to serve as the organization's headquarters. The complex will house applicant's program services, a health clinic, a children's area, and a cafe. Additionally, proposed project will convert a parking lot into a totlot for the children's Center.</p> <p>Organization serves victims of domestic abuse.</p> <p>Phase I of a II phase project, 3605-07 W. North Avenue</p>	\$150,000	\$660,000	\$5,000 Milwaukee County	<p>The North Avenue CDC (NACDC) will acquire and develop the property. NACDC holds the option to purchase the property through 11/30/01. ASHA will co-own the property with NACDC.</p> <p>Citizens who attended public hearings on the 2002 Funding Allocation Plan identified other high priorities for limited CDBG funds. Inappropriate use of scare block grant funds to purchase a building for an organization's headquarters.</p>	\$ 0
Hmong/ American Friendship Assoc., Inc.	<p>Building Acquisition and Renovation. LID funds requested to assist in the purchase and rehab of a former theater & office complex building. Renovated building will serve as the organization's headquarters and will include a museum, gift shop, public performance space, classrooms, and a micro-enterprise program. 3800 - 3804 West Vliet Street.</p>	\$185,000	\$411,427	\$ 0	<p>Citizens who attended public hearings on the 2002 Funding Allocation Plan identified other high priorities for limited CDBG funds.</p> <p>Inappropriate use of scarce block grant funds to purchase and renovate a building for an organization's headquarters.</p>	\$ 0
Nonprofit Center of Milwaukee, Inc.	<p>Building Acquisition. LID funds will assist in the acquisition of a building that will serve as the organization headquarters and house four other business tenants.</p> <p>Applicant provides training, technical assistance and nonprofit management support to the non-profit sector.</p> <p>2819 West Highland</p>	\$115,000	\$359,000	\$ 0 *	<p>Proposed activity does not meet a HUD National Objective. Also, citizens who attended public hearings on the 2002 Funding Allocation Plan identified other high priorities for limited CDBG funds.</p> <p>Inappropriate use of scarce block grant funds to purchase a building for an organization's headquarters.</p> <p>* Under the LID policy , future tenant rent payments does not account for "Funds Secured to Date."</p>	\$ 0

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommen
Esperanza Unida	<p>Building Renovation and Expansion - LID funds requested for construction and equipment cost related to renovating, expanding and reconfiguring applicant's main building at 1329 W. National Avenue. Phase I includes adding an additional 5,000 sq.ft. of business training and classroom space. A new auto training space and a new construction training space will be created and customized to the needs of the business. Exterior improvements will include replacing fencing, landscaping, replacing windows, installing lighting, etc. Phase II will include implementing the training business/program expansion. A total of 11 new jobs and 12 after-school positions for at-risk youth will be created.</p>	\$231,000	\$391,000	<p>\$500,000 two year grant toward the total two-phased project. *</p> <p>\$160,000 has been earmarked for the capital expansion project.</p> <p>*Anonymous private foundation. Letter of commitment provided to CBGA.</p>	<p>Substantial private sector partners. Worthy project to consider for future funding.</p> <p>Part of National Avenue Business Corridor.</p> <p>Applicant indicates an increase in number of persons that can be provided with skilled training in Auto Repair from 20 to 40 persons per year. A portion of construction work to be completed by trainees and instructors.</p>	\$1

