

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

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RFP SUMMARY TABLE

RFP NUMBER / TITLE	RFP # 2025 - 14027: Affordable Homeownership - Development, Programs, and Services
APPLICATION WORKSHOP	A virtual application workshop will be held for applicants interested in responding to this RFP. The workshop will address questions that applicants have regarding the RFP, application, and application requirements. It is also intended as a technical assistance opportunity. This will take place on Friday, August 08, 2025 2:00pm – 3:00pm ; register here: https://cityofmadison.zoom.us/join/iaHlzCBqT7eutHTX-gnvmA
DEADLINE FOR PROPOSAL SUBMISSIONS	12:00 P.M. (NOON) CST, Friday September 26, 2025 Late or incomplete applications will not be considered. Please do not wait until the deadline to submit application. No grace period will be granted.
SCOPE	The City of Madison Community Development Division (CDD) is seeking to improve and expand housing choices available to residents in Madison by supporting proposals from qualified developers and service providers that seek to accomplish the following objectives: 1. Improve Existing Owner-Occupied Housing Stock Preserve, upgrade and make accessibility improvements to the current inventory of affordable, owner-occupied housing units. 2. Expand the Supply of Owner-Occupied Housing Increase the number of affordable, owner-occupied housing units through new construction, renovation or conversion. 3. Homebuyer Assistance Extend the ability to purchase and own a home to a broader mix of Madison residents.
IMPORTANT UPDATES	Please note that unanticipated delays from the U.S. Department of Housing and Urban Development (HUD) have impacted the execution timeline for current <u>federally funded</u> contracts. Once authorization is granted, we will proceed with issuing 2025 contracts that include extended terms into 2026. Additionally, the Major Rehabilitation Program is not included in this Affordable Homeownership RFP cycle. That program will be put out to bid during the 2028 RFP cycle.
FUNDS AVAILABLE	The CDD anticipates having approximately \$5.35 million available from the City's Affordable Housing Fund, City Levy, Federal HOME Investment Partnerships Program (HOME), and Federal Community Development Block Grant (CDBG).
VACANT LAND AVAILABLE	Through this RFP the City anticipates transferring ownership of up to six vacant City-owned residential lots in the Owl Creek neighborhood on Madison's southeast side, to be used for new owner-occupied housing development.
APPLICATION FORM AND GUIDELINES	Available at: Community Development Division Funding Opportunities Website
E-MAIL PROPOSAL TO:	CDDapplications@cityofmadison.com Please submit <u>one</u> combined PDF of the application materials. Please put Affordable Homeownership RFP - Development, Programs, and Services in the email subject line.
DIRECT ALL INQUIRIES TO:	Maria Davila-Martinez , Community Development Specialist mdavila-martinez@cityofmadison.com 608-266-6557

RFP CALENDAR TIMELINE

These dates represent the City's desired timeline for providing a commitment of funds to selected agencies. Any revision of the due date for submission of proposals will be made by addendum. All other dates are for planning purposes and may be adjusted without notice, as needs and circumstances dictate.

Date *subject to change *	RFP Activity
August 01, 2025	RFP Released #2025-14027
August 08, 2025	Application Workshop 2:00 PM – 3:00 PM CDT Register Here
September 26, 2025 NOON	DEADLINE FOR SUBMISSION OF PROPOSALS Proposals that include projects with 4+ units must have met with Development Assistance Team
November 06, 2025	Applicant Presentations to CDBG Committee
December 04, 2025	CDBG Committee Recommendations
January 09, 2026	CDBG Committee Finalizes Recommendations
February 03, 2026	Finance Committee Consideration
February 10, 2026	Common Council Approval
March 2026	Commitment Letter (Notification of Award)
After Common Council Approval	Anticipated contract effective date(s) for Housing Development Start of Contract
After Common Council Approval	Anticipated contract effective date(s) for Programs and Services

INTRODUCTION

What is a Request for Proposals (RFP)?

An RFP, or Request for Proposals, is a formal document issued by the City of Madison, to announce and detail available funding for specific projects. This document solicits proposals for projects related to homeownership. It outlines funding criteria and describes relevant requirements and criteria and explains the process for submitting proposals. The goal is to invite eligible organizations to submit proposals that align with the City's objectives.

Purpose of this RFP

The mission of the Community Development Division's (CDD) Community Development Block Grant (CDBG) Unit is to make the City of Madison a more sustainable urban community by enhancing housing, supporting better living conditions, and increasing economic opportunities for **low- and moderate-income households**.

The CDBG Unit partners with non-profits, businesses, and neighborhood groups to plan and fund projects aligned with the City's [Consolidated Plan](#). The Consolidated Plan is a five-year planning document that guides the use of our federal funds. The Consolidated Plan was created with input from Madison residents and the CDBG Committee and approved by the Mayor and Common Council. These initiatives are aligned with Madison's broader goals as reflected in [Imagine Madison](#), the City's Comprehensive Plan and Area/Neighborhood plans, and with the City's [Housing Forward Initiative](#). Additionally, this RFP aims to embrace the City's commitment to the elements identified in the City's [Sustainability Plan \(2024\)](#).

The City of Madison intends to support proposals that:

- (1) are most responsive to the Goals and Objectives outlined above, along with the Requirements and Preferences of each Subsection of this RFP; and
- (2) present a combination of features and attributes that offer the best overall value to the City and its residents.

Determining the best overall value involves evaluating project features and feasibility, as well as the attributes and experience of the agency or development team.

