

GROWING MADISON'S AFFORDABLE HOUSING SUPPLY

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STONE HOUSE DEVELOPMENT



OCTOBER 9, 2018 | WAPA FALL CONFERENCE

TODAY'S PRESENTATION

- Plans & Key Findings
- Program Overview
- Making it Work
- Case Studies
- Developer's Perspective
- Lessons Learned



STARTING WITH THE PLAN



“ Madison will have a full range of quality and affordable housing opportunities through the City. ”

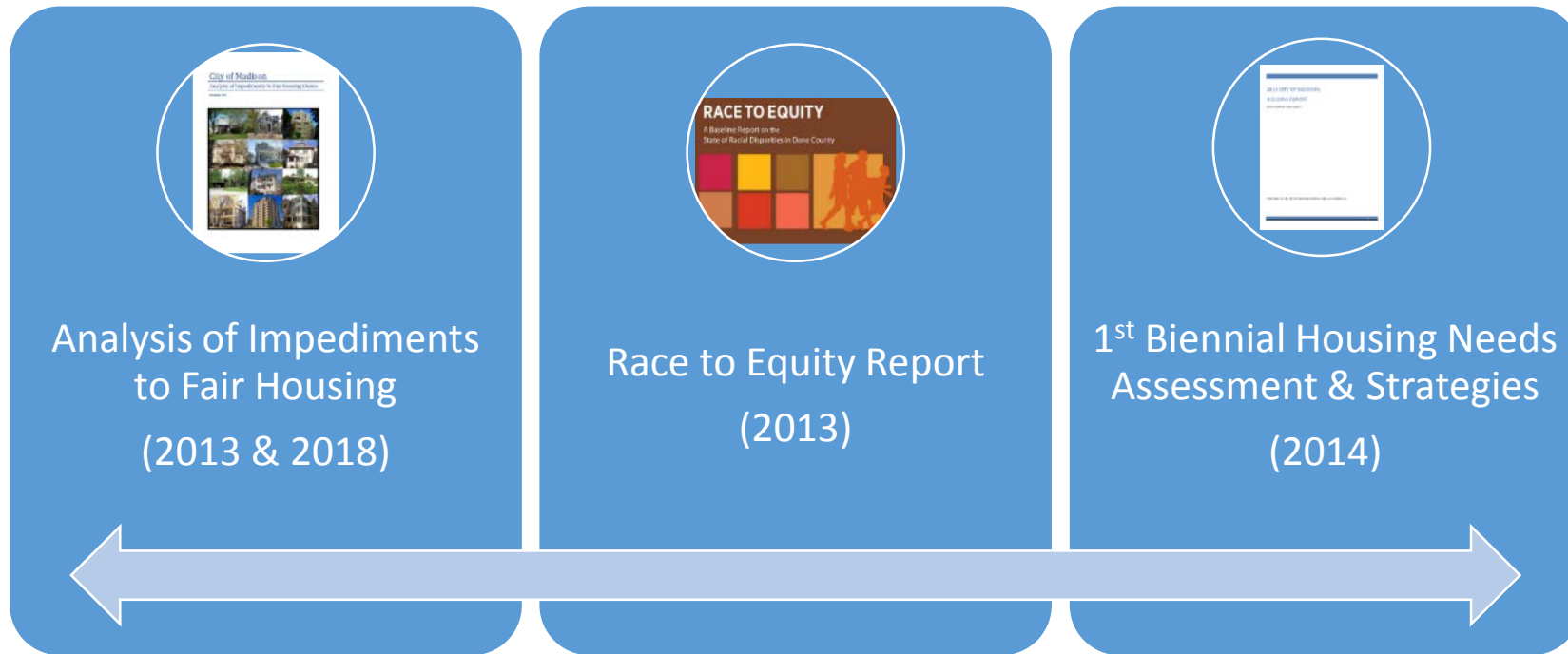
STARTING WITH THE PLAN



- Support development of a wider mix of housing sizes and costs
- Increase the amount of housing
- Integrate lower priced housing into complete neighborhoods
- Provide housing options with health and social services, including housing for people experiencing homelessness

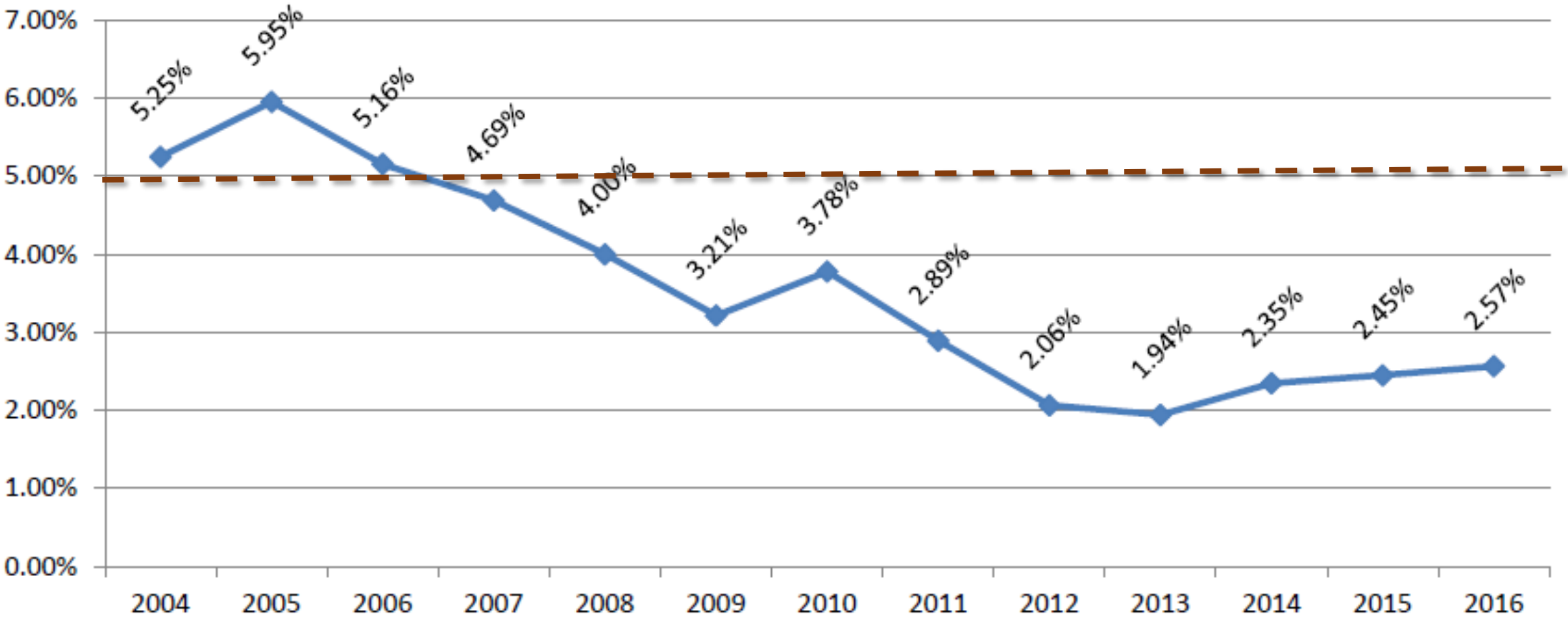
MAJOR COMMUNITY-WIDE STUDIES:

Madison needs more affordable housing



... without further concentrating **poverty** &/or **assisted housing** in challenged neighborhoods

HISTORICALLY LOW VACANCY RATES



SOURCE: MGE

2018: 3.20%

KEY FINDINGS

- Projecting 70,000 new residents and 40,000 Households by 2040
- Approximately 50% Dwelling Units are Renter Occupied
- Roughly 50% of Renters are “Cost Burdened”
- Large, persistent affordability gap for low-income renters
- Pro-active measures needed to overcome Racial Segregation and Disparities – Neighborhood Isolation

WHAT IS MADISON'S AFFORDABLE HOUSING INITIATIVE?

