

More for Madison
A Gift to Our Community
Workforce Housing and Community Center
2024-25

Executive Summary

More for Madison is a visionary campaign championed by St. John's Lutheran Church, 322 E. Washington Ave., that is reshaping the heart of downtown Madison by transforming its existing site to build workforce housing alongside space for social services, community, and new worship space.

St. John's Lutheran Church History

St. John's roots in Madison run deep, gathering in Madison since 1856 with its original building on West Main Street. Descendants of the original membership are still actively part of the church. Since its founding, the focus has always been on serving the working poor, beginning with the German immigrants who flocked to Madison. More than 70 years ago, St. John's partnered with other congregations and founded Oakwood Village as a safe place for elders in the community to live.

St. John's was a founding member of Off the Square Club, which provides a safe place for those living with diagnosed mental illness to receive services, have a warm meal and a cup of coffee, and find community. With aid from others it has run an Emergency Outreach Fund for 40 years, providing around \$40,000 annually in small matching grants, bus tickets, and gas cards to those who need help with first month's rent, security deposits, utility bills, child-care, or transportation.

For more than 35 years, St. John's opened its doors to serve as an additional site for an overnight men's shelter until it was relocated due to the COVID-19 pandemic. As an active member of the community, St. John's also provides space for 12-step groups, music groups, and neighborhood & community groups while welcoming and affirming LGBTQIA+ people and their friends & families.

The current structure, built in 1905, is the congregation's third church, the second on the site at the corner of East Washington Avenue and North Hancock Street. In the early 1950's, St. John's expanded by adding a new parish hall with an indoor basketball court so young men in the community had a positive place to be. A decade later, the front of the church was extensively remodeled, changing it from a classic structure to one more of the era. The gym was eventually converted to office space to better support their mission.

The change let the congregation provide more space to partners who work with the homeless and formerly incarcerated people through its Off the Square Club and Backyard Mosaic Women's Project. The history of St. John's demonstrates the congregation's commitment to the homeless, providing shelter and community.

Project Description

Floors 2-10 of the mixed-use project will provide 130 apartments; 110 are affordable to people earning between 30% to 60% of area median income (AMI), providing homes to local residents working in restaurants, retail, day-care facilities, teachers, and service sector jobs that support Madison's vibrant tourism sector and the downtown economy. Beyond housing, the new building will offer a rooftop garden, community gathering spaces, replaced worship space, vital community space, and essential social services, fostering a holistic environment that promotes growth and well-being. The site is just three blocks from the Capitol Square and is on major bus lines and the BRT route, providing ready access to employment, services, shopping, and public transportation.

The rents for the 110 affordable units, 85% of the total, will be limited by income level as determined by the Wisconsin Housing and Economic Development Authority (WHEDA) to ensure that they remain genuinely affordable long-term. They will be a mix of studios, junior one-bedroom, one-bedroom, two-bedroom and three-bedroom units. The number of units by income level are as follows:

- 26 units at 30% AMI or less (Max. family income for two persons = \$29,310)
- 52 units at 50% AMI or less (Max. family income for two persons = \$48,850)
- 32 units at 60% AMI or less (Max. family income for two persons = \$58,620)
- 20 units at market rate to provide a variety of rent levels, providing an opportunity for residents to remain in the building even if their income level changes

Madison's neighborhoods have faced rapid development and gentrification. Having a housing option like this project will allow low wage working people like preschool teachers, service industry workers, retail workers, and non-profit employees the ability to stay in the neighborhood where they live and work. The first floor of the project will be a vibrant multi-use space that provides free or low-cost space to multiple community groups, ranging from the neighborhood book club, 12-step groups, neighborhood association meetings, and community concerts. Organizations and partners that will benefit from this new space will be the OutReach LGBT Community Center, Briarpatch Youth Services, St. John's Emergency Fund, and Lutheran Social Services (which will provide case management to residents in the building). This project is unique, and there are only a handful of projects like it nationwide. St. John's is the first church in Madison to invest in re-purposing its site for affordable housing alongside a vibrant community center, making this an amazing gift that strengthens the core of our city in many ways.

There has not been a workforce housing project downtown in 20 years because it is so difficult to make it financially viable. Financing a project like this had been a significant challenge. But that has not stopped the St. John's team. From the beginning, the congregation has donated their land to the project, with an estimated land value of \$5 million, and has raised \$850,000 through a capital campaign. They have already successfully secured competitive Low-Income Housing Tax Credits from WHEDA, funding from Dane County, and funding from the City of Madison toward this project. All of these competitive funding applications show the commitment and buy-in of the surrounding stakeholders. Keeping rents low make the project's cash flows very challenging. The support from the public has been positive and enthusiastic, but money is always a challenge, especially with the many worthy projects in Madison going on concurrently.

The construction planning is nearly complete, and this project is moving fast. The current plans are to close on the financing by May 1, 2024, and begin demolition and construction immediately thereafter. The requirements of the WHEDA funding, which is the most significant portion of the financing, require that it be under construction by July 2024. The project is expected to take 18 months to construct, so time is of the essence to bring this much needed housing resource to our downtown.

Use of funds and other sources of support.

The total project is \$51mil. St. John's lead gift of the property, construction financing, tax credits, city and county funding, and other sources cover most of the construction cost, but there remains a \$3 million gap to close for this transformative Madison project.

For over 100 years St. Johns and its community partners, as neighbors, have provided vital downtown community programming and social services to our most economically vulnerable. The success of this project continues that tradition for decades to come and strengthens our downtown for everyone.