The City of Madison's [Annual Action Plan \(AAP\)](#), as adopted by the Common Council, further outlines specific goals and objectives that guides the use of CDD-administered resources. This RFP focuses only on the following Goal and Objectives from the AAP:

Goal Area 1. Housing Development and Financing: Homeownership

- Housing Rehabilitation and Accessibility Improvements
- Owner-Occupied Housing Development (New Units)
- Homebuyer Assistance (Down Payment)

OVERVIEW

Background

The **Affordable Homeownership RFP** offers multiple sources of funding for projects and activities that will help increase the supply of affordable, owner-occupied housing in Madison; preserve the quality of existing owner-occupied homes, allow current homeowners to remain in their homes and make it possible for more Madison residents to purchase and afford a home. The funding is intended to benefit households earning [not more than 80% of the area median income \(AMI\)](#). Awards to provide services will be made as 1-year contracts, with options to renew annually for up to 2 years total. Awards for development projects will be based on project and funding types with completion dates not to exceed two years.

Homeownership is a critical component of economic stability and wealth-building in the United States. However, in Madison, there are significant disparities in homeownership rates between racial and ethnic groups. For example, data indicates that while the homeownership rate among White households in Madison is approximately **52%**, it is notably lower for Black households (21%), Hispanic households (35%), Asian households (33%) and American Indian households (18%) (*American Community Survey 5-Year Estimates Subject Tables, Table S2502, 2023*). There are a number of explanations for these disparities, some of which have their roots in long-standing discriminatory practices in the housing and private financing markets. This RFP aims to overcome those barriers and help make homeownership more attainable for all who seek it.

This RFP advances Madison's mission to support low- and moderate-income residents by enhancing access to stable and affordable housing. More specifically, and in line with priorities in the Dane County Strategic Action Plan (2024-2028), it seeks to make homeownership more attainable to a broader segment of the population by adding more single-family homes, keeping current homeowners in place and making it possible for more households to purchase their first home.

Available Funding and Vacant Residential Lots

The Community Development Division (CDD) plans to allocate around **\$5.35 million**. These funds come from City-administered federal programs like the HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) Programs, along with the City's Affordable Housing Fund (AHF) and City Levy.

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).

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

In addition to funding, the City is offering the six vacant residential lots (**Attachment D: Map Owl Creek Vacant Lots**) listed below for \$1.00, if used in conjunction with the funding outlined above. Proposed projects may include these Vacant Lots, or other eligible properties that meet the criteria in the Eligible Properties section below.

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

Regulations and Requirements

Each funding source comes with its own set of regulations. If funds are awarded from multiple sources, the most strict regulations will apply. All projects must adhere to the regulations that apply to the funding awarded, as amended.

- HOME Regulations are set forth in [24 CFR 92](#).
- CDBG Regulations are set forth in [24 CFR 570](#).
- City funding is subject to City regulations and code of ordinances.

To ensure compliance with all applicable standards, applicants must navigate the relevant Federal State, and City regulatory frameworks, as outlined below:

Requirement X= Applicable	Description (Guidance followed in parentheses)	Homebuyer Assistance	Minor Home Repair	Homebuyer Education	Development
Programmatic Requirements					
Income eligibility	Serve households with incomes at or below 80% of the Area Median Income as determined by HUD annually (24 CFR § 92.203; 24 CFR § 570.208(a)(3)).	X	X	X	X
Fair Housing	Ensure fair and equitable housing opportunities for all residents (24 CFR § 92.351; 24 CFR § 570.601).	X	X	X	X
Equal Opportunity	Ensure fair and equitable access (24 CFR § 92.35024; 24 CFR § 570.601). Adhere to the CDD's Affirmative Marketing Plan (AMP) Standards (Attachment B). Embrace the City's Racial Equity and Social Justice Initiative's goal to be inclusive in all aspects of the project including, but not limited to, bidding, hiring, marketing, tenant/buyer selection, and property management/resale.	X	X	X	X
Safeguard Vulnerable Populations	Design and implement housing programs with protections for young children, the elderly, and people with disabilities (24 CFR Part 8; 24 CFR Part 35).	X	X	X	X
Church-State Separation	Faith-based organizations may apply for funding, but funds cannot be used for religious activities like worship or instruction. Services must be offered to all eligible participants, and funds	X	X	X	X

	must be kept separate from religious functions (24 CFR § 92.257; 24 CFR § 570.200(j)).				
Lobbying Ordinance	Notice regarding lobbying ordinance: A person or entity seeking approval of a development with more than 40,000 gross square feet of non-residential space, or a residential development with more than 10 dwelling units, or that is seeking assistance from the City of more than \$10,000 (this includes grants, loans, TIF, or similar assistance), is likely subject to Madison's lobbying ordinance, MGO sec. 2.40. That person or entity is required to register and report lobbying activities involving City officials. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000. Applicants may find more information on registering on the City Clerk's website (MGO sec. 2.40).	X	X	X	X
Accessibility Standards	Ensure that services are accessible to people with disabilities, by meeting federal physical accessibility standards. (24 CFR § 8.1 et seq.). Development Proposals for new construction must be designed to maximize accessibility standard (below).	X	X	X	X
Underwriting Guidelines	All must adhere to CDD Underwriting Guidelines for all loans or subsidies provided for purchase of owner-occupied dwellings. For development proposals: The Selected Applicant must work with each individual seeking to purchase the unit(s) to ensure each qualified buyer (1) completes homebuyer education and counseling in accordance with our guidelines ; (2) qualifies for permanent financing for the purchase of the home; and (3) secures assistance for the down payment needed to purchase.	X	X		X
Owner-occupied Status	For programs and services proposals, properties must be owner-occupied. For development proposals, properties must be transferred to owner-occupied status within nine months of construction completion (24 CFR § 92.205).	X	X		X
Homebuyer Education and Counseling	All prospective homebuyers offered CDD financial assistance must complete a HUD-approved homebuyer education class and counseling session. Certificates of completion must be submitted prior to closing (24 CFR 92.254(a)(3)).	X		X	X
Health and Safety Standards					
Lead Hazard Control	Identify and reduce lead paint hazards through lead assessments, in homes built before 1978, using certified inspectors, supervisors, workers, and companies, and ensuring compliance with lead-safe work practices (24 CFR § 92.355; 24 CFR § 570.608; State and/or Local Regulations).	X	X		X
Asbestos Management	Safely manage or remove asbestos and asbestos-containing materials adhering to certified asbestos abatement supervision and certified asbestos workers. (24 CFR § 92.356).	X	X		X
Environmental Compliance	Projects must minimize negative environmental impacts and comply with the environmental review requirements. Applicants must consult with CDD staff at the application stage to determine what is necessary. Specific language may also need to be included in any offer to purchase real property. The property must pass an environmental review, conducted by CDD, prior to receiving a formal commitment of federal funding (24 CFR Part 58).	X	X		X
Displacement and Relocation					
Displacement Minimization	Minimize the direct and indirect displacement of persons and businesses, adhering to State and Uniform Relocation Act procedures when displacement is unavoidable. Applicants must consult with CDD Staff about relocation for any currently occupied properties (Uniform Relocation Act (URA), 49 CFR Part 24; Wis. Stat. §32.185-32.27 and Wis. Admin. Code. Ch. Adm 92).	X	X		X

