

# Affordable Housing Fund Update

Prepared for City County Homeless Issues Committee

October 3, 2022





# Housing Forward Goals

## Meeting Housing Needs for All in a Growing City

Increase Housing  
Choice

Create Affordable  
Housing  
throughout the  
City

Combat  
Displacement and  
Segregation

Ensure Seniors and  
Others Can Stay in  
Their Homes

Work to End  
Homelessness



# Obstacles to Creating Affordable Housing

## **Wisconsin Statutes 66.1015- Municipal rent control, inclusionary zoning prohibited**

(1) No city, village, town or county may regulate the amount of rent or fees charged for the use of a residential rental dwelling unit.

# Create Affordable Housing Throughout the City



- **Focus City support on affordable housing developments with transit access and that deliver long-term affordability**
- **Buy land and make it available for affordable housing**
- **Updated regulations to encourage construction of affordable housing**

## **Current action steps:**

- ✓ Focus our affordable housing funding applications to prioritize transit access, very low-income housing, and longer-term affordability
- ✓ Established a annual fund and a policy for Landbanking
- ✓ Adopted a zoning ordinance to allow more housing as permitted use



# AHF-TC 2022 RFP Focus

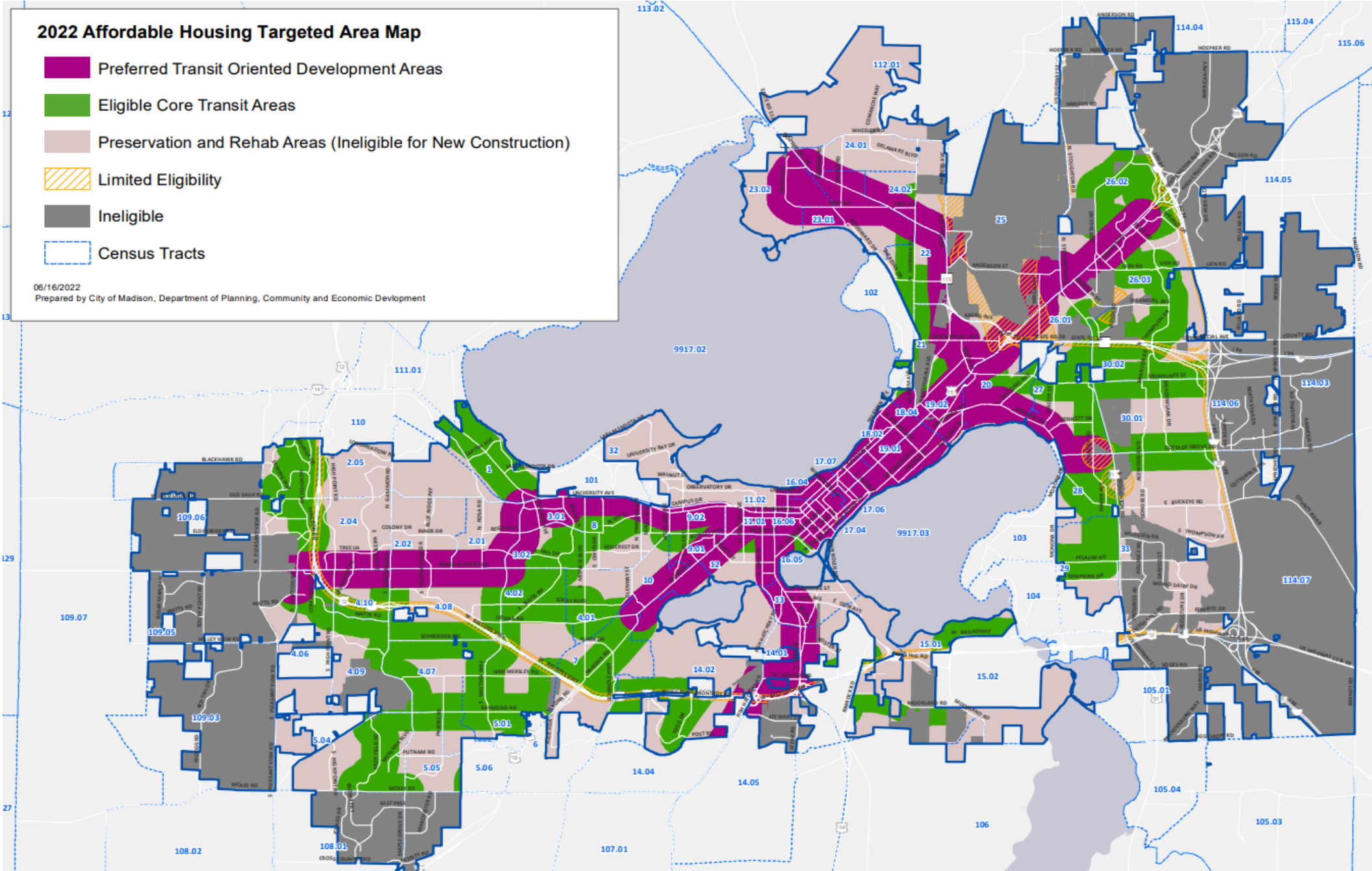
- Metro Redesign Map Update; North & South Madison now Preferred TOD
- New opportunity for 4% non-competitive proposals WITH 30% units
- Emphasis on Goal of 30% AMI units – the biggest gap
- Long-Term Affordability Requirement (40 yrs)
- Shared Appreciation Waived w/ Permanent Affordability



