

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



REQUEST FOR PROPOSALS
RFP #2024-XXXXX

Affordable Rental Housing Development:
Non-Tax Credit
CDBG Committee DRAFT

Release Date: **March __, 2024**

Due Date: **12:00 p.m., NOON**
 May __, 2024

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RFP SUMMARY

RFP NUMBER	RFP # 2024-XXXXX
RFP TITLE	Community Development Division: Affordable Rental Housing Development: Non-Tax Credit
DEADLINE FOR BID SUBMISSIONS	12:00 P.M. (NOON) CST, Wednesday, May __, 2024 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 that seek to accomplish the following objective: <ul style="list-style-type: none"> • Expand the supply of affordable housing for renters.
FUNDS AVAILABLE:	The CDD anticipates having approximately \$4.5 million available from the City's Affordable Housing Fund and Federal HOME Investment Partnerships Program (HOME). The total amount of funds available is contingent upon the receipt of federal funding from the U.S. Department of Housing and Urban Development (HUD) and from the City's 2024 Adopted Capital Budget. Additionally, approximately \$5M in HOME-ARP funds are available to support the development of permanent supportive housing.
APPLICATION FORM AND GUIDELINES	Available at: Community Development Division Funding Opportunities Website
E-MAIL PROPOSAL TO:	CDDapplications@cityofmadison.com All proposals must be submitted via email using the Word and Excel Workbook documents provided. Please submit <u>one</u> combined PDF of the application materials, if possible. Please put Rental Development RFP in the email subject line.
DIRECT ALL INQUIRIES TO:	Matt Frater, Community Development Specialist mfrater@cityofmadison.com (E-mail preferred) (608) 266-4209

RFP CALENDAR

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

Date	RFP Activity
March __, 2024	RFP Released
April __, 2024	Application Workshop (Zoom Registration) 3:00 PM CST
12:00 p.m. NOON (CST) May __, 2024	DEADLINE FOR SUBMISSION OF PROPOSALS
June-July, 2024	Development Assistance Team (DAT) Meeting (new construction proposals only)
June-July, 2024	Neighborhood Meeting (new construction proposals only)
Fall 2024	Applicant Presentations to CDBG Committee
Fall 2024	CDBG Committee Recommendations
Fall 2024	Finance Committee Recommendations
Fall/Winter 2024	Common Council Consideration
Fall/Winter 2024	Commitment Letter (Notification of Award)
Spring 2025	Anticipated contract effective date(s)/ Start of Construction for Housing Development

**Development Review Schedule Submittal Deadlines after October 30, 2024 are projected and subject to change.*

SECTION 1: SCOPE OF WORK

1.1 Purpose

The mission of the Community Development Division's CDBG Unit is to help make Madison "a more viable urban community by providing decent housing, a supportive living environment and enhanced economic opportunities for low- and moderate-income households (defined as those whose incomes do not exceed 80% of the area median income)." The unit's goals are to aid and support the efforts of non-profit organizations, businesses, neighborhood groups, funding partners, housing developers, and other governmental entities to plan for, develop and invest in projects which further the goals and objectives identified in the City's Consolidated Plan. The [Consolidated Plan](#) is a longer-term (5-year) planning document formulated by the City's CDBG Committee, with input from Madison residents, and approved by the Mayor and Common Council. Its content also reflects and reinforces the City's broader goals and objectives articulated within [Imagine Madison](#), the City's Comprehensive Plan and related neighborhood plans.

The City will accept proposals from both non-profit and for-profit developers, with a preference toward non-profit developers and proposals that reflect strategic partnerships with non-profit developers and organizations.

1.2 Goals and Objectives

The City of Madison's approved 2020-2024 Consolidated Plan articulates the community development goals on which the City intends to focus its federal entitlement funds (CDBG/HOME/ESG) and, along with the City's [Housing Forward](#) ("Housing Forward") initiative, serves as the foundation for this funding process.

