

Rolfs, Daniel

From: Susan Pastor [skpastor@sbcglobal.net]
Sent: Sunday, November 03, 2013 8:59 PM
To: Gromacki, Joseph; Rolfs, Daniel
Cc: Bidar-Sielaff, Shiva; Clear, Mark; Schmidt, Chris; Verveer, Mike; Ellingson, Susan; Clausius, Joe
Subject: Please consider census data in defining affordable housing for TIF purposes

Dear Mr. Rolfs, Mr. Gromacki and Members of the Committee:

There is a good chance I won't be able to arrive in time to comment, and even if I do, I plan to use only enough time to highlight what is here in abbreviated form.

In light of last month's meeting of the TIF Policy Review Ad Hoc Committee, I am hoping my comments regarding the staff proposal on affordable housing, as well as on what constitutes "Civic and Strategic Purpose" will still be pertinent, and they are below.

The policy should be directed toward the greatest need and vulnerability, and with regard to affordable housing, 40% of AMI is a better standard than 60%. There are a great many hard-working citizens in this community earning well below 60% of AMI, and population by income bracket should be considered in setting the policy.

Based on data from the Department of Numbers and the 2012 American Community Survey, the median household income is \$58,894. Individuals, though, are clearly at a disadvantage; median family income is \$78,512 and per capita income is \$31,697. (Real median income, by the way, peaked in 2007 and has since fallen by \$7227, speaking to the need to attract jobs that pay a living wage and not low wage employers.)

<http://www.deptofnumbers.com/income/wisconsin/madison/>

Income brackets by household from American Fact Finder based on the U.S. Department of Commerce/U.S. Census are as follows for those households below the median (There is some discrepancy about median income between this site and the Department of Numbers, which I think we would want a government records librarian to assist in resolving. It may involve the year adjustment for inflation is based on. Please consider this preliminary and not definitive, and of course it's more complex than this -- HUD considers the number of persons in a household, which is not reflected here.)

http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_05_EST_S1901&prodTtype=table

\$35,000-49,999	13.9%	Low end includes 60% of AMI
\$25,000-34,999	10.8%	<u>Many single person households fall in this range based on per capita</u>
\$15,000-24,999	10%	40% of AMI is the upper end of this range
\$10,000-14,999	5.8%	
Under \$10,000	8.3%	

48.8% (some part of 13.9% helped by 60% of AMI)

Remembering again that there are currently more than 21,200 households paying more than 35% of income in rent,

we should keep in mind that this affects the buying power of those households and their needs for other services. Affordable housing has economic benefit beyond the benefit of the housing itself to people who need it. I am sure there are economists who could assist us in calculating that, as well as setting target goals for reducing the number of people paying too much for rent. Economic benefit to the city is not exclusively the value of the property to be taxed.

This small amount of information comes with encouragement for a policy that addresses the greatest need, which was always

the civic and strategic purpose behind TIF, and for that policy to reflect study of key demographic information.

Thanks for all of your work.

Sincerely,
Sue Pastor

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Sent: Thursday, October 3, 2013 8:53 AM

Subject: Comments for TIF Policy Review Ad Hoc Committee

Dear Mr. Gromacki, Mr. Rolfs, and Members of the Committee:

In advance of tonight's TIF Policy Review Ad Hoc Committee, I am writing in strong support of the staff proposal regarding affordable housing and WHEDA tax credits, which establishes an affordable housing standard as accessible to individuals at 40 percent of the area median income.

I am most grateful for this thinking, which could enable the city to set a data-driven goal to reduce the number of households in the city -- currently more than 21,200, according to census data, who pay more than 35% of income in rent.

With median rent at \$878 and individuals at 40% of AMI having \$567 housing dollars to spend monthly based on 30% of their income, there is clearly a need.

(A minimum wage worker has only \$403 to spend monthly.) "Affordable" housing we might subsidize with TIF directed toward individuals at 60% of AMI clearly leaves out many people in the greatest need.

In fact, I would ask the committee to amend the definition of "Civic and Strategic Purpose" put forward by the Economic Development Committee to include addressing the crisis in our lack of affordable housing and growing homelessness.

And the standard for job creation should be also be linked to data regarding the cost of living in the city. There should not be TIF directed toward creating jobs that pay less than what would allow a single person to pay at least the median rent, for example.

Thank you all most kindly for your time and work.
Sue Pastor

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