



City of Madison

City of Madison
Madison, WI 53703
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Master

File Number: 91615

File ID: 91615	File Type: Resolution	Status: Items Referred
Version: 1	Reference:	Controlling Body: COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE
		File Created Date : 01/21/2026
File Name: Awarding up to \$2,970,000 of City Affordable Housing Funds, up to \$2,990,450 in Federal HOME Investment Partnerships Program (HOME) Funds, up to \$300,000 in Federal Community Development Block Grant (CDBG) Funds, and up to \$50,000 in City Levy Funds, all		Final Action:
Title: Awarding up to \$2,970,000 of City Affordable Housing Funds, up to \$2,990,450 in Federal HOME Investment Partnerships Program (HOME) Funds, up to \$300,000 in Federal Community Development Block Grant (CDBG) Funds, and up to \$50,000 in City Levy Funds, all authorized in the City's 2026 Adopted Capital and Operating Budgets, to finance the development of up to 27 affordable owner-occupied housing units and fund five (5) homeownership service programs, and authorize the sale of ten (10) City-owned vacant residential lots as the recommended outcomes of a competitive Request for Proposals (RFP) process conducted by the Community Development Division; and authorizing the Mayor and City Clerk to enter into agreements to implement the approved development and service activities. (District 15, District 16 & Citywide)		

Notes:

Sponsors: John P. Guequierre, Barbara Harrington-McKinney And Dina Nina Martinez-Rutherford	Effective Date:
Attachments: 26.01.12 DRAFT Memo to CDBG Cmte Homeownership RFP.doc, Exhibit - Purchase and Sale Agreement.pdf	Enactment Number:
Author: Linette Rhodes	Hearing Date:
Entered by: mbohrod@cityofmadison.com	Published Date:

History of Legislative File

Ver-	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Community Development Division	01/21/2026	Referred for Introduction				
			Action Text: This Resolution was Referred for Introduction				
			Notes: Finance Committee (2/16/26), Community Development Block Grant Committee (2/5/26), Common Council (2/24/26)				

1	COMMON COUNCIL	01/27/2026	Refer	FINANCE COMMITTEE	Pass
	Action Text:	A motion was made by Govindarajan, seconded by Verveer, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.			
	Notes:	Additional Referral to Community Development Block Grant Committee			
1	FINANCE COMMITTEE	01/27/2026	Referred	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	
	Action Text:	This Resolution was Referred to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE			

Text of Legislative File 91615

Fiscal Note

The proposed resolution approves the funding allocations recommended by the Community Development Division (CDD) as a result of the 2025 Affordable Homeownership Request for Proposals (RFP): Financing for Affordable Homeownership Development, Programs, and Services.

Funding for the contracts outlined in the proposed resolution total \$6,310,450. The contracts would utilize up to the amounts listed below in each of the funds:

Affordable Housing Fund (MUNIS capital program #17110): \$2,970,000

HOME (MUNIS operating program #72000): \$2,990,450

Community Development Block Grants (MUNIS operating program #71000): \$300,000

General Fund (MUNIS operating account #67214-54820-00000): \$50,000

CDD's 2026 Adopted Capital and Operating Budgets and carryforward in the Community Development Grants Fund from 2025 will sufficiently cover these contracts. No additional appropriation is required.

Title

Awarding up to \$2,970,000 of City Affordable Housing Funds, up to \$2,990,450 in Federal HOME Investment Partnerships Program (HOME) Funds, up to \$300,000 in Federal Community Development Block Grant (CDBG) Funds, and up to \$50,000 in City Levy Funds, all authorized in the City's 2026 Adopted Capital and Operating Budgets, to finance the development of up to 27 affordable owner-occupied housing units and fund five (5) homeownership service programs, and authorize the sale of ten (10) City-owned vacant residential lots as the recommended outcomes of a competitive Request for Proposals (RFP) process conducted by the Community Development Division; and authorizing the Mayor and City Clerk to enter into agreements to implement the approved development and service activities. (District 15, District 16 & Citywide)

Body

Background

The City of Madison's adopted Capital and Operating Budgets include funding to support the development of affordable homeownership opportunities and to provide housing services that assist low- and moderate-income households in accessing and sustaining homeownership. These investments advance the City's housing affordability goals and are administered by the Community Development Division (CDD) in alignment with adopted City plans, including the 2025-2029 Five-Year Consolidated Plan.

On August 1, 2025, the Community Development Division released the 2025 Affordable Homeownership Request for Proposals (RFP), Financing for Affordable Homeownership

Development, Programs, and Services. The RFP solicited applications for City financial assistance to support affordable homeownership development projects and housing service programs. Eligible activities included development of affordable owner-occupied units, down payment and mortgage (homebuyer) assistance, minor rehabilitation programs, and homebuyer education. These activities intend to reduce barriers to homeownership for households at or below 80% of area median income (AMI).