The City of Madison Community Development Division (CDD) Action Plan, as adopted by the Common Council, further outlines specific goals and objectives intended to guide the use of CDD-administered financial resources. This RFP focuses only on the following Goal and Objectives from that Action Plan:

- *Goal Area 2. Housing Development & Financing: Rental*
Provide decent, safe, sanitary and affordable housing opportunities for low-and moderate-income households in order to enhance household, neighborhood and community stability.

Objective 2.1 Rental Housing Acquisition and/or Rehabilitation
Objective 2.2 Rental Housing Development (New Units).

The City's Affordable Housing Initiative seeks to accomplish the following three objectives:

1. Increase the supply of safe, quality, affordable rental housing that ensures long-term affordability and sustainability.
2. Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability.

3. Improve the existing rental housing stock in targeted neighborhoods through acquisition/rehab to ensure long-term affordability and sustainability.

Along with these primary objectives, the this RFP also aims to:

- Achieve a wider dispersion of affordable rental housing throughout the city and discourage the development of additional income- and rent-restricted units in areas with already high concentrations of assisted housing as detailed in the Affordable Housing Target Area Map.
- Incentivize new development in areas of the city in excellent proximity to amenities such as public transit, employment opportunities, a full-service grocery store, health facilities, schools, parks and other basic amenities.
- Align CDD-assisted development and property management practices with the City's Racial Equity and Social Justice Initiative including through inclusive development partnerships with BIPOC developers, providing opportunities to Associates in Commercial Real Estate (ACRE) students and graduates, and racially and culturally-sensitive property management and marketing practices.
- Implement the Goals, Strategies and Actions outlined in [Imagine Madison](#), the City of Madison's Comprehensive Plan, particularly prioritizing well-sited infill and missing middle, small scale development.
- Embrace the City's commitment to energy efficiency, renewable energy, decarbonization and/or sustainable building design techniques that contribute to the [City's goal](#) to achieve 100% renewable energy and zero-net carbon emissions community-wide by 2050.
- Create opportunities for residents to remain in neighborhoods that may be impacted by current or projected rapid housing cost increases.

The City of Madison intends to support development proposals that (1) are most responsive to the Goals and Objectives found in Section 1.2 and Requirements and Preferences Section of the RFP (Section 1.4, 1.5); (2) contain a combination of features and attributes offering the best overall value to the City and residents. The City will determine the potential best overall value by comparing competing project features and feasibility, and agency or development team attributes, striking the most advantageous balance for achieving the City's goals.

1.3 Funding Availability

The Community Development Division (CDD) anticipates having approximately \$4.5 million available from a combination of funds drawn from the Federal HOME Investment Partnerships (HOME) Program and the City's Affordable Housing Fund. Federal funds will be reserved for proposals from non-profit applicants with a controlling interest in the development. The total amount of funds available is contingent upon the City receiving anticipated federal funding allocations from the U.S. Department of Housing and Urban Development (HUD). CDD may alter available funding sources depending on actual allocations from HUD.

Additionally, approximately \$5M in HOME-ARP funds may be made available to support the development of Permanent Supportive Housing with on-site supportive services. Further details about this funding availability and requirements are contained in RFP Attachment E.

HOME Funds	Up to \$3,000,000
HOME-ARP Funds (set-aside)	Up to \$5,000,000
City Affordable Housing Funds ("AHF")	Up to \$1,500,000

1.4 Requirements for Housing Development/Rehabilitation Proposals

GOAL ONE: AFFORDABLE HOUSING

Provide decent, safe, sanitary and affordable housing opportunities for low- and moderate-income households in order to enhance household, neighborhood and community stability.

OBJECTIVE 1.1: Housing Supply

Preserve, improve and expand the supply of affordable housing for homeowners and renters.

