

CITY OF MADISON AFFORDABLE HOUSING STRATEGY

Madison's low-income population faces a large and persistent problem of a lack of affordable housing that results in high levels of housing cost burden and at the extreme, homelessness. This lack of affordable housing has recently been exacerbated by historically low vacancies in the rental market, new landlord-tenant laws, and a tightened lending market, all of which are making it harder for low-income households to participate in the Madison housing market.

According to the Affordable Housing Market Report, in the City of Madison:

- Annually 3,000-4,000 people are served by our shelter system, 1 in 3 are children
- 50% of renters pay more than 30% of their income in rent (housing cost burdened)
- 30% of renters pay more than 50% of their income in rent (severely housing cost burdened)

The results of these housing challenges are that these households face greater difficulty paying for food, medications, transportation, and other basic needs. They are also more likely to be evicted from their homes and to suffer homelessness. These effects can negatively affect family members' nutrition and health, children's educational development, and parents' ability to maintain steady jobs. The cost to our community of these effects can be substantial, especially chronic homelessness which is associated with higher use of shelter, law enforcement, emergency rooms, and other social services.

STRATEGIC GOALS

The primary goal of the City of Madison Affordable Housing Strategy is to **support the development of approximately 750 additional units of affordable rental housing by committing over \$20 million dollars over the next five years to a new Affordable Housing Fund.** Most of these funds will be used to take advantage of federal Low-Income Housing Tax Credits to finance new housing development. Developments will be encouraged to locate in sites served by public transit, healthcare, grocery, and other key amenities. **Funds will also be used to support homeownership programs while continuing to finance existing programs and agencies through current funding mechanisms.**

- **1/3 of the units will be Permanent Supportive Housing for individuals and families experiencing homelessness**
 - Developments will provide permanent housing with associated social services
 - **Funding will prioritize a Housing First and Harm Reduction service model**
 - 60 units on Rethke Avenue have already been awarded Affordable Housing Tax Credits
- **2/3 of the units will be affordable at a variety of income levels to meet market needs**
 - Affordable to households at 60% AMI or less with a mix of units affordable to households below 50% and 30% AMI
 - Requires the award of Affordable Housing Tax Credits to leverage the City investment
- **Expand down payment assistance and housing rehabilitation programs low and moderate income households**
 - Consider raising the program income limits and targeting specific neighborhoods

AFFORDABLE HOUSING FUND

The creation of a new Affordable Housing Fund requires drawing funds from a variety of funding sources including:

- Draw down the existing Affordable Housing Trust Fund and direct repayments of the existing Trust Fund loans to the new more flexible Affordable Housing Fund
- Commit general obligation debt to support the Affordable Housing Fund
- Affordable housing developments should be targeted to high performing TIDs that have the capacity to support affordable housing developments