

**HOME CHDO APPLICATION**

Organization Name: Habitat for Humanity La Crosse Area

Organization Address: 3181 Berlin Drive, La Crosse, WI 54601

Contact Person: Kahya Fox

Contact Person Email Address: kahya@habitatlacrosse.org

Contact Person Phone #: 608-797-8086

Federal Tax ID: 39-1706999

DUNS #: 826845864

Is this a joint application?

X Yes – List Organization’s Name: Couleecap, Inc.

No

List the amount being requested by activity:

Homebuyer acquisition/rehab/resale \$ \_\_\_\_\_

Rental acquisition and/or rehab \$ \_\_\_\_\_

Single family new construction \$ 101,900.00

Rental New Construction \$ \_\_\_\_\_

TOTAL REQUEST \$ 101,900.00

I hereby certify that I am an authorized representative of the organization and that to the best of my knowledge:

- The data in this application is true and accurate;
- The organization will be able to meet all of the minimum proposal requirements as specified in the RFP;
- The agency will comply with the necessary certifications and assurances and project description in the proposal including federal regulations and requirements if contract is awarded.

Authorized Representative Name: Kahya Fox Title: Executive Director

Authorized Representative Signature:  Date: 5/15/23

# HOME CHDO Application

## PROPOSAL NARRATIVE

### PROPOSAL SUMMARY

Habitat for Humanity La Crosse Area proposes construction of two single-family homes at 2702 and 2706 Onalaska Avenue, La Crosse. Habitat will be purchasing and placing modular homes on crawlspaces on the properties. The lots will also include construction of 1.5 car garages on each site. The homes constructed on the property will be sold to income-eligible (under 80% CMI), first-time homeowners. Habitat will partner with Couleecap, Inc, which manages the Coulee Community Land Trust. At the closing with the new homeowner, Habitat will transfer the land, which will be placed in the Coulee Community Land Trust to ensure perpetual affordability of the home.

Habitat for Humanity La Crosse Area is now a licensed manufactured housing dealer with the State of Wisconsin, and Jeremy Reed, our Construction Director, is a licensed manufactured housing salesperson. We are currently working with Friendship Homes out of Montevideo, MN, for factory-direct ordering of modular housing. Habitat La Crosse is partnering with the Next Step Network, whose mission is to put sustainable homeownership within reach of everyone, while transforming the manufactured housing industry through consumer education, affordability and energy-efficiency. Habitat La Crosse will utilize modular housing as a cost-effective option for affordable housing development. The use of modular housing will allow our organization to greatly reduce our construction time and costs.

Habitat for Humanity La Crosse Area brings people together to provide and preserve affordable housing opportunities and create a community where all feel they belong. We believe that decent, affordable housing should be a matter of conscience and action; we realize that there are people in our community who are living in inadequate conditions and that joining together we can provide a hand up – not a hand out. For 30 years, Habitat for Humanity La Crosse Area has built over 70 homes for families in the Coulee Region.

### PROGRAM DESCRIPTION

#### Timeline

We anticipate breaking ground on the property in summer 2023. Current timeline for delivery of the home is 60 days following order. Set, completion, and sale of the home is anticipated to be complete by April 30, 2024.

<b>Activity</b>	<b>Date</b>
Close on Property	July 1, 2023
Secure Permits	August 1, 2023
Bring in fill, pour crawlspace	October 31, 2023
Home delivered	November 15, 2023

Complete home	February 28, 2024
Close on home	April 30, 2024

Map of the Project Site

Please see attached.

Budget and Funding Sources

Please see attached.

Site Control

Habitat for Humanity La Crosse Area has offers to purchase for both properties in front of the City of La Crosse. Both offers were accepted by the Board of Public Works on May 1, 2023. The offers will now go in front of the City Planning Commission, Personnel and Finance Committee, and the City Council for approval by June 11. To Habitat’s knowledge, we are that only entity with offers on both properties.

Project Type

Both projects will be developed as owner-occupied, first-time homebuyer projects.

Determination of Price

The sale price of the homes will be determined by appraisals completed by a licensed appraiser. The homeowner will purchase the home from Habitat for Humanity La Crosse Area for the full appraised value. The estimated assessed value will be \$175,000 each.

Unique or Innovative Elements

All homes built by Friendship Homes meet or exceed Energy Star standards for new home construction. All previous homes constructed by Habitat for Humanity have met or exceeded Focus on Energy standards.

Habitat for Humanity La Crosse Area has received national recognition for our use of modular housing as a low-cost, energy efficient option for affordable housing development. Executive Director, Kahya Fox, presented to over 400 other Habitat affiliates across the nation as part of the “Habitat Innovates” learning series organized by Habitat for Humanity International. She has also presented at the Habitat Minnesota annual conference, and she is working with Next Step Network to write an article regarding the program’s initial successes. Habitat La Crosse has been approached by dozens of other Habitat affiliates and other affordable housing developers on this housing model.