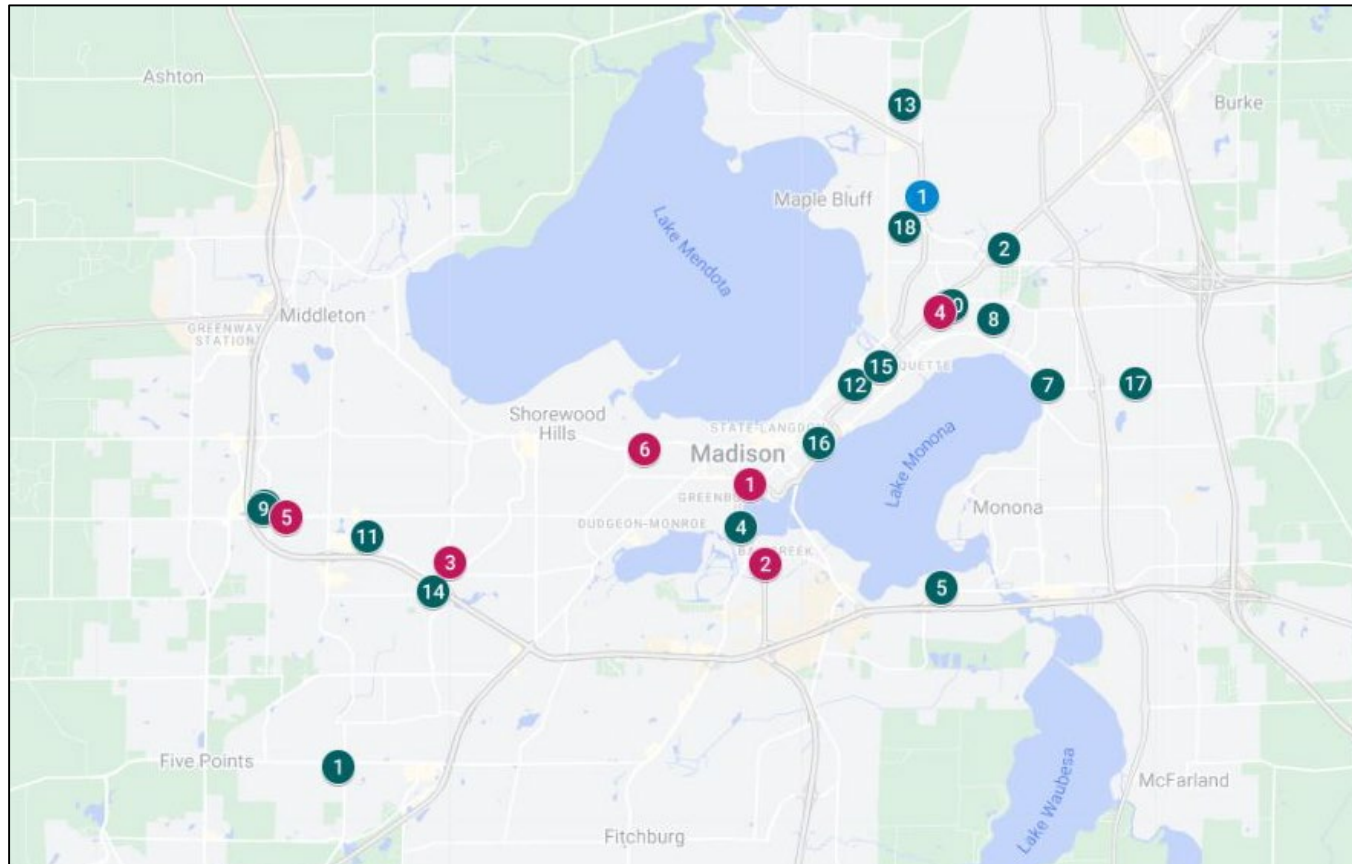
## 2022 Affordable Housing Targeted Area Map

