

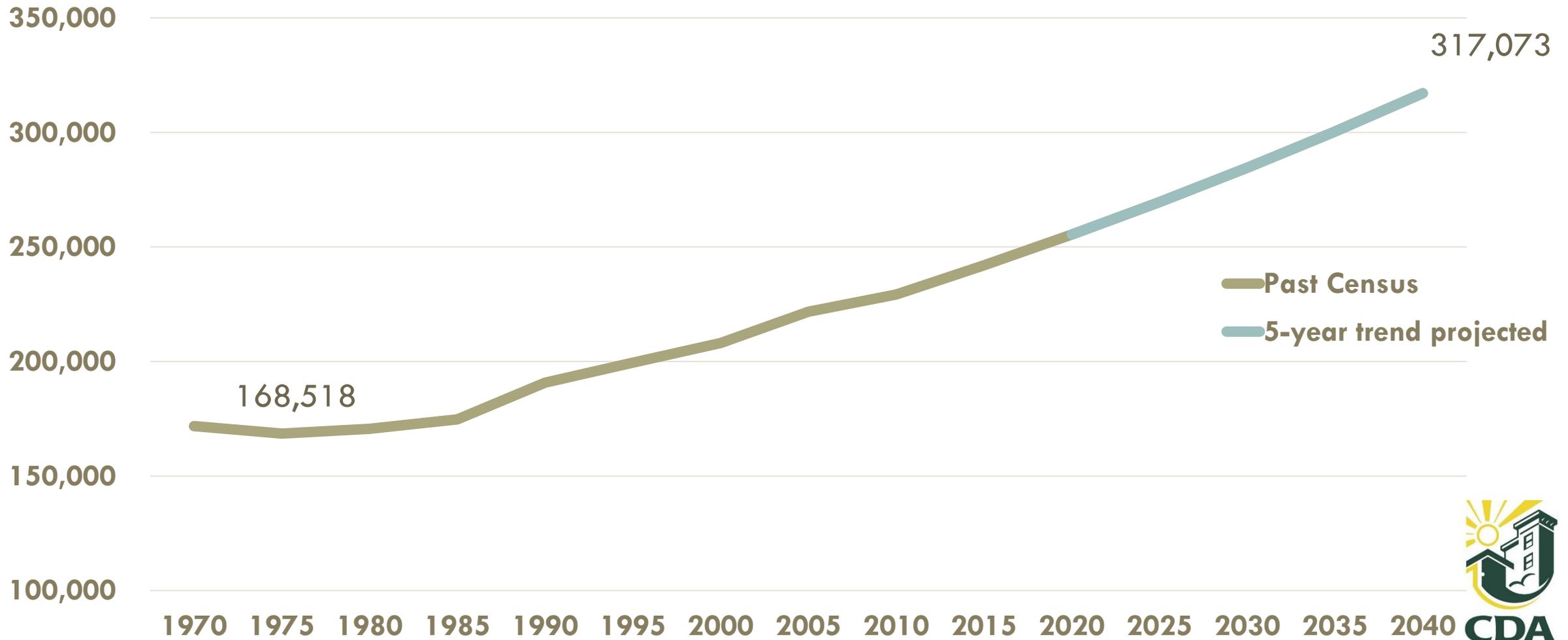
CITY OF MADISON HOUSING MARKET

Overview & City Initiatives

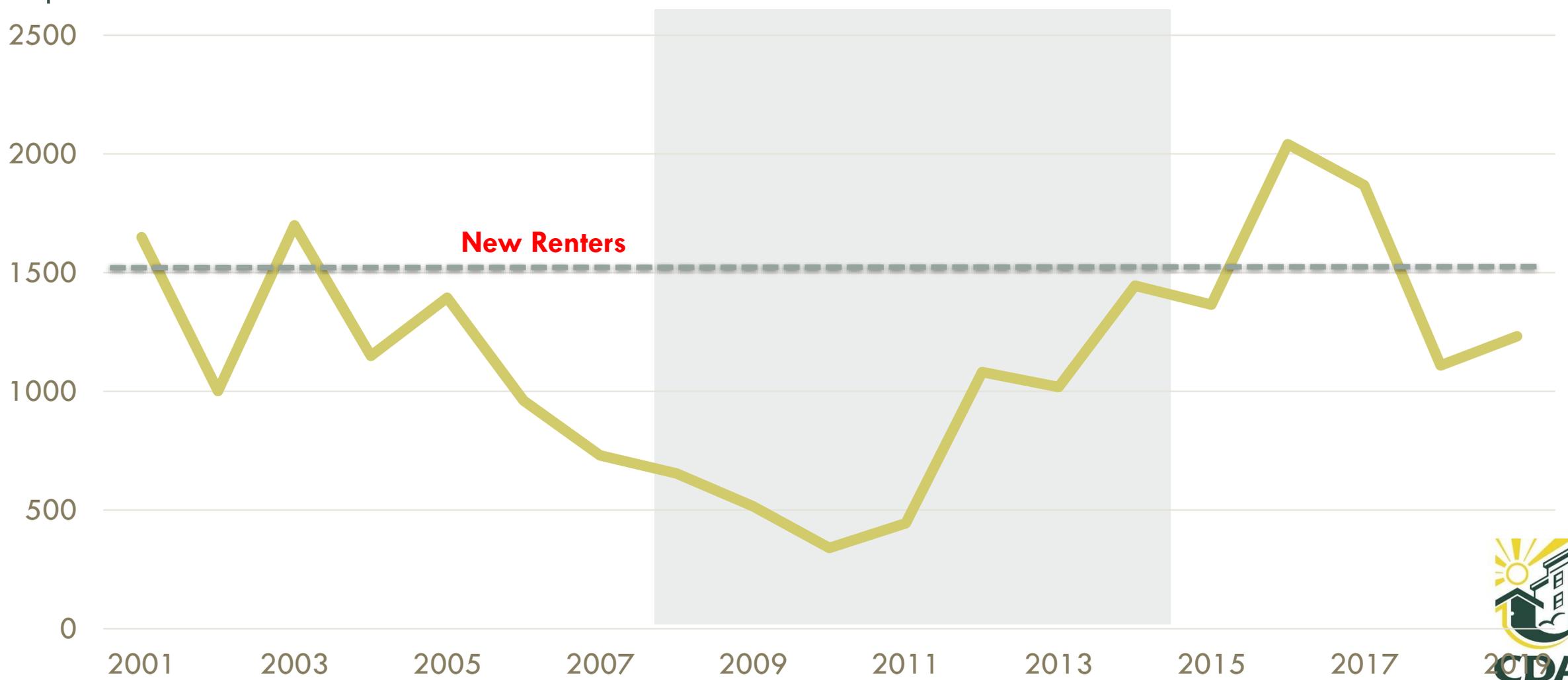


STEADY POPULATION GROWTH (3,000 RESIDENTS/YEAR)