HOME-Funded Projects ONLY					
Sale Price Limits	Ensure the sale prices of HOME-assisted owner-occupied units comply with the HOME purchase price or value limits as designated by the U.S. Department of Housing and Urban Development (HUD) (24 CFR § 92.254).	X			X
Matching Funds	Provide a minimum of 25% matching funds from non-federal sources for HOME projects (24 CFR § 92.220).	X			X
Period of Affordability	HOME-funded projects will be subject to a Period of Affordability (POA), the length of which is based upon the amount of HOME funds invested in the property and the use of the funds. The POA will be reflected in the Land Use Restriction Agreement (LURA) recorded in first position ahead of the first mortgage (24 CFR § 92.252).	X			X
Development ONLY – Additional Requirements					
Employment and Contracting: Awarded applicants will work with the Department of Civil Rights , or designee, to comply with established workforce development goals, targeted business enterprise goals, and other applicable employment and contracting regulations. Development Proposals involving single units (i.e. the acquisition-rehab of a single-unit or new construction of one-unit single family detached) will not be subject to the “employment and contracting” requirements.					
Section 3 Program	Extend employment and contracting opportunities to low- and moderate-income individuals (24 CFR § 75).				X
Targeted Business Enterprise (TBE) Contracting	Promote participation by minority, women, and disadvantaged or small business enterprises, as applicable (2 CFR § 200.321).				X
Labor Standards	Comply with Federal Fair Labor Standards, including Davis-Bacon wage requirements (29 U.S.C. § 201).				X
Design Requirements					
Rehabilitation Standards	Ensure housing (post-rehabilitation) meets the CDD rehabilitation standards and City minimum housing standards and/or building codes (24 CFR §92.251; 24 CFR §570.208(a); MGO Sec 27).				X
Sustainability Standard	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.				X
Accessibility Standard	New construction projects must include these features unless deemed unfeasible in coordination with CDD. Acquisition-rehab projects should incorporate as many as are feasible: • No-Step Entry: At least one entrance must be step-free, allowing access for individuals with mobility challenges.				X

	• Accessible Doorways & Hallways All main-floor doors should be at least 32 inches wide; hallways should be at least 36 inches wide. • Reinforced Bathroom Walls: Walls in bathrooms (tub/shower/around the toilet) should be reinforced to allow for future installation of grab bars. • Lever-Style Handles & Rocker Switches: All doors and plumbing fixtures should have lever handles instead of knobs; light switches should be rocker-style. • Electrical Panels and Light Switches: Each electrical panel, light switch, or thermostat shall be mounted no higher than 48 inches above the floor. Each electrical plug shall be at least 15 inches from the floor. • Non-Slip Flooring & Threshold Transitions: Flooring should have a low-slip rating, and any transitions between surfaces should be flush or minimal ($\leq \frac{1}{2}$ inch difference).				
Other					
Project Completion	Complete the project by December 31, 2027. Funded applicants must complete all stages of development required by CDD, including executing construction agreements needed to complete the project and facilitating the sale of the units to buyers meeting the requirements. After construction or rehabilitation is completed, home must pass a housing inspection (i.e. NSPIRE or another that meets HUD guidelines), at the expense of the City, or receive a certificate of occupancy. A new construction warranty, standard to the residential construction industry, and effective for at least one year, shall be furnished for each completed home upon closing.				X
Homeownership Deed Restriction	Include a deed restriction in the loan documents and conveyance instruments, as applicable.				X
New Multi-family Owner Occupied Construction (4 or more units)					
Preapplication Meeting	Before applying, contact CDD staff, mdavila-martinez@cityofmadison.com to schedule an initial meeting with the following information: address, proposed number of units, and type of multi-family development. CDD staff will coordinate meeting with staff from Planning and Zoning Divisions.				X
Development Assistance Team meeting	Before application submission, applicant must attend a Development Assistance Team meeting. Contact either Christopher Wells (cwells@cityofmadison.com) or Kevin Firchow (kfirchow@cityofmadison.com) to schedule an appointment.				X

Eligibility Criteria

Eligible Applicants

The table below explains who is eligible to apply under each category. More eligibility details can be found below. **Joint / multi-agency/ co-developers applications**, are encouraged, to enhance or streamline service delivery for community members.

