



# USING TIF TO FURTHER SUSTAINABILITY GOALS

Green Tier Annual Meeting 5-21-18

# Background

- Population over 20,000
- 55% Owner-Occupied / 45% Renter-Occupied
- 47% Single-Family & Duplex / 53% Multi-Family
- Median Value for Owner-Occupied: \$293,100 (2016)
- Rental Vacancy Rate: 1.84% in 1<sup>st</sup> quarter



# Economy in Middleton

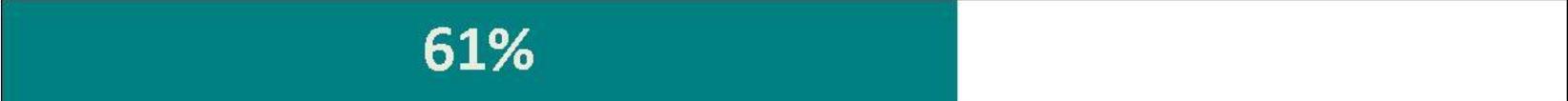
- Over 18,000 jobs in Middleton.
- Only 1,700 people live & work in Middleton.
- So, 16,300 people come to Middleton for work and 7,800 Middleton residents leave Middleton for work.
- **Middleton supplies 8,616 jobs to the region.**





# 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.



61%

# 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:
  - 23 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



# 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 see if 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 prove to government 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.

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PART I

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

| Name (last, first, and middle initial): | Relationship to Head of Household: | Date of Birth (if under 18): | Place of Employment |
|---|------------------------------------|------------------------------|---------------------|
| _____                                   | _____                              | ____/____/____               | _____               |
| _____                                   | _____                              | ____/____/____               | _____               |
| _____                                   | _____                              | ____/____/____               | _____               |
| _____                                   | _____                              | ____/____/____               | _____               |

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?



**Exhibit to TIF Agreement**

# 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 103(b)(4)(a) 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

[https://www.countyofdane.com/plandev/pdf/Housing\\_Needs\\_Assessment\\_01152015.pdf](https://www.countyofdane.com/plandev/pdf/Housing_Needs_Assessment_01152015.pdf)

Middleton Workforce Housing Strategy

<http://cityofmiddleton.us/DocumentCenter/View/3371>

Compliance Certificate Form (Template)

<http://cityofmiddleton.us/DocumentCenter/View/3571>

Income Computation and Certification Form (Template)

<http://cityofmiddleton.us/DocumentCenter/View/3572>

# Sustainability in TIF Project Plans

- TIF #3, 1993 - “Sustainable features/renewable energy systems for infrastructure”
- TIF #5, 2009 – “New development/density/energy efficiency incentives. Sustainability will also be a goal that must be met in order for the City to participate in funding.”

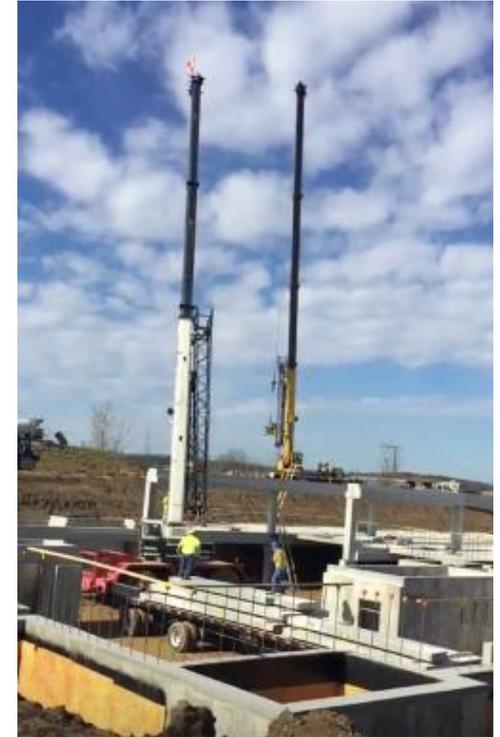
# Laser Express (2016)

- \$142,689 in support of a **117** kW solar array



# Market West Apartments (2016)

- \$559,125 in support of a **375 kW** solar array



# Upcoming Projects

- Goodwill Adaptive Re-Use (under construction)
  - \$205,613 solar incentive
  - \$194,670 geothermal incentive
- Treysta Middleton Market (approved)
  - \$700,000 solar incentive
  - \$475,000 purple pipe incentive
- Hy-Cite Offices (approved)
  - \$483,000 solar incentive (300 kW system)

# Thanks!

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