

KONKEL

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Title

2nd ALTERNATE SECOND SUBSTITUTE - Adopting an Affordable Housing Plan for the Allied Drive area

Body

WHEREAS, on May 16, 2006, the City of Madison acquired a 129-unit apartment complex located at 2317-2333, 2345-2355 and 2409-2437 Allied Drive; and
 WHEREAS, the City of Madison adopted the Allied-Dunn's Marsh-Belmar Neighborhood Physical Improvement Plan for the Allied-Dunn's Marsh area; and
 WHEREAS, the City of Madison also commissioned a housing study for the Allied-Dunn's Marsh area; and
 WHEREAS, the Mayor's Office created "A Vision for the Allied Community" that calls for a mix of incomes in the neighborhood, opportunities for home ownership, and increasing the quality of life of the neighborhood while avoiding displacement of residents; and
 WHEREAS, the Allied Task Force was tasked with guiding the City in the redevelopment of this property; and
 WHEREAS, the Allied Task Force completed its "Comments and Recommendations" document (Version 4) by unanimous approval on May 24, 2007; and
 WHEREAS, the "Comments and Recommendations" document makes a series of recommendations regarding affordability and quality of housing on the City-owned properties;
 NOW THEREFORE BE IT RESOLVED that the "Comments and Recommendations" on the RFP (Version 4), and the recommendations contained herein, is hereby adopted as the Allied Drive Task Force recommendations to the RFP process guiding the renovation and/or redevelopment of the City owned projects; and
 BE IT FURTHER RESOLVED that the City of Madison will initiate a process to redevelop and/or renovate the City-owned properties in a manner that:

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- Creates a mixture of owner occupied, rental rent-to-own and perhaps co-operative housing,
- Ensures that the majority of developed units remain affordable for at least 25 years,
- Provides options for a range of incomes, focusing on those less than and 120% of AMI with a goal of meeting the following percent of units being affordable at the following AMIs:

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Percent of Units	Average Median Income Level
25 - 35%	0 - 30% AMI
20 - 30 %	30 - 50% AMI
25 - 35 %	50 - 80% AMI
15 - 25%	80% AMI and above

"Affordable" will be defined as

- a renter that pays no more than 30% of the household income on rent and utilities, including fuel for heat, hot water and cooking; electricity for lights; trash removal; and water and waste water charges; and
- a homeowner that pays no more than 30% of the household income on housing costs including mortgage, condo fees, taxes and insurance

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- Creates significant areas of green space (including space for community gardens and pocket parks), and
- Contributes to an overall improvement in the livability of the neighborhood, and
- Inspires residents and neighbors to care for and steward the properties and adjacent neighborhood, and
- Promotes community based decision-making and participation, and
- Creates a sustainable project by utilizing "Universal Design" and "Green Building" techniques, and

- Gives a priority to current residents of City-owned properties and current residents of Allied Drive

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- There will be a minimum of 100 dwelling units produced through any combination of building renovation and/or demolition and redevelopment.
- The number of 3 – 4 bedroom units shall be substantially increase to address and reflect the need for units of that size. Based on recent surveys, the number of 3 – 4 bedroom units on the City-owned property shall not be less than 60% of units available.

BE IT FURTHER RESOLVED that the redevelopment project will acknowledge the direct impact on the Allied Drive neighborhood by ensuring that:

- The redevelopment project prioritize efforts to employ Allied residents in the reconstruction effort; and
- The City of Madison will work with the Allied Neighborhood Association to update, finalize, and obtain approval of the Allied Neighborhood Plan; and
- The redevelopment plan be based on one of the three visions (or some combination thereof) set out through the neighborhood charette process that took place in September, 2006; and

BE IT FURTHER RESOLVED that the redevelopment shall occur in stages so as to gauge impacts on residents and the neighborhood, with development of rental units being included in the first stage; and

BE IT FURTHER RESOLVED that the **redevelopment** project shall seek to include **some elements of a mixed use development, such as** appropriate, professional space for human service provision, entrepreneurship, or retail; and

BE IT FINALLY RESOLVED that the Mayor will appoint a staff either within the Mayor's office or the Department of Planning and Community and Economic Development to serve as the sole point of contact for overall management of this initiative for a period of six months to ensure stakeholder involvement and finalize a redevelopment plan that includes timelines, milestones, objectives, and financial strategies for implementation

Fiscal Note

This policy resolution does not create any expenditure authority and has no direct budgetary impact

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AFFORDABILITY

1 The percentage of units by Average Median Income should follow the following breakdown:

<u>Percent of Units</u>	<u>Average Median Income Level</u>
25 - 35 %	0 - 30 % of AMI
20 - 30 %	30 - 50 % of AMI
25 - 35 %	50 - 80 % of AMI
15 - 25 %	80 % and Above

2 Priority would be given to current residents of City-owned property, and priority would be given to current residents of the Allied neighborhood

3 According to guidelines of the U.S. Department of Housing and Urban Development (known as HUD), the HUD standard for renter units is that no more than 30% of a renter household's income should be spent on rent and utilities (including fuel for heat, hot water and cooking; electricity for lights; trash removal; and water and waste water charges) Housing is affordable for owner occupied housing if such housing requires no more than 30% of a household's gross income to be spent on housing costs (including mortgage, condo fees, taxes and insurance)

NUMBER, TYPE AND SIZE OF UNITS

1. Any combination of building renovation and/or demolition and redevelopment shall achieve a minimum of 100 dwelling units on this site. The range of unit types and sizes shall reflect the needs of the households that have typically resided in the neighborhood in the recent past and currently.

2. The number of 3-4 bedroom units shall be substantially increased to address and reflect the need for units of that size. Based on recent surveys, the number of 3-4 bedroom units on the City-owned property shall not be less than 60% of units available. The number of 3-4 bedroom units in the remainder of the neighborhood should respond to market and neighborhood demand

3 First floor units shall maximize accessibility under the Building Code.

4 The units should have market appeal and include such amenities and features as washers and dryers in the units, master bedroom with bath and large closets

7 separate

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OWNERSHIP VS. RENTAL

1 In light of the affordability guidelines discussed at the beginning of this document, the goal is to dramatically increase the level of home ownership, emphasizing creating opportunities for neighborhood residents, particularly residents at lower median incomes to own homes, but including some market rate home ownership. Rent-to-own strategies should be included in submitted proposals

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2 The long term goal for redevelopment of the Allied Drive neighborhood is to maximize homeownership opportunities for people between 30% - 80% AMI and permit ownership by people above 80% of AMI as long as the level of ownership does not decrease the supply of rental housing needed for people at 30% or less of the AMI.

3. Proposals should maintain a level of affordable rental housing so as not to displace any current residents. Proposals should also maintain sufficient affordable rental housing so new residents can enter the neighborhood

4 As part of the redevelopment process, the City should solicit the creation of a training program for new and potential homeowners, covering the responsibilities and opportunities associated with home ownership

5. Increasing home ownership shall not result in the displacement (meaning moving out of the neighborhood not within the neighborhood) of current residents that reside in rental housing in Allied neighborhood.

6. Proposals should incorporate a service supported model (e.g. the 2nd Chance apartment project) component to ensure residents are not displaced and are eventually successful in their future housing choices.

GREEN SPACE

The overall development should offer housing in a setting that contributes to an overall improvement in the livability of the neighborhood, with an adequate amount of attractive open space designed to provide opportunities for resident interactions and the potential for gardens.