1. **Non-profit organizations** are eligible under all categories: programs and services and development. Non-profit organizations must:
 - be 501(c)(3) or 501(c)(4) tax-exempt organizations.
 - have an active and regularly meeting Board.

- be in good standing with the Wisconsin Department of Financial Institutions.
 - have an active registration on the System for Award Management (SAM) [website](#) (if receiving federal funding).
- 2. For-Profit Organizations** are eligible under development category and can apply to other categories if partnering with a non-profit lead agency. For-profit organizations must:
- be in good standing with the Wisconsin Department of Financial Institutions.
 - have an active registration on the System for Award Management (SAM) [website](#) (if receiving federal funding).
 - contribute a minimum of 5% of the total project development costs, through ownership equity or a first mortgage, and demonstrate the ability to secure all funds that may be necessary or convenient to complete the project as proposed.
- 3. Joint / Multi-agency Proposals:** When proposing a **joint / multi-agency project**, multiple organizations may apply together. For the purposes of this RFP, the fiscal coordinating agency is referred to as the “lead agency/developer,” and the other agencies are referred to as “joint/partner agencies/co-developers.” The lead agency will submit all application materials on behalf of the collaborative program and will be the primary applicant and awardee.

The proposal must identify a **lead agency** and, through a signed **Memorandum of Understanding (MOU)**, describe the collaboration's purpose, service enhancement, governance, operation, and resource sharing. **An MOU must be submitted by time of financial commitment.**

Eligible Properties

To qualify for funding, properties proposed for projects must meet the following standards:

1. **Property must be located in the City of Madison.** A contract for an award involving a property proposed to be attached to the city will only be executed after the property is officially annexed or attached.
2. **All housing units must comply with applicable state and local building codes, ordinances, zoning regulations, and standards set forth in this RFP at project completion.** Additionally, they must meet the accessibility requirements of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and [CDD's Residential Rehabilitation Standards](#), where applicable.
3. **The property must undergo and pass an environmental review**, conducted by the Community Development Division (CDD), before receiving any formal commitment of federal funds.

SCOPE OF WORK

What can be funded through this RFP?

There are two funding categories for this RFP:

- **Development** of affordable homeownership units through new construction or acquisition-rehabilitation.
- **Programs and services** that support homebuyers and homeowners and includes down payment assistance, minor rehabilitation, and homebuyer education.

Development Proposals

Projects seeking funding must be focused on expanding homeownership opportunities. This can be achieved through **acquisition-rehabilitation and/or new construction** of owner-occupied units for first-time homebuyers at or below 80% Area Median Income. Funds are available to finance construction and address an affordability gap (the difference between a home's appraised value and the first mortgage an income-eligible homebuyer can afford). Any homeownership proposal that includes a rental/leasing component must follow the Tenant Selection Plan Standards (Attachment A).

New Construction: Applicants may request funding to help finance new construction of homes, including detached single-family homes; twin-homes where both units are owner-occupied; and townhomes, rowhomes, condos, etc. where all units are owner-occupied.

- **Site Control:** Applicant must have site control at time of application. An exception to this requirement is possible if the site is owned or controlled by the City of Madison, the Madison Community Development Authority, or Dane County.

Acquisition-Rehabilitation: Applicants may request funding to acquire, rehabilitate, and resell existing housing units to income-eligible buyers. Rehabilitation work can vary in scale and scope but must meet applicable federal, state, and local codes and regulations, including [CDD's Residential Rehabilitation Standards](#).

- **Site control:** Site control not required. Awarded funds are available for two years. Applicant must identify where properties will be sought (citywide or targeted areas) or the population/demographic the project is intended to serve.

Preferences will be given to proposals that are:

- **Non-Profit or CHDO led:** submitted by a Community Housing Development Organization ([CHDO Application](#)) or a Non-Profit entity.
- **Creating Opportunities for Emerging Developers:** proposals led by, or undertaken in partnership with, new or emerging developers or participants in the [Associate in Commercial Real Estate \(ACRE\)](#) program.

- **Prioritize Underserved Populations:** Developers actively work to ensure that access to homeownership opportunities is expanded to a broader segment of the Madison population, with a particular emphasis on those for whom current rates of homeownership are lower.
- **Smaller scale infill developments** that expand and diversify the range of homeownership choice such as townhomes, rowhomes, condos, cohousing, pocket neighborhoods, etc.
- **Universally Designed:** committed to incorporating a package of [universal design](#) features to the greatest extent possible in proposal.
- **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](#).
- **Shovel-ready:** expecting to begin construction within 6-months of award.

Programs and Services Proposals

Projects eligible for funding must focus on expanding homeownership opportunities. This can be achieved through **homebuyer assistance (down payment)**, **minor home repair**, or **financial/literacy** and **homebuyer education**. Awards to provide services will be made as 1-year contracts, with options to renew annually for up to 2 years total.

Homebuyer Assistance (Down Payment)

Applicants may request funding to administer a program that provides mortgage reduction assistance for first-time income-qualified homebuyers. Mortgage reduction programs must follow CDD's Underwriting Standards: "[Program Guide for Homeownership Developers and Subrecipients](#)."

Preferences will be given to proposals that:

- **Prioritize Underserved Populations:** Programs that place an emphasis on expanding opportunities for first-time homebuyers long denied access to homeownership, and reducing existing disparities in rates of homeownership between different segments of the Madison population.
- **Scalable Assistance Based on Need:** Programs that adjust assistance amounts based on household size, location-based, property size (e.g., number of bedrooms), or other needs, ensuring families receive adequate support.
- **Partnerships with Community-Based Organizations:** Collaborations with trusted local organizations that have established relationships with underserved communities and can help extend the program's reach.
- **Holistic Financial Education:** Inclusion of pre- and post-purchase financial counseling partnerships to help homeowners maintain long-term housing stability.

