

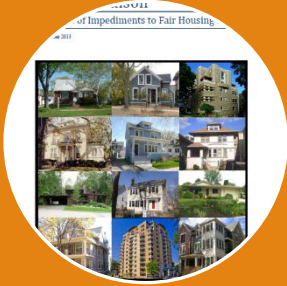
Affordable Housing Fund Goals & Results

CITY OF MADISON COMMUNITY DEVELOPMENT DIVISION

MAY 7, 2018



Major Community-Wide Studies: Madison needs more affordable housing



Analysis of Impediments
to Fair Housing
(2013)



Race to Equity Report
(2013)



Biennial Housing Report
Strategy
(2014)



Affordable Housing Initiative: RFP Goals & Preferences

Increase the quantity of safe, quality, affordable rental housing throughout the City particularly in locations that are well served by transit and are proximate to places of employment, schools, parks, health care and other basic amenities

2014 RFP:
Increase Supply of 3
BR & 30% Units
Supportive Services

2015 RFP:
Preferred Areas
Mapped

2016 RFP:
Opportunity Areas
Mapped
Family Homelessness
& Prison Re-Entry

2017 RFP:
Homeless Services
Agency Coordination
for Supportive
Service Units

Affordable Housing Initiative: RFQ Goals & Preferences

PSH Goal: Develop housing with case management and supportive services targeting formerly homeless residents

Senior Housing Goal: Support safe and affordable housing with access to transit and amenities for older adults

2013 PSH RFQ:
Homeless Singles

2014 PSH RFQ:
Homeless Families

2015 PSH RFQ:
Homeless Singles
& Couples

2015 Senior
Housing RFQ:
Transit-Oriented,
Mixed-Income
Housing

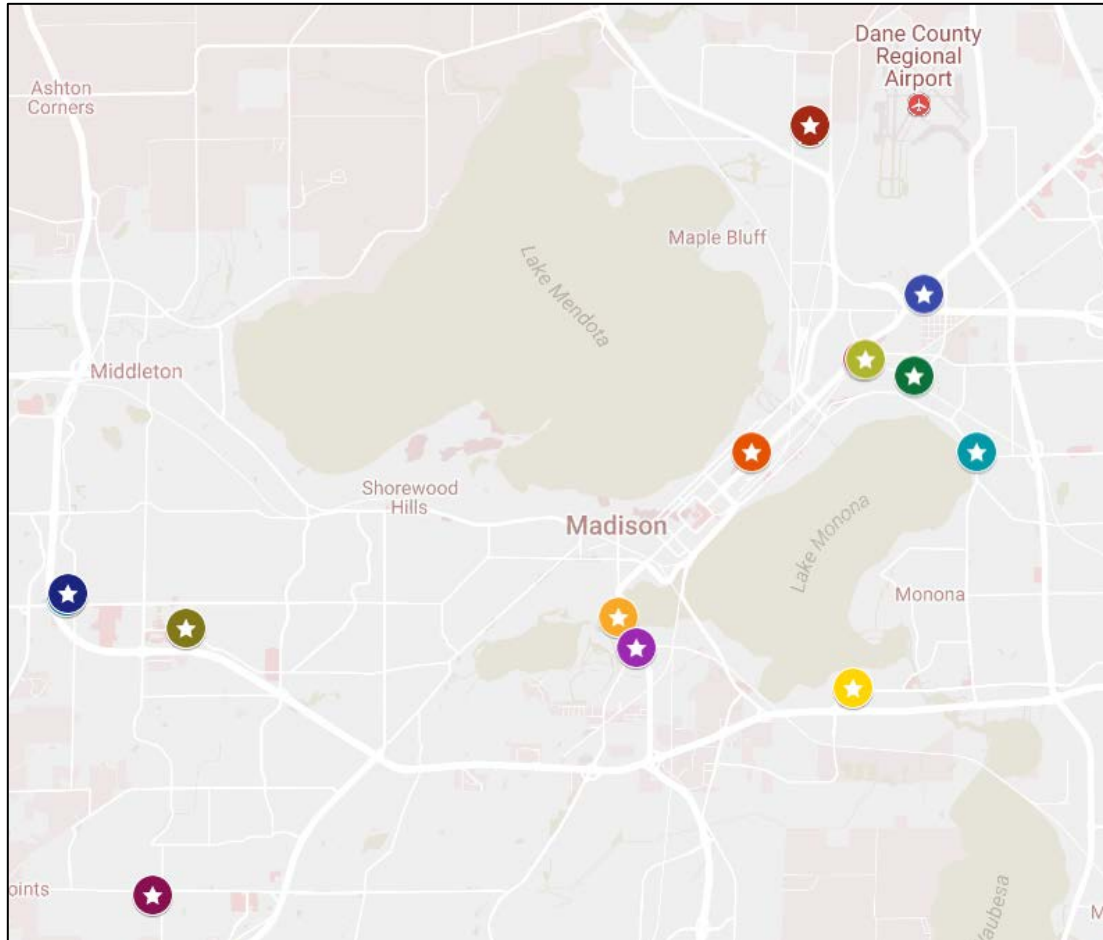
Progress Toward Meeting Goal of Creating 1,000 Units by 2019: On Target