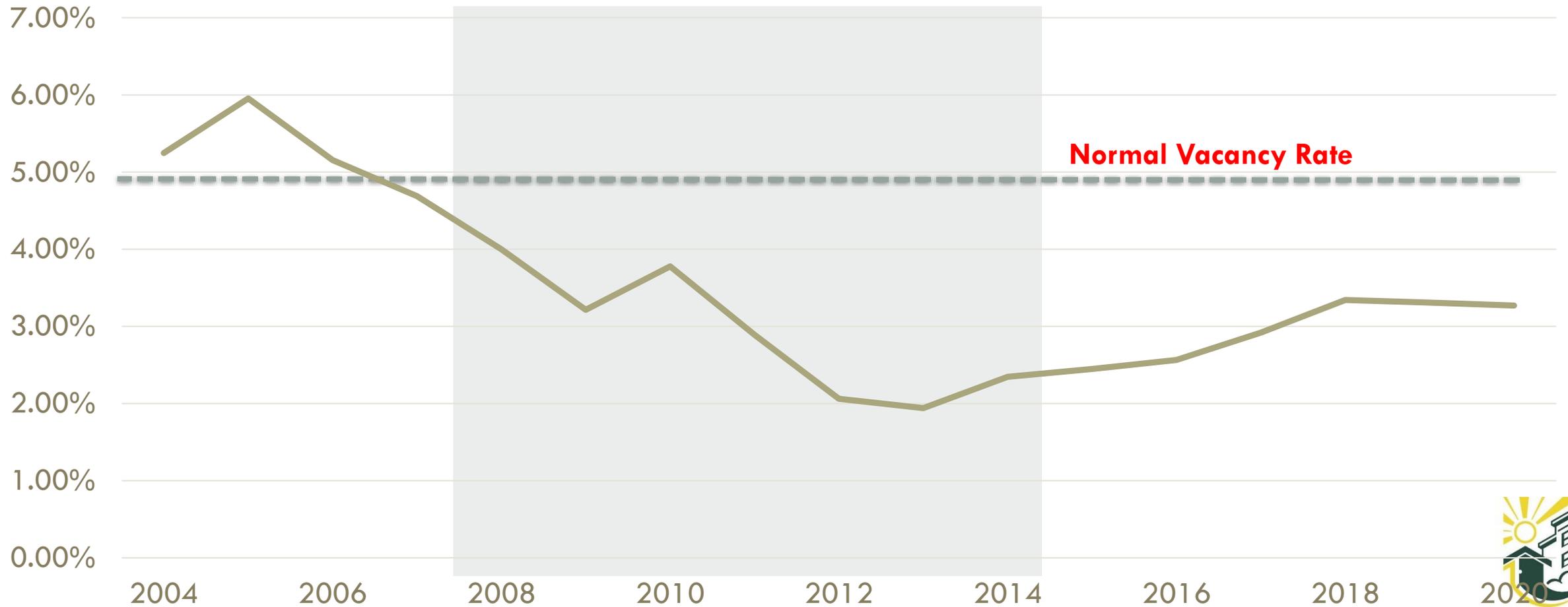
City of Madison Population Trend



NEW RENTAL SUPPLY

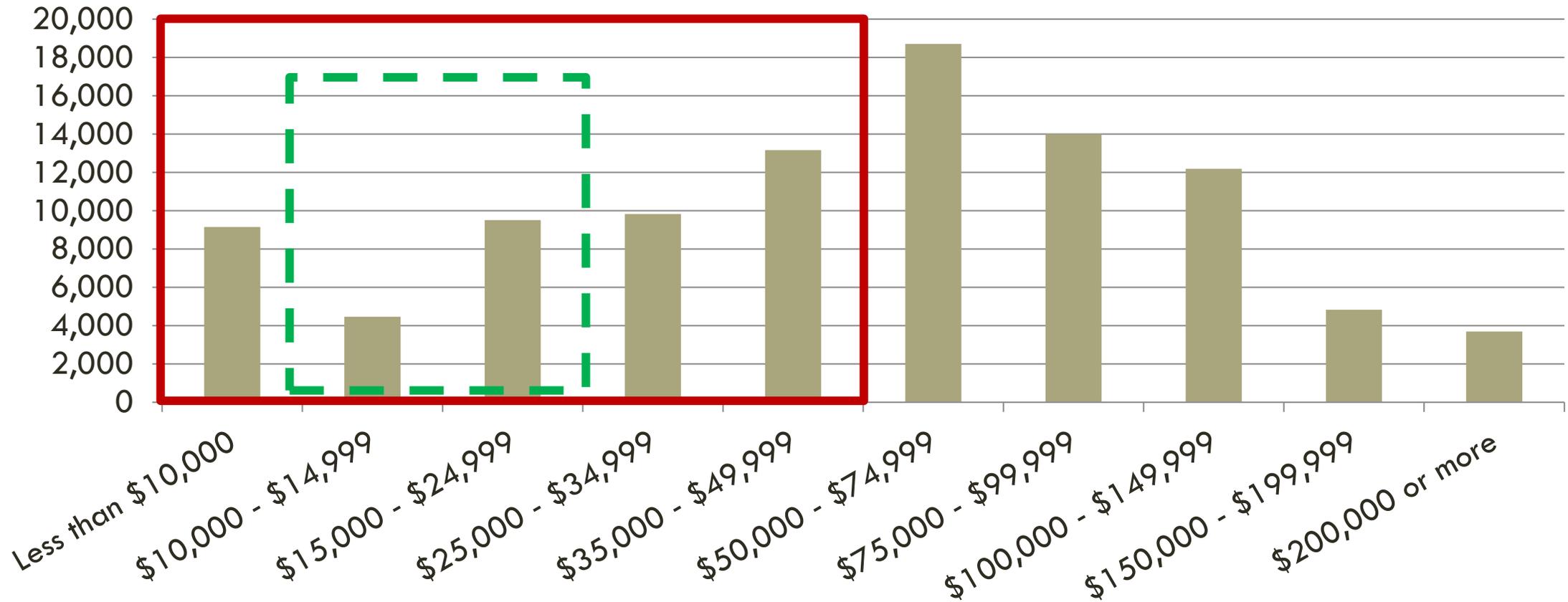


RENTAL VACANCY

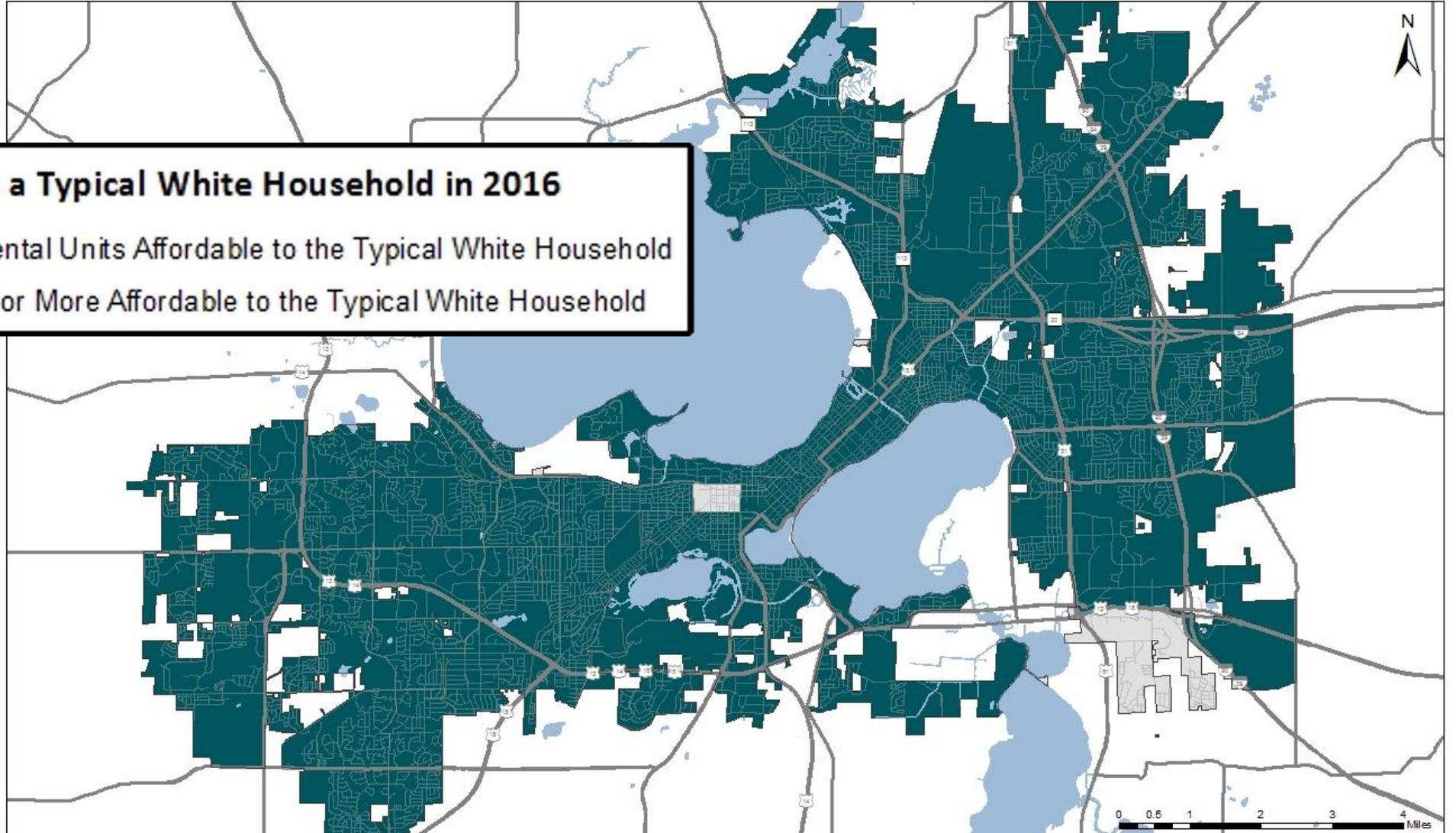


LOW INCOME HOUSEHOLDS

of Households



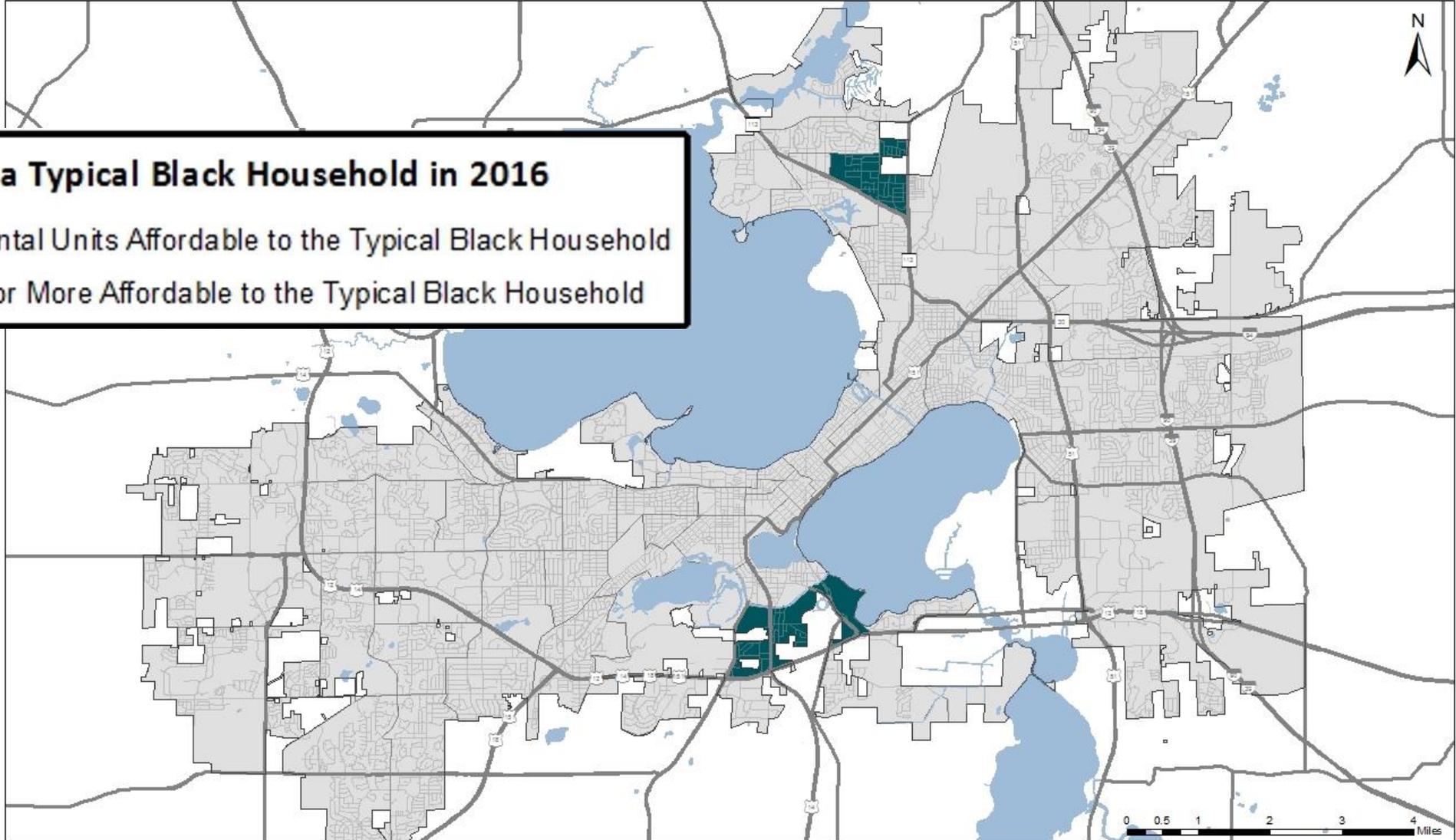
RACIAL SEGREGATION OF HOUSING CHOICE



RACIAL SEGREGATION OF HOUSING CHOICE

Rental Affordability to a Typical Black Household in 2016

- Less than 50% of Rental Units Affordable to the Typical Black Household
- 50% of Rental Units or More Affordable to the Typical Black Household



GUIDING DOCUMENTS

Comprehensive Plan

- Plan Commission
- Whole Built Environment
- Data, Strategy, Regulatory Focus
- Broad Recommendations

Biennial Housing Report

- Housing Strategy Committee
- Whole Housing Market
- Data & Strategy Focus
- More Focused Recommendations

Consolidated Plan

- CDBG/CDA Committee
- Low Income Housing Focus
- Data & Implementation Focused
- Most Focused Recommendations