Minor Home Repair

Applicants may request funding for owner-occupied rehabilitation to make safety, habitability, preservation, and energy efficiency modifications to homes of low- to moderate-income households. **Minor home repairs are those for which costs per home total less than \$5,000.** Eligible projects can range from repairs to plumbing, electrical, heating and cooling, flooring, roof, kitchen and bathroom, and exterior maintenance. Projects can also focus on modifications or improvements relating to weatherization, energy efficiency, safety, or accessibility.

Preferences will be given to proposals that:

- **Target Accessibility Modifications:** Prioritize projects that focus on making homes more accessible for residents with mobility challenges, such as installing ramps, widening doorways, or modifying bathrooms.
- **Health and Safety Focus:** Prioritize repairs that address critical health and safety issues, such as mold remediation, lead paint removal, or repairs to structural elements that pose immediate risks.

Financial Literacy and Homebuyer Education

Applicants may request funding to provide comprehensive financial literacy and homebuyer education services. These services aim to prepare residents for homeownership, focusing on mortgage readiness and addressing systemic barriers to homeownership. An essential component of this initiative is the issuance of certificates of completion by a **HUD-certified Housing Counseling Agency**, which are often required to access down payment assistance programs. If your organization is working towards receiving certification from HUD, please note that in the application and include an anticipated certification date.

Applicants must address the following as part of their program design:

1. **Comprehensive Financial Literacy and Homebuyer Education:**
 - Deliver workshops and individualized support on financial topics such as credit repair, savings strategies, debt management, and budgeting.
 - Include specific education on mortgage readiness, lending criteria, suitable products, and navigating application processes.
 - Provide tailored education on condominium ownership, addressing topics like condo association governance, dues, shared property maintenance, and long-term financial planning.
 - Educate participants about alternative pathways to homeownership including lease-to-purchase, community land trusts, sweat equity, cohousing, etc.
2. **Community-Focused Outreach**
 - Develop strategies to engage and serve a diverse population, with specific attention to overcoming language barriers, cultural differences, and other systemic challenges.

- Ensure accessibility through flexible delivery formats.
- 3. Partnership with Developers and Stakeholders**
 - Collaborate closely with developers, housing agencies, and lenders to align educational efforts with upcoming housing opportunities.
 - Establish clear communication channels to ensure the timing and content of services meet stakeholder and participant needs.
- 4. Education and Counseling Services**
 - Deliver HUD-compliant group education and one-on-one counseling tailored to the needs of the population, including credit improvement, budgeting, and mortgage readiness.
 - Issue certificates of completion from a HUD-certified Housing Counseling Agency to participants who fulfill program requirements.
- 5. Down Payment Assistance Program Preparation**
 - Educate participants about available down payment assistance programs, including application processes, eligibility requirements, and how certificates of completion support access to these programs.
- 6. Pipeline Monitoring and Reporting**
 - Track and report on the progress of participants toward becoming mortgage-ready, including metrics such as credit improvement, debt reduction, and mortgage approvals.
 - Increase the number of residents who are financially and logistically prepared for homeownership by focusing on skills like budgeting, credit improvement, and understanding mortgage requirements to access opportunities in the area.
- 7. Optional Post-Purchase Support**
 - (If included) Provide ongoing support for new homeowners, including guidance on financial management, condo association participation, home maintenance, etc.

Preferences will be given to proposals that:

- **Are Submitted by a HUD Certified Housing Counseling Agency** or an organization partnering with a HUD Certified Housing Counseling agency or in the process of receiving certification.
- **Show Collaboration with Developers:** Demonstrate a strategy to partner with housing developers and stakeholders to connect educational services with emerging homeownership opportunities.

Financing

Development Proposals

The CDD offers funding to support capital costs for affordable housing projects through structured loans and grants. Final funding commitments depend on the project's alignment

with City goals, leveraging of other financing sources, and compliance with federally required subsidy layering and underwriting processes. The City reserves the right to adjust loan terms as necessary to maximize the expansion of affordable housing or better respond to stated preferences.

Funding to the developer is provided as a long-term, deferred, zero-interest loan secured by a promissory note and mortgage, with a Land Use Restriction Agreement (LURA). Developers may use a portion of City funds to reduce the homebuyer's mortgage, and any un-allocated loan funds must be returned to the City at the time of transfer to a homebuyer.

Key funding conditions include:

- **Maximum Per-Unit Subsidy:** Gap-financing awards are generally available up to \$200,000 per affordable unit, depending on the project scale, and adherence to City goals.
 - Capital Costs: At least 80% of awarded funds must support capital costs, such as acquisition and construction, and will be provided as loans.
 - Soft Costs and Developer Fee: Up to 20% of the **awarded** funds may be allocated for soft costs, including developer fee; the developer fee is capped at 20% of the awarded funds if there are no other eligible soft costs.
- **Additional subsidies may be available for Accessibility features that exceed the requirement standard for all development proposals:** Incorporating such features into new construction is more cost-effective than retrofitting. Proposals must describe the incremental costs, specified features, and number of units affected.
- **Additional subsidies may be available for Sustainability Features that exceed the Energy Star certification sustainability standard for all development proposals:** Incorporating such features into new construction is more cost-effective than retrofitting. Proposals must describe the incremental costs, specified features, and number of units affected.
- **Equity Contribution:** Developers must provide at least 5% equity, which can be met through direct equity, a deferred portion of the development fee, or a combination of both.
- **When transferred to homebuyer:** The promissory note will reflect the following:
 - Zero-Percent Interest, Shared-Appreciation, Long-Term, Deferred loan. The loan is repayable upon sale, transfer, or change in the use of the Property. The promissory note will require repayment of either a specified percentage of the appraised value after rehab or 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. If pursuing a permanent affordability model (see below), the subsidy will continue rolling over to the next buyer.

