

Madison Affordable Housing Corporation Letterhead

March 11, 2008

The Madison Affordable Housing Corporation will participate in the development of the Green Village Road School (GVR) property by assisting in the development, and sale of the affordable residential units in a mixed-income housing development.

It is proposed that in addition to the arts, culture and educational facilities, the site and its topography will accommodate 60 residential condominium units in a five story elevator building. This building will be a mixed-income facility consisting of forty market-rate units and twenty affordable units. In accordance with the proposed new Council on Affordable Housing (COAH) rules there is a 20% set aside requirement. This development is proposing to set aside 33% of the units for affordable homebuyers.

The building will consist of one and two bedroom units and will meet all of the requirements as outlined in the COAH rules and regulations. In this way, the Borough of Madison will receive credit for these twenty units toward its affordable housing obligation. Based on the latest proposed COAH rules the Borough of Madison may have a new obligation for as many as 260 affordable housing units. By developing this site in the manner proposed, we will actually reduce the Borough's obligation by restricting 8 units more than required.

This development will be self liquidating and internally subsidized. That is to say that the sale of the market-rate units will underwrite some of the costs associated with the affordable housing units. In this manner, the cost to meet the COAH obligation will be significantly reduced, saving the Borough of Madison as much as \$1 million.

Local educators, arts and cultural professional will be given a preference to purchase the market rate units. They will also be offered at a discount to these individuals. This will support education and the arts in Madison by supporting the professionals. Furthermore, the land on which the residential units will be built will be leased to the condominium Association. The lessees will pay a monthly rent to the owners, MACA, and these funds will support the operation and maintenance of the arts, culture and educational center.

I have attached some background materials as well as a listing of our experience in developing affordable housing for your perusal.

Signed – Lou Riccio