

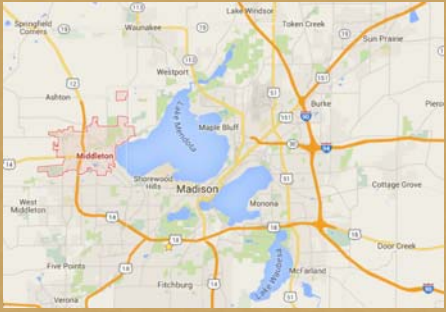


DEVELOPING WORKFORCE HOUSING: MIDDLETON

10/24/18



BACKGROUND



BACKGROUND

- Population 20,472
- 55% Owner-Occupied / 45% Renter-Occupied (2016)
- 56% Single-Family & Duplex / 44% Multi-Family (2016)
- Median Value for Owner-Occupied: \$293,100 (2016)
- Rental Vacancy Rate: 2.42% in 3rd quarter



ECONOMY IN MIDDLETON

- 18,000 jobs in Middleton.
- Only 1,400 people live & work in Middleton.
- So, 16,400 people come to Middleton for work and 8,100 Middleton residents leave Middleton for work.
- Middleton supplies 8,300 jobs to the region.



WORKFORCE HOUSING TASK FORCE

- Workforce Housing Task Force, established 2004:
 - Down Payment Assistance Program
 - Impact Fee Waiver
 - Negotiated agreements with developers (Whispering Pines, Hidden Oaks, The Elmwood)
 - TIF projects (Heritage Senior Housing Campus, Amherst Road Residential Redevelopment, Meadow Ridge Apartments, Market West Apartments, Cardinal Row Apartments, Oak Ridge Senior Apartments)



WORKFORCE HOUSING DEFINITION

In Middleton, "workforce housing" is:

- Housing that is affordable to families earning less than 80% of area median income (AMI).

FAMILY SIZE:	One	Two	Three	Four
50% of AMI:	\$32,100	\$36,700	\$41,300	\$45,850
60% of AMI:	\$38,520	\$44,040	\$49,560	\$55,020
80% of AMI:	\$51,360	\$58,720	\$66,080	\$73,360

WORKFORCE HOUSING DEFINITION

Affordable rent limits:

Bedroom Size:	Eff.	One	Two	Three
50% of AMI:	\$802	\$860	\$1,032	\$1,192
60% of AMI:	\$932	\$1,032	\$1,239	\$1,431

WORKFORCE HOUSING STRATEGY

- Workforce Housing Task Force goal to support the growth of Middleton as an emerging job center by “encouraging compact development and a mixed-income and diverse community where people who work in Middleton are able to afford to live in Middleton.”
- Using Dane County Housing Needs Assessment, the City of Middleton adopted a goal to increase Middleton’s supply of affordable housing units by at least 295 units in the next 3-5 years.

WORKFORCE HOUSING STRATEGY

- Includes 14 strategies/policies to increase the supply of affordable housing.
- Utilize tax increment district (TID) 3 and 5 funding for affordable workforce housing to match other funding sources. Encourage that all residential projects receiving a tax increment financing (TIF) subsidy have a percentage of affordable units.

MARKET WEST APARTMENTS



Developer:
Tim Carey

23 units (of 240 units)
affordable at 60% of
AMI



MARKET WEST APARTMENTS

- TIF subsidy for workforce housing:
 - 24 units affordable at 60% for a period of 15 years
 - Capitalized value of loss of rents: \$1,756,246
 - Total finished additional project value: nearly \$30 million



MEADOW RIDGE APARTMENTS



Developer:
Jacob Klein

76 units (of 95 units)
affordable at 60% of
AMI



MEADOW RIDGE APARTMENTS

- TIF subsidy for workforce housing:
 - 76 units affordable at 60% for a period of 15 years
 - 24 of the 76 units will be reserved for tenants with disabilities or veterans requiring supportive services
 - TIF incentive for workforce housing: \$1,305,000
 - WHEDA Low-Income Housing Tax Credit (LIHTC) Project

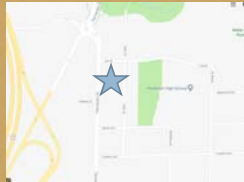


CARDINAL ROW APARTMENTS



Developer:
David Mazur

1 unit (of 16 units)
affordable at 50% of
AMI




CARDINAL ROW APARTMENTS

- TIF subsidy for workforce housing:
 - 1 unit affordable at 50% for a period of 15 years
 - 3-Bedroom unit to encourage affordability for a family
 - TIF incentive for workforce housing: \$137,520




OAK RIDGE SENIOR APARTMENTS



Developer:
Jacob Klein

70 units (of 83 units)
affordable at 60% of
AMI or less



OAK RIDGE SENIOR APARTMENTS

- TIF subsidy for workforce housing:
 - 70 units affordable at 60% for a period of 15 years
 - 18 of the units will be reserved for tenants with disabilities or veterans requiring supportive services
 - 8 of the units reserved to meet the needs of "grandfamilies"
 - 9 of the units affordable at less than 30% of the AMI (extremely low income)
 - TIF incentive for workforce housing: \$395,000
 - WHEDA Low-Income Housing Tax Credit (LIHTC) Project

COMPLIANCE

- Income Computation and Certification Form

TO THE APPLICANT:

You have applied to rent an apartment which the owner has agreed to rent only to qualified low and moderate income persons. To rent of you qualify, you must provide the following information in a sworn certificate. The information will be kept confidential by the owner and the owner's employees, except as necessary to permit to governmental officials, that you qualify. A separate Income Computation and Certification must be completed for each household (includes all persons who will live in the apartment). You should read each item carefully, and provide the information requested truthfully and fully, because making false statements under oath may subject you to criminal penalties.

PART I

1. Provide the following information for each member of your household:

Name (last, first, and middle initials)	Relationship to Head of Household	Date of Birth (if under 18)	Place of Employment

Exhibit to TIF Agreement

2. (a) Will all your household members be full-time students during five months of this calendar year at school or schools (other than a correspondence school) with regular faculty, curriculum, and students?

COMPLIANCE

- Compliance Certificate Form

WITNESSETH, that on this ____ day of _____ of _____, the undersigned, having borrowed certain funds from the CITY OF MIDDLETON, WISCONSIN (the "Authority") for the purpose of acquiring and constructing a multi-family housing development qualifying as "residential rental property" within the meaning of Section 1033(k)(6) of the Internal Revenue Code of 1954, as amended (the "Project"), does hereby certify that (i) during the preceding year the Project was continually in compliance with the Development Agreement and the Workforce Housing Obligation, (ii) on the last day of such quarter, _____% of the units in the Project were actually occupied by Low or Moderate Income Tenants earning _____% of the area median income, and (iii) that the representations set forth herein are true and correct to the best of the undersigned's knowledge and belief.

Exhibit to TIF Agreement

COMPLIANCE

- Student restriction
- Annual certification requirement
- Monthly penalty for non-compliance

LINKS

- Workforce Housing Strategy:
 - Dane County Housing Needs Assessment
http://www.countyofdane.com/planning/pdf/Housing_Needs_Assessment_07142013.pdf
 - Middleton Workforce Housing Strategy
<http://cityofmiddleton.us/DocumentCenter/View/2211>
 - Compliance Certificate Form (Template)
<http://cityofmiddleton.us/DocumentCenter/View/2211>
 - Income Computation and Certification Form (Template)
<http://cityofmiddleton.us/DocumentCenter/View/2211>

CONTACT

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