Alternative Terms for Permanent Affordability Proposals

Developers who agree to a 99-year LURA ensuring permanent affordability can receive alternate financing terms. In that event, the LURA will require that subsequent sales be made to low-to-moderate-income households and obligate the developer or non-profit to support homeowners in the resale process. In return, the developer may:

- Have 50% of the deferred loan forgiven at the initial home sale.
- Qualify to receive a Park Impact Fee Exemption ([MGO Sec. 20.08\(2\)\(d\)](#)) – it requires a LURA that ensures affordability to an 80% AMI household for a period of at least 30 years.

Programs and Services Proposals

Awards to provide services will be made as 1-year contracts, with options to renew annually for up to 2 years.

Homebuyer Assistance

There is no cap on the maximum subsidy requested per borrower, but subsidies must be reasonable and follow CDD's Underwriting Standards: "[Program Guide for Homeownership Developers and Subrecipients](#)." Funds cannot be used to pay costs related to the operation or administration of the organization receiving funds.

- **Service Delivery Payment:** Awarded applicants can receive a service delivery payment for each completed project to offset costs associated with, for example, application intake, eligibility determination, client counseling, loan origination and processing, document preparation, overhead, and tracking and reporting costs specific to the completed project. This service delivery payment may not exceed 15% of the award made per activity.

Minor Home Repair

Funds will be administered by an agency with grant awards of up to \$5,000 per activity. Funds may not be used to pay for costs related to the operation or administration of the organization receiving funds.

- **Service Delivery Payments:** Awarded applicants can receive a service delivery payment for each completed project to offset costs associated with, for example, application intake, eligibility determination, client counseling, loan origination and processing, document preparation, overhead, and tracking and reporting costs specific to the completed project. This service delivery payment may not exceed 15% of the award made per activity.

Financial Literacy and Homebuyer Education

Funds will be awarded to an agency to provide program services; funding can be used for operations, staffing, and expenses related to program delivery.

- The agency will receive \$50,000 annually to administer the program.

How to Apply

Important things to know about the process.

Point of contact

The contact identified below is the only point of contact regarding the RFP from the date of release of the RFP until selection of awarded programs:

Maria Davila-Martinez, Community Development Specialist
City of Madison Community Development Division
Phone: 608-266-6557
Email: mdavila-martinez@cityofmadison.com

Except as noted otherwise in this document, all communications relating to this RFP must be directed to the sole RFP contact designated above.

All bidders, applicants, protestors, or individuals acting on their behalf are hereby prohibited from attempting to persuade or influence any City agents, employees or any member of the review team, for or against a specific cause related to a pending solicitation, unless otherwise directed by the RFP contact.

Application Workshop

The City will hold a virtual application workshop for applicants interested in responding to this RFP. The workshop will be held on **August 08, 2025 (2:00 pm – 3:00pm)**, register using this link: <https://cityofmadison.zoom.us/meeting/register/iaHIzCBqT7eutHTX-gnvmA>

The workshops will address questions that applicants may have regarding the RFP, application, and application requirements. It is also intended as a technical assistance opportunity for applicants. Applicants are strongly encouraged to attend this workshop.

Questions and Clarifications on the RFP

Applicants should carefully examine the RFP requirements, specifications, and contract documents, exercising their own judgement as to the nature and scope of the work required. Applicants must consider federal, state, and local laws and regulations that may affect cost, progress, performance, or completion of the work, and integrate those costs into their applications.

Applicants should notify the RFP contact with any questions, exceptions, clarifications, corrections, errors, conflicts, discrepancies, omissions, or other material changes concerning the RFP document.

IMPORTANT: The content of this RFP will serve as the basis for contracts or agreements it may lead to. No plea of ignorance of conditions, or difficulties that exist or may arise in the execution of the work under such contracts or agreements as a result of failure to make necessary examinations and investigations, will relieve a funded applicant of its responsibilities to fulfill the contract.

Contracting Agency

The contract(s) resulting from this RFP will be administered by the City of Madison's Community Development Division, except that contracts for the conveyance of any Vacant Lots through this RFP will be administered by the City's Economic Development Division.

Official Communication / Addenda

During the solicitation process for this RFP, all official communication between the City and applicants will be made through the [Community Development Division Funding Opportunities Website](#). The City will post notices, which will include, but not be limited to, schedule changes, addenda for any modifications to administrative or performance requirements, clarifications to requirements and the announcement of the proposals recommended for funding allocations. It will be the responsibility of the applicants to regularly monitor this website for any such postings. Failure to retrieve such addenda and include their appropriate provisions in the proposal or responses, may result in a proposal being disqualified.

Incurring Costs

The issuance of this RFP does not obligate the City to award a contract, pay any costs incurred in the preparation of proposals, or procure or contract for any services or equipment.

Submitting a Proposal

Response Format

Proposals and all required additional documentation must be submitted electronically to:

cddapplications@cityofmadison.com

Submit only one combined PDF of the application materials. Adhere to the space limits in the application document. Extraneous spacer pages are not necessary. Files larger than 35MB please use a file sharing service like Dropbox and provide a link.

Proposals Must Be Received by: Friday, September 26, 2025, by Noon.

No exceptions will be granted for proposals received after this date. Ensure adequate time to receive a confirmation before noon.

Required Information and Content

To be considered for funding, proposals must include the documentation listed below. CDD may request additional documentation at any time during the proposal review process.

