



**Movin' Out**

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*Housing ideas for people with disabilities.*

To: Agustin Olvera - Director, Housing Operations City of Madison Community Development Authority

From: Dave Porterfield, Movin' Out, Inc.

Date: December 16, 2013

Subject: Request for Commitment of Project Based Section 8 Assistance to Proposed Pinney Lane Housing Development

Movin' Out, Inc. in partnership with Stone House Development are in the process of planning a mixed-income multifamily affordable housing project on the East side of Madison. We are requesting that the City of Madison Community Development Authority commit to providing eight Project Based Section 8 vouchers or a combination of eight Section 8 and VASH Vouchers to our project. A complete description of the project is below. We are requesting this assistance for a number of reasons. Having this commitment will help us in competing for the financial resources needed to construct the project, namely the Section 42 Tax Credits from WHEDA. As the CDA staff knows securing the tax credits is highly competitive and is based on the developer earning points for various features that the project can provide. One of those features is providing Supportive Housing. Movin' Out has as its core mission providing supportive housing so we feel confident we can meet the WHEDA requirements to be awarded these points however having an award of project based vouchers will help to ensure we can both meet this goal and be able to better serve very low income families who need supported housing. This is especially true for homeless veteran tenants who we wish to include in this project.

Movin' Out's mission is to provide affordable housing solutions to households that include family members with permanent disabilities. We do not develop, own or operate any housing that is licensed or congregate in nature. We provide rental housing solutions that are integrated into the community. Therefore our intention for this project is, through affirmative fair marketing practices, to have no more than 25% of the units occupied by households that rely on support services to live independently. For this project we also intend to market a portion of the supported housing units specifically to homeless and disabled military veterans. For all of these households the most significant barrier to securing housing is finding homes that are both affordable and accessible. Movin' Out will use these vouchers in this project to overcome these barriers by specifically marketing to households with disabilities and to homeless/disabled military veterans.

Our understanding from CDA staff regarding the CDA policy for considering applications requesting project based vouchers is that there is a threshold requirement for projects to be eligible to receive them. The project must, at a minimum, have been awarded resources through a competitive process. Our proposed project meets this requirement having competed and received awards of federal HOME funds and City Affordable Housing Trust Fund. It is also our understanding that the CDA has developed criteria it uses to evaluate requests it receives for project based vouchers. The criteria and our responses are listed below:

1. An Award of Project Based Vouchers helps to leverage additional affordable housing opportunities - Pinney Lane is a 70 unit mixed income project. All the units in the project will have rent and occupancy requirements which limit the maximum rents and household incomes. Providing a commitment of these 8 vouchers leverages an additional 62 more affordable units in the community.

The attached table shows the proposed income and rent limits for each unit type and the specific unit types we are proposing to assign for the project based vouchers.

(Please note that in discussions with CDA staff we were informed that it may be possible and desirable for a portion of the requested project based section 8 vouchers actually be VASH vouchers as we are proposing to serve homeless military veterans as a portion of our supported housing. We are very interested in that possibility and would welcome the chance to work out the details for VASH vouchers. At this time we are requesting a reservation of the 8 section 8 vouchers as project based to be able to satisfy the WHEDA requirements in our application to them for tax credits. If the CDA was able to offer the project VASH vouchers they could be substituted for a portion of the section 8 vouchers and still meet the same commitment we would be providing to WHEDA.)

