

Financing for Affordable Homeownership Development, Programs, and Services

Applicant Workshop

City of Madison Community Development Division
August 08, 2025



Logistics

1. This workshop will be **recorded**.
2. **Slides and materials** are available on the RFP webpage.
3. Change your **display name** to your name and organization.
4. **Questions** will be taken at the end after recording is stopped.
 - a. Type questions in the chat throughout the presentation. **FAQ** to be posted on website post workshop.
 - b. Follow up questions? Send an email to
MDavila-Martinez@CityOfMadison.Com
5. **Zoom features:** Live captions available / raise hand function

Recording

The meeting will now be recorded. By continuing to be in the meeting, you are consenting to being recorded and consenting to this record being released to public record requestors who may see you, your home, and your family members in the recording. Participants need to be mindful of what is within view of the webcam and within range of a microphone.

START RECORDING

Agenda

1

Overview of RFP

- a. Guiding Plans and Policies
- b. Funding
- c. Development
- d. Programs and Services

2

Scoring and Review

- a. Criteria
- b. Tips

3

Application Process

- a. Application
- b. Budget
- c. Submission

4

Timeline & Next Steps

5

Q&A

Mission

The Community Development Division **collaborates** with residents, neighborhoods, and other community stakeholders to **overcome barriers to opportunity** in order **to support** a vibrant community, shared prosperity, and resident and community wellbeing.

Key points of this RFP:

Amount available: **\$5.35 million**

Applications Due:

September 26, 2025 at NOON

Benefit households **at or below 80% AMI.**

Must meet **all local, state, and federal regulations** that apply, subject to funding source.

Contracts start **after Common Council approval.**

City of Madison

Community Development Division
Suite 300, 215 Martin Luther King Jr. Blvd.
Madison, WI 53703-3348

Request for Proposals

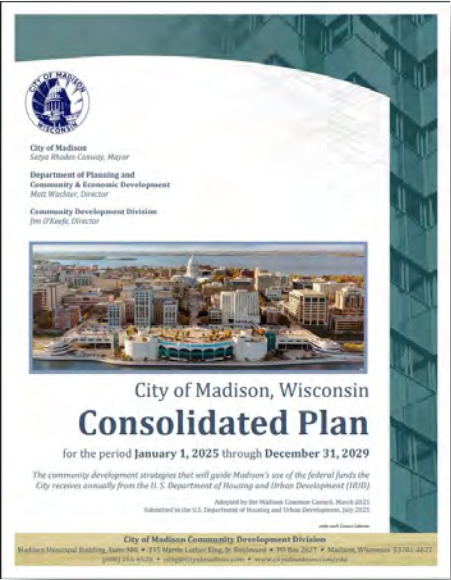
RFP #2025-14027

Financing for Affordable Homeownership Development, Programs,
and Services

Release Date: August 01, 2025

Due Date: 12:00 pm, Noon
September 26, 2025

Guiding Plans



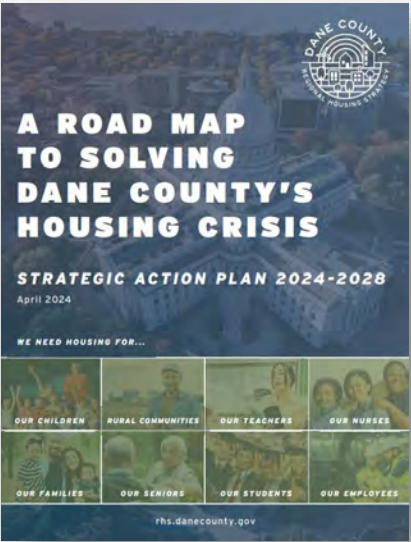
Consolidated
Plan & Annual
Action Plan



Comprehensive
Plan & Area Plans



Sustainability
Plan



Dane County
Housing
Strategy
Report



Housing Forward
Agenda



Objectives

NOTE:

No Major Rehabilitation included in this RFP.

Goal Area 1. Housing Development and Financing: Homeownership

- Housing **Rehabilitation** and Accessibility Improvements (Minor)
- Owner-Occupied Housing **Development**
- **Homebuyer Assistance** (Down Payment)

+ **Homebuyer Education**

Benefit households at or below 80% AMI

Income limits change annually and are determined by HUD.

Current 2025 income limits are:

Household Size	1	2	3	4	5	6
Income Limit (\$)	72,700	83,100	93,500	103,850	112,200	120,500



Available funding

The total amount of **available funding is contingent** upon the availability of the federal allocations expected from the U.S. Department of Housing and Urban Development (HUD).

Can be used for:	Funding Source	Amount
Development and Homebuyer Assistance	HOME	Up to \$3,000,000
Minor Home Repair	CDBG	Up to \$300,000
Development	City Affordable Housing Fund (AHF)	Up to \$2,000,000
Homebuyer Education – can be used for operating costs	City levy	Up to \$50,000

Total: \$5.35M



What can be funded?

Development – Overview

Affordable homeownership development through **new construction** or **acquisition-rehabilitation**.