- ☐ Application
- ☐ Budget Workbook
- ☐ Pre-application Meeting: ONLY IF proposing a multi-family homeownership development of 4+ units
- ☐ Attachment C: Designation of Proprietary and Confidential Information
- ☐ Copy of the applicant's most recent financials. Documentation required depends on the type of agency.
 - If applicant has annual certified audits completed, submit financial audit report. Include the management letter and the agency's response to the letter.
 - If applicant does NOT have annual audits, submit financial statements and a letter signed by the President of the Board of Directors stating that they approved the financial statements as prepared.
 - If applicant is a for-profit entity, submit a copy of last year's federal tax returns. Include all schedules, W-2s, and attachments for the Guarantor of the promissory note.

Do not submit documentation that was not requested or required; it will not be considered in the review of the proposal.

Proposal Content

The evaluation and selection of a Contractor and the contract will be based on the information submitted in the applicant's proposal plus any additional information required. Additional information may include references, on-site visits, or oral presentations. Failure to respond to each of the requirements in the RFP may be the basis for rejecting a response.

Elaborate proposals (e.g. expensive artwork, news stories, or letters of support) beyond information required to present a complete and effective proposal, are not desired and will not be considered in the proposal review.

Acceptance / Rejection of Proposals

The City reserves the right to accept or reject any or all proposals submitted, in whole or in part, and to waive any informalities or technicalities, which at the City's discretion is determined to be in the best interests of the City. Further, the City makes no representations that a contract will be awarded to any applicant responding to this request. The City expressly reserves the right to reject any and all proposals responding to this invitation without indicating any reasons for such rejection(s).

The City reserves the right to adjust due dates and schedules for its own convenience and to withdraw this solicitation at any time without prior notice.

Applicant Qualifications

The City of Madison may make such inquiries as it deems necessary to determine the ability of the applicant to perform the work, and the applicant shall furnish to the City all such information and data for this purpose, as the City may request.

The City reserves the right to reject any proposal if the evidence submitted by, or investigated of, such applicant fails to satisfy the City that the applicant understands the full scope of work and is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein.

Process After Submitting a Proposal

Withdrawal or Revision of Proposals

An applicant may, without prejudice, withdraw a proposal submitted at any point in the process by requesting such a withdrawal in writing (email is sufficient) to the RFP contact.

Proposals may not be modified or altered after the deadline without consent from the City of Madison.

Designation of Proprietary Information

Applicants are hereby notified that all information submitted in response to this RFP may be accessible to the public through the Community Development Division website and/or made available for public inspection according to public records laws of the State of Wisconsin or other applicable public record laws. Therefore, applicants are encouraged to refrain from submitting information that cannot be open for public inspection. However, if applicants must include information deemed confidential and proprietary by the applicant, applicant must comply with these instructions:

1. All restrictions on the use or inspection of data contained within a proposal shall be requested prior to submission of the proposal itself. Written requests for confidentiality shall be submitted to the RFP contact by the applicant prior to the proposal submission date.
2. Requests shall use the following process:

SECTION 1 – Email or phone the RFP contact to discuss your concern.

SECTION 2 – Any information to be considered confidential or proprietary must clearly be stated on the attached "Designation of Confidential and Proprietary Information" form (Attachment C).

SECTION 3 – Separate any information to be considered confidential or proprietary from the rest of the proposal. Co-mingling of confidential/proprietary and other information is not acceptable.

SECTION 4 – Note that applicants may be asked to submit a written request for information to be considered confidential or proprietary. Provide specific information related to the claim for confidential and proprietary information including RFP section, page number, topic and specific concern that supports claim.

3. Funding allocation requests always become public information through the selection committee process. Information usually cannot be kept confidential unless it involves a trade secret as defined in §134.90(1)(c), Wis. Stats. Any information that will be included in any resulting contract cannot be considered confidential. A proposal, in its entirety, will not be considered confidential and/or proprietary.

4. Proprietary information submitted in a proposal, or in response to the RFP, will be handled in accordance with the applicable Wisconsin State Statute(s). However, the City cannot ensure that the information will not be subject to release if a request is made under applicable public records laws. The City will not provide advance notice to a applicant prior to release of any requested record.

5. A Selected Applicant agrees to hold the City harmless for any damages arising out of the release of any material unless they are specifically identified. In the event the designation of confidentiality of this information is challenged, the Selected Applicant also agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and, further, agrees to hold the City harmless from any penalties, costs, damages and fees, including attorney's fees, awarded to the requestor and ordered to be paid by the City, in any such legal action.

To the extent permitted by law, it is the intention of the City to withhold the contents of the proposal from public view until such times as competitive or bargaining reasons no longer require non-disclosure, in the opinion of the City. At that time, all proposals will be available for review in accordance with the Wisconsin Open Records Law.

Oral Presentations / Site Visits / Pre-Application or Pre-Award Meetings

Applicants may be required to attend certain pre-application and/or pre-award meetings, make oral presentations, or make the site and/or properties available for site visit(s) as part of this request for proposal process, upon request of the City. Such presentations, meetings, or site visits will be at the applicant's expense.

Sample Loan Agreement, Purchase of Service Contracts, and Purchase and Sale Agreement

Applicants are responsible for reviewing sample loan and contract documentation on the CDD Funding Process website prior to submission of their bid. The [Sample Loan Agreement](#) shall serve as the basis of the contract resulting from this RFP, subject to revision at the City's discretion, following the applicant's demonstration that it has met the contingencies outlined in the authorizing resolution. The Purchase and Sale Agreement (Attachment E) shall serve as the basis of contracts for the conveyance of any Vacant Lots awarded through this RFP. By submitting a proposal, applicants affirm their willingness to enter into an Agreement containing these terms.