Commitment Year	Annual City Goal (1,000 Units by 2019)	Affordable Units Proposed (by Applicants)	Affordable Units Completed
2013/2014	200	265	265
2015	200	198	55
2016	200	104	0
2017	200	272	0
TOTAL	800	839	320

Summary of 2017 Project Commitments

Project Name	Set-Aside	Affordable Units Proposed	Total Units Proposed	AHF Funds Committed	AHF Funds per Affordable Unit
Fair Oaks Apartments	Multifamily	68	80	\$1,350,000	\$19,853
The Grove	Multifamily	95	112	\$3,000,000	\$31,579
Tree Lane Senior Apartments	Multifamily	51	54	\$1,480,000	\$29,020
Park Street Apartments	PSH	58	58	\$2,070,000	\$35,690
TOTAL/AVG.		272	304	\$7,900,000	\$29,004

Affordable Housing Fund Projects Completed, Underway, or Planned



- Maple Grove Commons
- Carbon at Union Corners
- Tennyson Ridge Apartments
- Mifflin Street Apartments
- 8Twenty Park
- Madison on Broadway
- Union Corners Grand Family
- Normandy Square
- Fair Oaks Apartments
- The Grove Apartments
- Tree Lane Senior Apartments
- Rethke Terrace
- Tree Lane Family Apartments
- Park Street Apartments

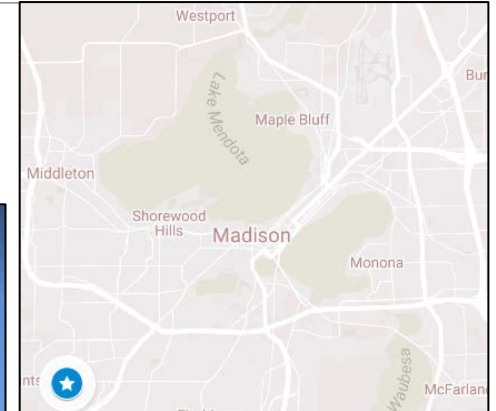
Affordable Housing Completed

AS OF MARCH 7, 2018

320 AFFORDABLE UNITS

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Maple Grove Commons



Maple Grove Commons Unit Mix

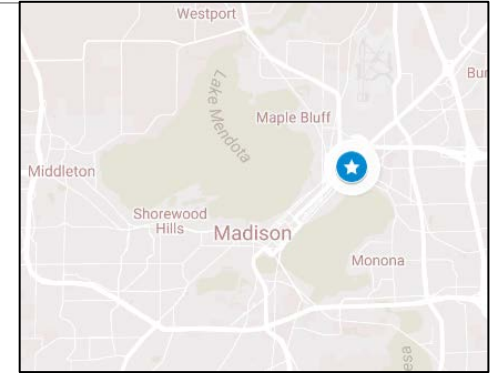
Unit Mix	30% AMI	50% AMI	60% AMI	Market-Rate	TOTAL
1 BR	20	2	4	8	34
2 BR	0	11	18	4	33
3 BR	0	13	0	0	13
TOTAL	20	26	22	12	80



20 Supportive Service Units (25%)

Completed: June 2017

Carbon at Union Corners



Carbon at Union Corners Unit Mix

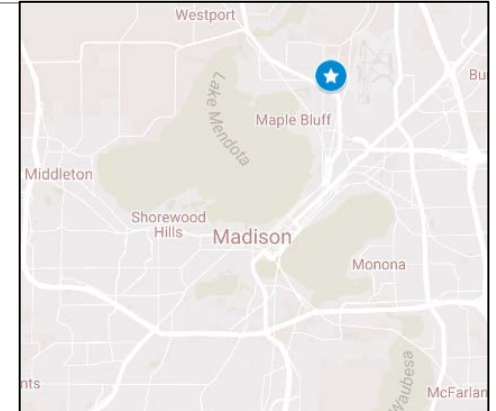
Unit Mix	30% AMI	50% AMI	60% AMI	Market-Rate	TOTAL
1 BR	15	2	0	3	20
2 BR	8	23	15	8	54
3 BR	0	4	9	3	16
TOTAL	23	29	24	14	90



