

Date: January 9, 2017  
To: Jeremy Levin, Chair  
Health & Human Needs Committee  
(Copies to Committee Members)  
From: David B. Phillips  
Re: Affordable Housing Development Fund

Here is a status report on the Affordable Housing Development Fund (AHDF) that I will be reviewing with the HHN Committee. Included also is the contract language regarding the reporting requirements for recipients of monies from the AHDF.

## **Affordable Housing Development Fund**

### **A. Current status - 2015 Projects**

1. \$500,000 was awarded to Nehemiah Community Development Corporation for use in expanding network of transitional housing for persons released from the custody of the WI Department of Corrections. The county purchased a 4 unit apartment building at 5821 Raymond Road for \$270,000 which will be leased to Nehemiah. Nehemiah and the county are searching for additional properties with the remaining funds.

Using a portion of the 2015 funding and part of their 2016 funding, the county is currently working on the contract to purchase an apartment building at 1509 McKenna Blvd. to be used for transitional housing.

2. \$500,000 to Housing Initiatives, Inc. to purchase affordable rental housing targeted towards homeless veterans, the chronically homeless and persons with mental illness. The county purchased two 4 unit buildings, one at 5721 Raymond Road and one at 4357 Britta which are leased to Housing Initiatives.
3. \$554,000 to Gorman & Company to support its affordable housing project at the Union Corners development at Milwaukee Street and East Washington. This project includes a total of 90 units, 76 of which will be set aside for persons with incomes ranging from 30% to 60% of the County's median income. Gorman has partnered with Lutheran Social Services to provide supportive services to low income residents. This project is under construction now.
4. \$384,000 to Movin' Out, Inc. for its Madison on Broadway project. Movin' Out planned to develop 48 income restricted housing units on the 2200 block of West Broadway and at 197 Lake Point Drive. Movin' Out targets its units to

persons with physical disabilities and veterans. Movin' Out received an allocation of low income housing tax credits.

Recently, the City of Madison determined that it could not provide TIF funding for a community center that was to be co-located with some of the housing units. Movin' Out is now consolidating its project onto one of the two parcels, requiring further land use approvals from the City of Madison.

## **B. Current Status - 2016 Projects**

Dane County plans to award funding to four projects from the 2016 Affordable Housing Development Fund. The fund had \$1,750,000 to award through a request for proposal process in 2016. Responses to the RFP included over \$3.4 million in requested funding. Review of the responses resulted in the following awards of funding:

1. \$515,000 to Housing Initiatives, Inc. to purchase an 8 unit apartment building. Housing Initiatives has received a \$94,000 annual grant from the Department of Housing and Urban Development. The grant along with the funding to purchase properties will allow Housing Initiatives to combine outreach and case management services along with supported housing to implement housing first best practices targeted at veterans and others suffering from mental illness.

Housing Initiatives is in the process of identifying a building to purchase.

2. \$350,000 to the Dane County Housing Authority to assist in the purchase of 56 housing units in the cities of Verona, Stoughton and DeForest. These units are currently under USDA Rural Development income restrictions, but the owner is seeking to sell the properties for market rate development. The DCHA has combined financing from WHEDA, the Federal Home Loan Bank, low income tax credits, USDA Rural Development and other sources. These combined with the grant from Dane County will allow all the units, using a combination of housing vouchers and USDA funding to be available to very low income persons.

The county and DCHA are currently finalizing documents for this project.

3. \$665,000 to J. T. Klein, Inc. J.T. Klein will partner with the County and the City of Middleton to develop 83 housing units. 60 of the units will be reserved for persons earning between 30% and 60% of the County Median Income. The project includes 7 income restricted 3 bedroom units which will be available to "grand families" a growing type of household where grandparents are raising their grandchildren. This project will be submitted for competitive low income housing tax credits for additional financing through WHEDA.

J.T. Klein is preparing an application for low income housing tax credits due in March, 2017.

4. \$220,000 to Porchlight, Inc. to purchase a four unit apartment building in the City of Sun Prairie. The building will be targeted to homeless families within the Sun Prairie School District. Porchlight is partnering with the United Way, the local Joining Forces for Families office to increase support and case management to needy families in the SPSD.

Porchlight closed on the building in late December 2016.

## **C. Reporting**

### 1. Nehemiah

“REPORTING REQUIREMENTS. Tenant shall provide to Landlord an annual written report, in a form acceptable to, or made available by the County, which shall, at a minimum, include the following information: number of subtenants, criteria used to select each subtenant, annual revenues, annual accounting of maintenance expenses, the number of eviction actions filed, the reason for eviction, the number of eviction notices, issued to the tenants in the twelve months preceding the eviction filing, the number of eviction judgments granted, writs executed, and/or other case resolution (e.g. vacated prior to execution of writ or allowed to stay with conditions) and any other information that may affect the status of the Premises. This report shall be due to the COUNTY no later than February 15 and shall reflect the period from January 1 to December 31 of the previous calendar year.”

### 2. DCHA

“REPORTING REQUIREMENTS. Recipient shall provide to County an annual written report which shall, at a minimum, include the following information: number of tenants, how many units are rented to tenants with household incomes at 60%, 50% and 30% of AMI, the number of eviction actions filed, the reason for eviction, the number of eviction notices, issued to the tenants in the twelve months preceding the eviction filing, the number of eviction judgments granted, writs executed, and/or other case resolution (e.g. vacated prior to execution of writ or allowed to stay with conditions) and any other information reasonably requested by the County that may affect the status of the Premises. This report shall be due to the COUNTY no later than February 15 and shall reflect the period from January 1 to December 31 of the previous calendar year.”

## **C. 2017 Projects**

1. WHEDA calendar change
2. CDBG/HOME funding