This Resolution authorizes the commitment of City and City-administered Federal funds; the execution of loan agreements, service contracts and the sale of City-owned lots where applicable; and limited authority for reimbursement of eligible housing service expenses incurred prior to contract execution for Urban League of Greater Madison, Inc.'s Financial Literacy and Homebuyer Education program and Project Home, Inc.'s Minor Home Repair program, as further described in the Action section below.

CDD received seventeen (17) proposals, responding to various preferences and goals set forth in the RFP. Twelve (12) of the seventeen (17) proposals were deemed most responsive to those goals and preferences and are recommended to receive funding. They include:

1. Allocating up to \$800,000 in City of Madison Affordable Housing Funds (AHF) to Anchorhaus Development LLC, or an affiliate LLC, in partnership with Madison Area Community Land Trust, Inc., to support the development of four (4) permanently affordable owner-occupied homes in the Owl Creek neighborhood, and authorizing the City to sell the lots located at 4301 and 4307 Valor Way to Anchorhaus Development LLC, or an affiliate LLC.
2. Allocating up to \$800,000 in City AHF to Kaba Baal LLC, or an affiliate LLC, in partnership with Madison Area Community Land Trust, Inc., to support the development of four (4) permanently affordable owner-occupied homes in the Owl Creek neighborhood, and authorizing the City to sell the lots located at 5109 and 5117 Great Gray Dr to Kaba Baal LLC, or an affiliate LLC.
3. Allocating up to \$800,000 in City AHF to Wisconsin Partnership for Housing Development, Inc., in partnership with Madison Area Community Land Trust, Inc., to support the development of four (4) permanently affordable owner-occupied homes in the Owl Creek neighborhood, and authorizing the City to sell the lots located at 4314 and 4320 Valor Way to Wisconsin Partnership for Housing Development, Inc.
4. Allocating up to \$200,000 in City AHF to Tri-State Custom Construction LLC., or an affiliate LLC, to support the development of one (1) affordable owner-occupied home in the Owl Creek neighborhood, and authorizing the City to sell the lot located at 5133 Great Gray Drive to Tri-State Custom Construction LLC., or an affiliate LLC.
5. Allocating up to \$190,000 in City AHF to the Ho-Chunk Nation Department of Housing, or, at the discretion of the Community Development Division, to an income-qualified first-time homebuyer selected by the Ho-Chunk Nation Department of Housing and approved by the City, to support the development of two (2) affordable owner-occupied homes in the Owl Creek neighborhood; and authorizing the City to sell the lots located at 4307 Crested Owl Drive and 4308 Valor Way to the Ho-Chunk Nation Department of Housing, or to such income-qualified first-time homebuyer, under terms established by the City.
6. Allocating up to \$86,200 to Habitat for Humanity of Dane County, Inc. in HOME Investments Partnerships Program (HOME) Funds to support the development of two (2) affordable owner-occupied homes in the Owl Creek neighborhood, and authorizing the City to sell the lot located at 5109 Horned Owl Drive to Habitat for Humanity of Dane County, Inc.
7. Allocating up to \$2,538,050 to Madison Area CLT Corporation in HOME Funds to

support the development of twelve (12) affordable owner-occupied townhomes within the Voit Farm Development

8. Allocating up to \$300,000 in Community Development Block Grant (CDBG) funds to Project Home, Inc. to support a minor home repair program for income-qualified homeowners
9. Allocating up to \$50,000 in City levy funds to Urban League of Greater Madison, Inc. to support its financial literacy and homebuyer education program for first-time homebuyers
10. Allocating up to \$86,200 in federal HOME funds to Habitat for Humanity of Dane County, Inc. to support the provision of down payment assistance to income-qualified first-time homebuyers
11. Allocating up to \$180,000 in City AHF funds to the Ho-Chunk Nation Department of Housing, or, at the discretion of the Community Development Division, to an income-qualified first-time homebuyer selected by the Ho-Chunk Nation Department of Housing and approved by the City, to support the provision of down payment assistance to income-qualified first-time homebuyers
12. Allocating up to \$280,000 in federal HOME Investment Partnerships Program (HOME) funds to Urban League of Greater Madison Inc. to support the provision of down payment assistance to income-qualified first-time homebuyers

ACTION

WHEREAS, in order to advance the City's objective of expanding access to affordable homeownership and improving housing stability for income-qualified households, the Community Development Division issued the 2025 Affordable Homeownership Request for Proposals (RFP); and,