23 Supportive Service Units (26%)

Completed: October 2017

Tennyson Ridge



Tennyson Ridge Apartments Unit Mix

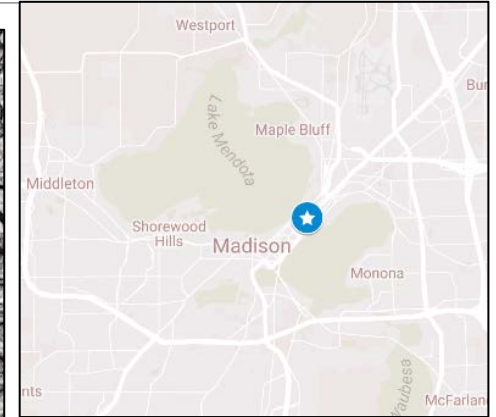
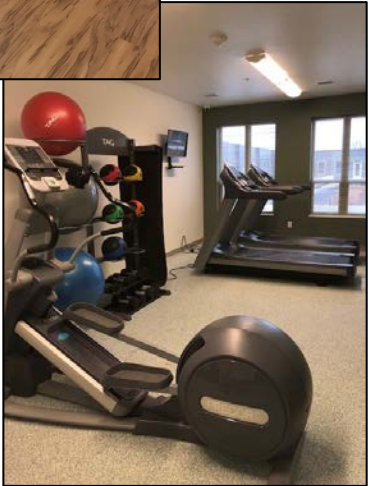
Unit Mix	30% AMI	50% AMI	60% AMI	Market-Rate	TOTAL
1 BR	7	2	6	4	19
2 BR	5	18	4	7	34
3 BR	0	19	0	0	19
TOTAL	12	39	10	11	72



12 Supportive Service Units (17%)

Completed: December 2017

The Breese



Source: Stone House Development

The Breese Unit Mix

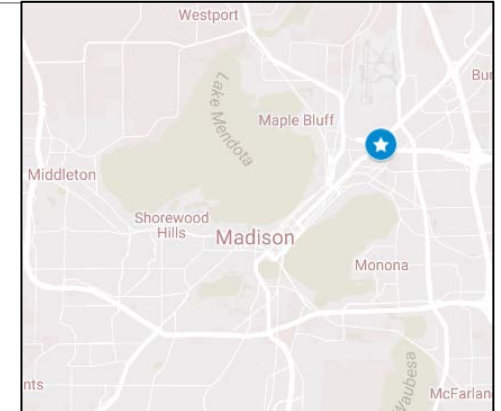
Unit Mix	30% AMI	50% AMI	60% AMI	Market-Rate	TOTAL
Studio	0	0	0	9	9
1 BR	0	13	15	1	29
2 BR	0	12	6	0	18
3 BR	9	0	0	0	9
TOTAL	9	25	21	10	65



16 Supportive Service Units (25%)

Completed: January 2018

Rethke Terrace



Rethke Terrace Unit Mix

Unit Mix	30% AMI	50% AMI	60% AMI	Market-Rate	TOTAL
Studio	6	26	28	0	60
TOTAL	6	26	28	0	60



Impact of Tax Reform & Spending Bill on Affordable Housing Development

TCJA and 2018 Omnibus Spending Bill

THE GOOD

- Increase in LIHTC allocations by 12.5% over 4 years
- Opportunity for states to use “income averaging” for 60% AMI set-aside
- Implementation of Opportunity Zones to incentivize reinvestment in distressed areas

THE BAD

- Sharp drop in corporate tax rate makes LIHTCs less valuable
 - Average value of \$1.00 of LIHTC November 2017: \$1.05
 - Average value of \$1.00 of LIHTC November 2017: \$0.93
 - Average value of \$1.00 of LIHTC December 2017: \$0.89
- Still no fixed rate (applicable percentage) on 4% LIHTC
- No relief from rising construction costs

Affordable Housing Fund Next Steps