- Preferred Transit Oriented Development Areas
- Eligible Core Transit Areas
- Preservation and Rehab Areas (Ineligible for New Construction)
- Limited Eligibility
- Ineligible
- Census Tracts

06/16/2022  
Prepared by City of Madison, Department of Planning, Community and Economic Development



# Affordable Housing Fund- Tax Credit Multi-Family New Construction Projects



## Completed:

- 1 Maple Grove Commons
- 2 Rethke Terrace
- 3 Carbon at Union Corners
- 4 8Twenty Park
- 5 The Royal
- 6 Tree Lane Family Apartments
- 7 The Grove Apartments
- 8 Fair Oaks Apartments
- 9 Point Place Apartments
- 10 Generations at Union Corners
- 11 Normandy Square
- 12 The Breese
- 13 Tennyson Ridge Apartments
- 14 Tailor Place Apartments
- 15 Valor on Washington
- 16 NoVo Apartments
- 17 The Ace Apartments
- 18 The Oscar

## Underway:

- 1 Bayview Housing
- 2 Fourteen02 Park
- 3 University Park Commons
- 4 Red Caboose Apartments
- 5 Uno Terrace
- 6 The Heights

## Planned:

- 1 Avenue Square

# Affordable Housing Fund- Tax Credit Projects

## Status Update: 2015-2021



Status	# of Developments	Total Units	Affordable Units
Completed	18	1,278	991
Under Construction	6	639	537
Planned	1	70	70
Proposed*	0	0	0
<b>TOTAL</b>	<b>25</b>	<b>1,987</b>	<b>1,598</b>

*\*Note: 6 proposals are currently under consideration in response to the 2022 AHF-Tax Credit RFP.*