Both homes on Onalaska Avenue are in the flood plain. Habitat La Crosse has already received base-flood elevations for both properties and will bring both parcels out of the flood plain following completion. This will be a benefit to the City of La Crosse and the owners of the properties.

Both homes will become a part of the Coulee Community Land Trust (CCLT). The CCLT is a way to ensure permanently affordable housing in our region. The CCLT was established by Couleecap in 2009. There are currently 22 homes in the land trust.

The Community Land Trust model allows homeowners to purchase their homes but not the land that the home sits on. The land is purchased by the CCLT, which lowers the purchase price to the homeowner. The homeowners then lease the land from the CCLT by paying a small monthly ground lease fee of \$33.50. The homeowners have the right to use the land that their home sits on for things such as gardening, landscaping, and planting trees. They are responsible for all maintenance and upkeep of the property. There is a 98-year renewable and inheritable ground lease that outlines the terms and conditions of the relationship between the CCLT and the homeowner.

The ground lease specifies that when a homeowner sells their property, they receive 30% of the appreciated value of the home plus anything that they have paid on their mortgage. When the home is resold to the next low- and moderate-income buyer it is sold at a lower price than what it would be on the open market. This resale restriction ensures that the home will remain permanently affordable with every future sale as well as ensuring that the property is sold to an LMI household for all future generations. The subsidies, donations, and volunteer time will continue to benefit future homeowners using this model.

See attached handout, "The Basics of a Coulee Community Land Trust Property," for more information.

### Collaboration

Habitat for Humanity La Crosse Area will be partnering with Couleecap and the Coulee Community Land Trust. At project closing, the land will be transferred into the Coulee Community Land Trust. Couleecap will provide land trust education for each homeowner, create and execute all land trust documentation for the closing, maintain ownership of the land, and administer the land trust.

## CHDO CAPACITY AND EXPERIENCE

### Primary Staff

#### *Jeremy Reed, Construction Director*

Jeremy has been the Construction Director at Habitat for Humanity La Crosse Area for over six years. Jeremy coordinates, leads, trains, develops, and creates low-income housing in 5 counties. Jeremy oversees all Construction, ReClaim, and RePair projects. Jeremy's accomplishments and certifications include Wisconsin Dwelling Contractor, Lead-Safe Renovation, and Manufactured Home Salesman. He also is a La Crosse Area Builders Association Board Member, Wisconsin Builders Association Board Member, and also serves on numerous committees in the local area.

#### *Kahya Fox, Executive Director*

For over seven years, Kahya Fox has been the Executive Director for Habitat for Humanity La Crosse Area. Before taking on her new role, Kahya was the Housing Assistant Director for Couleecap, Inc. With over twenty years of affordable housing experience, she has worked with a variety of housing and community development programs, including housing rehabilitation, home purchase, weatherization, housing counseling, flood assistance, land trust housing, and new housing construction. Working extensively with low-income families, Kahya has a very strong commitment and understanding of the issues faced by individuals in poverty. With an extensive background in public relations, Kahya brings a strong voice to housing programs. She is also a certified Housing Counselor, Housing Quality Standards Inspector, and HOME Certified Specialist.

Kahya has extensive experience with modular housing, having been a licensed salesperson while employed as the Housing Assistant Director at Couleecap. Kahya also has extensive experience with flood plain construction, having assisted with the elevation of five homes in Gays Mills, WI, as part of the State of Wisconsin's Emergency Assistance Program (EAP).

### Organizational Experience

Habitat for Humanity La Crosse Area was incorporated in 1992. For over 30 years, we have built or remodeled over 70 homes that were sold to first-time, low-income homeowners.

Habitat La Crosse has partnered with Couleecap in the past, and homes built by Habitat in La Crosse, Holmen, and Viroqua are part of the Coulee Community Land Trust.

### Current Budget and Financial Audits

Please see attached.

### Accounting System and Internal Controls

Each funding stream is assigned an allocation code with a detailed budget outlining allowed expenditures. Payments are made against each budget line of the allocation code on an accrual basis. Invoices are reviewed and approved by lead staff and the Executive Director prior to payment issuance.

Payments are reviewed monthly. Requests for reimbursement are issued to the City along with all receipts and proof of payment. All accounting of funds is organized through Quick Books.

No single individual shall have control over two or more phases of a transaction or operation. A double review system shall also be used for all financial transactions. This includes all of the following duties:

1. Authorization
2. Custody

3. Record-keeping
4. Reconciliation

### Organizational Roles

Habitat for Humanity La Crosse Area will be acting as both the owner and developer of the projects.

## **The Basics of a Coulee Community Land Trust Property**

Properties sold through the Coulee Community Land Trust are sold using a shared-equity ownership model, which keeps the homes permanently affordable to low and moderate income families.