WHEREAS, in response to the RFP, the City received these seventeen (17) proposals seeking financial assistance for affordable homeownership development projects and housing service programs:

- Owl Creek Purchase of Lots and New Construction submitted by Anchorhaus Development LLC in partnership with Madison Area CLT Corporation
- Owl Creek Purchase of Lots and New Construction submitted by Habitat for Humanity of Dane County Inc.
- Owl Creek Purchase of Lots and New Construction submitted by Tri-State Custom Construction LLC
- Owl Creek Purchase of Lots and New Construction submitted by Ho-Chunk Nation Department of Housing
- Owl Creek Purchase of Lots and New Construction submitted by Kaba Baal LLC in partnership with Madison Area CLT Corporation
- Owl Creek Purchase of Lots and New Construction submitted by Wisconsin Partnership for Housing Development Inc. in partnership with Madison Area CLT Corporation
- New Construction at Voit Farm submitted by Madison Area CLT Corporation
- Acquisition-Rehab in Madison submitted by Madison Area CLT Corporation
- Acquisition-Rehab in Madison submitted by Kaba Baal LLC
- Minor Home Repair Program submitted by Project Home, Inc.
- Minor Home Repair Program submitted by Madison Area CLT Corporation
- Minor Home Repair Program submitted by Habitat for Humanity of Dane County Inc.
- Homebuyer Assistance Program submitted by Habitat for Humanity of Dane County Inc.
- Homebuyer Assistance Program submitted by Urban League of Greater Madison
- Homebuyer Assistance Program submitted by Ho-Chunk Nation Department of Housing
- Financial Literacy and Homebuyer Education by Urban League of Greater Madison
- Financial Literacy and Homebuyer Education by Ho-Chunk Nation; and,

WHEREAS, a review team comprised of staff from the City's Community Development Division, Planning Division, Economic Development Division, and the Mayors Sustainability Office, evaluated the proposals based on criteria set forth in the RFP, including financial viability, per-unit subsidy, readiness to proceed, long-term affordability, organizational capacity, and consistency with adopted City plans; and,

WHEREAS, Community Development Division staff also evaluated each proposal for consistency with the goals and requirements of the City's 2025-2029 Five-Year Consolidated Plan, which guides the use of U.S. Department of Housing and Urban Development (HUD) funds; and,

WHEREAS, based on these reviews, the Community Development Division staff and the City's CDBG Committee formulated the following recommendations that allocate available City Affordable Housing Funds (AHF), Federal HOME Investments Partnership Program (HOME) Funds, Federal Community Development Block Grant (CDBG) Funds, and City Levy Funds, and authorize the sale of ten (10) City-owned lots:

1. Up to \$800,000 in City AHF to Anchorhaus Development LLC, or an affiliate LLC, in partnership with Madison Area Community Land Trust, Inc., to support the development of four (4) permanently affordable owner-occupied homes in the Owl Creek neighborhood, and the sale of lots located at 4301 and 4307 Valor Way for One Dollar (\$1.00) to Anchorhaus Development LLC, or an affiliate LLC.
2. Up to \$800,000 in City AHF to Kaba Baal LLC, or an affiliate LLC, in partnership with Madison Area Community Land Trust, Inc., to support the development of four (4) permanently affordable owner-occupied homes in the Owl Creek neighborhood, and the sale of lots located at 5109 and 5117 Great Gray Drive for One Dollar (\$1.00) to Kaba Baal LLC, or an affiliate LLC.
3. Up to \$800,000 in City AHF to Wisconsin Partnership for Housing Development, Inc., in partnership with Madison Area Community Land Trust, Inc., to support the development of four (4) permanently affordable owner-occupied homes in the Owl Creek neighborhood, and the sale of lots located at 4314 and 4320 Valor Way for One Dollar (\$1.00) to Wisconsin Partnership for Housing Development, Inc.
4. Up to \$200,000 in City AHF to Tri-State Custom Construction LLC., or an affiliate LLC, to support the development of one (1) affordable owner-occupied home in the Owl Creek neighborhood, and the sale of the lot located at 5133 Great Gray Drive for One Dollar (\$1.00) to Tri-State Custom Construction LLC., or an affiliate LLC
5. Up to \$190,000 in City AHF to the Ho-Chunk Nation Department of Housing, or, at the discretion of the Community Development Division, to an income-qualified first-time homebuyer selected by the Ho-Chunk Nation Department of Housing and approved by the City, to support the development of two (2) affordable owner-occupied homes in the Owl Creek neighborhood; and the sale of lots located at 4307 Crested Owl Drive and 4308 Valor Way for One Dollar (\$1.00) to the Ho-Chunk Nation Department of Housing, or to such income-qualified first-time homebuyer, under terms established by the City
6. Up to \$86,200 to Habitat for Humanity of Dane County, Inc. in HOME Funds to support the affordability of two (2) owner-occupied homes in the Owl Creek neighborhood, and the sale of the lot located at 5109 Horned Owl Drive for One Dollar (\$1.00) to Habitat for Humanity of Dane County, Inc.
7. Up to \$2,538,050 to Madison Area CLT Corporation in HOME Funds to support the development of twelve (12) affordable owner-occupied townhomes within the Voit Farm Development
8. Up to \$300,000 in CDBG Funds to Project Home, Inc. to support a minor home repair program for income-qualified homeowners