Requirements:

1. Eligible applicants include **non-profit, for-profit; CHDOs must be certified.**
2. Properties must be in the **City of Madison.**
3. Must result in **owner-occupied units.**
4. **Lease-purchase** proposals must follow the Tenant Selection Plan Standards.

**Submit
CHDO
application
by time of
submission
for HOME
set-aside
funding**

Development – New Construction

Site control at time of application.

(Exception: City-owned lots)

Must meet:

- ENERGY STAR certification
- Accessibility standards Certificate of occupancy + 1-year construction warranty
- Report Minority/Women/Disadvantage Business Enterprise usage

+ Multi-Family Homeownership Projects (4+ units):

- Comply with established employment and contracting regulations working with the Department of Civil Rights

Development – Acquisition/Rehab

Site control not required. Two-year window to acquire, rehab, and sell.

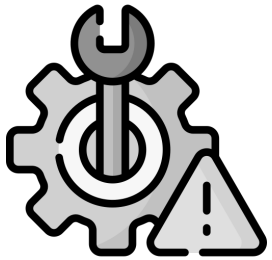
Must meet:

- Residential Rehabilitation Standards (housing inspection conducted)
- Pass housing inspection before sale
- Accessibility standards *as are feasible*
- Sustainability standards (7 minimum features) *as are feasible*
- Report Minority/Women/Disadvantage Business Enterprise usage

Multi-Family Homeownership Projects (4+ Units): Pre-Application Steps



Preapplication Meeting: contact Maria Davila (MDavila-Martinez@CityOfMadison.Com) to schedule an initial meeting with the following information: address, proposed number of units, and type of development. We will coordinate with Planning and Zoning.



Development Assistance Team (DAT) Before application submission, applicant must attend a Development Assistance Team meeting. Contact Christopher Wells (CWells@CityOfMadison.Com) to schedule an appointment.

Vacant Lots

Six vacant residential lots in Owl Creek neighborhood **for \$1 each.**

For new construction projects affordable to households at or below 80% AMI.

Address	Parcel No.
5109 Horned Owl Dr	<u>071027413055</u>
5133 Great Gray Dr	<u>071027414053</u>
5117 Great Gray Dr	<u>071027414079</u>
4301 Valor Way	<u>071027415019</u>
4307 Valor Way	<u>071027415027</u>
4320 Valor Way	<u>071027417057</u>



Vacant Lots – Process

1. When applying, applicants should include details of proposed owner-occupied projects to be built on Owl Creek lots. **Estimated target price listed in application should reflect \$1 lot price being passed through to end buyer.**
2. Applicants awarded vacant lots will enter a **Purchase and Sale Agreement (PSA)** with the City containing terms of the sale of the vacant lots.
3. Once PSA contingencies are met, lots will be transferred to awarded entities, **subject to use restrictions and a repurchase option should projects not be completed.**

Financing for Development Projects

1. **Maximum per unit subsidy** is up to \$200,000.
2. At least **80%** capital costs as a Long Term Deferred Loan (LTD), 0% interest **loan**.
3. Up to **20%** soft costs, which includes the developer fee issued as a **grant**.
 - a. **Developer fee** capped at 20% of the awarded funds if there are no other eligible soft costs.
4. Developers may use a portion of City funds to:
 - a. **reduce** the **homebuyer's mortgage** (Loan will be transferred to homebuyer, at sale, as a 0% LTD loan with a shared appreciation repayment ratio); and
 - b. any **un-allocated loan funds** must be returned to the City at the time of transfer to a homebuyer .

Financing for Development Projects: Non-Permanent Example

Step 1: CDD Subsidy to Developer

\$200,000

CDD Subsidy Soft Costs Grant (20% of award)

\$40,000

Developer Loan Hard Costs (Long Term Deferred – 0% interest)

\$160,000

Step 2: Subsidy to new buyer

Purchase Price

\$350,000

CDD Subsidy Loan to Homebuyer to make home affordable
(2nd mortgage)

\$80,000

CDD Subsidy Repayment Ratio= (80,000 / 350,000)

22.86%

Step 3: Homeowner sells

Homeowner sells with sales price:

\$400,000

Repayment to City is (400,000 x 0.2286)

\$91,440

Remainder of equity stays with buyer

Developer
pays back
City

\$80,000

Passthrough
assistance
to buyer

\$80,000

Financing for Development Projects – Permanent Affordability Option

For developments that agree to a **99-year LURA:**

1. Subsequent sales must be made to households at or below 80% AMI **and must** have a steward to navigate the resale process.
2. **50% of loan portion is forgiven** at point of sale.
3. Eligible to receive **Park Impact Fee exemption.**

Additional Subsidy

Additional subsidies may be available if:

Proposal and budget can demonstrate **increased costs** associated with **exceeding standards** of accessibility and sustainability.

