

# Affordable Housing Fund-TC RFP

Developers Seeking 2021 WHEDA Tax Credits for  
Rental Housing Development

City of Madison Community Development Division

June 3, 2021

# 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 Fund-Tax Credit RFP

## Goals

1. Increase the supply of safe, quality, affordable rental housing that ensures long-term affordability and sustainability. *NEW CONSTRUCTION*
2. Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability. *PRESERVATION*
3. Improve the existing rental housing stock in targeted neighborhoods through acquisition/rehab to ensure long-term affordability and sustainability. *REHAB*

# Affordable Housing Fund-Tax Credit RFP


## Objectives

- ▶ Achieve a **wider dispersion** of affordable rental housing throughout the city and **discourage** development of additional supply of income- and rent-restricted units in areas with high **concentrations** of assisted housing.
- ▶ Incentivize new development in areas of the city with strong connections with or **proximity to key amenities** such as employment opportunities, public transit, a full-service grocery store, health facilities, schools, parks and other basic amenities.
- ▶ Align CDD-assisted development with the City's **Racial Equity and Social Justice Initiative** through inclusive **development partnerships with BIPOC developers, providing opportunities to Associates in Commercial Real Estate (ACRE) students and graduates**, and culturally-sensitive property management and marketing practices.
- ▶ Implement the Goals, Strategies and Actions outlined in **Imagine Madison**, the City of Madison's Comprehensive Plan, particularly prioritizing well-sited infill development
- ▶ Embrace the City's commitment to **energy efficiency, renewable energy and/or sustainable building design** techniques that contribute to the City's goal to achieve 100% renewable energy and zero-net carbon emissions by 2030.