9. Up to \$50,000 in City levy funds to Urban League of Greater Madison, Inc. to support its financial literacy and homebuyer education program for first-time homebuyers
10. Up to \$86,200 in federal HOME funds to Habitat for Humanity of Dane County, Inc. to support the provision of down payment assistance to income-qualified first-time homebuyers
11. Up to \$180,000 in City AHF funds to the Ho-Chunk Nation Department of Housing, or, at the discretion of the Community Development Division, to an income-qualified first-time homebuyer selected by the Ho-Chunk Nation Department of Housing and approved by the City, to support the provision of down payment assistance to income-qualified first-time homebuyers
12. Up to \$280,000 in Federal HOME Funds to Urban League of Greater Madison Inc. to support the provision of down payment assistance to income-qualified first-time homebuyers; and,

WHEREAS, at least 80% of the funds awarded to housing development proposals will be provided in the form of a zero-percent, long-term Deferred Loan to be payable upon sale, transfer, or change in the use of the property, and up to 20% of the funds awarded can be provided in the form of a grant for soft costs; the developer shall use a portion of the funds for mortgage reduction to the homebuyer, and shall return any unallocated portion of the Deferred Loan to the City of Madison as repayment at the time of transfer of ownership to the homebuyer; and the accompanying promissory note with the homebuyer will require repayment of either a specified percentage of the purchase price or appraised value after construction, based on the amount of the CDD funds invested in the property, or a specified percentage of the net proceeds ("shared appreciation"), whichever is less; and,

WHEREAS, to encourage longer term affordability on subsequent sales of newly constructed properties, developers that commit to permanent affordability through a 98-year Land Use Restriction Agreement (LURA), may have 50% of the Deferred Loan forgiven at the time of sale to the first homebuyer of each respective property; and the LURA will require subsequent sales to benefit future low-to-moderate income households and require the non-profit to assist the homeowner in the resale process of the property; and,

WHEREAS, as development projects proceed through final design stages and secure remaining financing, applicants may need to make minor project adjustments, including to the number and mix of housing units, if such changes will improve project feasibility and/or comply with land use requirements; and,

WHEREAS, the Community Development Division anticipates executing service contracts for certain housing service programs after the start of the 2026 program year and seeks limited authority to reimburse eligible and allowable expenses incurred prior to contract execution for specified programs; and,

WHEREAS, the high number of viable proposals submitted through the RFP seeking to develop homeownership opportunities on the vacant City-owned Owl Creek lots, prompted City CDD and Economic Development Division staff to increase, from six (6) to ten (10), the number of lots the City will make available through this RFP.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and the Common Council hereby approve funding allocations as recommended by the CDBG Committee to the agencies, in the amounts, and for the purposes articulated herein; and,

BE IT FURTHER RESOLVED, that for the housing service contracts awarded to Urban League of Greater Madison, Inc. for its Financial Literacy and Homebuyer Education program and to Project Home, Inc. for its Minor Home Repair program, the Common Council authorizes reimbursement of eligible and allowable expenses incurred on or after January 1, 2026, provided such expenses are consistent with the approved scope of services, allowable under

the applicable funding source, and incurred prior to the execution of the final service contracts; and,

BE IT FURTHER RESOLVED, that the City's Common Council hereby authorizes the City's execution of Purchase and Sale Agreements with the entities awarded the vacant Owl Creek lots detailed above, subject materially, though not exclusively, to the terms and conditions found in the attached Exhibit - Purchase and Sale Agreement; and,

BE IT STILL FURTHER RESOLVED, that the Council authorizes CDD staff to approve minor alterations to proposals, including to the number and mix of housing units, if such changes are deemed necessary to improve prospects for securing all financing required to complete the project as presented and/or comply with City land use requirements, but not to exceed the level of City financial assistance without Council approval; and,

BE IT FINALLY RESOLVED, that the Mayor and City Clerk are hereby authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records, and take such other actions as shall be deemed necessary or desirable to accomplish the purposes of this Resolution, and to comply with and perform the obligations of the City hereunder.