How the program works is that a buyer purchases the improvements only (house and garage) and they lease the land from the land trust each month. They have the full right to use the land, garden, plant trees, landscape and etc as anyone would. They will also be responsible for its maintenance such as lawn care, snow removal and etc. There is a \$33.53 a month administration fee and a \$33.53 a month replacement reserve fee, which is an account for future or emergency capital repairs on land trust properties that homeowners can't afford. We want to ensure that these stay quality homes so we want homeowners to have access to funds for major capital repairs they can't afford to make on their own.

When it comes time for the owner to sell the property, we use the initial appraisal of the property and order a new appraisal, the difference between the appraisals (appreciated equity) is what we look at when a homeowner wants to sell the property. The seller would get 30% of the appreciated equity and that would be used to determine the sales price for the next buyer. The home will always be sold for less than its appraised value, making it permanently affordable to low income buyers. Owners will not have the ability to set their own sales prices it is always based on an appraised value. The owners are also responsible for selling their own home either by identifying a buyer on their own or listing the home. Negotiations that would typically take place between a buyer and a seller are still options except for the sales price being more than what the CCLT sets.

This property is not owned or being sold by the CCLT but we must insure that any interested buyers are income qualified, which is required by the program. We will also prepare all the CCLT paperwork that gets signed at closing. Per the CCLT guidelines and ground lease the maximum that the current owners can sell the home for is \$XXX,XXX. Any negotiations between buyer and seller and their responsibility and not the responsibility of the CCLT.

The land trust homeownership model is not well known in our area and many people are unfamiliar with how it works. In order to educate buyers we do a one hour basics class with new buyers to explain to them how the land trust works and to provide examples of the shared equity model. Questions on the land trust can be directed to Ashley Lacenski at 608-632-9147 or [Ashley.Lacenski@couleecap.org](mailto:Ashley.Lacenski@couleecap.org).

Couleecap does not provide the mortgage loan to purchase a CCLT home. Buyers must be eligible for financing through a lending institution. Unfortunately due to restrictions we can't work with FHA loans at this time. WHEDA and Fannie Mae loans work well with the land trust program.

17-10259-31

CITY OF LACROSSE  
PARKS DEPARTMENT

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50

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CITY OF LACROSSE  
PARKS DEPARTMENT

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CITY OF LACROSSE  
BRENDA BUDDENHAGEN

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**City of La Crosse**  
**HOME CHDO Application**

Name of Organization: Habitat for Humanity La Crosse Area

**Estimated Budget**

<b>Account</b>	<b>Cost 2702 Onalaska</b>	<b>Cost 2706 Onalaska</b>
Acquisition	\$10,000	\$10,000
Demolition	\$0.00	\$0.00
Wage/Fringe (direct construction services)	\$23,000	\$23,000
Administrative Costs (10% of hard construction costs)	\$19,800	\$21,300
Construction Costs		
Modular home	\$135,371	\$150,411
Floodplain fill	\$4,000	\$4,000
Foundation and flat work	\$15,000	\$15,000
House set and finishing	\$6,000	\$6,000
Hook ups (HVAC, electric, and plumbing)	\$2,500	\$2,500
Elevations Certificates	\$2,400	\$2,400
TOTAL Construction Costs	\$165,271	\$180,311
<b>ESTIMATED TOTAL COST PER HOUSE</b>	<b>\$218,071</b>	<b>\$234,611</b>

**Estimated Sources and Uses**

<b>Funding Requested per house</b>	<b>2702 Onalaska Avenue</b>	<b>2706 Onalaska Avenue</b>	<b>Requested or Committed?</b>
Affordable Housing Program	\$6,000	\$6,000	Committed
HOME CHDO	\$50,950	\$50,950	Requested
Purchase Mortgage	\$100,000	\$100,000	Committed
La Crosse County Funds	\$10,000	\$10,000	Committed
In-kind Donations (materials and labor)	\$15,000	\$15,000	Committed
Unrestricted funds from Habitat La Crosse (donations, fundraisers, ReStore proceeds)	\$36,121	\$52,661	Committed
<b>TOTAL</b>	<b>\$218,071</b>	<b>\$234,611</b>	



May 15, 2023

To Whom It May Concern:

Couleecap, Inc. supports Habitat for Humanity La Crosse Area's application for HOME CHDO funds from the City of La Crosse.

Couleecap agrees to partner with Habitat for Humanity La Crosse Area on both proposed projects at 2702 and 2706 Onalaska Avenue in La Crosse.

At project closing, the land will be transferred into the Coulee Community Land Trust. Couleecap commits to providing land trust education for each homeowner, creating and executing all land trust documentation for the closing, maintaining ownership of the land, and administering the land trust.

We believe this collaboration will allow for the development of safe and affordable housing for two hard-working families in our community while also providing perpetual affordability for future families.

Sincerely,

*Ashley Lacenski*

Ashley Lacenski  
Community Development Director



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