

## 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 TREE LANE DEVELOPMENT?

The Tree Lane Development is the second 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 phase of this effort. That project, located on the City's near east side at 715 Rethke Avenue, will provide 60 units of PSH Housing for single adults. Construction began in July and is scheduled for completion in April. A second RFQ process selected the team of Heartland Housing and the YWCA to undertake Phase 2 – to develop, manage, and provide housing and supportive services for approximately 40 homeless families.

## HOW WAS THIS SITE SELECTED?

The City of Madison selected the sites for each of the first two phases of PSH Housing. 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:

7933 Tree Lane

- |   |                    |
|---|--------------------|
| • Not located in an area of concentrated poverty (>40%) | 15%                |
| • Close to schools                                      | 1 mile             |
| • Close to grocery stores                               | <1 mile            |
| • At least 1 acre in size                               | 1.3 acres          |
| • Available for sale                                    | City owned surplus |

City staff conducted an exhaustive search of available parcels and identified 7933 Tree Lane as meeting all of the criteria. The site has been owned by the City since 1997. Originally acquired for a fire station, it was deemed surplus in 2000.

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## WHAT IS THE TIMELINE FOR THIS DEVELOPMENT?

The proposed Tree Lane 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 shape of the site and current zoning designation, the site must be rezoned as a Planned Development (PD) before obtaining a building permit.

November 2014	Heartland Housing Inc and YWCA selected as developer/manager and service provider
January 2015	First informational neighborhood meeting
	Heartland applied to WHEDA for 2015 tax credits to fund construction
May 2015	WHEDA notified Heartland the project would not receive 2015 tax credit funding
<b>September 2015</b>	<b>Neighborhood meeting regarding building design and management</b>
	Informational meetings with City staff and Urban Design Commission on general plan
October 7, 2015	Submit application to the City for land use approvals
October 27, 2015	Third neighborhood meeting (tentative)
November 18, 2015	Public hearing before the Urban Design Commission regarding building design
December 7, 2015	Public Hearing before the Plan Commission regarding site rezoning and project approval
January 5, 2016	Public Hearing and action before Common Council on site rezoning and project approval
January 31, 2016	Deadline for application to WHEDA for 2016 tax credits
May 2016	Scheduled notification by WHEDA on 2016 tax credit awards
Fall/Winter 2016	Complete sale of the property and begin construction
Fall 2017	Complete construction

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## 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 Realtors<sup>1</sup>. 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 values<sup>2</sup>
- 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 managed<sup>3</sup>

Recent local examples of comparably sized LIHTC developments serving low-income families 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 data<sup>4</sup>.

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

<sup>2</sup> [http://furmancenter.org/files/FurmanCenterPolicyBriefonSupportiveHousing\\_LowRes.pdf](http://furmancenter.org/files/FurmanCenterPolicyBriefonSupportiveHousing_LowRes.pdf)

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

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

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