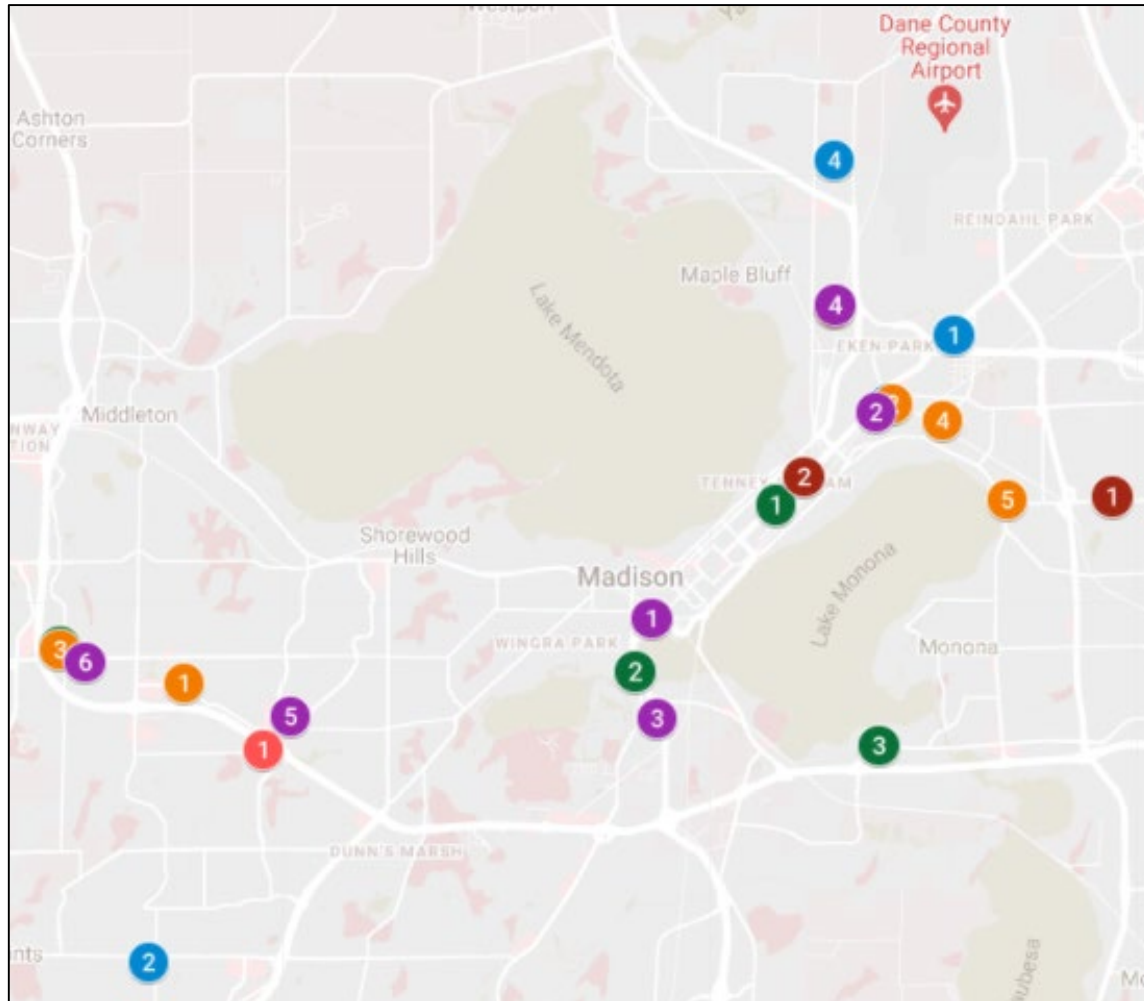
# Affordable Housing Fund-Tax Credit

As of May 13, 2021

Status	# of Developments	Total Units	Affordable Units
Completed	14	987	862
Under Construction	3	239	202
Planned	6	517	373
<b>TOTAL</b>	<b>23</b>	<b>1743</b>	<b>1,437</b>

- 5 Year Goal of 200/units per year = 1000 units
- **SUCCESS!!** 14 Completed ~ Avg. 240/units/yr
  - 12 Multifamily Developments: 9 Family & 3 Senior
  -  ~ 20% = **197 Supportive Housing Units @ 30% CMI today!!!**
  - 2 Permanent Supportive Housing Developments (105 units)

# Affordable Housing Fund Tax Credit Developments



## Completed (Awarded 2014 AHF):

- 1 Rethke Terrace
- 2 Maple Grove Commons
- 3 Carbon at Union Corners
- 4 Tennyson Ridge Apartments

## Completed (Awarded 2015 AHF):

- 1 The Breese
- 2 8Twenty Park
- 3 The Royal
- 4 Tree Lane Apartments

## Completed (Awarded 2016-17 AHF):

- 1 Normandy Square
- 2 Generations at Union Corners
- 3 Point Place Apartments
- 4 Fair Oaks Apartments
- 5 The Grove Apartments