2. An award of Project Based Vouchers is unlikely to result in the tenants living in these units to "port out" of the CDA Section 8 program to other areas - Through affirmative marketing Movin' Out and Stone House will be targeting the units assisted with these resources to households that have family members with disabilities and who receive various types of case management and supportive services. Many of these households also need accessible housing which our project is designed to provide. Additionally this development is going to offer very high quality amenities at very affordable rent levels. It is in a desirable location and is part of a larger neighborhood redevelopment that will include not only affordable housing but also will include a number of new public improvements (new city library) and employment opportunities. Our experience with providing housing to these tenants is that due to these factors we expect very low turnover.
3. An award of Project Based Vouchers will create access to additional units that are in high demand by tenants (e.g. three-bedroom units, accessible units etc.) - Based on the table above we propose to provide 3 three-bedroom supported housing units as part of the unit mix that would be supported with the project based vouchers. In total the project will have 16 three bedroom units all at very affordable rents. The provision of these project based section 8 vouchers assists the project in being able to provide these much needed larger family units. Additionally all the project based voucher units will have a higher level of accessibility than normal. A minimum of 4 of the units will meet all required accessibility requirements under building code and funding requirements. The balance of the units assisted by the vouchers will have accessibility features that exceed

what is required by code for a non-accessible unit under building code which is one of the goals Movin' Out places on its projects.

4. The Project Based Vouchers assist projects the CDA is carrying out for itself - this project does not meet this criteria.
5. The award of Project Based Vouchers helps serve an "underserved population" - The requested vouchers will all be targeted through affirmative marketing to special needs populations including people with permanent disabilities and homeless/ disabled military veterans, all of whom need some type of supportive services as described above. Movin' Out will be establishing memorandums of understanding (MOU) with various supportive services agencies to ensure those services are available to these tenants as part of our WHEDA application. Additionally 3 of the units will be 3 bedroom units to assist larger families to access high quality supported housing.

**Below is a brief project description:**

**Project Name**

Pinney Lane [or other name TBD]

**Project Description**

Pinney Lane is a mixed-income real-estate development located on 1.7 acres of land in, Madison, Wisconsin. Plans are for one U-shaped building with 3 floors of residential apartments for a total of 70 units plus a community room, exercise room, leasing office, underground parking and guest suite. The first floor will also include the corporate offices for Movin' Out.

The rental units will consist of a combination of 1, 2 and 3 bedroom units (see table). The project will have a minimum of 5% of the units as fully accessible however because Movin' Out's mission is to provide affordable housing solutions to households that include family members with permanent disabilities an emphasis will be placed on accessibility as well as affordability. The project will be designed to be highly energy efficient and will at a minimum achieve Wisconsin Green Built Certification.

See site plan attached to this submittal

**Total project Budget - \$11.75M**

**Developer and Long-term Owner**

Pinney Lane Apartments LLC

Movin' Out, Inc. will be the Managing Member and Stone House Development will be a Member

**Site Location**

Lot 5 Royster Crossing (near the intersection of Cottage Grove Road and Dempsey Road), Madison, WI 53716

**Status**

The project has strong support from the Alder, David Ahrens, the neighborhood associations and local residents. The project competed for and was awarded funding from the City of Madison in the form of Affordable Housing Trust Funds (\$266,000), Federal HOME funding (\$394,000) and Tax Incremental Financing (\$400,000). Permissive zoning has been approved and all other required funding to move forward with the project has been identified and conditionally committed to the project outside of the required WHEDA tax credits. The application for the tax credits will be submitted January 30, 2013. We expect to tax credit awards to be announced in mid-April of 2014 with construction to begin fall of 2014 and occupancy available in summer of 2015.

**Community Impact**

As discussed above, the Pinney Lane will provide affordable workforce and supported housing opportunities to area households and will include housing opportunities for individuals and families with disabilities and homeless/disabled veterans as well. The project is part of a comprehensive neighborhood redevelopment plan which was established by the surrounding neighborhoods and approved by the City of Madison. The site is an abandoned former industrial site which was also a brownfield. Ruedebusch Development and Construction purchased the 26+ acre site and carried out the required environmental remediation. They created a project plan that closely followed the approved redevelopment plan and obtain the required zoning and plat approvals. This overall plan includes creating a new network of public streets, approximately 50 new single family home sites and a mix of commercial, multi-family and open/green space. Focused discussions are now underway for the inclusion of a new public library building and construction of a cooperative grocery store (Willy Street Coop). The city recently approved the required zoning for the construction of 102 other multifamily units and 10,000 square feet of commercial space facing Cottage Grove Road. The infrastructure and public improvements are scheduled to be constructed in spring of 2014 with building construction for the other multifamily projects to begin in summer of 2014. The Pinney Lane project will begin construction in fall of 2014 with occupancy expected in summer of 2015.