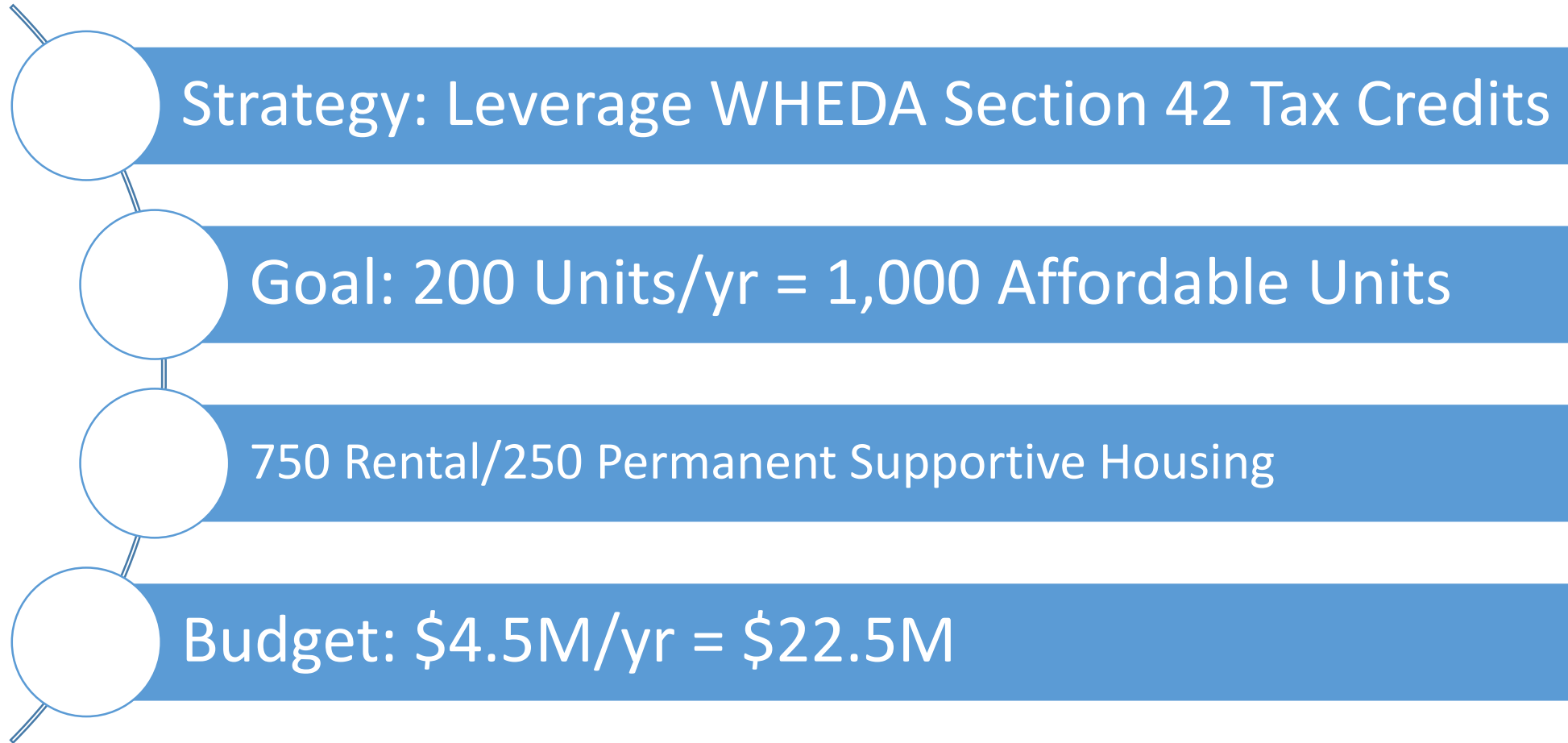
Increase the **quantity** of safe, quality,
affordable rental housing

throughout the City

particularly in locations that are well served by
transit and are proximate to places of
employment, schools, parks, health care
& other basic amenities

AFFORDABLE HOUSING INITIATIVE

A Strategy with 5 Year Goals



5 Year Progress Report: On Target

WHEDA INCOME & RENT

- **Incomes**

- 30% CMI: 1 person household = \$19,250; 4 persons = \$27,500
- 60% CMI: 1 person household = \$38,520; 4 persons = \$55,020

- **Rents**

- 1 BR @30%= \$475; 2 BR@ 50% =\$975; 3 BR@ 60% = \$1350

Typical jobs earning incomes in this range are:

- Customer Service Representative - \$33,940
- Administrative Assistant - \$35,340
- Laborer - \$26,730
- Janitor - \$25,800
- Restaurant Server - \$20,600
- Retail/Cashier - \$19,830

TRACK 1 ANNUAL RFP: DEVELOPERS WITH SITE CONTROL

- 
- Preferred Areas on Targeted Map
 - 30% CMI Units with a mix of 1, 2 & 3 Bedrooms
 - Non-profit co-ownership & supportive services
 - Integrative Supportive Housing Approach
 - Families experiencing homelessness or formerly homeless
 - Flexible Tenant Selection Plan – CDD Best Practices
 - Alder & Neighborhood Engagement

TRACK 2 RFQS:

TARGET POPULATIONS WITH CITY SITE CONTROL

1. PSH RFQ Goal: Develop housing with **case management** and **supportive services** targeting **formerly homeless** residents
2. Senior Housing RFQ Goal: Support safe & affordable housing with access to **transit** and amenities for **older adults**

2013:
**Homeless
Singles**

2014:
**Homeless
Families**

2015:
**Homeless
Singles
& Couples**

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

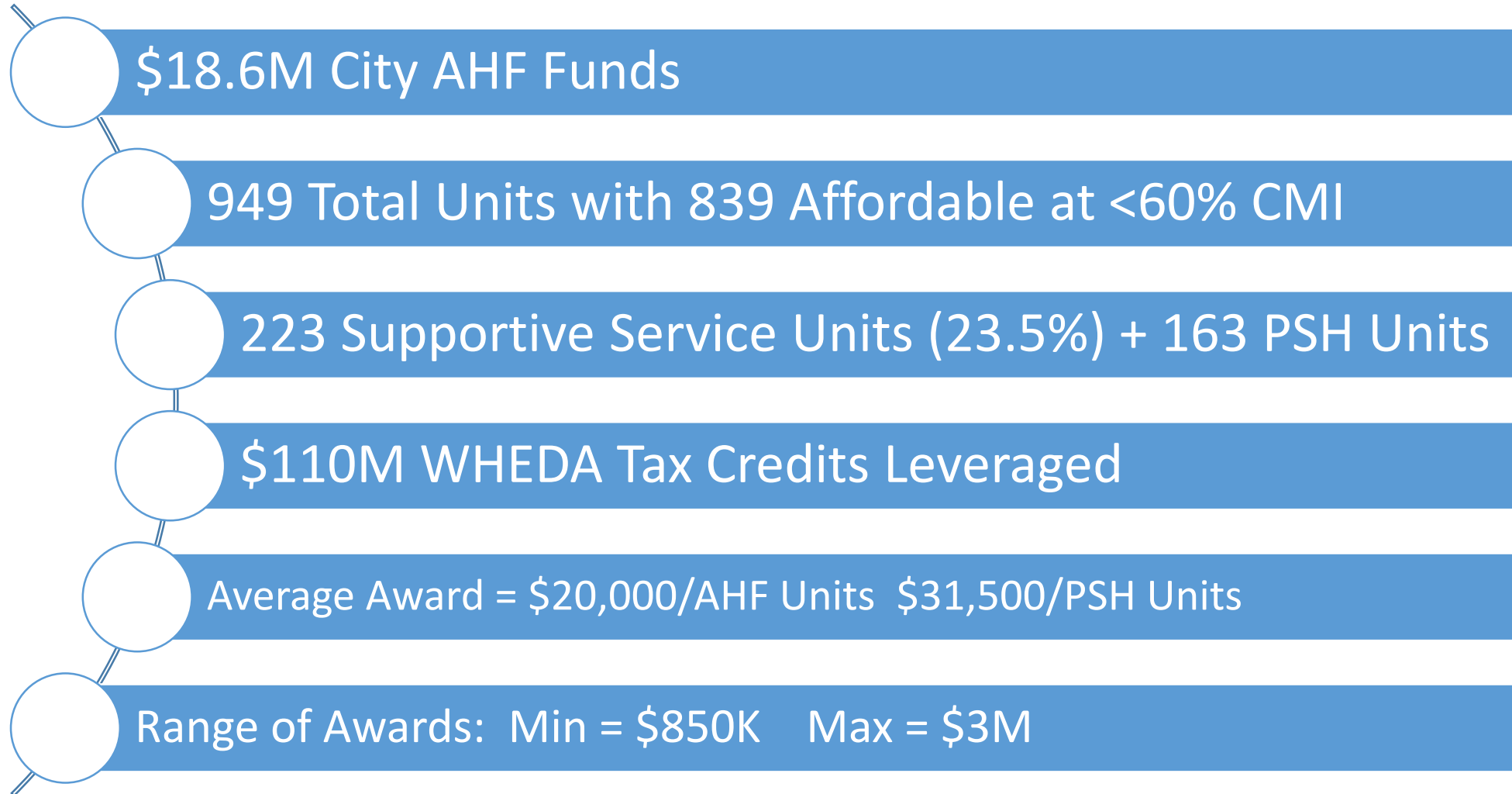
AFFORDABLE HOUSING INITIATIVE COMMITMENTS & COMPLETIONS 2014-2018

AHF RFP/RFQ Commitment Year	AHF Funds Committed	AHF Funds per Affordable Unit	Total Units Proposed	Affordable Units Proposed	Affordable Units Completed (10/1/18)
2014*	\$4.45M	\$16,800	302	265	265
2015	\$4.45M	\$22,450	225	198	158
2016	\$1.8M	\$17,300	118	104	-
2017	\$7.9M	\$29,000	304	272	-
2018**	\$5.7M	\$22,800	Est. 285	Est. 250	-
TOTAL/AVG.	\$24.3M	\$22,300	1234	1089	423