COMMITTEE/STAFF FUNCTIONS

Strategy & Data

- Housing Strategy Committee
- CDD/CDA Redevelopment

Funding

- CDBG Committee
- CDD
- Finance Committee
- EDD

Project Management

- CDA Board
- CDA Redevelopment
- Finance Committee
- EDD

Plans/Rules/Approvals

- Plan Commission
- Planning Division

Own/Manage

- CDA Board
- Housing Operations



FUNDING INITIATIVES

Homelessness

Permanent Supportive Housing

Rapid Rehousing

Services

- \$2,046,734 Annually

Rental

Affordable Housing Fund

- 200 Units/Year
- \$4.5M Annually

HOME & CDBG

- 60 Units/Year*
- \$3,302,157 Annually

Rehab

- 0 Units/Year
- \$0 Annually

Ownership

Downpayment Assistance

- 48 Units/Year
- \$1,342,630 Annually

Acquisition/Rehab

- 3 Units/Year
- \$195,000 Annually

Rehab

- 112 Units/Year
- \$748,216 Annually

AFFORDABLE HOUSING FUND

AHF RFP/RFQ Commitment Year	AHF Funds Committed	AHF Funds per Affordable Unit	Total LIHTC Reservation	Total Dev. Costs	Total Units Proposed	Affordable Units Proposed	Affordable Units Completed (8/5/20)
2014*	\$4.45M	\$16,800	\$28.8M	\$53.1M	302	265	265
2015	\$4.45M	\$22,450	\$25.5M	\$50.2M	225	198	198
2016	\$1.8M	\$17,300	\$15.5M	\$25.0M	118	104	104
2017	\$5.83M	\$27,243	\$29.7M	\$51.7M	246	214	51
2018	\$6.8M	\$21,935	\$50.3M	\$82.3M	355	310	-
2019	\$4.98M	\$20,816	\$37.1M	\$120.9M	459	239	-
TOTAL/ AVG.	\$28.7M	\$21,579	\$186.9M	\$383.2M	1,705	1,330	618

*Note: Includes 2013 RFQ for 1st PSH Development. Only funds for projects that received awards are shown.



HOUSING AUTHORITY PORTFOLIO

Overview & Opportunities



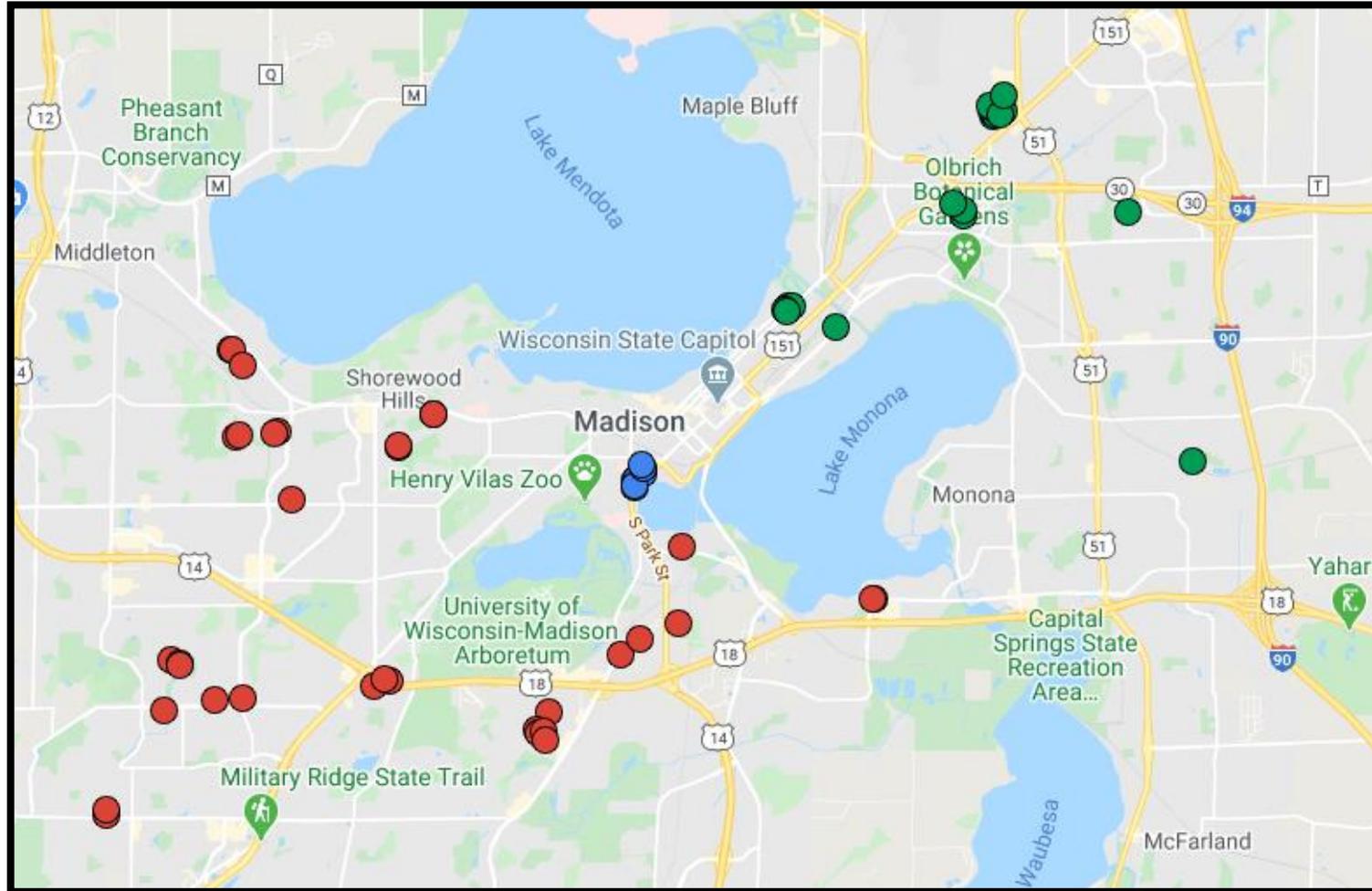
AGENDA

- 1. Completed Projects**
- 2. Scheduled Projects**
- 3. Remaining Portfolio**



PROPERTY LOCATIONS

- West Site
- Triangle Site
- East Site



COMPLETED PROJECTS: TRUAX PHASE 1 & 2

Truax Phase 1

- Mixed Finance renovation project completed in 2011
- 6 buildings with 71 units, including 24 Section 8 PBVs managed by CDA

Truax Phase 2

- Mixed Finance new construction project completed in 2015
- 3 buildings with 48 units, including 8 Section 8 PBVs managed by Porchlight



