



Department of Planning & Community & Economic Development

## Community Development Division

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**Child Care**  
**Community Resources**  
**Community Development Block Grant**  
**Madison Senior Center**

November 4, 2015

To: CDBG Committee

From: Mary Charnitz, Grants Administrator

RE: Authorization of Affordable Housing Initiative Funds

### Background

In the summer of 2014, Community Development Division (CDD) staff worked with the mayor's office to develop a new housing initiative that would expand, improve or maintain the supply of affordable housing for low- moderate-income households.

2015 was the first year the Affordable Housing Fund was included in the Capital Budget. Three million dollars was approved for the development of affordable rental housing that would use AHF funds to leverage low-income housing tax credits (LIHTC) administered by the Wisconsin Housing and Economic Development Authority (WHEDA).

This \$3 million was allocated to three projects: Tennyson Ridge, submitted by Lutheran Social Services; Maple Grove Commons, submitted by Oakbrook Corporation; and Union Corners Residential Phase I, submitted by Gorman and Company, Inc. This initiative was very successful with all three projects awarded LIHTC's totaling more than \$40 million. Project owners are currently working with staff to complete the necessary loan agreements and documents, and will ultimately create nearly 250 units of rental housing, about 200 of which will be affordable.

### Current Request

The City's 2016 Capital Budget includes \$6 million for affordable housing. Community Development Division staff issued a Request for Proposals in June 2015 soliciting applications for affordable rental housing projects that would utilize these funds to leverage 2016 LIHTC's.

In response to the RFP, the CDD received five applications. A staff team reviewed the proposals against a set of benchmarks and recommended the allocation of the \$3 million for three of the projects. The fourth project is phase two of one of the recommended projects and City staff believe it may be ready to consider as part of a 2016 AHF process. The fifth applicant identified difficulty with its project budget and thought it might be best to wait until the 2017 round of tax-credit applications. The three projects recommended for funding would add 180 units of housing of which about 160 would be affordable. City authorization would be contingent upon a 2016 allocation of WHEDA LIHTC's and other contingencies as outlined in the authorizing resolution.

The three recommended projects include the following:

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- Mifflin Street Apartments, submitted by Stone House Development, Inc. - \$1,000,000
- 8Twenty Park Phase I, submitted by JT Klein Company, Inc. - \$1,250,000
- Madison on Broadway, submitted by Movin' Out, Inc. - \$530,000

Staff Recommendation

Approve resolution file ID # 40651 authorizing the allocation of 2016 capital Affordable Housing Funds to three projects as identified above and as further outlined in the resolution.