Development - Preferences

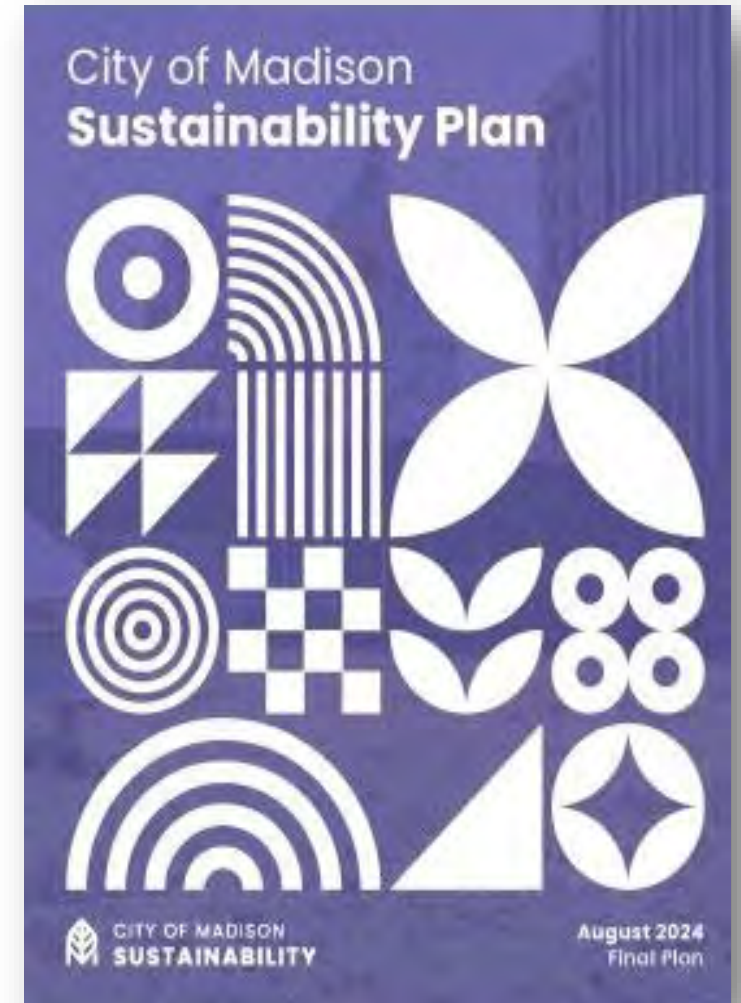
Preferences for proposals:

1. Submitted by non-profits/CHDO or emerging developers
2. Prioritize underserved populations
3. Exceed sustainability standard
4. Exceed accessibility standard
5. Are shovel ready
6. Smaller-scale, infill development



Sustainability

Gregg May | Sustainability Office | City of Madison



Sustainability Requirements

1. **New Construction Developments must meet [ENERGY STAR certification](#) for new construction.**
2. **Acquisition-Rehabilitation Developments must incorporate the following features into their rehabilitation scope of work:**
 - a. Remove Wood, Propane, or Oil heating systems, (meaning only gas or electric heating systems are installed);
 - b. Knob and tube wiring replacement, if present;
 - c. LED lightbulbs where lightbulbs are installed;
 - d. Air sealed attic;
 - e. Air infiltration (ACH50) rate of 3;
 - f. Wall Insulation: Cavity + Continuous at R-20 + R-5 respectively;
 - g. Fans with CFM of at least 50 in bathrooms and at least 300 in kitchens.

If specific features or certifications are found to be infeasible, CDD and the Sustainability Office will collaborate with the development team to explore reasonable alternatives. If applicant is able to exceed minimum standards, additional subsidies may be available.

Sustainability

- Preferences

- **Exceeding Energy Star Certification sustainability requirements:** committed to exceeding sustainability requirement by pursuing: [Focus on Energy New Home Certification](#), [National Green Building Standard](#) (Silver+), or [Zero Energy Ready Home Program](#).
- **Incentive:** Additional subsidies may be available for Sustainability Features exceeding Energy Star certification sustainability requirement standard for all development proposals



Rebates + Financing for Sustainability

Requirement 1: New Construction Developments must meet ENERGY STAR certification for new construction.

- Builders are required to sign an ENERGY STAR Partnership Agreement and complete the online Version 3 Builder Orientation, which can be found at: www.energystar.gov/homesPA
- The estimated cost differences between an Energy Star SNFH and a code compliant Wisconsin new home is estimated to be \$2500.

Equipment Rebates

HEAR offers rebates for installing qualifying equipment. A single household cannot receive more than \$14,000 total in rebate dollars from this program. Maximum project rebates are based on income level. Qualified new or existing, single- and multi-family homes are welcome to participate.

Income Eligibility	Maximum Project Rebate
Households below 80% AMI	100% of project costs up to \$14,000
Households between 80% and 150% AMI	50% of project costs up to \$14,000

Higher income households (>150% AMI) are NOT eligible for this program.