Requirements

Eligible Applicants

In order to be considered for financing, applicants or development partners must meet the following requirements:

- a) Demonstrate that the proposed project is economically viable and the applicant(s) have the financial ability to repay awarded funds if the project is not completed consistent with written agreement.
- b) Demonstrate financial capacity and experience in producing high-quality affordable housing, financed in whole or in part with HOME, CDBG and/or other local, state, or federal funds, on schedule and as proposed. Entities applying for federal funds must have experience with and/or partner with an organization with some experience with federal funding.
- c) Contribute a minimum of 5% of the total development costs in 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.
- d) Not for profit corporations must be, at the time of application, a 501(c)(3) or 501(c)(4) tax-exempt organization with a mission of developing and/or providing affordable housing as well as an active board that meets regularly in accordance with their by-laws and is in good standing with the Wisconsin Department of Financial Institutions (and/or the comparable organization in the state in which it is organized); and/or established as a housing cooperative with by-laws consistent with Chapter 185 of the Wisconsin State Statutes and in good standing with the Wisconsin Department of Financial Institutions.
- e) For purposes of this RFP, any applicant proposing funding for improvements to non-standard rental housing types (e.g. manufactured housing communities, mobile homes, etc.) will be considered so long as the applicant or co-applicant meets non-profit or cooperative status as defined in Section 1.4 (1)1(d).
- f) For Profit corporations must be in good standing with the Wisconsin Department of Financial Institutions.
- g) At the time of application, all applicants must have an active registration in the System for Award Management website, if applying for federal funds. Registration for the SAM website can be found at <https://sam.gov/content/entity-registration>. If the ownership entity is different from applicant, ownership LLC must have an application in SAM at time of contracting.

Eligible activities for these funds include those that address any of the following:

- a) Increase the supply of safe, quality, affordable rental housing units that ensure long-term affordability and sustainability. For the purposes of this RFP, affordable units are defined as

income- and rent-restricted units for households with incomes at or below 60% AMI. Long-term affordability will be secured by a Land Use Restriction Agreement for a minimum of 40 years, though preference is given to LURAs permanent in nature.

- b) Enhance the affordability of housing stock through investments in energy efficiency and/or accessibility improvements, either through rehabilitation to existing properties or incorporating exceptional energy efficiency measures in new-construction design.
- c) Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability.
- d) Improve existing rental housing stock through the acquisition and/or rehabilitation of properties to create long-term affordability and sustainability. This may include acquisition and/or rehabilitation for non-standard rental housing types (e.g. manufactured housing communities, mobile homes, etc.).
- e) Development proposals for projects seeking Low Income Housing Tax Credits administered by the Wisconsin Housing and Economic Development Authority **are not** eligible for this RFP. Such proposals are eligible under the CDD's annual [RFP](#) for Rental Housing Development for Proposals Seeking Tax Credits anticipated to be released in July of 2024.

To be eligible, proposals must comply with the following City standards and/or requirements:

- a) Proposals awarded funds must commit to a minimum 40-year Period of Affordability (POA) evidenced by Land Use Restriction Agreement(s) (LURA) recorded at closing. HOME-funded projects will be subject to a compliance period for HOME regulations, 24 CFR Part 92, based upon the amount of HOME funds invested in the property.
- b) The property must be located in the City of Madison.
- c) Proposals must demonstrate a commitment to embracing the City's Racial Equity and Social Justice Initiative in all aspects of the project, including but not limited to bidding, construction, marketing, tenant selection, and property management.
- d) Within areas designated for purposes of this RFP as "Preservation & Rehab Areas", the CDD will not consider any project that proposes to convert a property's use from owner-occupied units to rental.
- e) The CDD will not consider any projects that propose the construction of fewer than four net units (new units less any existing units demolished) or rehabilitation of fewer than four units. For a co-operative housing development, each sleeping room will be considered one unit.
- f) All housing units must be in compliance with all applicable state and local codes, ordinances and zoning regulations at the time of project completion. All housing must meet the accessibility standards of the Fair Housing Act (and amendments) and Section 504 of the Rehabilitation Act of 1973, as applicable.
- g) For housing development/rehabilitation proposals submitted by a not-for-profit corporation, or with a not-for-profit development partner, an applicant lacking site control at the time of application may instead identify a targeted or defined project area in the City within which it intends to secure control of a site. Such areas must be clearly identified, and proposals must provide a compelling case for the area being targeted (e.g., how the area supports City objectives). Priority consideration may be given to not-for-profit agencies

targeting acquisition and rehabilitation in a Neighborhood Resource Team (NRT) Area or other area of particular interest to the City.