* Includes 2013 RFQ for 1st PSH Development

** 2018 AHF Applications currently under review. Commitments will be made November 2018.

AFFORDABLE HOUSING INITIATIVE PROGRAM SUMMARY: 2014-2017

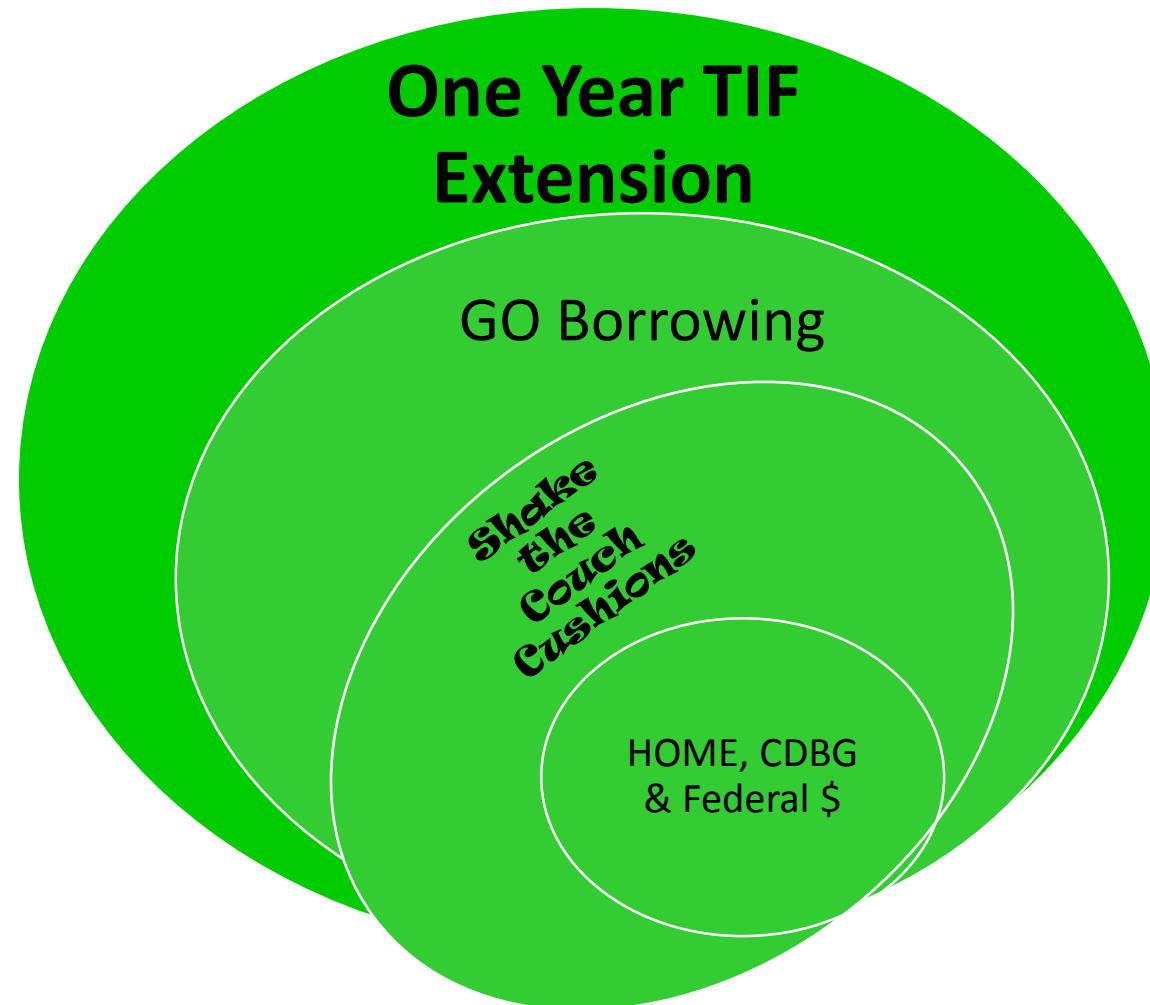


AFFORDABLE HOUSING INITIATIVE

UNIT MIX SUMMARY: 2014-2017

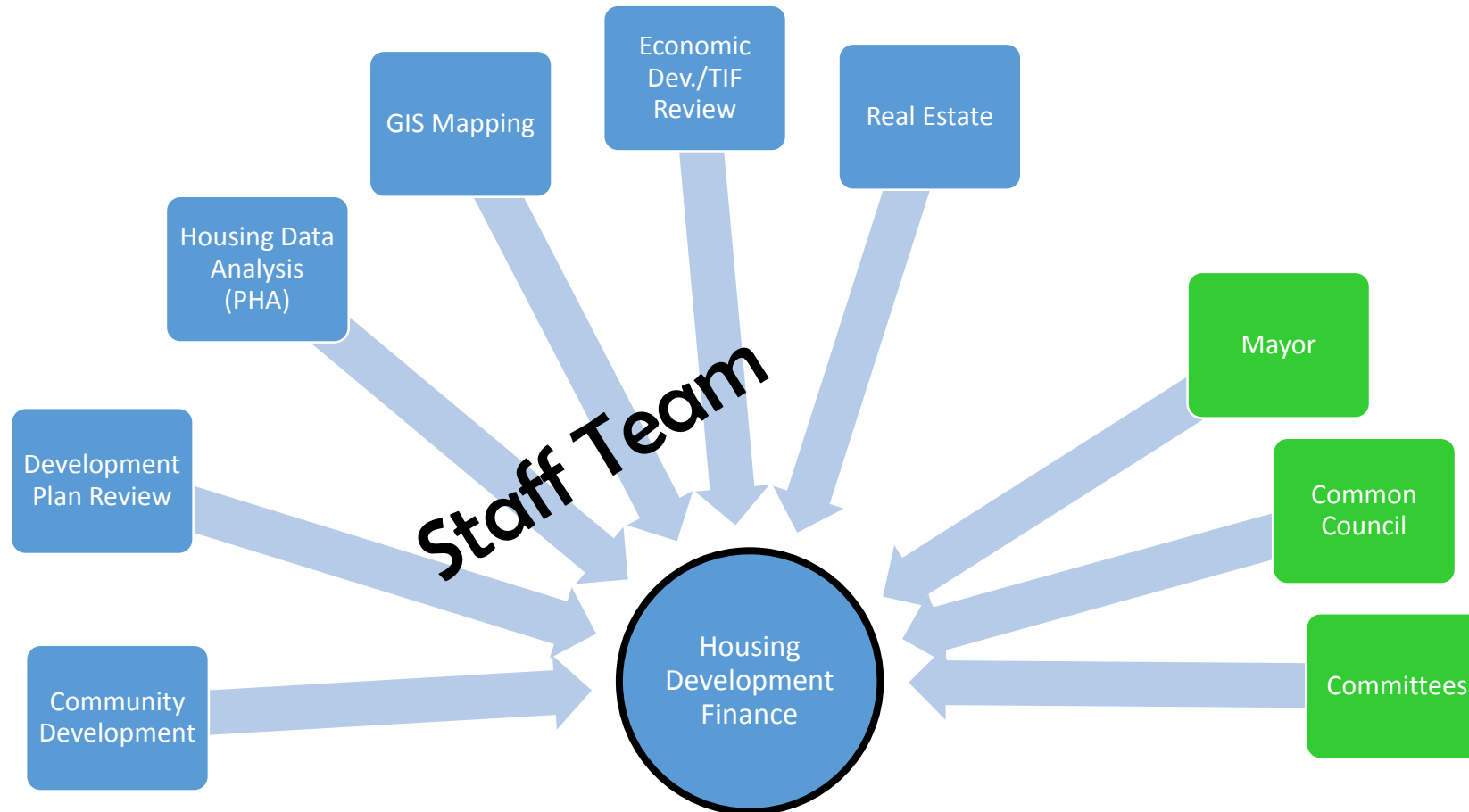
Unit Mix	30% AMI	50% AMI	60% AMI	Market-Rate	TOTAL
Studio	18	47	44	21	130
1 BR	90	120	74	29	313
2 BR	26	153	117	54	350
3 BR	41	75	34	6	156
TOTAL	175	395	269	110	949

