



PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7312

Memorandum

To: Community Development Committee

From: Caroline Gregerson

Date: 12/6/2019

File ID: 19-1784

Re: Action on Amendment to 2019-2020 Action Plan for \$20,000 of additional CDBG Funds for LCHDO

The City of La Crosse through its Community Development Block Grant funds granted LCHDO \$136,455 in funding (\$91,162 in CDBG funds, \$45,293 in HOME funds) to subsidize the construction of two units twinhome units at 421-425 Mississippi. This project was the last project to complete a "block-revitalization" at the corner of 5th and Mississippi- to date three Habitat units have been built there and two Couleecap units, plus three La Crosse Promise homes on the block.

Originally, the La Crosse Neighborhood Development Corporation was going to take on this project but they decided not to move forward because they could not make the numbers work (cost of construction versus sales price). Instead of seeing this property sit vacant, the City encouraged LCHDO to take on this project. Since that time, their final bids have come in for construction of the home (\$371,650). To be able to complete this project, LCHDO requires an additional \$20,000. As this amount does not exceed the threshold for HUD of a substantial amendment, this would require Committee approval only. The source of funds would be : Replacement Housing Revolving Loan fund.

Staff Recommendation:

Approve additional \$20,000. The actual amount needed was \$28,000 but the project will try to realize project-savings in other categories to cover the gap.

JASON GILMAN, AICP, PLANNING & DEVELOPMENT DIRECTOR
TIM ACKLIN, AICP, SENIOR PLANNER - HERITAGE PRESERVATION
LEWIS KUHLMAN, AICP, CFM, ENVIRONMENTAL PLANNER
ANDREA SCHNICK, ECONOMIC DEVELOPMENT PLANNER
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CAROLINE GREGERSON, COMMUNITY DEVELOPMENT ADMINISTRATOR
DAWN REINHART, NEIGHBORHOOD HOUSING DEVELOPMENT ASSOCIATE
TARA FITZGERALD, PROGRAMS COORDINATOR
KEVIN CLEMENTS, HOUSING SPECIALIST
KEVIN CONROY, HOUSING REHABILITATION SPECIALIST



FRONT

Expected Sale Date		9/30/2020		
			2.00	Single Family L
			(# of units)	
Development Costs:			Cost per Unit	Total Cost
Land Acquisition			\$ -	\$ -
Permits				\$ -
Architect Fees			\$ -	\$ -
Construction Costs			\$ 185,825	\$ 371,650
Water/Sewer to LNDC			\$ 11,000	\$ 22,000
Title Insurance				\$ -
Closing Costs			\$ -	\$ -
Light Fixtures			\$ 1,000	\$ 2,000
Appliances			\$ 3,000	\$ 6,000
Carrying costs:		Cost/month/unit		\$ -
Property taxes	*\$2,000 yr	\$ 166	\$ 1,750	\$ 3,500
Mowing/Shoveling		\$ 50	\$ 800	\$ 1,600
Insurance		\$ 125	\$ 2,000	\$ 4,000
Utilities		\$ 125	\$ 2,000	\$ 4,000
Total Hard Costs			\$ 207,375	\$ 414,750
Construction Loan Fee			\$ -	\$ -
Construction Loan Closing Costs & Appraisal			\$ 1,400.00	\$ 2,800
Real Estate Commission			\$ 7,000	\$ 14,000
Overhead			\$ 8,843	\$ 17,686
CLT Ground Lease fee			\$ -	\$ -
Legal & Appraisal fees			\$ -	\$ -
Construction Interest			\$ 3,750	\$ 7,500
Total Soft Costs			\$ 20,993	\$ 41,986
Interim Development Cost			\$ 228,368	\$ 456,736
Soft cost contingency			\$ -	\$ -
Hard cost contingency			\$ 5,000.00	\$ 10,000
Projected Development Cost			\$ 233,368	\$ 466,736
Overhead			\$ -	\$ -
Developer Fee/Profit	(see sale worksheet for dev fee)		\$ 15,000	\$ 30,000
Total Development Cost			\$ 248,368	\$ 496,736