## Completed (Awarded 2018 AHF):

- 1 Tailor Place Apartments

## Under Construction:

- 1 The Ace Apartments
- 2 Valor on Washington
- 3 The Oscar

## Planned:

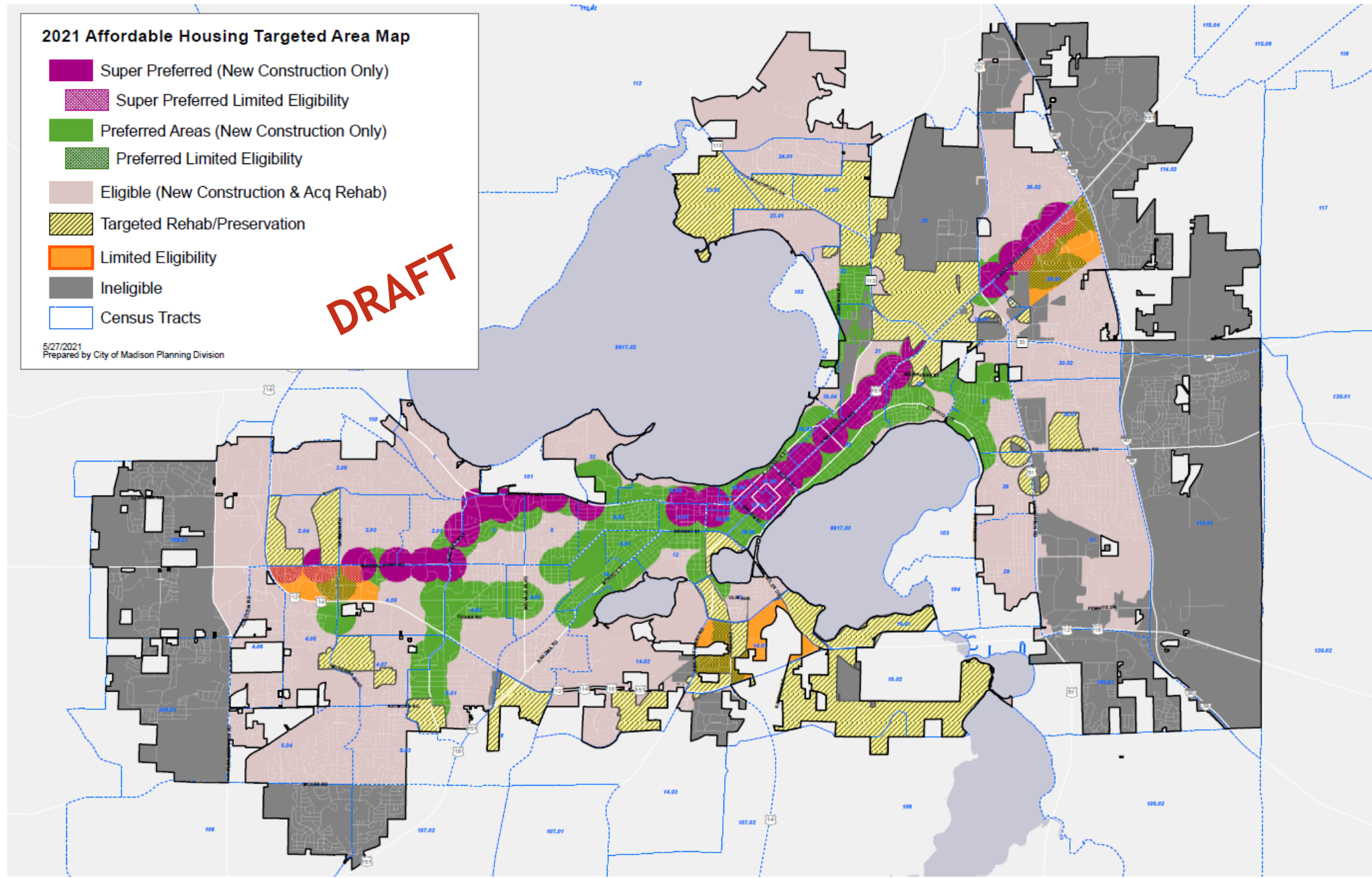
- 1 Bayview Townhouses
- 2 Red Caboose Apartments
- 3 Fourteen02 Park
- 4 The Madisonian
- 5 University Park Commons
- 6 Uno- Madison

# 2021 Affordable Housing Targeted Area Map

- Super Preferred (New Construction Only)
- Super Preferred Limited Eligibility
- Preferred Areas (New Construction Only)
- Preferred Limited Eligibility
- Eligible (New Construction & Acq Rehab)
- Targeted Rehab/Preservation
- Limited Eligibility
- Ineligible
- Census Tracts

**DRAFT**

5/27/2021  
Prepared by City of Madison Planning Division





# Non-Profit Ownership/Control of AHF-TC Funded Developments





# Affordable Housing Fund-TC RFP

- Emphasis on Long-Term Affordability (40 years) & Non-Profit Partners
- Coordination with Planning Division to Create Targeted Area Map
- Required Alder & Neighborhood Engagement
- Preference for Supportive Housing Units & Service Partnerships
- Supportive Service Provider Listening Session/Breakfasts
- Implementation of Tenant Selection Best Practices
- Implementation of Affirmative Marketing Best Practices

# Affordable Housing Fund-Tax Credit RFP

## Highlights &/or New in 2020-2021

### ▶ **Terms**

- ▶ Partially forgivable loan terms for Non-Profit Developers to incentivize Acq/Rehab or Preservation projects (2021)