# Affordable Housing Fund Leverage

City AHF Invested : \$35,730,000

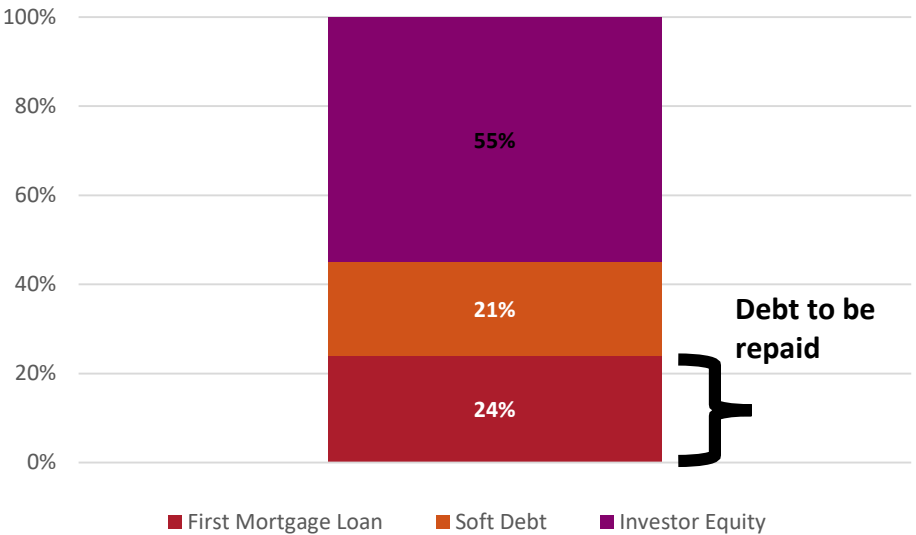
LIHTC Reservation Amount: \$221,838,207

Targeted Population	Number of Units	Overall Percentage of Units
30% CMI Units	328 units	17%
50% CMI Units	802 units	40%
60% CMI Units	466 units	23%
80% CMI/Market Rate	389 units	20%
Support Service Units	471 units	24%

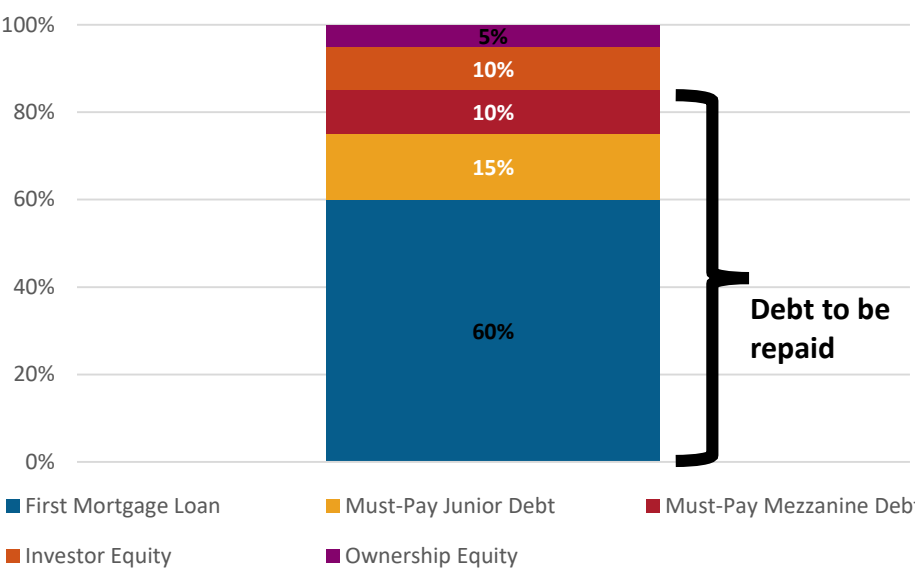


# How Tax Credit Developments Support Reduced Rents

Typical LIHTC Financing Structure



Typical Market-Rate Financing Structure



**In a market-rate deal, developer must assume more debt at higher interest rates, necessitating increases rents to support loan payments**

**In a tax credit deal, developer raises majority of funds through sale of LIHTCs, so less debt is needed and development can operate with lower rents since loan payments are smaller**

# Housing Forward RFP Funding in 2022: Multi-family Housing



Agency	Amount	Fund Source
Madison Area Cooperative Housing Alliance & Sunny Side Development	\$551,000	Affordable Housing Funds
Madison Development Corporation	\$1,500,000	HOME funds
Total	\$2,051,000	

Application Under Review	Amount	Fund Source
Kaba Bah	\$2,134,000	Affordable Housing Funds
WI Housing Preservation Corp	\$3,000,000	HOME funds
Total	\$5,134,000	



# Other City of Madison Housing Loans

City of Madison > DPCED > Economic Development > Financial Assistance > City of Madison Home Loans

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## City of Madison Home Loans

### City of Madison Rehabilitation Loan Program

The City of Madison's Rehabilitation Loan Program is again accepting applications. This program provides financial incentives to upgrade eligible housing units in need of rehabilitation, resulting in improved housing stock. To accomplish this goal the City will provide loans to property owners, both owner-occupied and rental properties, with varying loan terms based on eligibility.