Type of Home Energy Project/Qualified Technology	Rebate Max Per Product Category	Eligible for New Construction
ENERGY STAR® electric heat pump water heater	Up to \$1,750	Yes
ENERGY STAR electric heat pump for space heating and cooling	Up to \$8,000	Yes
Electrical load service center (electrical panel)	Up to \$4,000	No
Electrical Wiring	Up to \$2,500	No
ENERGY STAR Insulation, ENERGY STAR ventilation, air sealing	Up to \$1,600	No
ENERGY STAR electric heat pump clothes dryer	Up to \$840 (Rebate Not Yet Available)	Yes
ENERGY STAR electric stove, ENERGY STAR cooktop, ENERGY STAR range*	Up to \$840 (Rebate Not Yet Available)	Yes

Sustainability - Preferences

Focus on Energy New Home Certification

- This certification is available to homes built by Focus on Energy approved builders for homes that are 30% more efficient than code
- Focus on Energy provides quality assured energy efficiency, with expertise from Wisconsin in construction and building performance analysis

Sustainability - Preferences

National Green Building Standard Silver +

- The National Green Building Standard (NGBS) Silver level is one of the four certification levels for green buildings, with Bronze, Gold, and Emerald being the other three.
- To achieve Silver certification, a building must meet certain requirements in six key areas: Lot Design, Resource Efficiency, Water Efficiency, Energy Efficiency, Indoor Environmental Quality, and Building Operation & Maintenance, and earn a minimum number of points in each category.
- The NGBS is a comprehensive green building standard developed by the [National Association of Home Builders \(NAHB\)](#) and the [International Code Council \(ICC\)](#).

Sustainability - Preferences

Zero Energy Ready Home Program

- A DOE Zero Energy Ready Home is a high-performance home that is so energy efficient that a renewable energy system could offset most or all the home's annual energy use.
- \$5000 credit, expiring June 2026
- More information here:
<https://www.energy.gov/sites/default/files/2024-09/DOE%20ZERH%20V2%20%28Rev.%202%29%20National%20Program%20Requirements.pdf>