MAKING IT WORK SECURING THE \$\$\$

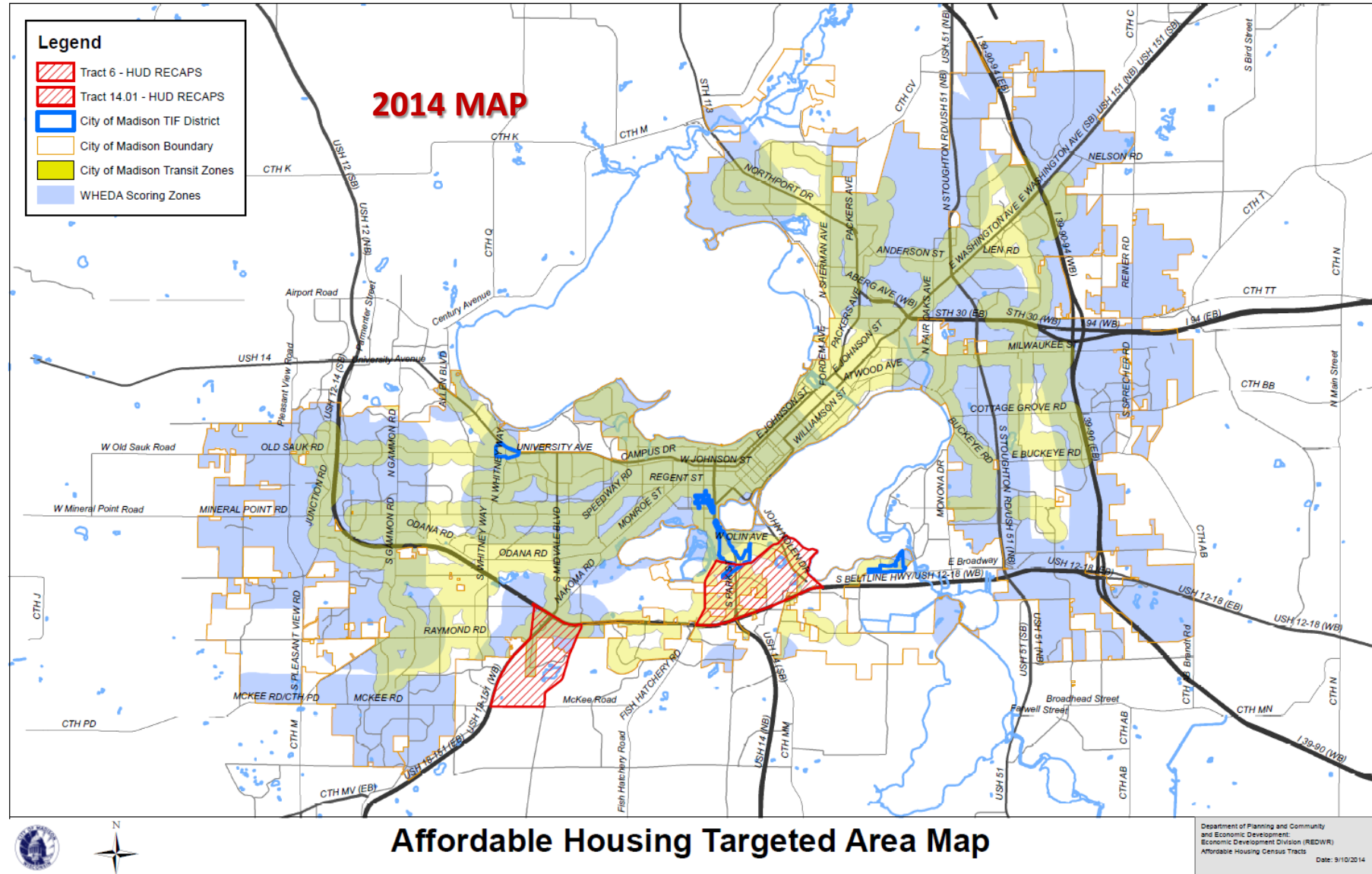


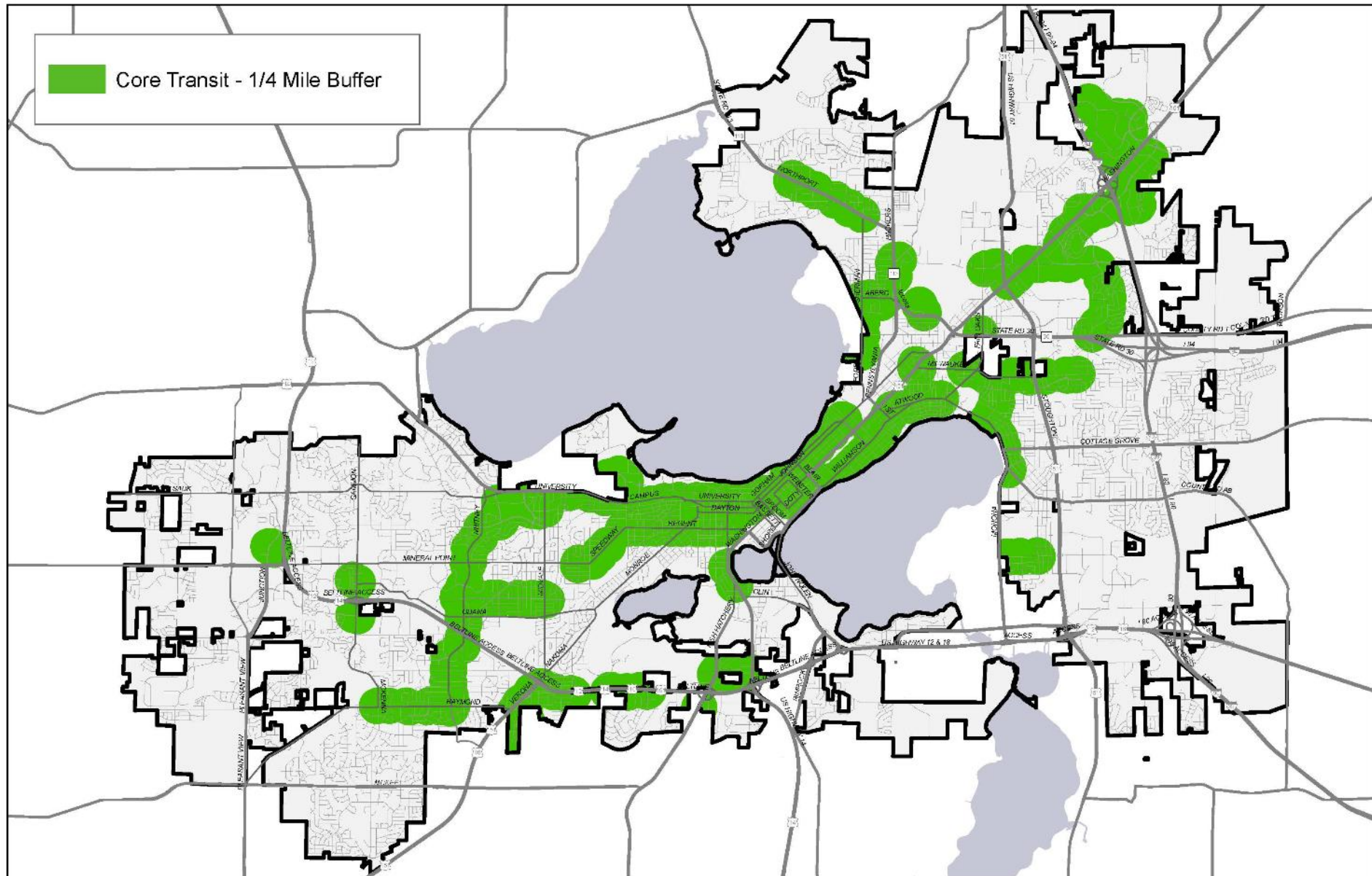
MAKING IT WORK

BUILDING YOUR INTERAGENCY TEAM

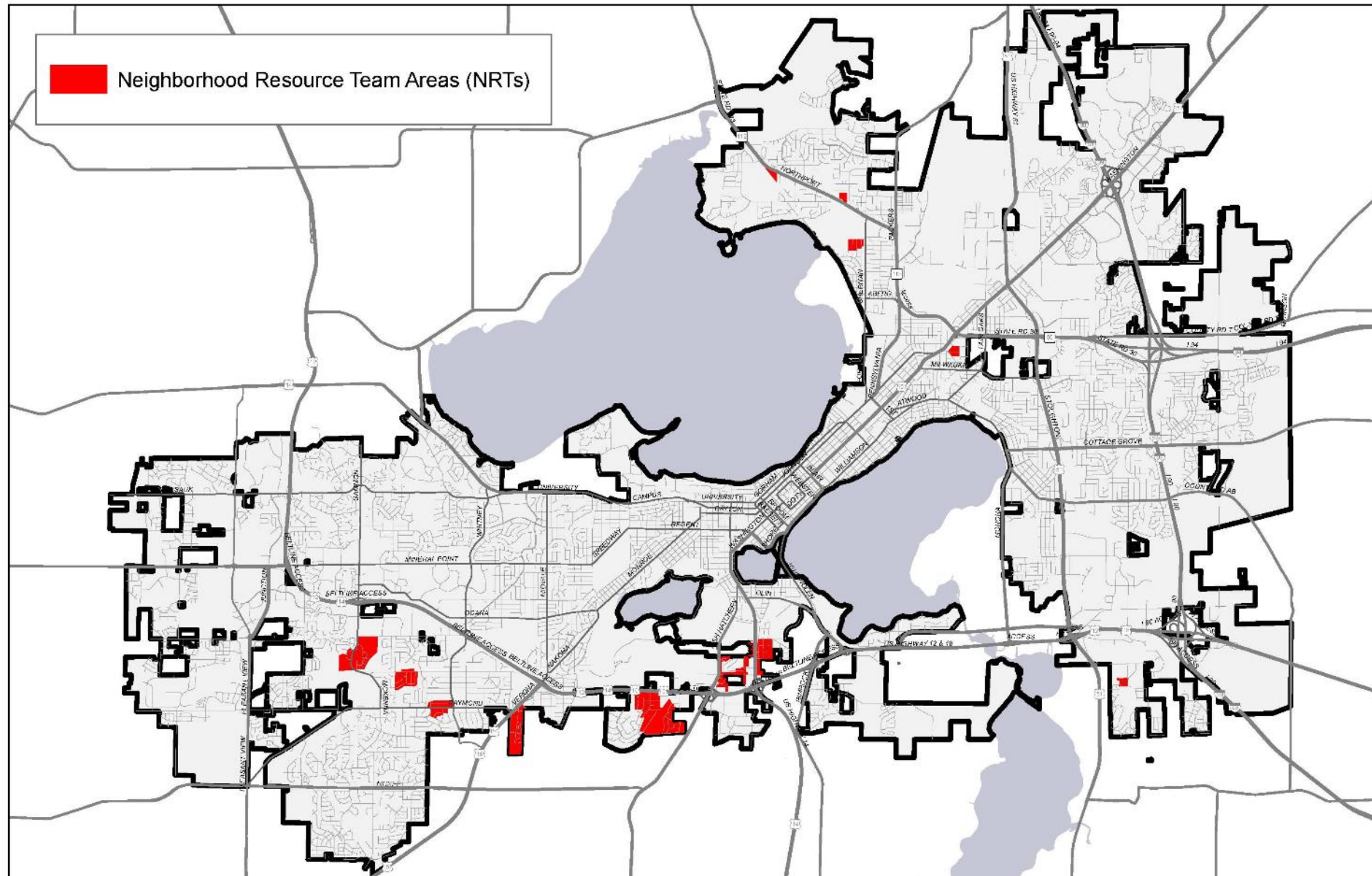


DETERMINING PREFERRED AREAS



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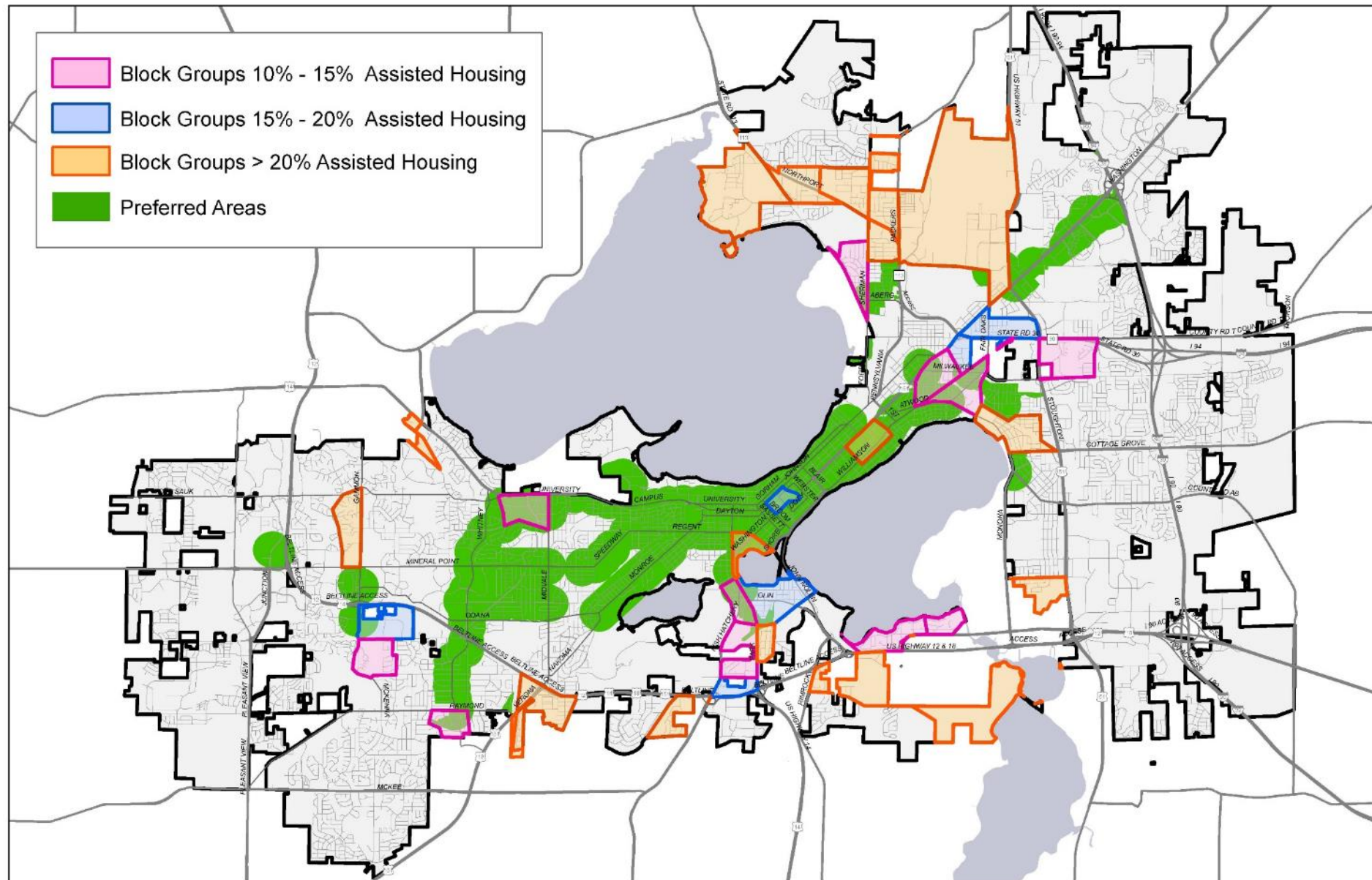
DETERMINING PREFERRED AREAS



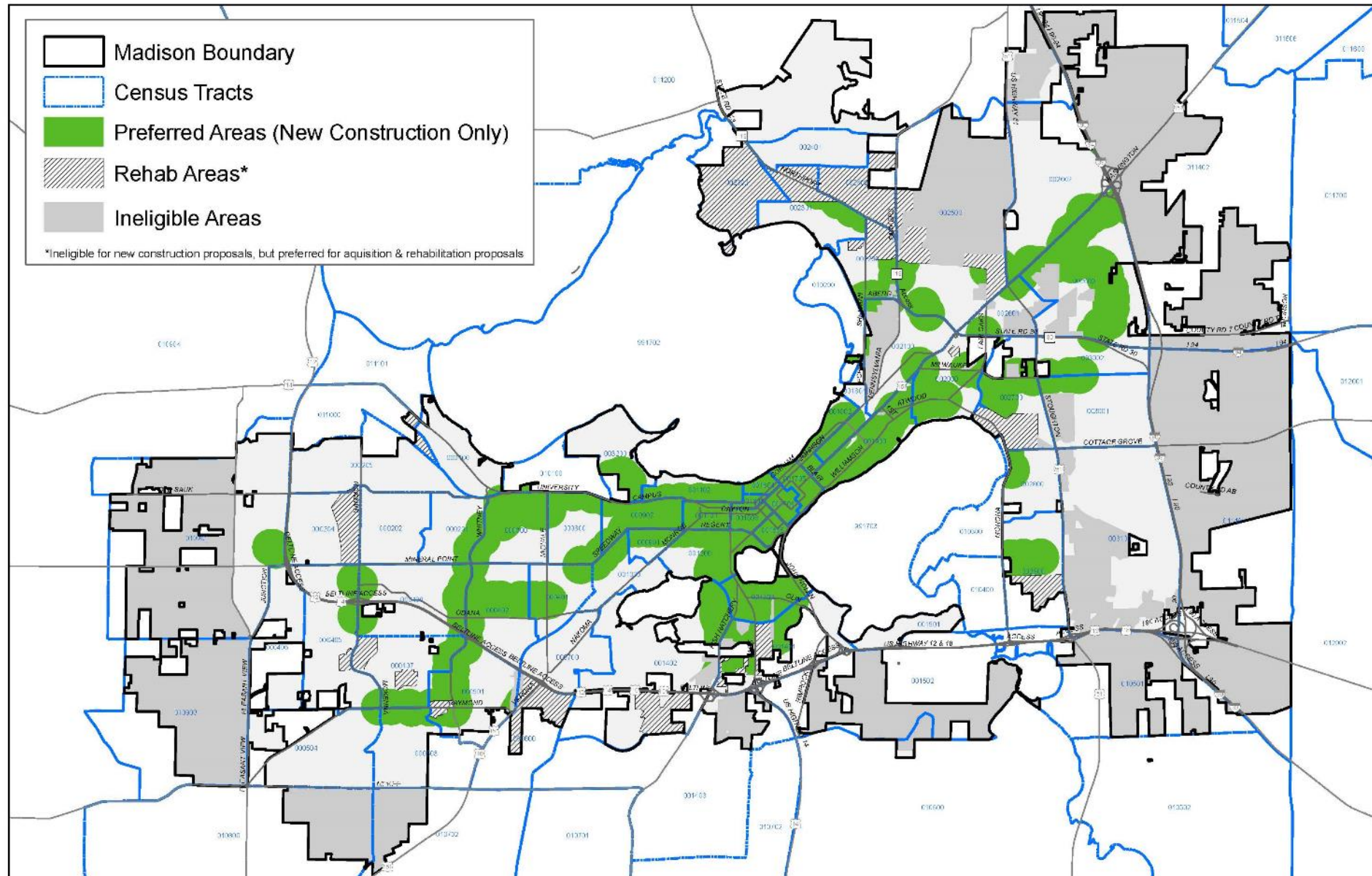
The map displays the University of Regina campus and its surrounding urban areas. The campus is centrally located, with various buildings and green spaces. The surrounding areas are shaded in red, indicating 'Fringe Areas'. The map includes a legend in the top left corner that identifies the red areas as 'Fringe Areas'. The map also shows major roads and highways, such as Highway 1, Highway 2, and Highway 10. The map is oriented with North at the top.

