

WHAT IS PERMANENT SUPPORTIVE HOUSING?

Permanent Supportive Housing (PSH) combines very affordable housing with supportive services designed to help make its tenants successful. It is designed to assist households that are homeless and that face persistent challenges, such as physical or cognitive disabilities, substance abuse, or mental health issues, that contribute to housing instability. PSH housing simultaneously meets a housing need and provides an array of individualized services ranging from case management, to substance abuse treatment, employment and life skills training, community support services, etc.

WHAT IS THE PARK STREET DEVELOPMENT?

The Park Street Development is the third of what is expected to be at least 5 Permanent Supportive Housing projects initiated by the City of Madison. These projects are part of a broader effort commissioned by the Mayor and Common Council in 2014 to expand the supply of affordable rental housing in Madison. The initiative is intended to add 1,000 new affordable units over 5 years, 250 of that total are to be Permanent Supportive Housing units to serve the homeless with an emphasis on the chronically homeless.

The financing of these housing units depends upon the individual projects' success in securing federal Section 42 low income housing tax credits. These credits are allocated by the Wisconsin Housing and Economic Development Authority (WHEDA) through an annual competitive process. The projects will also utilize federally funded housing vouchers that will help support on-site supportive services for residents. This strategy of coordinating local and federal resources is a nationally recognized best practice for combating housing instability.

Through a competitive Request for Qualifications (RFQ) process, the City selected Heartland Housing, Inc. as a partner to undertake the first development. That development, located on the City's near east side at 715 Rethke Avenue, opened in the summer of 2016 housing 60 single adults. A second RFQ process selected the team of Heartland Housing and the YWCA to develop, manage, and provide housing and supportive services for approximately 45 homeless families. Heartland Housing was selected in a third RFQ to develop approximately 60 units of PSH for adults for this development.

HOW WAS THIS SITE SELECTED?

The City of Madison selected the sites for each of the first three PSH developments. The search for sites sought locations deemed likely to fare well under WHEDA's tax credit application process. That process takes into account a variety of criteria, among them whether a site:

- Is well served by public transportation
- Is "walkable", that is, relatively proximate by foot to a variety of retail and service destinations
- Is located within a Census Tract marked by low vacancy rates & high rents or is near employment opportunities

The City considered the following additional factors:

	<u>1202 South Park Street</u>
• Not located in an area of concentrated poverty (>40%)	13.5%
• Close to healthcare	.1, .5, and .9 mile
• Close to grocery stores	.1 mile
• Zoned for multifamily	Yes
• Available for sale	Listed for Sale

City staff conducted an exhaustive search of available parcels and identified 1202 S. Park St as meeting all of the criteria.

WHAT IS THE TIMELINE FOR THIS DEVELOPMENT?

The proposed Park Street development must follow standard City procedures to secure development, zoning, and building permit approvals. It will not be exempt from property taxation. Because of the number of units and location in an urban design district, the project must secure Conditional Use and Urban Design Commission approval and before obtaining a building permit.

July 2016	Heartland Housing Inc and Heartland Health Outreach selected as developer/manager and service provider
December 2016	First informational neighborhood meeting
January 2017	Second informational neighborhood meeting
January 2017	Informational meetings with City staff and Urban Design Commission on general plan
February 3, 2017	Deadline for application to WHEDA for 2017 tax credits
Spring/Summer 2017	Submit application to the City for land use approvals
Spring/Summer 2017	Third neighborhood meeting (tentative)
Spring/Summer 2017	Public hearing before the Urban Design Commission regarding building design
Spring/Summer 2017	Public Hearing before the Plan Commission regarding Conditional Use and project approval
May 2017	Scheduled notification by WHEDA on 2017 tax credit awards
Summer/Fall/ 2017	Complete sale of the property
Spring 2018	Construction begins
Spring 2019	Construction Completion

WHAT IMPACT IS THIS PROJECT LIKELY TO HAVE ON PROPERTY VALUES, SCHOOLS, AND CRIME?

“Most studies indicate that affordable housing has no long-term negative impact on surrounding home values and many show a positive increase in home values” according to the National Association of Realtors¹. While there are a wide variety of sizes, types, and locations for PSH and LIHTC developments the empirical data show a few consistent trends:

- Most LIHTC developments have a slightly positive or no effect on neighboring property values
- Most PSH developments have a slightly positive or no effect on neighboring property values²
- Replacing a vacant lot with a PSH or LIHTC development increases neighboring property values
- Affordable housing is least likely to generate negative property values when it is embedded in high value, low poverty, stable neighborhoods and when the development is well managed³

Recent local examples of comparably sized LIHTC developments serving low-income households on the near east side (626 East Johnson St, 1115 E. Wilson St.) and University Avenue (4620 Frey St.) do not appear to have had any negative effect on property values or crime according to City Assessor and Police data⁴.

¹ <http://www.realtor.org/field-guides/field-guide-to-effects-of-low-income-housing-on-property-values>

² http://furmancenter.org/files/FurmanCenterPolicyBriefonSupportiveHousing_LowRes.pdf

³ <https://stardust.asu.edu/docs/stardust/housing-research-synthesis/research-brief.pdf>

⁴ <http://www.cityofmadison.com/assessor/documents/SingleFamilyTrends2014.pdf>

<https://www.crimereports.com/map/index/?search=+Madison+WI>