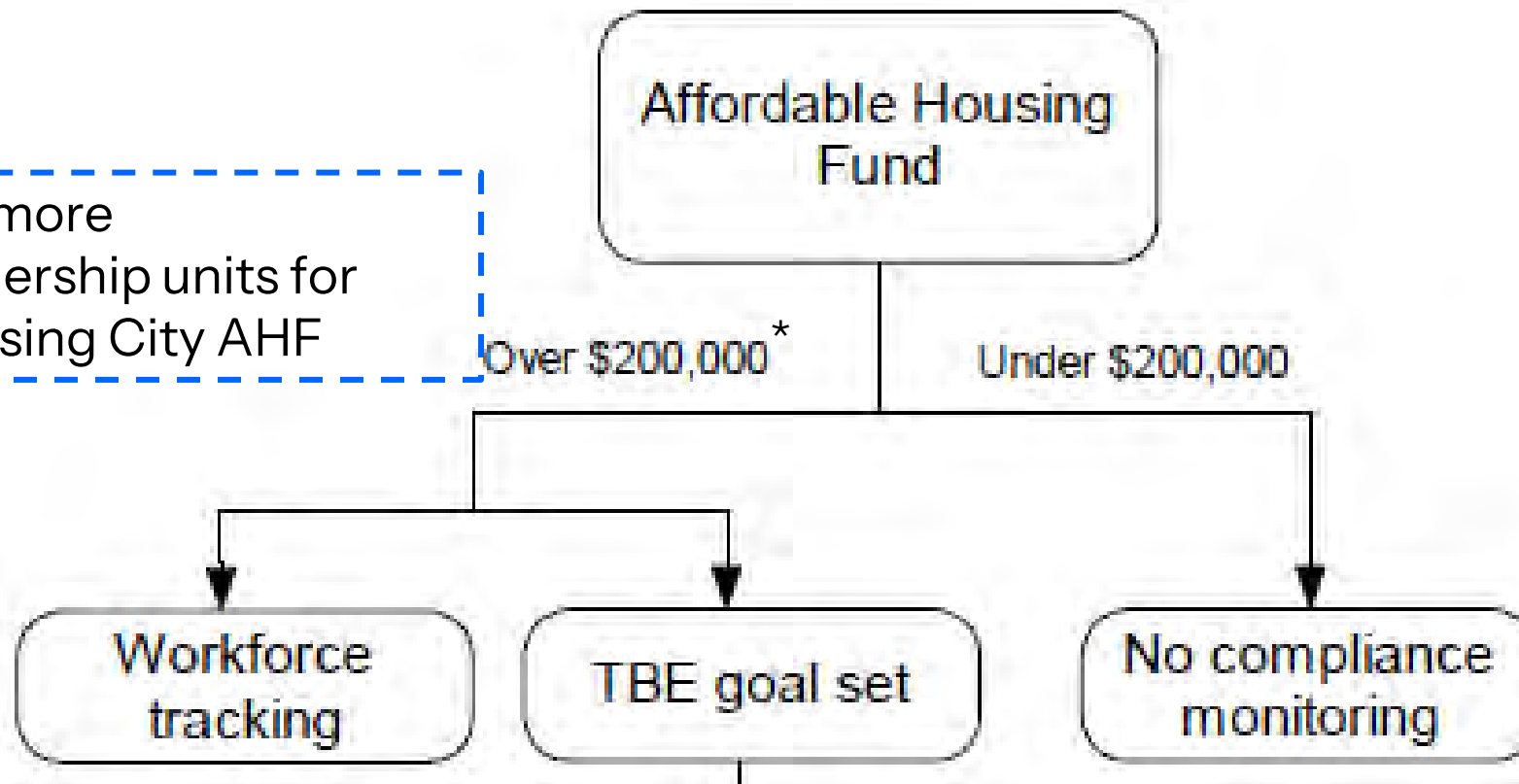


DCR Compliance

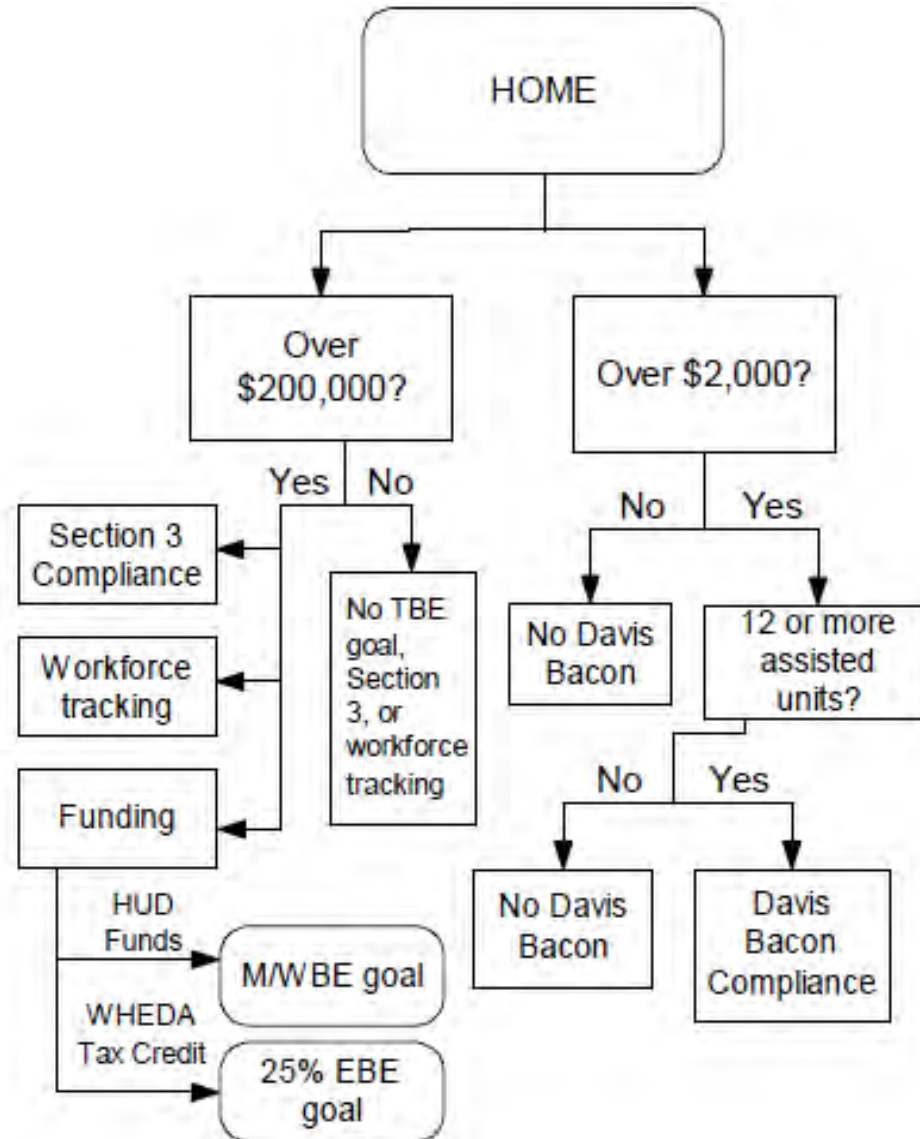
Kirsten Donkle | Department of Civil Rights | City of Madison

Contract Compliance – Affordable Housing Fund

*and 4 or more
homeownership units for
projects using City AHF



Contract Compliance – HOME HUD Funds



Subcontracting

City Affordable Housing
Funds

**Small Business
Enterprise (SBE)** goal on
projects over \$200,000
and 4 or more
homeownership units.

HUD
HOME Funds

**Minority, Women,
Disadvantaged Business
Enterprise** goal on projects
over \$200,000.

Workforce Goals

1. **All projects** over \$200,000*.
*and 4 or more homeownership units for projects using City AHF
2. The construction workforce on a project is made up of **13% Black, Indigenous, People of Color (BIPOC), and 3% Women.**