Prohibitive Zoning

DETERMINING PREFERRED AREAS



DETERMINING PREFERRED AREAS



MAKING IT WORK

DEVELOPING A PROGRAM

Study Community Housing Needs



Establish Community Housing Priorities



Secure Funds \$\$\$



Map Target Areas



Draft Request for Proposals

MAKING IT WORK

EVALUATING & SELECTING PROJECTS

Hold Pre-application Meetings with Developer
& Key Staff to Vet sites



Accept Full Applications



Developers Present Proposals to Staff

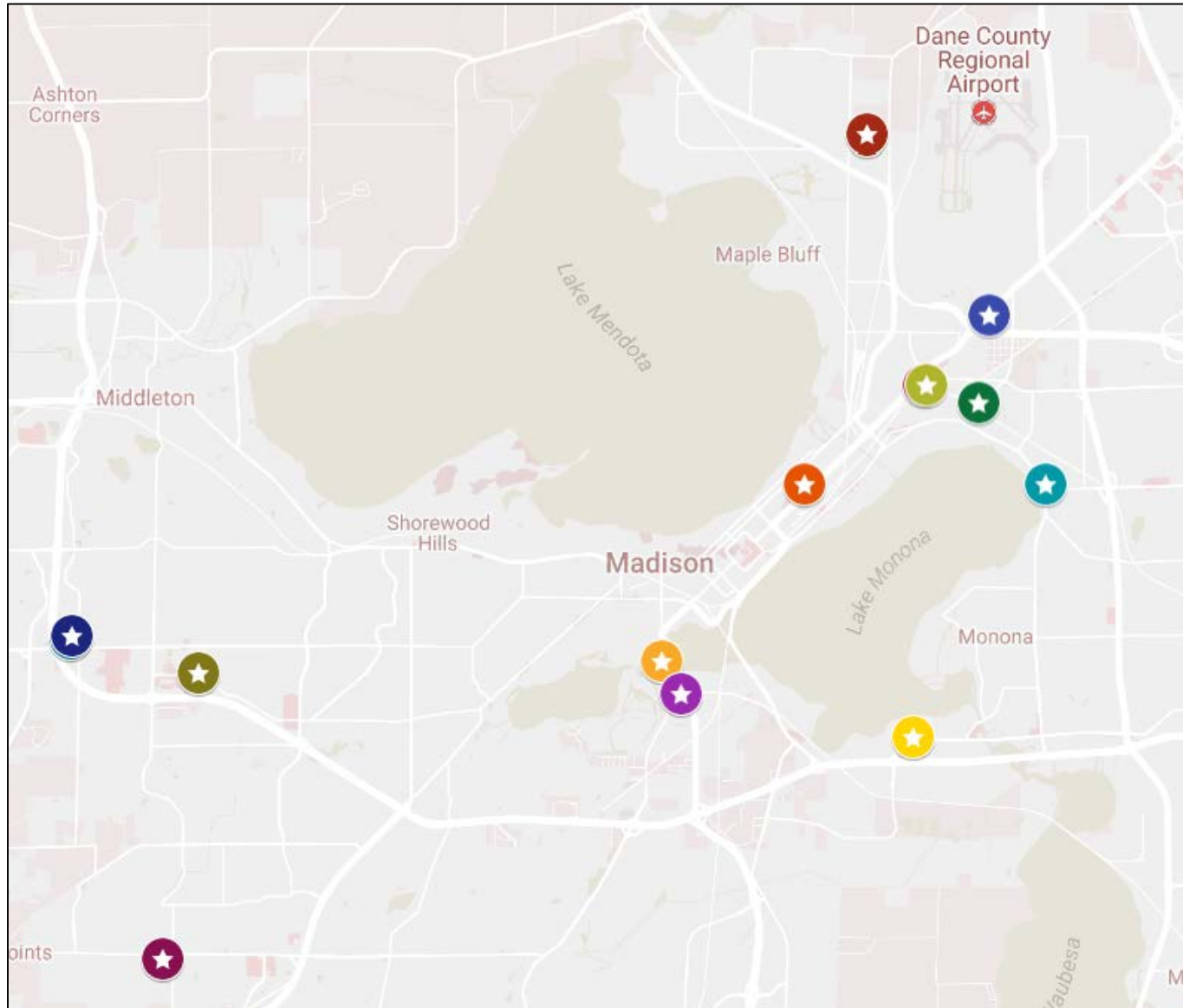


Staff Team Scores Applications



Select the Best Project(s)

14 AHF DEVELOPMENTS FUNDED 2014-2017



- ★ 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

PROJECT PIPELINE

AS OF OCTOBER 1, 2018

- **6 Multi-Family Developments**
- **1 Permanent Supportive Housing Development**
- **416 affordable + 76 market rate = 502 total units**



PROJECTS COMPLETED

AS OF OCTOBER 1, 2018

- 5 Multi-Family Developments
- 2 Permanent Supportive Housing Developments
- 432 affordable + 56 market rate = 479 total units



RETHKE TERRACE

Permanent Supportive Housing – Homeless Singles

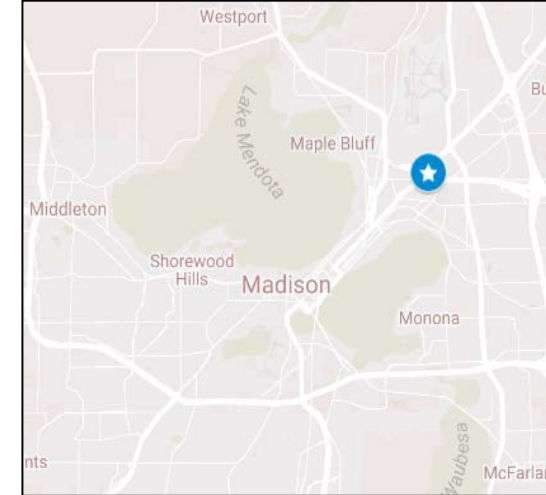


60 Studio Units (100%)

54 Project Based Vouchers (90%)

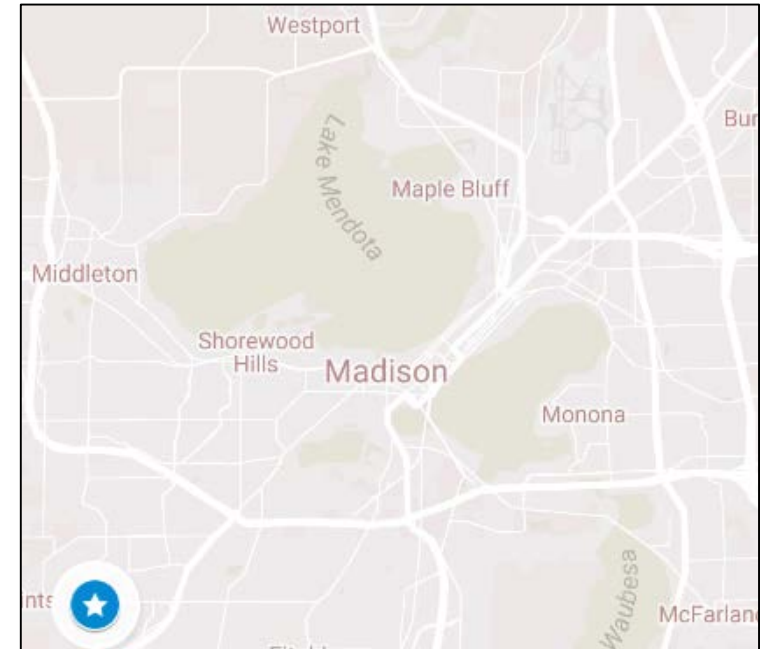
Supportive Services & Homeless Prioritized List

Completed: June 2016



Source: Heartland Housing, Inc.

MAPLE GROVE COMMONS



CARBON AT UNION CORNERS

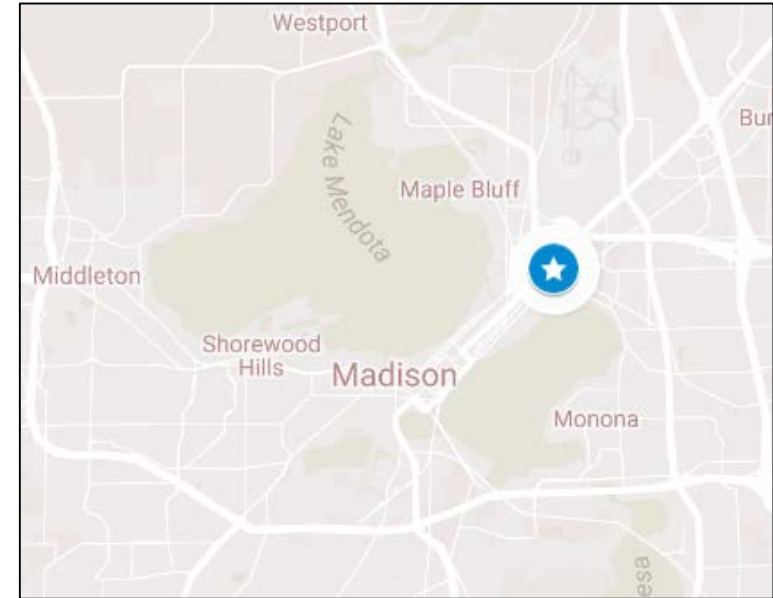


90 units with 76 affordable units

1, 2 & 3 Bedrooms

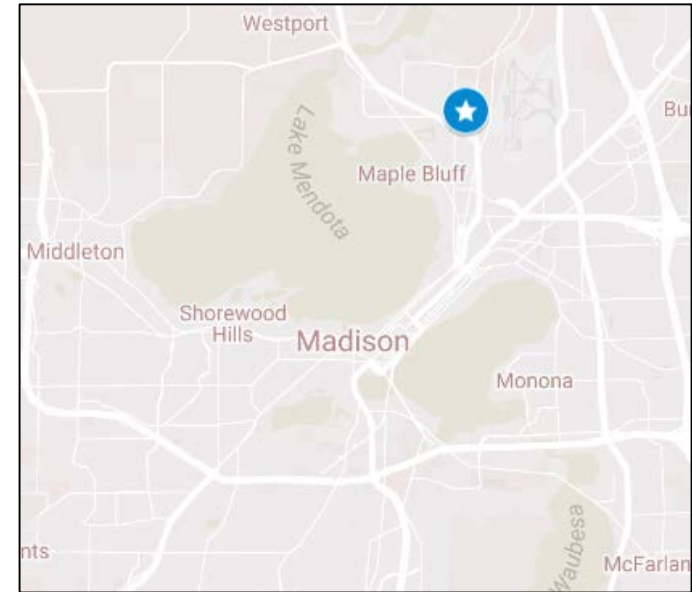
23 Supportive Service units (26%)

Completed: October 2017



Source: Gorman & Company, Inc.

TENNYSON RIDGE



72 units with 61 affordable units

1, 2 & 3 Bedrooms

12 Supportive Service units (17%)

Completed: December 2017



TREE LANE APARTMENTS

Permanent Supportive Housing – Homeless Families



- 45 units (100% affordable)
- 40 Project Based Vouchers
- 2, 3 & 4 Bedrooms
- YWCA Supportive Services & Prioritized List
- Completed: June 2018



Source: Heartland Housing, Inc.