# of units	Unit type LIHTC UNITS	LIHTC Set-aside	Rent	Utility Allow.	Gross Rent
	<b>ONE BEDROOM</b>				
5	one bedroom Sect. 8 SH	50%	\$630	\$98	\$728
4	one bedroom SH	30%	\$450	\$98	\$548
4	one bedroom	50%	\$755	\$98	\$853
6	one bedroom	60%	\$895	\$98	\$993
	<b>TWO BEDROOM</b>				
6	Two bedroom SH	30%	\$460	\$112	\$572
9	Two bedroom	50%	\$907	\$112	\$1,019
9	Two bedroom	60%	\$1,007	\$112	\$1,119
	<b>THREE BEDROOM</b>				
3	Three bedroom Sect. 8 SH	50%	\$920	\$128	\$1,048
13	Three bedroom	50%	\$920	\$128	\$1,048
<b>59</b>					
<b>Total LIHTC Units</b>					
	<b>Non- Tax Credit Units</b>	<b>Max Tenant Income</b>			
	<b>ONE BEDROOM</b>				
6	one bedroom	80%	\$950	\$98	\$1,048
	<b>TWO BEDROOM</b>				
5	Two bedroom	80%	\$1,200	\$112	\$1,312
<b>11</b>					
<b>Total non-LIHTC</b>					
<b>70</b>	<b>Grand Total</b>				

