

BLOCK 88 WORKFORCE HOUSING FAQ

WHAT DOES “AFFORDABLE” MEAN?

Housing that costs less than 30% of a household’s income (rent, surcharges, and utilities included). When a household spends more that 30% of household income on housing, they are considered cost burdened.

WHAT DOES “WORKFORCE HOUSING” MEAN?

For the purpose of this RFP, “Workforce Housing” is defined as housing that is affordable to households making less than 80% of Area Median Income (AMI) based on the number of persons per household. The City of Madison requires that some portion of units within the Block 88 development be reserved as long-term (30 years) Workforce Housing.

Household Size	Workforce Housing				
	100% Median	80% Median	60% Median	50% Median	30% Median
1 person	\$64,200	\$50,350	\$38,520	\$32,100	\$19,250
2 persons	\$73,400	\$57,550	\$44,040	\$36,700	\$22,000
3 persons	\$82,600	\$64,750	\$49,560	\$41,300	\$24,750
4 persons	\$91,700	\$71,900	\$55,020	\$45,850	\$27,500

WHAT CITY FINANCIAL ASSISTANCE IS AVAILABLE?

Financial assistance for Workforce Housing in the Block 88 project may be available through the City of Madison’s Affordable Housing Fund. The Affordable Housing Fund has historically:

- Averaged \$20-25,000 per unit in assistance for units serving 30-60% of AMI Households
 - Level of assistance is partially tied to the incomes being served, lower incomes command higher levels of assistance
- Provided assistance in the form of 50% of funds as a 30-year 0% interest deferred loan and 50% of the funds as a 16-year term loan, amortized over 30 years with an interest rate be set at 2.75% or the annual long-term Applicable Federal Rate, whichever is lower
- Waived Park Impact Fees for units below 60% of AMI
- Required a 30 year LURA ensuring affordability
- Required leverage from another non-City affordable housing funding source

The City reserves the right to negotiate final project and financial details with applicants. The City of Madison does not plan to make TIF or Project-Based Section 8 vouchers available for this development.

WHAT NON-CITY FINANCIAL ASSISTANCE IS AVAILABLE?

The City of Madison anticipates that this development will attract outside financial assistance to aid in ensuring that a portion of the units in the development are Workforce Housing. Examples include:

- Tax Exempt Bonds
- 7/10 Debt
- HUD 221(d)(4)

Given the tight timeline of the project, it is not anticipated that the Block 88 development will be pursuing Section 42 tax credits. While a tax credit project could be considered, their relative risk and longer timeline will be weighed against other affordability options with less risk.

ADDITIONAL INFORMATION

For more information on the City of Madison's Affordable Housing Fund, please contact:

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