SCHEDULED PROJECTS: SECTION 18 DISPOSITIONS

Scattered Site Disposition

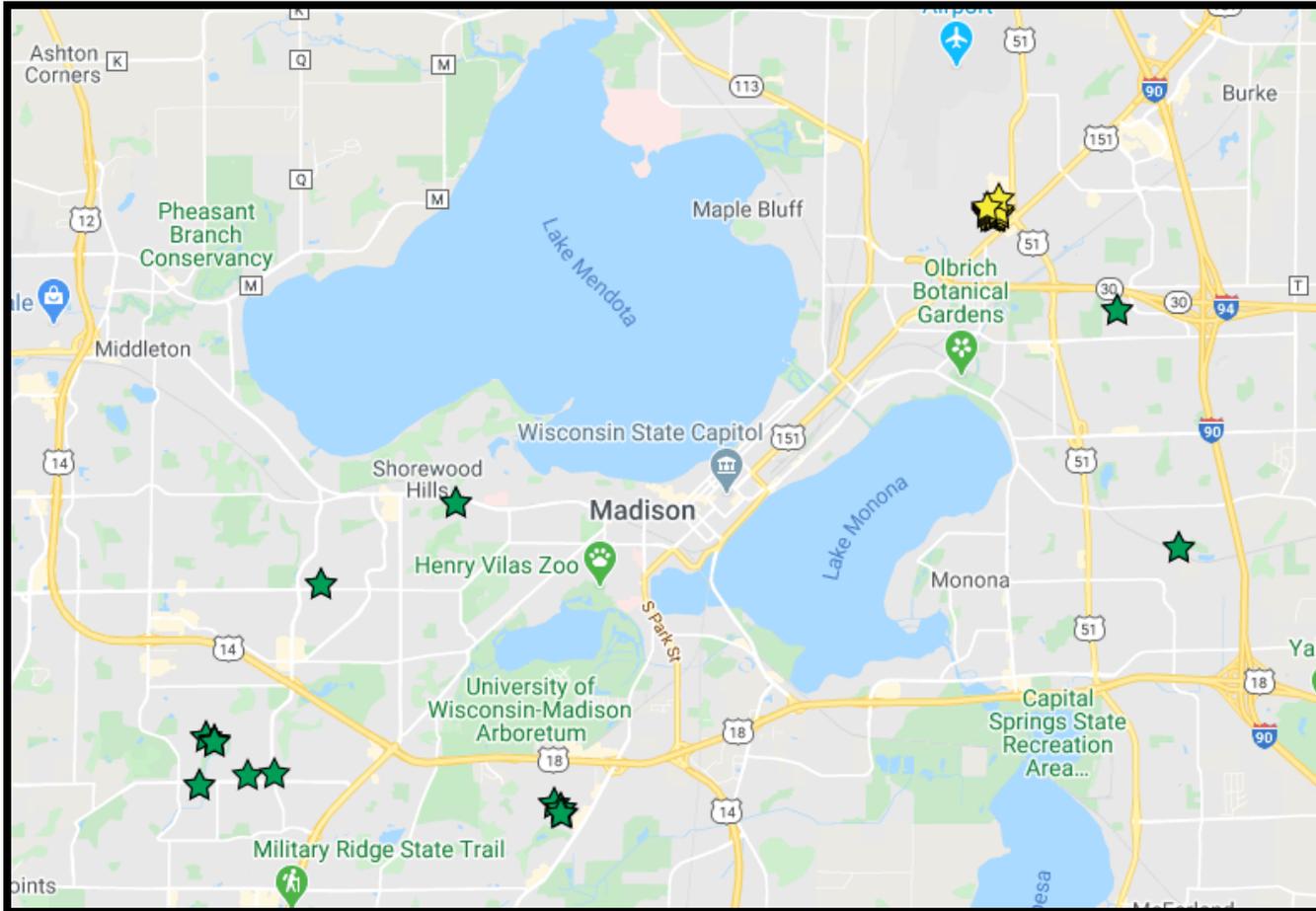
- Disposition from CDA to Madison Revitalization and Community Development Corporation (MRCDC)
- Reduces Public Housing portfolio below Faircloth Limit
- 12 buildings with 32 units
- Application submitted to HUD Field Office April 2020

Theresa Terrace

- Disposition from CDA to the City of Madison
- 2 buildings with 4 units (2 duplexes)



MAP: SCHEDULED AND COMPLETED PROJECTS



TRIANGLE

- Mixed development including townhomes, high rise apartments, single story accessible apartments, and commercial space constructed between 1965 and 1978
- Public Housing and Multi-family Housing
- 12 residential buildings with 336 units and large common spaces
- 32 efficiencies, 270 one-bedroom, 28 two-bedroom, 6 three-bedroom (40 units are WC Accessible)
- 7,135 square feet of commercial space
- Median Income: \$12,852, Average Monthly Rent: \$360
- 41% elderly, 90% disabled, 47% people of color
- 96% Occupancy Rate



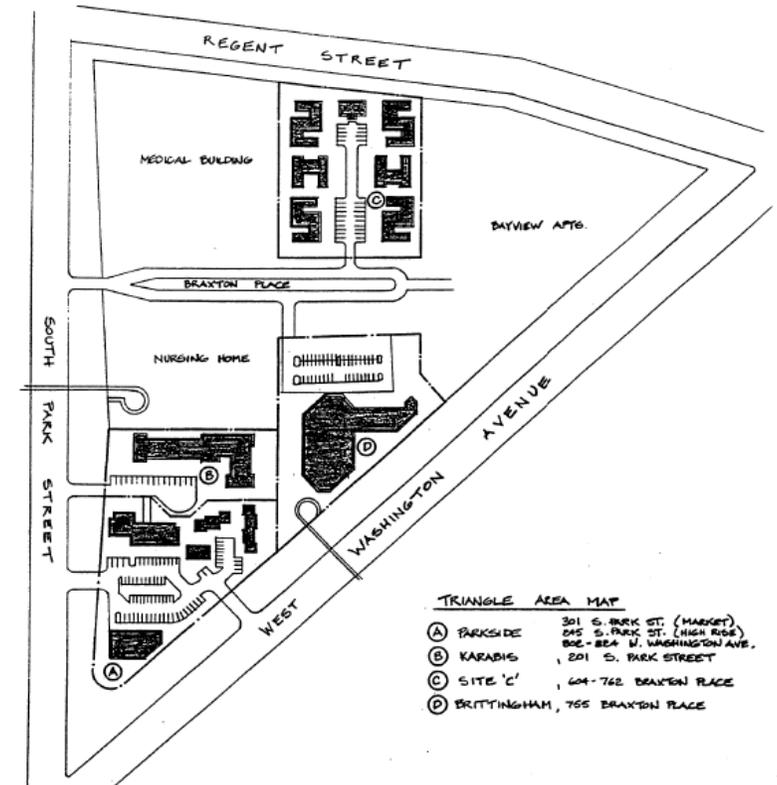
TRIANGLE

Property Challenges

- Significant current capital needs: parking lots, plumbing, electrical, utility tunnels, balcony unit water leaks, ADA upgrades
- High density of vulnerable residents
- Limited amenities & complex funding

Redevelopment Opportunities

- Triangle Monona Bay Neighborhood Plan approved 2019
- HUD Tools for Public Housing: Section 18 Disposition, RAD, or RAD/S18 Blend
- Phased redevelopment beginning with new construction



SINGLE FAMILY HOMES

- The West Asset Management Project (AMP) includes 12 single family homes constructed between 1981 and 1991
- 11 three-bedroom units, 1 four-bedroom
- Median Income: \$27,124, Average family size: 5 people
- 100% Occupancy Rate



SINGLE FAMILY HOMES

Property Challenges

- Scattered site homes are costly to manage
- Significant capital improvements needed

Redevelopment Options

- Section 18 scattered site disposition to MRCDC
- Fair Market Value Sale
- Public Housing Homeownership Plan – sale to public housing resident, includes affordable deed restrictions
- Mixture of above options



TRUAX PARK APARTMENTS

- Three story former barrack buildings along Straubel Court constructed in 1948 and remodeled in 1980
- 4 buildings with 12 two-bedroom units each (48 total units)
- Basement levels include tenant storage, laundry areas, and common areas
- Median Income: \$25,571, Average Monthly Rent: \$475
- 36% disabled, 6% elderly, 79% people of color
- 100% Occupancy Rate



TRUAX PARK APARTMENTS

Property Challenges

- Significant current capital needs: roof replacements, interior unit upgrades. Buildings are at end of useful life.
- Limited amenities: no elevators or air conditioning (1st floor is not accessible)
- Temporary relocation options for residents is limited

Redevelopment Opportunities

- Master Plan completed in 2008
- Possible candidate for Rental Assistance Demonstration (RAD)