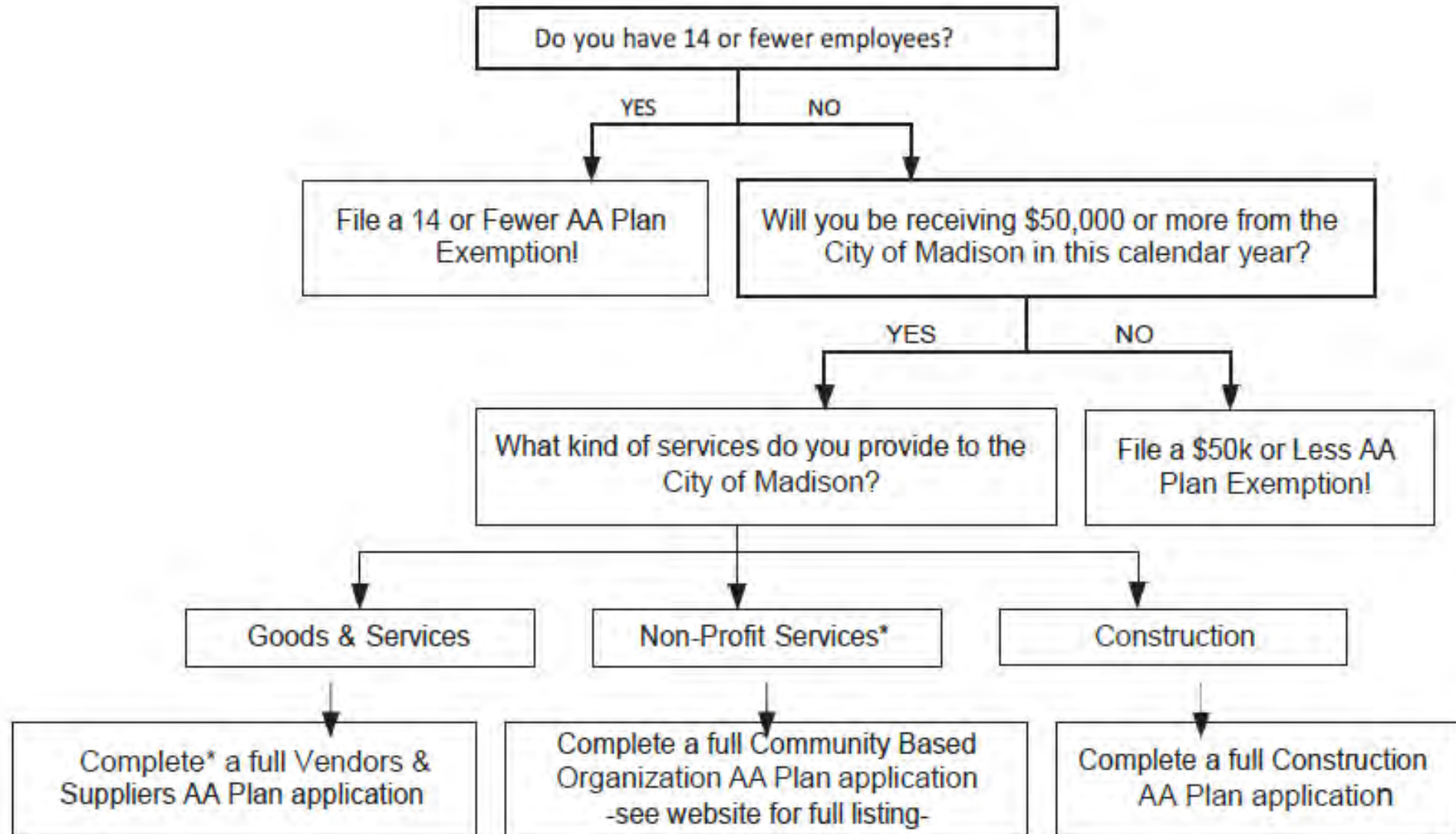
Section 3 (HUD)

1. **HUD HOME funded projects over \$200,000.**
2. The construction workforce on a project is made up of **25% Section 3 Workers, and 5% Targeted Section 3 Workers.**
3. **Section 3 Workers**
 - Low or very low income as established by HUD's income limits
 - Employed by a Section 3 business concern
 - A YouthBuild participant
4. **Targeted Section 3 Workers**
 - Lives within one mile of the project site
 - Employed by a Section 3 business concern
 - A YouthBuild participant

Davis Bacon & Related Acts

1. **HUD HOME funded projects** over \$2,000 AND **12 or more assisted units.**
2. Construction workforce must be paid applicable prevailing wage rates set by Department of Labor.
3. Workforce must be paid **weekly.**

Affirmative Action Plans



Would
re-apply in
2028 RFP
cycle

Programs and Services: Overview

Eligible Applicants:

- Non-profits
- For-profit may apply as part of a joint-application with the non-profit as the lead agency

Funding:

- 2-year award term (renewable after year 1)
- **Funds cannot be used to pay for costs related to the operation or administration of the organization receiving funds.** This does not apply to the homebuyer education funding.

Homebuyer Assistance

Homebuyer Assistance: mortgage reduction assistance for first-time income-qualified homebuyers.

There is **no cap on the maximum subsidy requested per borrower but**

- subsidies must be reasonable and follow CDD's underwriting standards.

Service delivery payment may **not exceed 15% of the award** made per completed activity.

Minor Home Repair

Minor Home Repair: repairs under \$5,000 to improve safety, weatherization, accessibility, or energy efficiency.

The funds are issued in the form of grants and **cannot be issued as loans to beneficiaries.**

Service delivery payment may **not exceed 15% of the award** made per completed activity.



