



TIF Assistance Application

Affordable Housing Set Aside (AHSA) Program

Community Development Block Grant Office

INSTRUCTIONS

- 1) **Use the Form Provided.** Applications shall only be accepted on this format, including a signed Acknowledgement, found on Page 11 of the application. Additional attachments may be provided to fully demonstrate the required information.
 - 2) **Review TIF Policy.** To complete the TIF Assistance Application, review the Request for Proposals.
 - 3) **Mail or deliver Application and attachments to:** **Mary Charnitz, Grants Administrator**
Madison Municipal Building, Rm. 280
215 Martin Luther King Jr. Blvd.
P.O. Box 2985
Madison, WI 53701-2985
Phone: (608) 267-0742 / FAX: (608) 261-9661
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AHSA APPLICATION REVIEW PROCESS

- 1) CDBG staff will review the application and may meet with applicant to clarify or gather additional application information.
 - 2) The TIF Coordinator will review the project to determine eligibility including the, if “but for” TIF, the project could not be constructed.
 - 3) The TIF Set Aside Committee will review and select projects for AHSA funding and determine the amount of AHSA funds allocated to a project within the eligible amount.
 - 4) A funding resolution is referred to the Board of Estimates for consideration and then referred for final approval by the Common Council.
 - 5) CDBG staff would negotiate an agreement with the approved developer.
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IMPORTANT TIF STANDARDS & POLICIES

Real Estate Taxes—All projects with TIF shall pay real estate taxes.

Ineligible TIF Costs—TIF may not fund operating deficits, lease-up expenses or other such operating expenditures in addition to other costs prohibited by TIF law.

Eligible TIF Costs—Per TIF Law, TIF may only fund capital expenditures (land, construction) or soft costs (legal, accounting, A&E, loan fees, construction interest, etc.) that pertain to the implementation of a capital project.

Land Costs—Land cost is recognized as the purchase price of the land improvements at the time it was purchased. Projects that include the assemblage of land over time should complete the Land Assemblage section and identify each parcel, its purchase date and purchase price. Do not impute a land value as cost. The City reserves the right to limit TIF assistance for land purchase that the City determines excessive.

2.

Finished Area	Ownership	Rental	Office/Commercial
Gross Finished Area (SF)			
Net Finished Area (SF)			

3.

Total Housing Units in Project	
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_____ Total Number of Owner Occupied Units

_____	Number of Rehab of Existing Units
_____	Number of Market Rate Units
_____	Number of Affordable TIF AHSA Units
_____	Number of New Units Created
_____	Number of Market Rate Units
_____	Number of Affordable TIF AHSA Units

_____ Total Number of Rental Units

_____	Number of Rehab Existing Units
_____	Number of Market Rate Units
_____	Number of Affordable TIF AHSA Units
_____	Number of New Rental Units Created
_____	Number of Market Rate Units
_____	Number of Affordable TIF AHSA Units

4. Sales Assumptions

Absorption Period (Mos.)	
Total Units Sales	\$
Less: Brokerage/Closing Cost	\$
Net Sales Price	\$0.00

5. Parking Assumptions

Type	Residential	Commercial	TOTALS
No. of Underground Stalls			0
No. of Surface Stalls			0
			0

8. Cash Flow For Owner-Occupied Projects - Indicate monthly projections until project is fully absorbed.

<i>Month:</i>													
INCOME													
Equity													
TIF Grant													
Home Sales													
Other													
Total Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

EXPENSES													
Land Acquisition													
Hard Construction													
Parking Construction													
Contingency													
A & E													
Legal/Accounting													
Property Taxes													
Loan Fees													
Municipal Fees													
Construction Interest													
Insurance													
Marketing													
Miscellaneous													
Developer Fee													
Total Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PROFIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return on Equity													

10. Rental Cash Flow

Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Rent (Units)															
Gross Rent (Parking)															
Less: Vacancy															
Effective Gross Income															

Less: Operating Expenses (List Exp. Categories/Amounts Below)															
Total Expenses															
Net Operating Income															
Less: Debt Services															
Cash Flow															