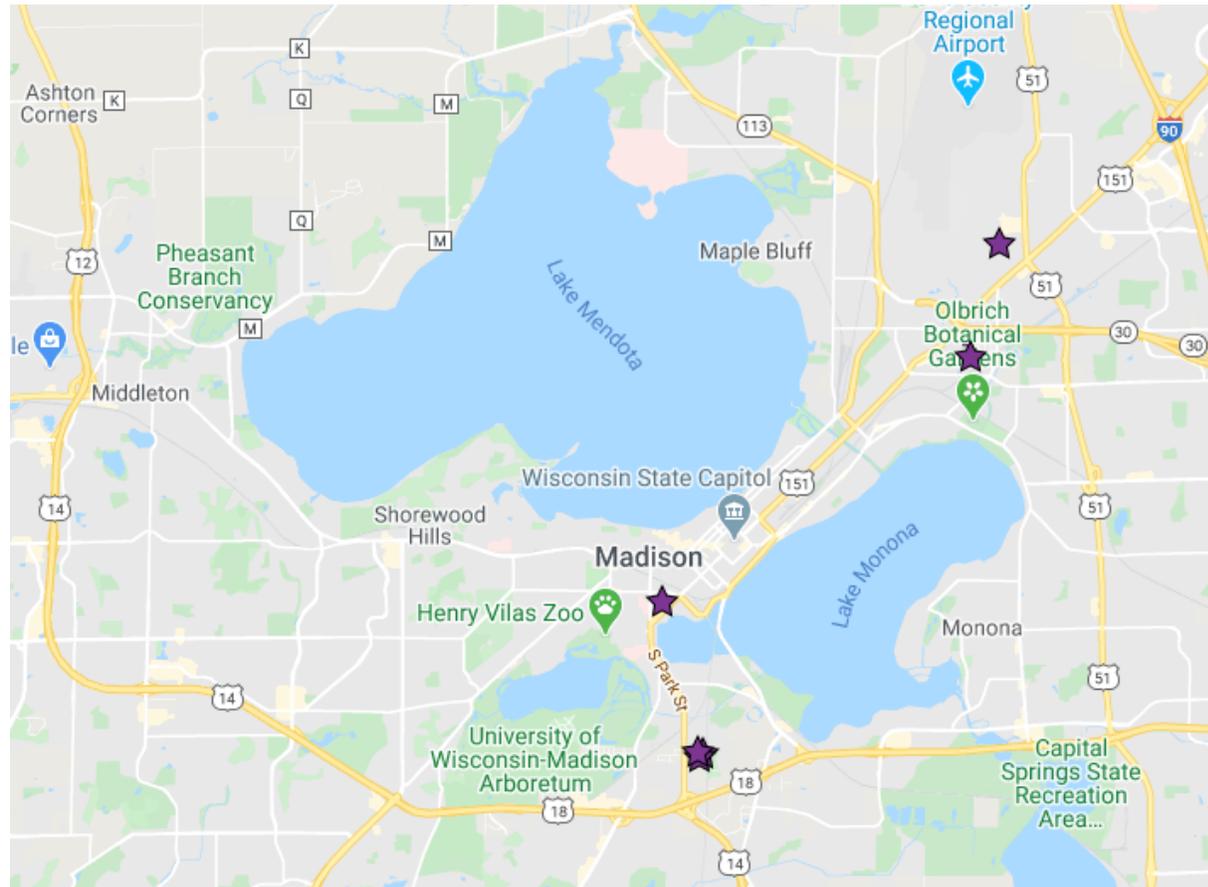


3-1 DEVELOPMENT

- The first major project completed by CDA after acquisition of Truax Park Apartments. The 3-1 development includes split level multi-family residential townhome style buildings at 4 locations, all constructed in 1965.
- Wright Street Townhomes, Webb Rethke Townhomes, Baird Fisher Townhomes
- Gay Braxton Townhomes is part of this development but is previously included in the Triangle redevelopment project overview
- 91 units in 31 buildings
- 12 one-bedroom, 9 two-bedroom, 48 three-bedroom, 16 four-bedroom, 6 five-bedroom
- Median Income: \$30,521, Average monthly rent: \$618
- 37% disabled, 11% elderly, 96% persons of color
- 99% Occupancy Rate



3-1 DEVELOPMENT MAP



3-1 DEVELOPMENT

Property Challenges

- Buildings are aging. Replacement parts are difficult to find.
- Unique split level townhome floor plans with half basements
- Limited tenant storage and no AC

Redevelopment Options

- Mixed Finance Redevelopment
- RAD



ROMNES APARTMENTS

- Three story horseshoe shaped building set on Richmond Hill and constructed in 1968
- 166 units including 165 one-bedroom units and 1 two-bedroom unit
- Building includes large community spaces and the West Management Office and Maintenance Shop
- Median Income: \$13,752, Average Monthly Rent: \$377
- 62% disabled, 62% elderly, 43% people of color
- 96% Occupancy Rate



ROMNES APARTMENTS

Property Challenges

- Significant capital needs: balconies, patio flooding, interior unit upgrades, common area upgrades, cedar siding
- Building design is challenging to maintain
- Limited tenant amenities
- Neighborhood

Redevelopment Options

- Mixed Finance Redevelopment
- RAD



TENNEY PARK APARTMENTS

- Constructed in 1968 and previously designated as elderly housing
- 41 one-bedroom units located in 4 buildings
- Property includes one large community room
- Median Income: \$15,035, Average monthly rent: \$418
- 80% disabled, 59% elderly, 56% persons of color
- 100% occupancy rate



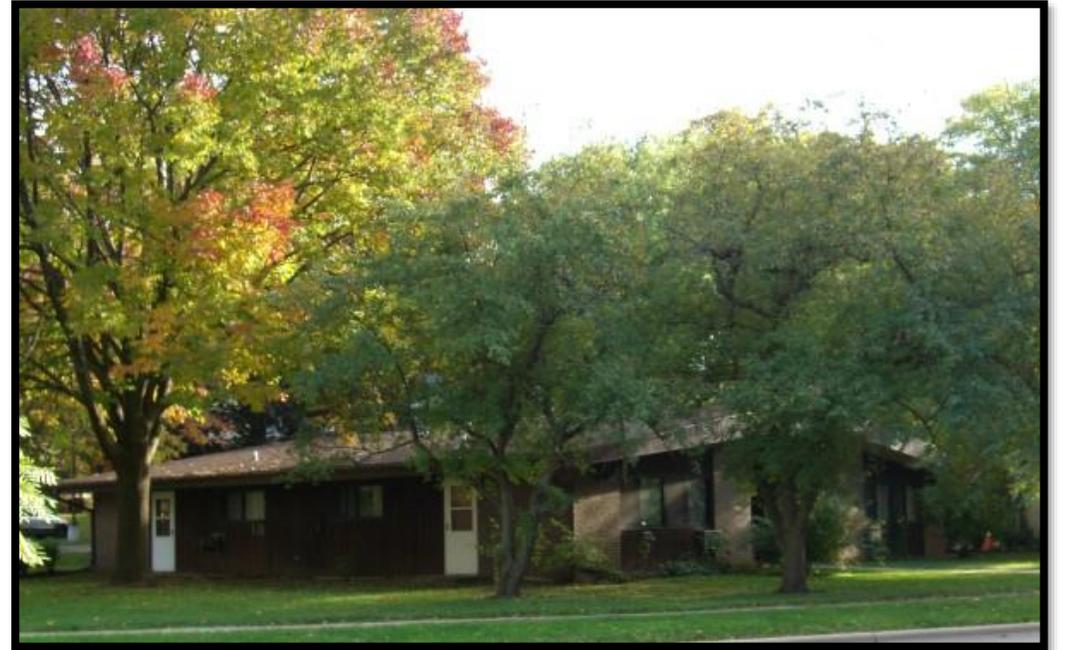
TENNEY PARK APARTMENTS

Property Challenges

- Significant capital needs: gutters, downspouts, soffit, balconies, siding, interior unit upgrades, intercom system, boilers
- Property location