As the program reopens, applications seeking assistance for Emergency Repairs will be prioritized.

For additional information and forms please go to the REHABILITATION LOAN PROGRAMS tab.

## City of Madison Home Loans

[ADU Loan Financing](#)

[First Time Homebuyers](#)

[For Lenders](#)

[Other Rehabilitation Programs](#)

[Property Tax Assistance for Seniors  
Mortgage Loan Program](#)

[Rehabilitation Loan Programs](#)

[Special Assessment Loan](#)

### Contact Office of Community Development

(608) 266-4223

[homeloans@cityofmadison.com](mailto:homeloans@cityofmadison.com)

#### Mailing Address

Office of Community Development

P.O. Box 2627

Madison, WI 53701-2627



## A Great Place to Learn

Anchored by the University of Wisconsin, Madison, we have many opportunities for higher education.



# Where to find information?

[www.cityofmadison.com/homeloans](http://www.cityofmadison.com/homeloans)

[homeloans@cityofmadison.com](mailto:homeloans@cityofmadison.com)

Phone: 608-266-4223

## RFP Process Funding Timeline



EQUAL HOUSING  
OPPORTUNITY

**Anticipated Community Development Division Request for Proposal Schedule (posting year subject to change)**

Year 2022	
Topic	Funding Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	AHF
Housing Forward- Rental Development	AHF&HUD
Housing Forward- Homeownership Development and Services	AHF&HUD
Capital Improvements for Community Organizations	City&HUD
Family Child Care Accreditation Services	City
Employment Programs (Youth)	City
Employment Programs (Adult)	City
Older Adults Services	City
Wanda Fullmore Internship Program (Youth Employment)	City
Services to Undocumented Residents	ARPA
Youth Centered Housing Development	ARPA
Consultant for Community Plan to Prevent & End Homelessness	City
Permanent Men's Shelter Operator	City
Consultant for Madison Senior Center	ARPA

Year 2024	
Topic	Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	AHF
Housing Forward- Rental Development	AHF&HUD
Housing Forward- Homeownership Development and Services	AHF&HUD
Child & Youth Services	City
Neighborhood Center Operating Support	City&HUD

Year 2026	
Topic	Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	City
Housing Forward- Rental Development	AHF
Housing Forward- Homeownership Development and Services	AHF&HUD
Employment Programs (Youth)	City
Employment Programs (Adult)	City
Older Adults Services	City

Year 2028	
Topic	Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	City
Housing Forward- Rental Development	AHF
Housing Forward- Homeownership Development and Services	AHF&HUD
Child & Youth Services- Early Childcare	City

Year 2023	
Topic	Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	AHF
Child & Youth Services- Early Childcare	City

Year 2025	
Service	Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	AHF
Homeless Services & Housing Stability Services	City & ESG
Crisis, Intervention, and Prevention Services	City

Year 2027	
Topic	Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	City
Child & Youth Services	City
Family Child Care Accreditation Services	City

Year 2029	
Topic	Source
Affordable Housing Fund: Development Seeking WHEDA Tax Credits	City
Homeless Services & Housing Stability Services	City & ESG
Crisis, Intervention, and Prevention Services	City
Neighborhood Center Operating Support	City& HUD

**Funding Sources**

- Affordable Housing Funds (Capital Budget)=AHF
- City Levy (Operating Budget)= City
- HOME & Community Development Block Grant (Operating)= HUD
- Emergency Solution Grant (Operating)= ESG
- American Rescue Plan Act (Capital & Operating)= ARPA



The Community Development Division also serves as a lead/collaborative applicant to HUD CoC and State EHH grants on behalf of the Madison/Dane County CoC Continuum of Care (CoC) and facilitates those funding processes. These funding timelines are determined by HUD, State and CoC and application materials are posted in the [CoC website](#) and notices sent via the City's Funding Opportunities email list.