Review, Recommendation, and Selection Process

Overview

This section outlines the City of Madison's review process for submitted proposals. Key aspects of the process are summarized below, and detailed information can be found in the following subsections for each stage of the evaluation.

In reviewing submitted proposals, the City of Madison retains the right to ensure compliance with RFP guidelines, determining the completeness and responsiveness of applications. The City may continue evaluating proposals that closely meet the requirements, even if no submissions are fully compliant. The RFP Selection Committee will assess proposals and can conduct presentations, site visits, or interviews as needed. The City also reserves the right to request best and final offers, negotiate contract terms, and perform price analyses to ensure fairness. Importantly, the City can modify or terminate the selection process at any stage, reject any or all proposals, and waive irregularities or omissions, all in the best interest of the community. Applicants are not permitted to communicate with Selection Committee members during this process.

The City of Madison emphasizes a holistic approach that considers not only compliance with RFP guidelines but also the broader community needs and the interconnectedness of services provided by various organizations. The evaluation process goes beyond a mere scoring system, incorporating factors like geographic focus and the populations served to ensure equitable access to affordable homeownership opportunities.

Stages of Review

Preliminary Evaluation

Submitted proposals will be reviewed for completeness and compliance with RFP guidelines. All incomplete RFP submissions may be determined nonresponsive and removed from further consideration. To be considered complete, RFPs shall include all required submittals and shall be signed and dated. In the event that no submissions meet all of the RFP requirements, the

City of Madison reserves the right to continue the evaluation of the proposals that most closely meet the requirements.

Proposal Evaluations

The City's designated RFP Selection Committee, also referred to as the staff team, will make the final selection and recommendation following the evaluation of the proposals, which may include presentations, site visits and interviews, if deemed necessary, with some or all of the applicants. However, the City may make preliminary selection(s) based on the original proposals only, without negotiation, interviews and/or site visits with any applicants. If presentations, interviews and/or site visits are conducted, the Selection Committee may choose to assign additional points for these processes or re-evaluate, re-rate and/or re-rank the finalists' proposals based upon the written documents submitted and any clarifications offered in the interviews.

Final decisions regarding projects to be awarded funds, and the amount of funding awarded, lie with the Madison Common Council, with input from the City's CDBG Committee.

Best and Final Offer

The designated Selection Committee may request best and final offers from one or more applicants determined to be reasonably susceptible to being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Applicants shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. If best and final offers are requested, they will be evaluated against the stated criteria, scored and ranked. The City reserves the right to negotiate the terms of the contract, including the award amount, with the selected applicant(s) prior to entering into a contract. If contract negotiations cannot be concluded successfully with the selected applicant(s), the City may negotiate a contract with the next highest scoring applicant.

Clarifications of Proposals

During the evaluation of proposals, the City reserves the right to contact any or all applicants to request additional information for purposes of clarification of RFP responses, reject proposals that contain errors, or at its sole discretion, waive disqualifying errors or gain clarification of errors or information.

Price and/or Cost Analysis

The City reserves the right to conduct a price and/or cost analysis to determine if the price is fair and reasonable. If only one responsive proposal is received, a detailed price and/or cost analysis

may be requested of the single applicant. Applicants shall cooperate as needed with the City's efforts to perform said analyses.

Negotiation

The City reserves the right to negotiate final fees and scope of services with the selected Applicant.

Process

At any phase, the City reserves the right to terminate, suspend, or modify this selection process; reject any or all submittals; and waive any informalities, irregularities or omissions in submittals, all as deemed in the best interests of the City.

Communication with Selection Committee

Applicants may not contact members of the Selection Committee at any time during the evaluation process, except at the City of Madison CDD's request. All communications relating to this RFP must be directed to the sole RFP contact designated above.

Right to Reject Proposals and Negotiate Contract Terms

The City reserves the right to reject any and all proposals and to negotiate the terms of the contract, including the award amount, with the selected applicant(s) prior to entering into a contract. If contract negotiations cannot be concluded successfully with the selected applicant(s), the City may negotiate a contract with the next preferred applicant.

SCORING

Threshold Criteria

Threshold Criteria are the basic requirements an application must meet in order to be considered for funding. The following **threshold criteria** must be satisfied for an application to be considered:

- The applicant must be an eligible applicant as defined in the Eligible Applicants section.
- The application must:
 - Include all required application checklist items;

- Be properly completed; and
- Be submitted by the published deadline via the specified submission method (refer to the Submission Instructions section of this document).

Competitive Selection Criteria

The following **Competitive Selection Criteria** will be used to score the applications that satisfy the threshold criteria above. This scoring criteria is applicable to proposals in all categories. Applications will then be reviewed and assessed to determine alignment with our funding priorities and goals of CDD. **While important, proposal scores are not the sole determinant in making funding decisions.**

Competitive Selection Criteria	Factors Assessed to Determine Score	Max. Score
Organizational Capacity	Applicant's related housing experience, demonstrated successful completion of similar projects, progress on current awards organizational financial capacity, and other organizational due diligence factors (e.g., good standing with the City of Madison, organizational internal operations policies, outstanding legal matters, performance and compliance with past and current awards, etc.). If applicant has no history administering City funds, references to other experiences, approaches and team experience will be considered.	5
Project Feasibility	The extent to which proposed costs appear reasonable, how proposed costs and subsidies compare to those of similar projects, the degree to which other sources of funds are leveraged, and the extent to which the proposal is financially viable.	5
Community Need	The extent to which the proposal reflects a clear and effective response to a well-defined community housing need based on local demographic, workforce, market and economic factors and aligns with the City's goals and adopted Plans. The degree to which the proposal is responsive to the requirements and preferences set forth in this RFP.	5
Total Possible:		15