



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 2, 2001

RE: Resolution # 010783 - Resolution relative to the release of CDBG Large Impact Development (LID) funds for the purpose of Christ the King Project

Christ the King Church received a total of \$190,478 in LID funds to support the construction of a Community Education Quality of Life Center. The project is not under contract.

According to information submitted to CBGA, the project cost is \$4.5 million. The project has funding commitments of \$ 3,611,478. (See attached letter).

1. \$ 5,000 from Evinrude Foundation
2. \$916,000 in pledges from members of Christ the King Church
3. \$2.5 million dollar construction loan from North Milwaukee State Bank (Letter from Bank states a preliminary approval subject to performance requirements)
4. \$190,478 CDBG LID funds

Based on the above, **the project has a funding gap of \$888,522.** The LID Policy states that a project receiving less than 50% LID funding will require 85% of total development costs committed/secured at six months. A three month extension is then possible. The project's six month timeline will expire December 20, 2001.

All applicants applying for LID funds are aware of the LID policy, the conditions that must be met to get under contract, and the policy for drawing down LID dollars. The policy, included as a necessary and appropriate part of the LID application, was intended to ensure that projects are brought to completion and to ensure that LID funds would be the very last financing piece to the project. The Policy has remained intact since the establishment of the Large Impact Development Fund in 1998. Subrecipients have fully complied.

Under the LID timeline, The Christ the King Project has until December 20, 2001 to meet the conditions of the LID grant.



JN  
BB  
File

Christ The King Church  
7750 North 80th Street  
Milwaukee, WI 53223  
Tel: (414) 371-5000  
Fax: (414) 371-5001

May 18, 2001

Ms. Juanita Hawkins, Director  
Department of Administration  
Community Block Grant Administration  
City of Milwaukee - City Hall  
200 East Wells Street, Room 606  
Milwaukee, WI 53202

Dear Ms. Hawkins:

In reference to our request for additional Yr. 2001 Large Impact Development Funds in the amount of \$200,000, and your request for an update/status of committed resources for Christ The King Development Corporation quality of life project, please note the following:

- Evinrude Foundation awarded the project \$5000.
- North Milwaukee State Bank has agreed to provide a \$2.5 million construction loan (separate letter will be submitted).
- The members of Christ The King Church has committed \$2.5 million in pledges of which \$916,000 has been secured to date.
- The Bradley Foundation has been solicited for a grant in the amount of \$1.5 million, and Johnson Controls Foundation has been solicited for \$500,000. Both requests are still pending.

Hopefully, we have provided you with the information you were seeking.

Sincerely,

John W. McVicker, Sr.  
Executive Director  
CTK Development Corporation



May 18, 2001

Pastor McVicker  
CTK Development Corporation  
7750 N. 60<sup>th</sup> Street  
Milwaukee, WI 53233

Re: \$2,500,000 Construction Loan

Dear Pastor McVicker:

This letter is to confirm North Milwaukee State Bank has preliminary approved the above referenced loan subject to performance requirements. Funds are to be used for the construction of a Family Life Center building which will house a variety of community activities including space for the expansion of King's Academy Christian School.

Please contact me at (414) 466- 2344 x128 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'R.T. Myricks'.

R.T. Myricks  
President & CEO

RTM/ll

**LARGE IMPACT DEVELOPMENT (LID) FUND  
REQUEST FOR PROPOSALS**

**Minimum Allocation:**           \$ 100,000

**Program Description:**

The Large Impact Development Fund (LID) is designed to foster new Physical Development Projects in Milwaukee CDBG neighborhoods which

- Enhance Business Development
- Create Jobs
- Provide New Tax Revenues
- Improve the Quality of Life for Area Residents

**Qualifying Criteria:**

Large Impact Development Funds can only be spent on Physical Development Projects (Bricks and Mortar), sponsored by non-profit (501 (c) (3) corporations and which meet all of the following criteria:

- Accomplishes one or more of the four goals noted above (Enhance Business, Create Jobs, Increase Tax Revenues, Provide a Benefit to Area Residents); and,
- Is consistent with applicable Neighborhood Strategic Plans; and,
- Documents resident input into the project design; and,
- Involves significant project partnerships; and,
- Leverages significant private sector dollars (or non city public sector dollars); and,
- Is one part of a Comprehensive Revitalization Strategy in a limited geographic area (i.e., Cluster Development or Targeted Investment Neighborhood -TIN- Strategy); and,
- Demonstrate long term self sufficiency without additional CDBG funds.