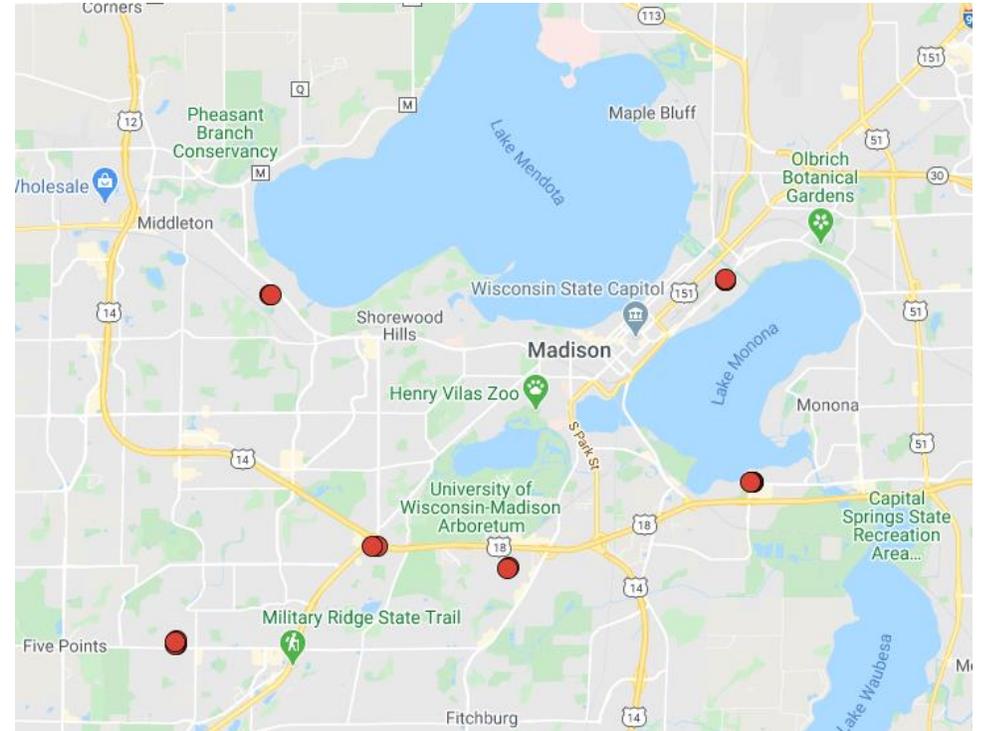
Redevelopment Options

- Mixed Finance Redevelopment
- RAD



SCATTERED MULTI-FAMILY DEVELOPMENTS

- 5 multi-family townhome developments and 1 four-plex development all constructed between 1981 and 1991.
- Greenway Cross, Williamson Street, Chester Drive, Frazier Avenue, Britta Parkway, Capital Avenue
- 65 units including 55 two-bedroom units and 10 three-bedroom units (3 wheelchair accessible units)
- Median Income: \$24,815, Average Monthly Rent: \$507
- 36% disabled, 5% elderly, 83% persons of color
- 98% Occupancy Rate



SCATTERED MULTI-FAMILY

Property Challenges

- Buildings are aging
- Limited amenities

Redevelopment Options

- Mixed Finance Redevelopment
- RAD



STRATEGIC PLANNING DISCUSSION QUESTIONS

- What are the key values that should be included when approaching redevelopment of public housing?

Examples might include: Sustainability, Equity, Digital Equity, Resident Engagement, Community Building, Financial Viability, Innovation, Well-Being (Healthy and Safe housing)

- How do you envision the CDA housing portfolio and residents in 5 to 10 years?
- As we approach redevelopment of public housing, should the CDA prioritize:
 1. Increasing the amount of subsidized and/or affordable housing when possible
 2. Increasing density (disposing of scattered sites)
 3. Replacing or renovating current housing (improving amenities)
 4. Maintaining affordable housing in neighborhoods where affordable housing is not available





“The essence of strategy is choosing what not to do.”

-Michael Porter

VILLAGE ON PARK

August 2020 Overview



The **Village** on Park

VILLAGE ON PARK

2300 S. PARK STREET,
MADISON, WISCONSIN



VILLAGE ON PARK

- Roughly 125,000 square feet of mixed-use commercial and retail space.
- Major tenants as a percent of total leasable area include: Dane County Human Services (20%), the University of Wisconsin Madison (18%), Dane County Public Health (12%), and Dane County Parent Council a/k/a Reach Dane (10%).
- The current occupancy rate of the leasable area is 88%. The majority of the vacancy is in the north building of the property, which was not leased due to parking constraints.
- Roughly 23% of the leased space expires in 2021; 48% of this space will be leaving the property.



VILLAGE ON PARK

- Budgeted revenues in 2020 are \$1,778,098.
- Budget operating expenses in 2020 are \$718,858, and non-operating expenses are \$161,700.
- Per approved 2020 operating budget, the estimated net operating income for the property is \$897,240, which can just cover the total 2020 principal and interest payments of \$783,597 to arrive at a cash flow of \$113,943 before capital.
- It is estimated at year end 2020, that the cash flow of the property will drop to roughly \$70,000.
- The property's debt balance as of the end of 2020 will be roughly \$5.6 million, and will be fully paid off in 2031.
- Debt service payments are expected to drop to \$600,000 per year in 2023 when one of the loans is retired.



VILLAGE ON PARK

- The property was built in various phases from 1960 until the early 1990's.
- It was purchased by the CDA in 2004 for \$9 million with the objective of providing stability and an opportunity for community and economic development.
- The CDA renovated the property in two phases, and sold off three pad sites. Today, the CDA's cost basis is roughly \$23.6 million.
- The property's basis will increase by the budgeted 2020 capital of \$531,600.



VILLAGE ON PARK

- Parking along the South Park Street corridor is constrained due to a number of factors-the South Transfer Point does not have parking, and Madison College's parking lot does not adequately meet the demand of its students. As a result, a number of drivers in the area attempt to park at the property.
- The property's site is 338,051 s.f. and has 358 parking stalls. The property shares its parking lot with Urban League/Goodman Library, which are situated on the adjacent 21,736 s.f. site. Overall, the parking ratio is 2.5/1000 s.f. of leasable space, which is very tight.
- As a comparison, Access Health, has a parking ratio of 3.5/1000 s.f. and needs to rent off-site parking in order to adequately park staff and clinic users.



VILLAGE ON PARK

- The property can be segmented into three building areas: the atrium, the north building, and the remaining retail/office areas. The north building is roughly 31,000 s.f. and represents roughly 19% of the overall building. It was built in 1960/1961 as a bowling alley and then repurposed into a medical clinic.
- Reach Dane leases 39% of the north building, along with some storage tenants. Reach Dane will be leaving the north building in the fall of 2021 to move into the new building it acquired. The property's annual net operating income will decrease by roughly \$123,750 when Reach Dane leaves.
- Overall, the north building's mechanical, electrical and plumbing systems are at the end of their respective lives as well as its roof.
- Potential capital investments in excess of \$425,000 will be needed to replace some of the systems and roof.