LARGE IMPACT DEVELOPMENT (LID) FUND - 2002

Applicant	Project Description	LID Request	Total Project Cost	Funds Secured to date	Comments	CBGA Recommen
<p>Select Milwaukee, Inc.</p>	<p>Building Renovation at the following sites: - 1941 N. MLK Drive - 1943/45 N. MLK Drive - 1951 N. MLK Drive</p> <p>The YWCA owns all three buildings.</p> <p>There are two parts and two applicants to the LID proposal:</p> <p>1. Select Milwaukee will purchase the 1951 building from the Y, renovate it and relocate its office to the renovated property. <u>Select Milwaukee LID request - \$80,921 - renovation cost.</u></p> <p>2. The YWCA will renovate the facades of the 1941 and 1943/45 buildings and market them for sale to minority owned businesses (MBEs), but sale will be contingent on MBE's securing necessary financing to complete the interior build out. <u>YWCA LID request - \$62,602 - renovation cost.</u></p>	<p>\$80,921 1951 bldg.</p> <p>\$62,602 1941/1943/45 bldg.</p> <p>Total - \$143,523</p>	<p>\$1.7 M +</p>	<p>\$ 60,000 cash equity Select Milwaukee</p> <p>\$60,000 cash equity YWCA</p>	<p>Project should be developed with private market funds.</p> <p>Inappropriate use of scarce block grant funds to purchase and renovate a building for an organization's headquarters; speculative sale of rehab buildings to minority owned businesses contingent on MBE's securing necessary financing to complete the interior build out.</p> <p>Additionally, future mortgage payments and grants from private funding sources for specific programming initiatives does not qualify as matching funds toward project development and construction cost.</p>	<p>\$ 0</p>

TOTALS

\$3,541,479

\$644,584

UNALLOCATED FUNDS
CDBG funds



Department of Administration
Community Block Grant Administration

John O. Norquist
Mayor
David R. Riemer
Director
Juanita Hawkins
Administration—Block Grant Director

TO: Members of the Community Development Committee
FROM: Juanita Hawkins *Juanita Hawkins*
Director
DATE: October 22, 2001
RE: City Strategic Objectives
Unallocated 2002 Entitlement Funds

A total of \$296,172 of Year 2002 CDBG Entitlement Funds remains to be allocated. CBGA recommends that these funds be allocated to the Milwaukee Health Department for the following initiative.

MHD Lead Based Paint Prevention/ Abatement Project regarding Federally Assisted Housing (CBGA Housing Providers)

HUD issued new lead safe regulations for housing receiving federal assistance to take effect in September of 2000. CBGA contracted with the Health Department to provide oversight services to assure compliance among CDBG-funded housing programs. The contract for 2001 totaled \$296,932 and will expire December 2001.

CBGA recommends funding the Milwaukee Health Department Lead Abatement Project regarding Federally Assisted Housing in the amount of \$296,172 for the 2002 program year.

Rental and Residential Rehab within Mixed Use Properties

HOME funds

YEAR 2002 ENTITLEMENT FUNDS
REQUEST FOR PROPOSALS

Program Category: Rental and Residential Rehab within Mixed Use Properties

Program Activity : Rehabilitation of low and moderate income rental properties and the rehabilitation of owner occupied residential units within mixed use properties. Citywide.

Total Funds Available: \$1 M (HOME funds)

Total Request: \$2,294,000

Applicant	Project Description	Funds Requested	Comments	CBGA Recommendation
NIDC	Rehab approximately 64 units	\$1 M	New management and increased performance capability. Rent-rehab program performed well in 2000 (92%). Currently funded to do 100 units. CBGA recommends 64 additional units to be completed with funds.	\$ 1 M
YWCA	Redevelop a mixed use building at 2443-45 N. Holton St. into a seven 1-bedroom apartments, two bedroom apartments and approximately 2,000 sq. ft. of storefront community services sapce. The 9 units will be rented to HUD-income eligible clients for a period of not less than 15 years.	\$274,000	See 2001 Reprogramming spreadsheet	Fund with 2001 Reprogramming Funds
Westside Housing Cooperative (WHC)	WHC will identify 20 of its scattered site properties which require substantial rehab to return to code compliance and energy efficiency.	\$500,000	See 2001 Reprogramming spreadsheet	Fund with 2001 Reprogramming Funds
West End Development Corporation	Develop up to 13 condominium units on the upper floors of a 4-story mixed use building at 2632 W. Wells Street. (Commercial space to be considered under the LID proposal).	\$520,00	See 2001 Reprogramming spreadsheet	Fund with 2001 Reprogramming Funds