Completed proposals shall not exceed ten pages in length (excluding budgets and budget narratives) and shall follow the format below:

1. **Project Overview (Maximum of 2 pages)**
  - A. Project Description
  - B. Location
  - C. Partnerships
  - D. Budget Total
  - E. Fund Request

Large Impact Development Fund  
Request for Proposals

**2. Detailed Project Description**

- A. Describe how the proposed project accomplishes one or more of the Large Impact Development Projects goals (enhance businesses, create jobs, increase tax revenues, improve the quality of life for area residents).
- B. Demonstrate how the proposed project is consistent with applicable Neighborhood Strategic Plans.
- C. Demonstrate how neighborhood residents were (and/or will be) involved in the project design.
- D. Identify project partners and their level of participation. Attach commitment letters as documentation of partnership involvement.
- E. Describe the Cluster (TIN) Revitalization Strategy and how this proposed project fits within it.
- F. Document that the organization/project has control of the project site and that at least a Phase I Environmental study has been performed.)
- G. Demonstrate that the project can be sustained without CDBG funds on an ongoing basis (e.g., a plan of operation, management contracts, etc.).
- H. Provide a month-by-month implementation time line which clearly shows the sequence of events which will be undertaken to achieve the goals of the proposed project.

**3. Provide a Detailed Project Budget**

- A. Clearly identify how LID funds will be spent.
- B. Clearly identify other private sector funds and how they will be spent on the project.
- C. Detail which funds are already committed and which are speculative.
- D. Detail all project costs including but not limited to: land acquisition, construction, development fees, Davis-Bacon Prevailing wages, etc. Provide appropriate documentation and budget narratives.

Large Impact Development/Request for Proposals  
Policy

CDBG funds shall not be released for LID projects until all funding is secured for the project. Upon ratification of Community Development and/or HOME funding by the Common Council, Community Block Grant Administration will:

1. Provide a letter of intent to future LID projects that do not have matching funds at the time of award.
  - A) The letter of intent will remain open for six months, from the date of Common Council approval, and an additional 10 days.
  - B) Within the six month timeline, evidence of site control or city commitment to project, must be documented. Evidence of Site Control would include:
    - a) Closing Statement
    - b) Deed
    - c) Letter of commitment or other document from a city entity recognizing this project.
  - C) If all funds for the project are not secured within six months, the Community Development Committee may rescind the grant award. An applicant would have to reapply for LID funds under a publicly announced LID allocation cycle; *or*
  - D) The Community Development Policy Committee may grant an organization a three month extension of time.
2. In determining the appropriateness of a three month extension of time, the following criteria will be employed:
  - A) If a project receives 50% or more of LID funding as part of the overall budget, the balance of the total development costs committed/secured is required at six months. A three month extension may then be granted.
  - B) A project receiving less than 50% LID funding will require 85% of total development costs committed/secured at six months. A three month extension is then possible.
3. Note the following:
  - A) Equity interest must be accompanied by a certified statement from a lending institution indicating the cash value of the equity for the project.
  - B) A ratio of private funds to LID funds must be expressed in percentages. Greater weight will be given to projects using a smaller percentage of LID funds as part of the total financial package.

**Large Impact Development/Request for Proposals  
Policy**

- C) The contractor shall not use any of the Federal funds provided under this program for the payment of liabilities or costs incurred prior to the Common Council approval date of funds for the Community Development LID project.

**Reimbursement:**

- \_\_\_\_\_ Subrecipients may only draw down 75% of their LID award for eligible, documented costs paid out during the City's contract period.
- \_\_\_\_\_ Request for the draw of CDBG funds necessary for the purchase of the property must include the Offer to Purchase or closing statement.
- \_\_\_\_\_ The remaining 25% of subrecipient LID award may be drawn down upon satisfactory completion of all activities and submittal and approval of the following compliance reports.
  - \_\_\_\_\_ Final Project Activity Report
  - \_\_\_\_\_ Narrative Report addressing one or more of the 4 outcomes addressed in subrecipient's application for funds
  - \_\_\_\_\_ Contractor and Subcontract Activity Report
  - \_\_\_\_\_ Equal Employment Opportunity Report
  - \_\_\_\_\_ Minority Banking Report
  - \_\_\_\_\_ HUD Section 3 Project Participation Workforce Report
  - \_\_\_\_\_ Lien Waiver from all Contractors
  - \_\_\_\_\_ Property Record Form and Invoice(s)
  - \_\_\_\_\_ Final Building Inspection Sign Off (Note: this can take the form of an Occupancy Permit or a Final Certificate of Code Compliance)---

4. Submit an original and two unbound copies of the completed proposal to:

Juanita Hawkins, Director  
Community Block Grant Administration  
City Hall, Room 606  
200 East Wells  
Milwaukee, WI 53202

**NOTICE:**

The City of Milwaukee reserves the right to reject all proposals. Contract awards based on approved proposals shall be subject to receipt by the City of Milwaukee of sufficient community development entitlement funds from the U.S. Department of Housing and Urban Development.