ABOUT STONE HOUSE DEVELOPMENT

- Formed in 1996 by Helen Bradbury and Richard Arnesen
- Development, Property Management, Property Accounting, Section 42 Compliance
- Specializes in Mixed Use, Mixed Income and 100% Affordable Multifamily Rental
- Completed 22 Projects to Date
- 9 Current Projects in Madison

STONE HOUSE AHI ASSISTED PROJECTS

- **Pinney Lane Apartments (\$265,841)**

- ✓ Opened in February 2016
- ✓ Received Affordable Housing Trust Funds
- ✓ 70 Units with Supportive Services for Disabled / Veterans

- **The Breese Apartments (\$1,000,000)**

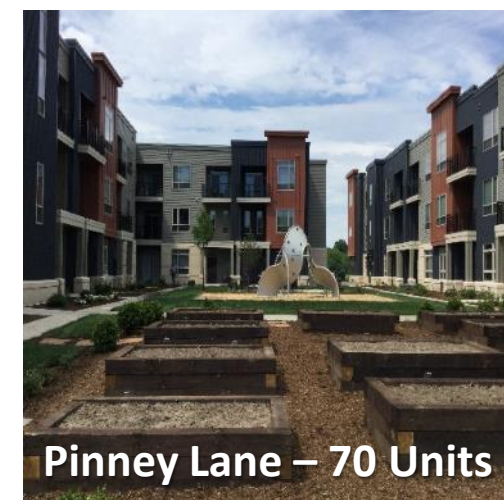
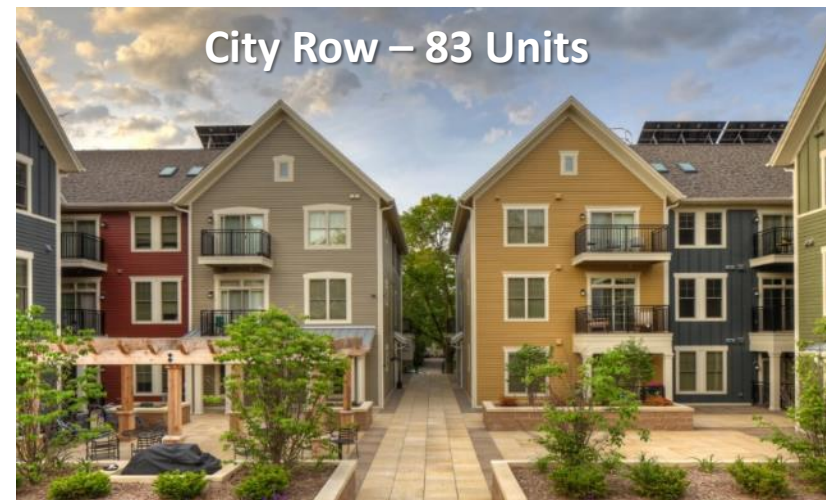
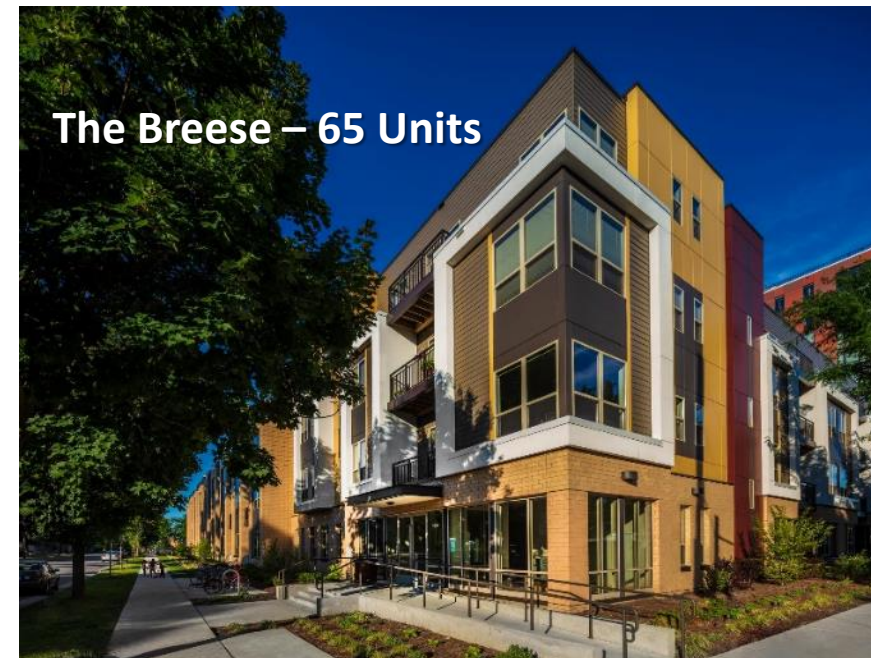
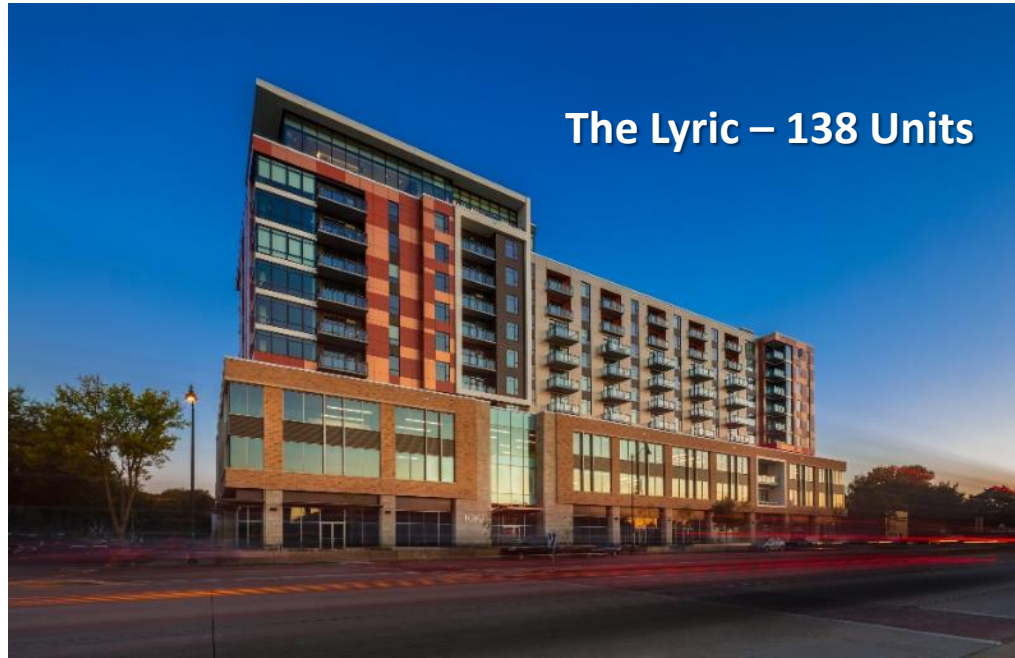
- ✓ Opened in January 2018
- ✓ 65 Units with Supportive Services for Homeless / Veterans

- **Fair Oaks Apartments (\$1,350,000)**

- ✓ In the Development / Construction Process
- ✓ Will open in November 2019
- ✓ 80 Units with Supportive Services for Homeless / Veterans

- **Schroeder Road Apartments (\$2,000,000 Requested)**

- ✓ Pending RFP / Under Consideration
- ✓ 96 Proposed Units with Supportive Services for Homeless / Veterans