Financial Literacy and Homebuyer Education

Financial Literacy and Homebuyer Education

provide financial literacy and homebuyer education, issue HUD-certified completion certificates, to prepare residents for homeownership and access down payment assistance.

Funding can be used for **operations, staffing, and expenses** related to program delivery.

At least 30% of the funding must be allocated to program support for incentivizing and retaining participation.



*Homeownership Resource Fair (June 2024)
Collaboration between various non-profit partners*

Scoring and Review

Threshold Criteria basic requirements an application must meet to be considered for funding.

Competitive Selection Criteria While important, proposal scores are not the sole determinant in making funding decisions. Applications will then be reviewed and assessed to determine alignment with our funding priorities and goals of CDD.

Tips on applying

Score Area	What is being looked at	Where to show in application	Tips on how to respond
Organizational Capacity (5)	Your experience delivering similar projects; financial readiness; internal systems and oversight.	“Organizational Capacity” section.	Briefly describe past projects, current contracts, and any key partners or staff.
Project Feasibility (5)	Realistic budget, clear roles/timeline, secured or expected funding, qualified team.	“Feasibility – Financial/Developer Capacity,” “Timeline,” Budget Workbook.	List funding sources, key dates, and team responsibilities. Be clear about gaps or risks.
Community Need and Impact (5)	How your proposal addresses local housing challenges, supports underserved communities, and advances racial/economic equity.	“Community Need,” “Economic Mobility,” and “Expand” sections.	Go beyond describing the need — show how your program is intentionally designed to respond.

Required Application Materials

- ☐ Application
- ☐ Budget workbook
- ☐ Pre-application meeting (if applicable)
- ☐ Attachment C: Confidential and Proprietary Designation
- ☐ Financials

Application

GENERAL APPLICATION This application form is for the submission of proposals for the City of Madison's 2025-1404 Services. Application Development Division Any questions, contact the Development Division at (608) 266-4444.	
APPLICANT INFORMATION	
Applicant Name: _____	
Proposal Contact Name: _____	
Email (Proposal Contact): _____	
Financial Contact Name: _____	
Email (Financial Contact): _____	
Legal Status: <input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit	
Federal EIN: _____	
Registered on SAM? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Community Housing <input type="checkbox"/> Yes <input type="checkbox"/> No	
AFFIRMATIVE ACTION If funded, applicant is required to submit an Affirmative Action Plan and Institutional Compliance/Affirmative Action Plan. For more information, visit https://www.cityofmadison.com/affirmative-action .	
LOBBYING REGISTRATION Notice regarding lobbying: If you are seeking assistance or similar assistance, you are required to register with the City of Madison. Failure to comply with this requirement may result in the City of Madison terminating the contract. For more information, visit https://www.cityofmadison.com/lobbying .	
CITY OF MADISON CONTRACT If funded, applicant is required to submit a contract that includes the City of Madison's standard terms and conditions. For more information, visit https://www.cityofmadison.com/contract .	
SIGNATURE OF APPLICANT Name: _____ By submitting this application, I certify that the information provided is true and accurate to the best of my knowledge. By entering my signature, I agree to the terms and conditions of the application.	

ORGANIZATIONAL CAPACITY: COMPLETE ONCE

1. Describe your agency's experience with **current or past awards**, including challenges, successes, opportunities, and areas of improvement. If you are a **new applicant**, explain your capacity to undertake the proposed project and identify any resources, partnerships, or expertise you will rely on.

Type here

2. Do you or any team members have outstanding legal matters or ongoing litigation? If so, provide brief details. Specifically, list:

- a. Any foreclosure, default, or bankruptcy within the past ten years.
- b. Any litigation related to financing or construction projects within the past five years.
- c. Any Chronic Nuisance Abatement or Nuisance Case notifications issued by the Madison Police Department or Building Inspection within the past five years.
- d. Any unresolved Building Inspection citations resulting in Municipal Court Complaints within the past five years.
- e. Any litigation with the City of Madison, or within the State of Wisconsin, within the past five years.

Type here

SUBMIT THE FOLLOWING QUESTIONS FOR EACH PROJECT PROPOSAL.

PROPOSAL #4

1. PRC Name: _____
Proposal: _____
Proposed Start Date: _____

partnerships, culturally specific approaches, scalability features, or methods of tailoring services to meet the diverse needs of the community (e.g., income levels, racial/ethnic groups, or other demographics). How do these features set your program apart from others?

Type here

3. PRC Amount: _____
Project: _____

1A. Description: _____
Specific: _____
Will the project: _____
Do you: _____
If yes, _____
Is the project: _____
If proposed: _____
Creek above: _____
interest: _____
"All": _____

Type here

4. PRC Identification: _____
Certification: _____
Type here

5. PRC Explanation: _____
Secure: _____
Mobile: _____
Type here

6. PRC Project: _____
Expand: Explain how your project will expand opportunities for first-time homebuyers and reduce existing disparities in rates of homeownership between different segments of the Madison population.