Attachment: CDBG Map

## LID APPLICATION CHECKLIST

The following documents are required with the application:

- \_\_\_\_\_ Project Activity Report (CBGA form)
- \_\_\_\_\_ Project Budget Forecast and Budget Justification Pages. (CBGA form). Applicant should figure in Davis Bacon Wage Rates and cost for Environmental Impact Assessment, if applicable to the project.
- \_\_\_\_\_ Certificate of Insurance and Affidavit of No Interest as prescribed by the City Attorney of the City of Milwaukee (CBGA document)
- \_\_\_\_\_ 100% Payment and Performance Bond for all contracts exceeding \$100,000
- \_\_\_\_\_ Letters of funding *commitment(s)* by an authorized officer of each funding source
  - a) Equity interest must be accompanied by a certified statement from a lending institution indicating the cash value of the equity for the project
- \_\_\_\_\_ Construction/Development Timetable
- \_\_\_\_\_ Development Budget identifying all sources of funds and expenses
- \_\_\_\_\_ A Planning Review completed by the Department of City Development
- \_\_\_\_\_ Rehabilitation Plans and Scope of Work
- \_\_\_\_\_ Photographs of the Property and Street Scene
- \_\_\_\_\_ Copy of outright Property ownership in Fee Simple
- \_\_\_\_\_ Evidence of Site Control or City of Milwaukee commitment to project (i.e., a closing statement, a deed, or letter of commitment or other document from a City entity recognizing the project).
- \_\_\_\_\_ An executed Offer to Purchase (showing no encumbrances)
- \_\_\_\_\_ Seller's notification letter, if applicable
- \_\_\_\_\_ Relocation strategy, if applicable
- \_\_\_\_\_ Environmental Impact Assessment Planning Review, if applicable
  - Phase I, Phase II, or Phase III, if needed
- \_\_\_\_\_ Construction/general contractor selection should be an open and competitive bid process. The request for bids must include all necessary Davis-Bacon wage rates, minority/women owned business participation on the project, and a HUD Section 3 Project Participation Workforce Report. Every effort should be made to include MBE/DBE bidders.

The City's Comptroller's office will perform a preliminary review of new organizations in compliance with OMB Circular A-102 regarding safeguarding assets. For new organizations whose budgeted cost only involve contractual services, staff of the City Comptroller will perform a *fiscal preliminary review*. Submit the following documents with the application.

- \_\_\_\_\_ Articles of Incorporation
- \_\_\_\_\_ Most Recent Audit Report
- \_\_\_\_\_ Most Recent Financial Report



LID Application Checklist, cont'd.

For new organizations whose budgeted cost include personnel costs and benefits, staff of the Comptroller office will perform a *full preliminary review*. (If the organization will be funded under the regular Block Grant later on, a full preliminary review will be required). Submit the following documents with the application.

- \_\_\_\_\_ Articles of Incorporation
- \_\_\_\_\_ Most Recent Audit Report
- \_\_\_\_\_ Most Recent Financial Report
- \_\_\_\_\_ Corporate By-Laws
- \_\_\_\_\_ Board of Director Roster
- \_\_\_\_\_ Corporate Organization Chart
- \_\_\_\_\_ Federal Tax Exemption Status Letter
- \_\_\_\_\_ State Sales Tax Exemption Status Letter with the Tax Exempt Number
- \_\_\_\_\_ The most recent Form 990, Federal Information Tax Return
- \_\_\_\_\_ The most recent Financial Statements
- \_\_\_\_\_ The most recent Agency Audit
- \_\_\_\_\_ Written Accounting Policies and Procedures
- \_\_\_\_\_ Personnel Policies

**Reimbursement:**

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  - \_\_\_\_\_ Property Record Form and Invoice(s)
  - \_\_\_\_\_ Final Building Inspection Sign Off (Note: this can take the form of an Occupancy Permit or a Final Certificate of Code Compliance)

Note that a copy of the Project's Final Plans and Specifications is not required to be submitted with the application; however, CBGA reserves the right to review these documents on site.