CONSULTANT

REVISIONS  
 Conditional Use Permit - November 4, 2011  
 December 6, 2011

PROJECT TITLE  
**ROYSTER CROSSINGS  
 LOT 5**

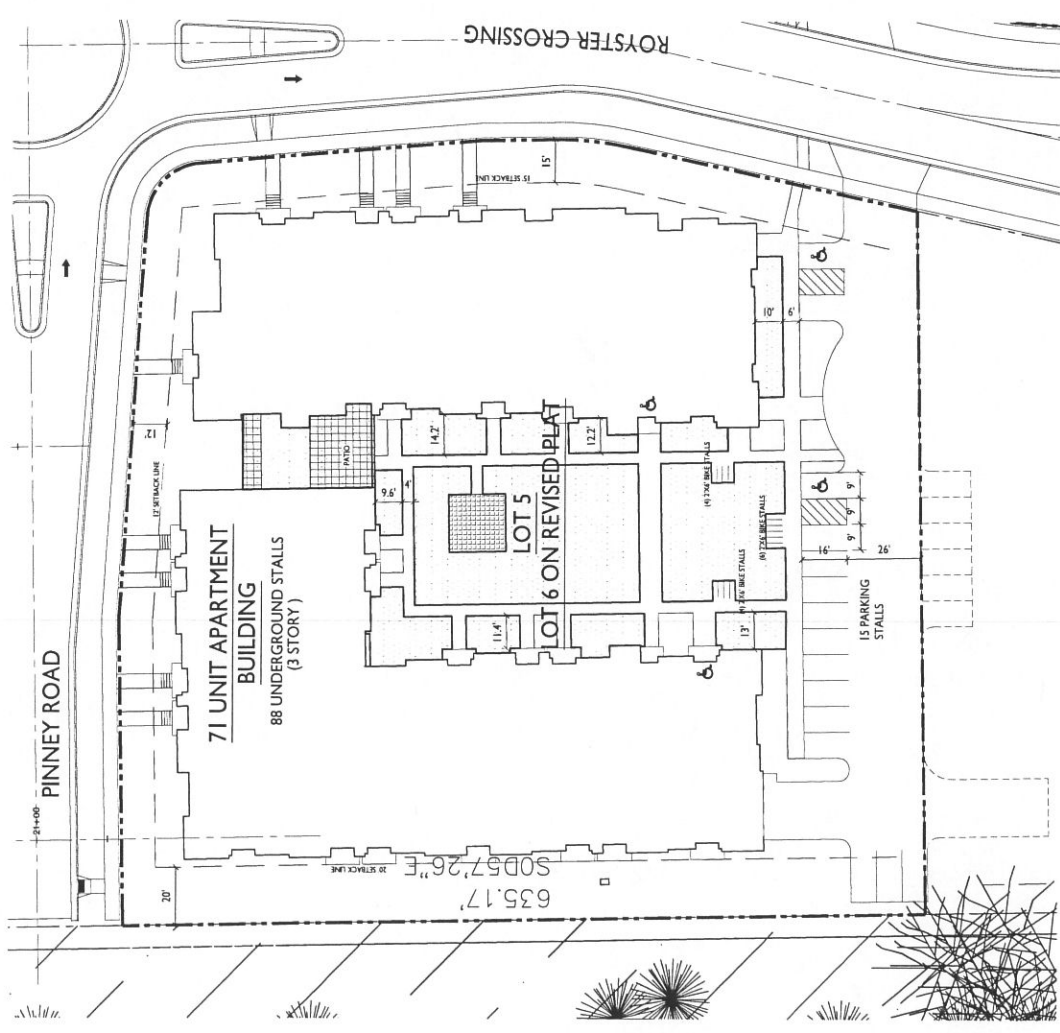
SHEET TITLE  
**SITE PLAN**

SHEET NUMBER

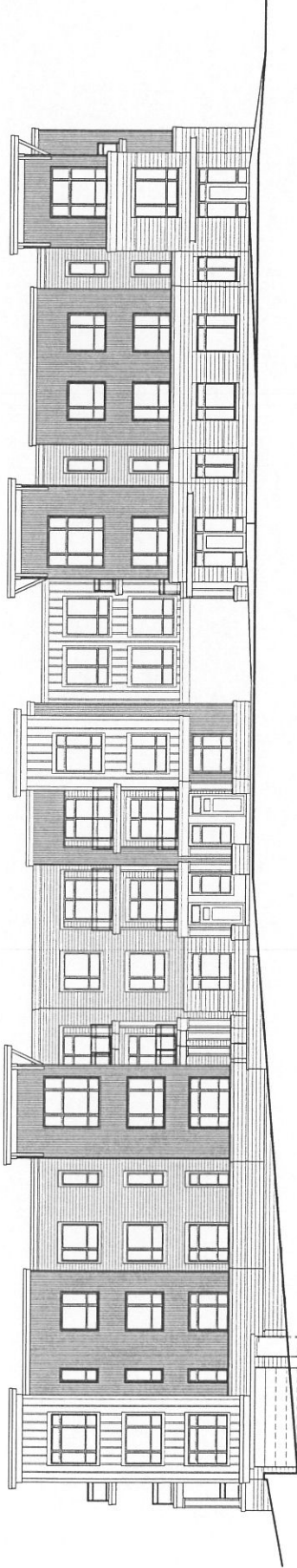
**C-1.1**

PROJECT NO. **1344**  
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SCALE: OVERSPACE  
 61'x65' 5/8"  
 GROUND LEVEL  
 211'x51' 1/2"  
 TOTAL  
 122'x91' 1/2" (0' 11" 1/2")



1 SITE PLAN  
 C-1.1 SCALE: 1"=20'-0"



1 SOUTH ELEVATION  
 SCALE: 1/8"=1'-0"



2 EAST ELEVATION  
 SCALE: 1/8"=1'-0"

- TYPICAL MATERIALS
- CEDAR BRACKETS
- CORRUGATED METAL SIDING
- COMPOSITE SIDING
- COMPOSITE BOARD AND BATTEN
- ALUMINUM RAILING
- PRECAST SILL
- STONE VENEER