Type here

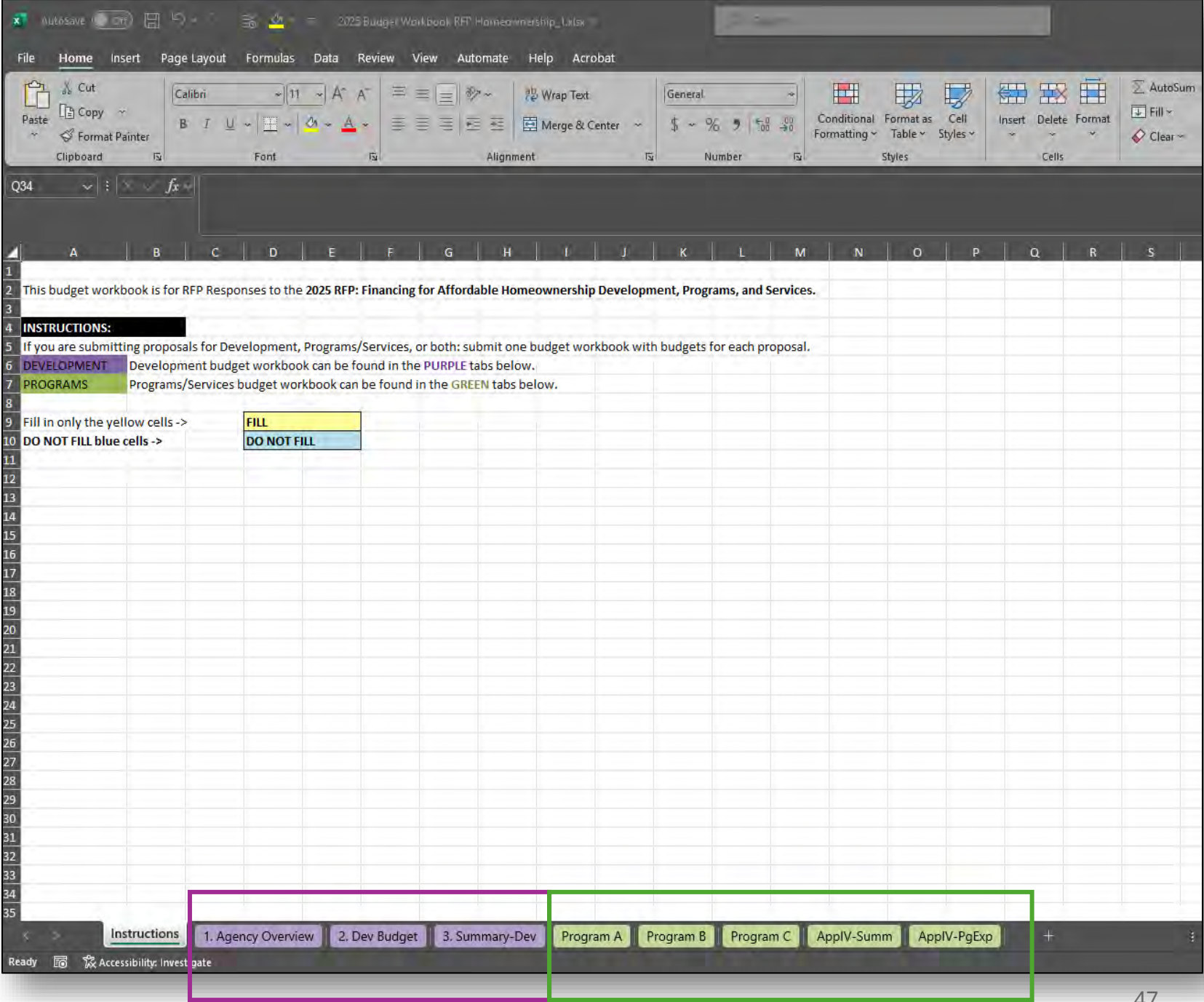
7. C Alignment: _____
Community: _____
Incentive: _____
Preference: _____
Type here

Budget Workbook

Submit **one workbook** that includes **all proposals**.

Development:
Project Costs

Programs:
Annual Budget



How to apply

Ask questions and meet pre-submission requirements, as applicable.

Due date: **September 26, 2025 at NOON**

**NO LATE APPLICATIONS CONSIDERED.
DETERMINED BY TIME OF RECEIPT.**

Responses must be **submitted electronically** to
CddApplications@CityOfMadison.com.

Tip: 35MB file limit for email. You can provide a link to Dropbox or similar.

Tip: Submit a day earlier.

Timeline

Date *subject to change *	RFP Activity
September 26, 2025 at NOON	DEADLINE FOR SUBMISSION OF PROPOSALS 4+ units Proposals must have met with DAT
November 6, 2025	Applicant Presentations to CDBG Committee
December 4, 2025	CDBG Committee Recommendations
January 9, 2025	CDBG Committee Finalizes Recommendations
February 3, 2025	Finance Committee Consideration
February 10, 2025	Common Council Approval
February 2025	Commitment Letter (Notification of Award)
After CC Approval	Anticipated contract effective date(s) for Housing Development Start of Contract
After CC Approval	Anticipated contract effective date(s) for Programs and Services

Contact / Questions



Maria Davila-Martinez

MDavila-Martinez@CityOfMadison.Com

608-266-6557