Assumptions	
1 st Year Lease-Up %	
Year Stabilized:	
Annual Vacancy After Stabilization:	
Loan Amount	\$
Term	
Interest	
No. Payments	
Loan Amount	\$
Term	
Interest	
No. Payments	

11. Sources And Uses

SOURCES

Equity	\$	
Total Loans (Do Not Include TIF)	\$	
Total Sources	\$	0.00

USES

Land Cost		
Acquisition*		
Demolition		
Total Land Cost		0.00

Hard Cost		
Construction		
Underground Parking (If applicable)		
Other (please list)		
Other (please list)		
Total Hard Cost		0.00

Soft Cost		
A & E		
Legal/Accounting		
Property Taxes		
Fees (Loan & Municipal)		
Construction Interest		
Insurance		
Relocation		
Miscellaneous		
Developer Fee		
Marketing		
Other (please list)		
Other (please list)		
Total Soft Cost		0.00

Project Contingency

TOTAL COST **0.00**

*If land has been held or assembled over time, complete Land Assemblage portion of the TIF AHSA application.

12. Land Assemblage - Attach a separate sheet if necessary.

Parcel Address	Tax Parcel Number	Year Purchased	Purchase Price

13. Gap

Definition of Gap—Gap is a shortfall that occurs when project costs (uses) are greater than the amount of private investment (sources) that the project can attract. This is called “sources and uses gap”. It is the best way to determine whether TIF funding of the project meets statutory “but for” requirements. Rental projects must demonstrate gap using only the sources and uses method.

Condominium or other owner-occupied housing projects may have gap when market sales do not support total project cost and yield a reasonable profit. This is called “sales gap”. Such projects should use the sales gap approach demonstrated below.

In some cases, an owner occupied project (particularly those with an affordable housing component) may have two gaps—derived from both the sources and uses and sales perspectives. In those cases, both sources and uses and sales approaches should be demonstrated.

Sources and Uses Gap

Project Cost	\$	_____
Less: Loan(s)	\$	_____
Less: Equity	\$	_____
Sources and Uses Gap	\$	_____ 0.00

Sales Gap (Applicable to Owner-Occupied projects only)

Net Sales	\$	_____
Less: Loan(s)	\$	_____
Less: Equity	\$	_____
Less: Allowable Profit**	\$	_____
Sales Gap		_____ 0.00

Total Gap

Sources and Uses Gap	\$	_____ 0.00
Add: Sales Gap (If applicable)	\$	_____ 0.00
TOTAL GAP	\$	_____ 0.00

**For owner-occupied housing projects, the City currently allows a profit of 12% per year.

Causes of Gap—Describe cost or value factors that cause gap. You may attach a separate with your estimates if more space is required.

Cause (Describe)	Estimated Impact
	\$
	\$
	\$
	\$

14. Additional Questions (You may attach a separate sheet if more space is required.)

- Is the project located in an active tax incremental district?
- Do you have site control?
- Are zoning ordinance or map changes required?
- Will relocation of individuals or business be required?
If yes, please provide details on how relocation requirements will be met.
- Will the building design be accessible to persons with physical disabilities?
- Are there any known or suspected environmental hazards on the site based on testing, history or use?
- Do you or your proposed investment partner(s) in the proposed project or any other development entity of which you or your partner(s) have an interest, owe back property taxes to the City of Madison? If “Yes”, explain.

15. Required Attachments

- **Project Map**—A map of the project site and its surrounding structures, including size, shape, arrangement of densities and street patterns.
- **Timetable**—A development timetable from pre-construction to full occupancy.

16. Acknowledgement

By signing the acknowledgement, the Developer has reviewed and shall abide by Madison’s TIF AHSA Policy, Non-Discrimination, Prevailing Wage and Living Wage Ordinances. In addition, Developer shall abide by the City’s **Housing Subsidy Acceptance Ordinance** (MGO 32.12(13)), wherein the Developer receiving City funds agrees to not refuse to lease or otherwise make available units in the Project solely because applicant for a unit is a direct recipient of a federal, state, or local-government housing subsidy. Developer shall comply with this provision for as long as the Loan remains outstanding.

Developer’s Signature

Print Name

Title

Date