### ▶ **New(er) Requirements**

- ▶ Increased financial support for non-profit supportive services providers (2021)
- ▶ Universal Design 1st fl. units, offices, common areas/spaces, patios, etc. (2021)
- ▶ 40 year Period of Affordability (2020)
- ▶ Increased percent of <30% CMI units (2020)
- ▶ Moved several preferences to threshold requirements (2020)

### ▶ **New(er) Preferences**

- ▶ Universal Design - At least 50% of the units (2021)
- ▶ Increased preference for percent of <40% CMI units (2020)
- ▶ Increased preference for 3-BR units in non-senior developments (2020)

# Integrated Supportive Housing Component

## ▶ AHF-TC RFP Preferences - Target Population

1. Individuals and/or families experiencing homelessness
- ~~2. Formerly homeless families~~
3. Other Supportive Service Target Populations, which may include:
  - ▶ Previously incarcerated individuals re-entering the community; and/or
  - ▶ Other target populations that meet an identified community need.
    - ▶ Gorman Grandfamily - Generations - Kinship Families (LSS)
    - ▶ Gorman Valor on Washington - Veteran Families (LSS)

# Integrated Supportive Housing Component

## ▶ AHF-TC RFP Preferences - Partnerships

- ▶ Contribute meaningful financial support adequate to serve target population
- ▶ Leverage additional & adequate non-City funded dollars
- ▶ Consult on Design: Bedroom sizes, unit mix, etc. FOR target population
  - ▶ 3-way collaboration with Property Management
  - ▶ Review/consult on flexibility of tenant selection criteria for target pop
- ▶ Co-design lease up process with key community partners to align with Coordinated Entry

# Affordable Housing Fund-Tax Credit RFP

## Highlights &/or New in 2020-2021

### ▶ **Tenant Selection Plan Best Practices**

- ▶ Income criteria (typically 1.5x/rent), Occupancy criteria (min 1 per BR), Criminal and felony convictions (e.g., ideally former MGO), Stating Reasons for Denial (not for lack of history, credit, etc.)
  - ▶ Prohibition of denial with successful rental history at current income (2020)
- ▶ Added Security Deposit limits (2020)
  - ▶ ½ mo standard; 1 month w Cond. Credit OR \$500/\$1000
  - ▶ N/A for Voucher Holders (Sec. 8, VASH, PBV, etc.)

### ▶ **Affirmative Marketing Plan Best Practices**

- ▶ Early & Extensive Targeted Outreach, HSC, NRTs, HVL

# Affordable Housing Fund-Tax Credit RFP

## Highlights &/or New in 2020-21

### Energy Efficiency, Renewable Energy & Sustainable Design

- ▶ Increased Baseline Requirements
  - ▶ Focus on Energy - Energy Design Assistance Initial Application
    - ▶ Implement FOE Recommendations @ 20% over baseline energy savings
  - ▶ Renewal Energy:
    - ▶ Min. 30 kwz Solar PV array
- ▶ Stronger Preferences
  - ▶ EE: FOE - Implement Highest EE Recommendations
  - ▶ Renewal Energy: Implement largest feasible Solar PV Array
  - ▶ Sustainability: AIA - Framework for Design Excellence

# Affordable Housing Fund-Tax Credit RFP

## Timeline

<b>Late June - 2021</b>	<b>Release of RFP</b>
<b>Late July 2021</b>	<b>DEADLINE FOR SUBMISSION OF PROPOSALS</b>
~Aug. 23, 2021	Applicant Presentations to Staff
<b>Sept. 2, 2021</b>	<b>Applicant Presentations to CDBG Committee</b>
<b>Oct. 7, 2021</b>	<b>CDBG Committee Recommendations</b>
Oct. 11, 2021	Finance Committee Recommendations
<b>Oct. 19, 2021</b>	<b>Common Council Approval</b>
Nov. 2021	Commitment Letter (Notification of Award)
Late 2021 - Mid 2022	Anticipated Start of Construction
Mid 2023-2024	Complete Construction



# Affordable Housing Fund-TC RFP

## Questions, Comments, Feedback....

City of Madison Community Development Division

Julie Spears

[jspears@cityofmadison.com](mailto:jspears@cityofmadison.com)

Linette Rhodes

[lrhodes@cityofmadison.com](mailto:lrhodes@cityofmadison.com)