Overlook at Midtown – 88 Units



Overlook at Hilldale – 96 Units



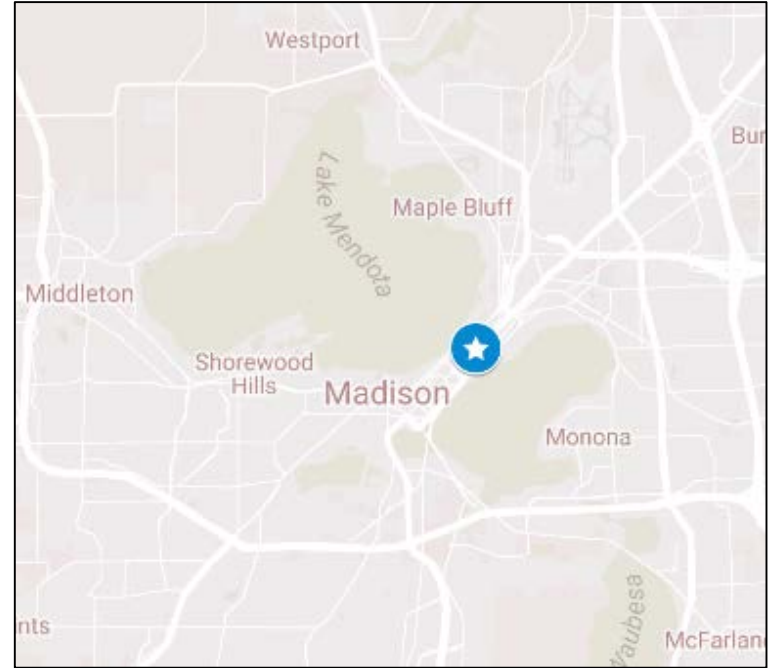
Arbor Crossing – 80 Units



Park Central – 76 Units



THE BREEZE



Source: Stone House Development

65 Units with 55 Affordable Units

16 Supportive Service Units (25%)

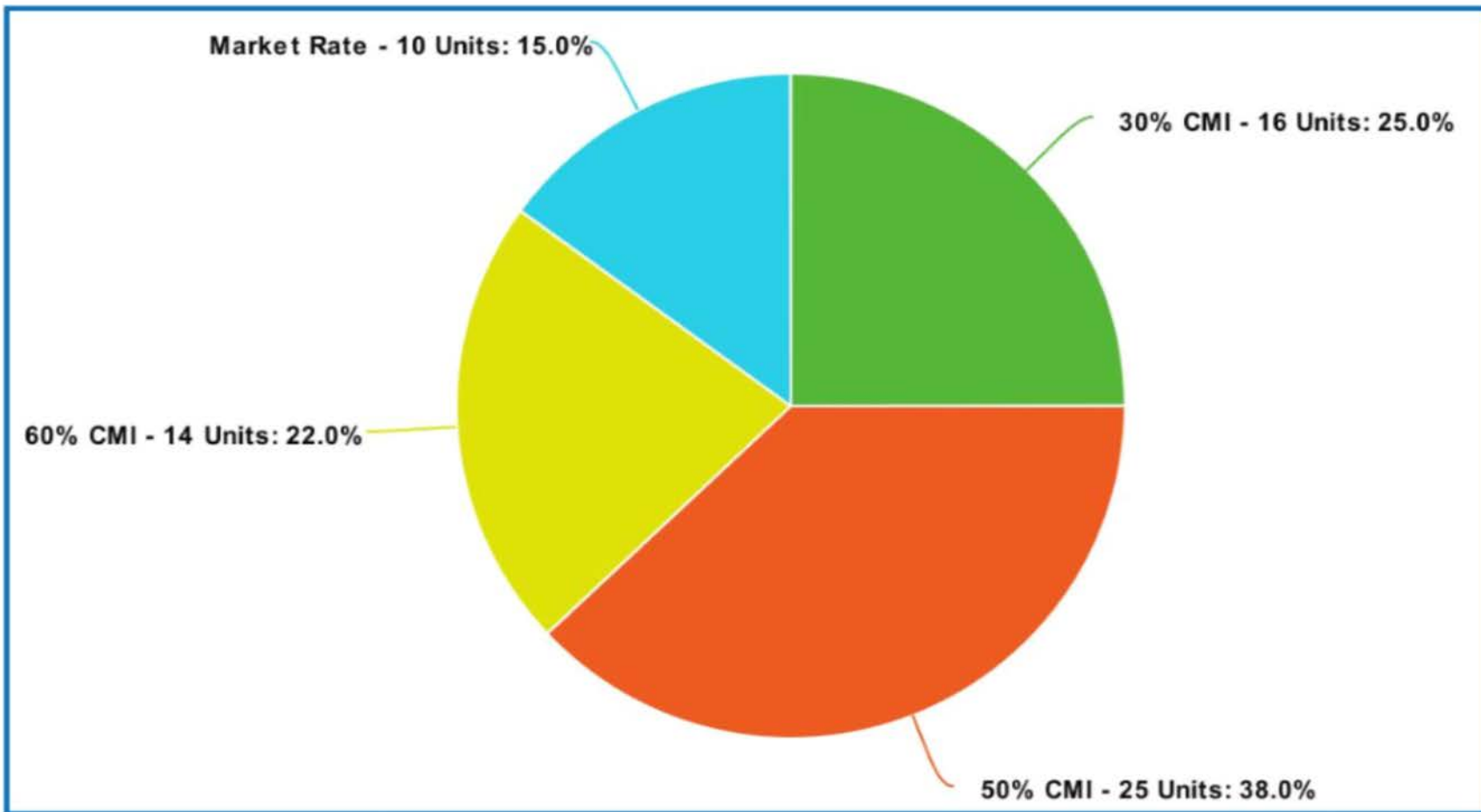
9 Homeless Families; 7 Veterans

Completed: January 2018

The Breese Apartments - AHF Recipient



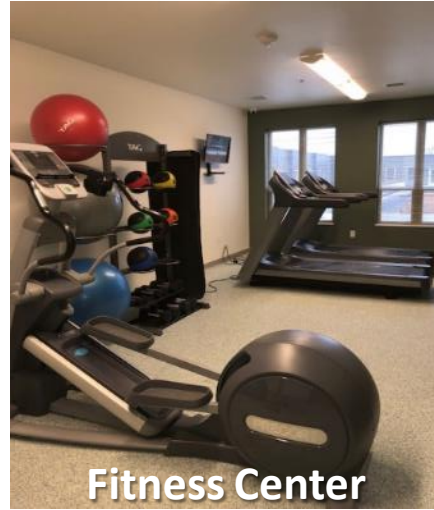
The Breese Apartments - Unit Mix



30% CMI - 16 Units 50% CMI - 25 Units 60% CMI - 14 Units
Market Rate - 10 Units



Community Garden



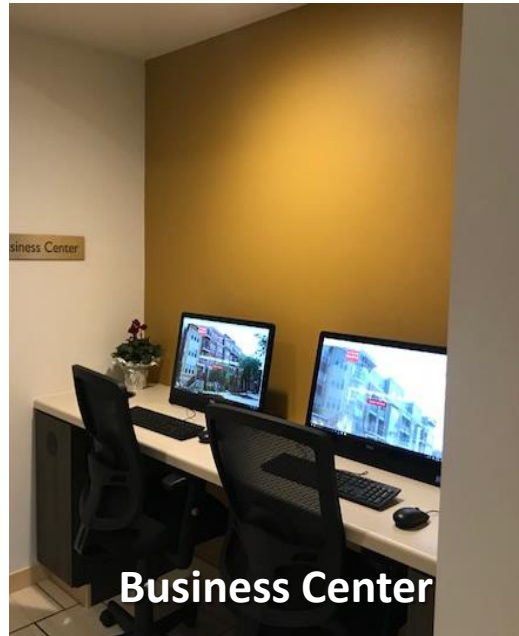
Fitness Center



Community Room



Courtyard



Business Center



Tot Lot

Typical Property Features



Typical Property Interior

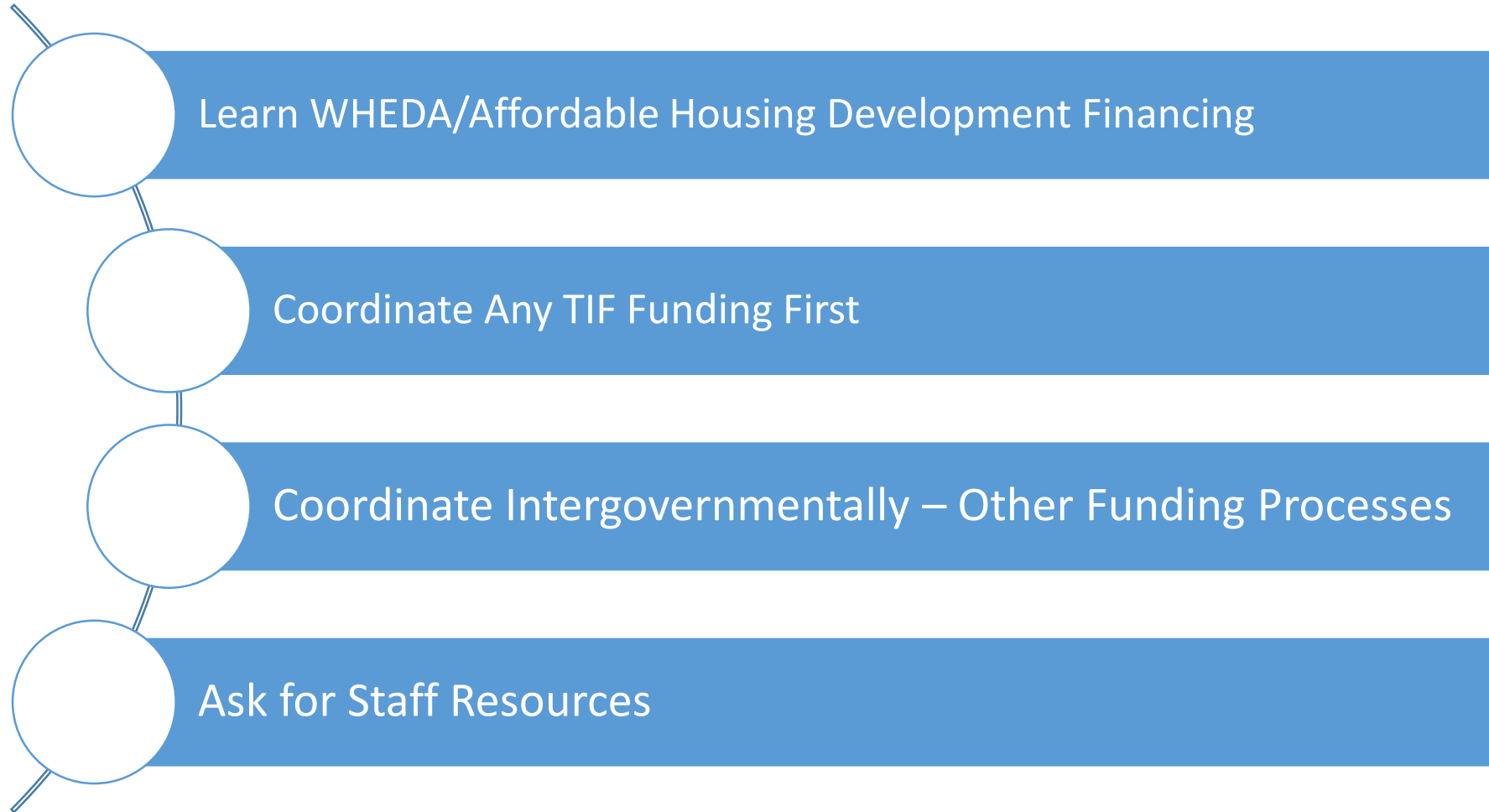
AHI FUNDING & STONE HOUSE

Since 2016, Stone House has had 3 properties receive funding through the Affordable Housing Initiative totaling \$2,615,841 with 215 units.

These funds are necessary for:

- **Supporting the high cost of construction**
- **Affordable housing projects would not move forward without this necessary funding**
- **Funding provides necessary points on the WHEDA tax credit application under the scoring category “Financial Leverage”**
- **Provides a reduction in debt necessary to support reduced rents for low income housing**

LESSONS LEARNED



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Analyze your data! Go Beyond Anecdotal Evidence



Solicit Neighborhood Input Early & Often



Coordinate with Land Use Approval Process



Support Well Sited Opportunities – Be Prepared for Pushback



Continuous Improvement

QUESTIONS & DISCUSSION

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THANK YOU

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