



Legislation Text

File #: 34819, **Version:** 1

Fiscal Note

The Community Development Division submitted a supplemental project request (#S3) as part of the Planning and Community and Economic Development agency's 2015 Capital Budget request, for the purpose of providing ongoing support for a variety of programs and activities designed to expand and improve the supply of affordable housing in Madison. This Resolution authorizes the CDD to partner with WHEDA in an effort which would assist in sustaining the proposed Affordable Housing Fund with Low Income Housing Tax Credits (LIHTC). Due to the RFP timing required for the City to be effective in its partnership with WHEDA, it must release an RFP in August 2014 and complete project selection by December 2014.

Any recommendations for funding of individual projects as a result of the RFP process will be contingent upon the availability of funds in the City's Adopted 2015 Capital Budget, subject to approval by the Common Council, and will be authorized under separate Resolution(s).

Title

Authorizing a Request for Proposal that solicits applications for affordable rental housing projects that utilize Low Income Housing Tax Credits.

Body

Background

Each year the Wisconsin Housing and Economic Development Authority (WHEDA) issues a Request for Proposals to solicit applications for affordable housing utilizing Low Income Housing Tax Credits (LIHTC). The next RFP is anticipated shortly with a due date of January 2015. LIHTC are the primary source for building large numbers of affordable rental housing for low-income residents. Partnering with WHEDA and LIHTC is the best way for the City to maximize its return on investment. The Community Development Division has requested funds in the 2015 capital budget to support the goal of increasing the supply of affordable rental housing. If the City is to be effective in this partnership it is imperative that the Community Development Division release an RFP for City funds in August 2014 and complete project selection no later than December 2014 so that developers can maximize their potential for receipt of LIHTC. Any recommendations for funding as a result of this process will be contingent upon the availability of funds in the City's 2015 Capital Budget

Body

WHEREAS, since the beginning of the recession in 2007, the City of Madison has experienced a continued rise in population that has outpaced its production of housing resulting in an undersupply of rental housing that is affordable, particularly to lower and moderate income wage earners; and

WHEREAS, vacancy in the Madison rental market has been at or near historic lows for a number of years, further indicating that the market is undersupplied; and

WHEREAS, according to the American Community Survey 2010, 57% of renters are "cost burdened", defined as having housing costs that exceed 30% of their household monthly income; and

WHEREAS, the Analysis of Impediments to Fair Housing Choice study, accepted by the Common Council in October 2013, identified the lack of affordable rental housing as a significant impediment to fair housing choice and identified the need to build more affordable rental housing as a primary means to alleviate this condition; and

WHEREAS. The 2014 City of Madison Affordable Housing Market Report recommends proactively seeking

partnerships with developers to address housing challenges and expanding the types of housing available to fill in gaps that the housing market doesn't serve; and

WHEREAS, the 2014 City of Madison Affordable Housing Market Report recommends creating a new Affordable Housing Fund with ongoing City financial support to fund housing projects and programs to meet the City's most pressing housing challenges; and

WHEREAS, the CDBG Committee and the Housing Strategy Committee have identified the most efficient means of producing large numbers of affordable rental housing is by partnering with WHEDA and LIHTC and aligning our support to increase the likelihood of tax credits being awarded for City of Madison-based projects; and

WHEREAS, the CD Division has submitted a request for funds in the 2015 capital budget to support the development of affordable housing in the City of Madison; and

WHEREAS, it is anticipated that the criteria for WHEDA's allocation of 2015 LIHTC is advantageous to projects proposed in the City of Madison if the City designs an RFP process that is coordinated with the LIHTC process and selection criteria; and

WHEREAS, WHEDA plans to issue a RFP for LIHTC affordable rental projects with applications due January 2015; and

WHEREAS, in order for the City to leverage its resources with WHEDA's allocation of 2015 LIHTC a City RFP and selection of projects would need to be finalized by December 2014;

NOW THEREFORE BE IT RESOLVED that the Common Council authorize the Community Development Division to issue a Request for Proposals for affordable rental housing projects applying for 2015 LIHTC. Authorization of City funds for specific projects would be contingent upon Council authorization of such funds in the 2015 Capital Budget.