SOUTH MADISON PLAN COMMUNITY OBJECTIVES

- The Village on Park is the “hub” for neighborhood-serving businesses and community services.
- Placement of and/or flexible space for neighborhood-serving businesses on southern end
- A east-west residential street as the means for more desirable buildable frontage and ease for pedestrians & vehicles to access site.
- Create physical improvements to facilitate better synergy on S Park and within the site – gateway features, improved ped crossings, cultural influence features



VILLAGE ON PARK — SOUTH MADISON PLAN

Land Use Concepts

- Repair/remodel north building for continued leasing of space.
- Demolish north building. Construct up to 60 units of affordable and/or mixed income housing fronting on Ridgewood Way and additional parking stalls serving Village on Park.
- Demolish north building. Construct a 2 story Nonprofit Center between Ridgewood Way and extended Buick Street and additional parking stalls serving Village on Park.
- Phased redevelopment of Village on Park property (15-20 years) including retail, office, non-profits, neighborhood businesses, and structured parking.



AFFORDABLE RENTAL HOUSING
Third-Party Managed



BURR OAKS SENIOR APARTMENTS



BURR OAKS SENIOR APARTMENTS

- Badger Anne Redevelopment District
- Constructed in 2011
- Financed with Section 42 Low-Income Housing Tax Credits
- Wells Fargo, Project Investor
- 49 Apartments designated for Seniors
 - 30 Section 8 Project-Based Voucher Units
 - 11 HOME Fund Assisted Units
- 100% income and rent restrictions
- 2020 Average Occupancy Rate = 99%



BURR OAKS SENIOR APARTMENTS

- Stable Operations:
 - 2020 Budgeted Revenues = \$439,573
 - 2020 Budget Expenses (less depreciation) = \$397,158
 - Trending above targeted Net Income by \$53,914
- Investor receives excess cash
- Debt Summary
 - \$1,051,564 Mortgage (6.15%, 2028 Maturity)
 - \$385,000 HOME Mortgage (0%, 2040 Maturity)



BURR OAKS SENIOR APARTMENTS

- Restrictions
 - Initial Tax Credit Compliance Period to Year 2027
- Property Challenges
 - No anticipated investments needed in next five years beyond replacement for wear and tear
- Significant Opportunities
 - Phase 2 redevelopment of vacant plot next to property for either CDA or City initiative



MONONA SHORES APARTMENTS



MONONA SHORES APARTMENTS

- West Broadway / Lake Point District
- Redeveloped in 1999
- Financed with Section 42 Low-Income Housing Tax Credits
- 100% CDA Ownership
- 104 Affordable Apartments for Families
 - 3 Units designated for Rapid Rehousing
- 80% income and rent restrictions
- 2020 Average Occupancy Rate = 96%



MONONA SHORES APARTMENTS

- Stable Operations:
 - 2020 Budgeted Revenues = \$1,259,504
 - 2020 Budget Expenses (less depreciation) = \$751,291
 - Trending above targeted Net Income by \$8,831
 - Excess Cash used to breakeven CDA Redevelopment Authority
- Debt Summary
 - \$2,961,519 Mortgage (3.48%, September, 2021 Maturity)
 - \$213,607 WHEDA Mortgage (0%, Beginning May, 2023 and Maturing 2031)



MONONA SHORES APARTMENTS

- Restrictions
 - Land Use Restriction Agreement (LURA)
 - Section 42 Low-Income Housing Tax Credit Extended Use Period to 2029
 - WHEDA Mortgage
- Property Challenges
 - \$4,149,925 in Capital Needs (\$1,995.15 Annually)
 - Mortgage Due September, 2021
- Significant Opportunities
 - Refinance Mortgage and address Capital Needs



CDA 95-1



CDA 95-1

- Acquired in 1995

Parcels		
Reservoir Apartments	28 Apartment Units	1,430 Sq Ft Commercial Space
Two-Flat Building (601 S. Baldwin)	2 Apartment Units	

- 100% CDA Ownership
- 6 Units at 50% income and rent restrictions
- 2020 Average Occupancy Rate = 100%



CDA 95-1

- Stable Operations:
 - 2020 Budgeted Revenues = \$324,829
 - 2020 Budget Expenses (less depreciation) = \$162,225
 - Trending above targeted Net Income by \$20,847
- 50% of Annual Surplus Cash to WHEDA
- Debt Summary
 - \$2,283,492 WHEDA Mortgage (4%, June, 2022 Maturity)
 - \$117,110 WHEDA WRAP Note (0%, June, 2022 Maturity)
 - \$371,000 Urban Development Action Grant (5%, June, 2022 Maturity)
 - \$103,000 City of Madison Loans (4 Loans, 0%, No Maturity)



CDA 95-1

- Restrictions
 - WHEDA Loan and Regulatory Agreement
 - Zoning on use of commercial space by non-profit only
- Property Challenges
 - Renting commercial space
 - Capital improvements
 - City Loan due June, 2021
 - WHEDA loans due in 2022
- Significant Opportunities
 - Sell Two-Flat and pay-off City loan with proceeds of sale
 - Refinance mortgages
 - Commercial Space Changes:
 - Zoning change for use of commercial space by for-profit; or
 - Convert commercial space into two-additional residential rental units



REVIVAL RIDGE APARTMENTS



REVIVAL RIDGE APARTMENTS

- Allied Drive Redevelopment District
- Developed in 2009
- Financed with Section 42 Low-Income Housing Tax Credits
- National Equity Fund, Project Investor
- 49 Affordable Apartments for Families
 - 36 Section 8 Project-Based Voucher Units
- 100% income and rent restrictions
- 2020 Average Occupancy Rate = 98%



REVIVAL RIDGE APARTMENTS

- Stable Operations:
 - 2020 Budgeted Revenues = \$650,844
 - 2020 Budget Expenses (less depreciation) = \$584,170
 - Trending below targeted Net Income by \$15,876
- Investor receives excess cash
- Debt Summary
 - 639,374 Mortgage (4.5%, 2038 Maturity)
 - \$392,000 Mortgage – Interest only payments (3%, 2040 Maturity)
 - \$1,332,864 Mortgage – Interest only payments if cash flow is available (4.5%, 2038 Maturity)



REVIVAL RIDGE APARTMENTS

- Restrictions
 - Initial Tax Credit Compliance Period to Year 2024
 - Land Use Restriction Agreement (LURA)
- Property Challenges
 - Capital improvements
- Significant Opportunities
 - Obtain sole ownership of property at the end of initial tax credit compliance period



AFFORDABLE RENTAL HOUSING — THIRD PARTY MANAGED

STRATEGIC PLANNING CONSIDERATIONS:

- Properties are a component of previous CDA redevelopment activities under CDA Powers and Duties [Wis Stats 66.1333]
 - *Provide for the elimination and prevention of substandard, deteriorated and blighted areas through redevelopment activities*
- Properties were redeveloped to preserve existing neighborhoods
- Each property fulfills a need for quality affordable housing in the City of Madison for those who are not adequately served by the marketplace
- Each property continues to provide a foundation for stable families and healthy neighborhoods





Questions?