- a. Under this section, proposals must meet all other requirements for proposal submission to be considered. Applicants must submit an estimated sources and uses summary based on past experience of similar scale development.
- b. Under this section, all applicants must commit to a construction start date not later than two years from the commitment of funds.
 - i. CDD may grant a single extension to the two-year required start date, for a period not to exceed 12 months. In requesting an extension, the non-profit must provide evidence that the financial closing will occur within the requested extension period. Construction must begin within six months of financial closing.
- h) All proposals submitted by for-profit corporations without a non-profit co-applicant must have site control (i.e. executed option or offer to purchase) at the time of application.
- i) Development applicants must engage in the Pre- and Post-Application Processes pertaining to land use entitlements and neighborhood engagement described in Section 2 below, as applicable.
- j) Development proposals must demonstrate a tangible commitment to the City's goal of achieving net-zero carbon emissions community-wide by 2050.
- k) All proposals must include a Tenant Selection Plan (TSP) that meets the CDD's TSP Standards outlined in Attachment B-1.
- l) All proposals must include an Affirmative Marketing Plan (AMP) that meets the CDD's AMP Standards outlined in Attachment B-2.
- m) Proposals awarded non-federal/City funding must serve households with incomes at or below 60% of Area Median Income (AMI) using HUD Income Limits during the Period of Affordability.
- n) Proposals awarded non-federal/City funding must maintain rents at or below those pertaining to a maximum of 60% AMI using the Standard Multifamily Tax Subsidy Project (MTSP) Rent Limits ("MTSP Rent Limits"), published by the Wisconsin Housing and Economic Development Authority (WHEDA) for the Period of Affordability.

Property Management Requirements

- a) Demonstrated commitment of Development Team, including Property Management, to implement a Tenant Selection Plan (TSP) that provides ample access to stable and affordable housing opportunities for low income households. To ensure this, applicants must submit a TSP consistent with the TSP Standards outlined in Attachment B-1, subject to CDD approval.
- b) Demonstrated commitment of Development Team, including Property Management, to implement an Affirmative Marketing Plan (AMP) that provides ample outreach to populations least likely to apply. To ensure this, applicants must submit an AMP consistent with the CDD's AMP Standards outlined in Attachment B-2, subject to CDD approval.
- c) Rent increases will be limited to 2% per year for lease renewals. Security deposits will be limited to one month's rent in accordance with the policy outlined in the TSP Standards in Attachment B-1. Non-renewals may only be issued for good cause with notification.

Federal Requirements

All projects must comply with the relevant funding source requirements. HOME-funded projects must comply with the regulations at [24 CFR Part 92](#), HOME Investment Partnerships Program, as amended. Projects awarded CDBG funds must comply with the regulations at [24 CFR Part 570](#), Community Development Block Grant, as amended. These federal requirements include, but are not limited to, the following:

- a) Acquisition, construction, and/or rehab of rental housing must maintain rents at or below specified [HOME rent levels](#) during the Period of Affordability.
- b) All HOME-assisted units in a rental project must serve households with [incomes](#) at or below 60% of Area Median Income (AMI) during the Period of Affordability.
- c) In developments with five or more HOME-assisted units, at least 20% of HOME units must be designated as Low HOME rent units, where rent is restricted to the Low HOME rent limit published by HUD annually.
- d) Housing must meet all applicable City minimum housing standards and building codes. Rehabilitation projects assisted with HOME funds must also meet the [Community Development Division's Rehabilitation Standards](#).
- e) HOME projects require a minimum of 25% matching funds from non-federal sources. Forms of eligible match are defined under [24 CFR 92.220](#).
- f) HOME-funded projects will be subject to a HOME Period of Affordability (HOME POA), the length of which is based upon the amount of HOME funds invested in the property and the use of those funds. Both a City and HOME POA will be reflected in Land Use Restriction Agreements (LURAs) recorded in first position ahead of the first mortgage. The City LURA will have a minimum compliance period for 40 years.
- g) Pursuant to authority under the American Rescue Plan Act, HUD waived certain HOME requirements and imposed alternative requirements for HOME-ARP funds as described in [86 FR 56764](#). See Attachment E for more detailed information on HOME-ARP.

See Attachment C for more detailed information on federal requirements and related resources.

1.5 Preferences

In addition to the conditions of eligibility listed above, preference will be given to:

- a) Projects that are "shovel ready," meaning that construction will begin within six months of receiving a financial commitment.
- b) Proposals that commit to permanent affordability for the AHF Units.
- c) Non-profit or cooperatively owned developments.
- d) Proposals with income and rent restrictions set to serve households at the lowest income levels feasible for the size, scope and financing of the project.
- e) New construction and rehabilitation proposals that involve smaller scale, infill developments that help meet the need for more "missing middle" housing. For purposes of this RFP, missing middle development encompasses developments involving approximately four to forty units of housing, provided the proposed unit density on-site is capable of adhering to

zoning standards consistent with site-specific Generalized Future Land Use as guided by the City's Comprehensive Plan.

- f) Partnership with agencies for lease-up, tenant placement, and/or supportive services that provide referral and housing opportunities for populations with traditional barriers to accessing housing (e.g. undocumented individuals and families).
- g) Development projects proposed by Community Housing Development Organizations (CHDOs).
- h) Proposals that demonstrate a commitment to incorporating extraordinary energy efficiency, renewable and/or sustainable building design techniques that contribute to the [City's Goal](#) to achieve 100% renewable energy and zero-net carbon emissions community-wide by 2050, as described in Section 1.6 below.
- i) New construction and rehabilitation proposals that demonstrate a commitment to incorporating Universal Design features in all proposed units and common areas.

1.6 Commitment to Energy Efficiency, Renewable Energy and Sustainable Design

The CDD seeks proposals that embrace the City's commitment to incorporating energy efficiency, renewable and/or sustainable building design techniques that contribute to the [City's goal](#) to achieve 100% renewable energy and zero-net carbon emissions community-wide by 2050. Preference will be given to proposals that demonstrate design techniques and operation plans to achieve these goals, while also taking advantage of available expertise and resources.

1. Energy Efficiency.

- a. Focus on Energy's [New Construction Energy Design Assistance](#) provides a no-cost energy analysis based on building characteristics, implementation cost, payback periods and annual energy cost savings. Additionally, Focus on Energy provides *financial incentives* for design professionals and building owners to help offset the incremental costs of the installed energy efficiency measures.

To address the requirements outlined in this RFP, all applicants awarded new construction projects applicants will be required to submit an [Initial Enrollment/Application](#) to Focus on Energy's New Construction Energy Design Assistance program.

Focus on Energy staff will typically contact applicants the following week. Applicants should be prepared to provide a site plan with dimensions (footprint) and as much of the following information as possible: Number of units, Number of stories, height of floors, gross square footage, types of mechanical systems (heating & cooling), building envelope (materials, R values, roof type, level of insulation, etc.), and hours of the day that non-residential spaces are used.

Applicants are further encouraged to complete the Whole Building Analysis and Bundle Selection process during the detailed design phase of the development on a timeline that allows for incorporation of the greatest level of energy efficiency as is feasible for the proposed project, typically at least 120 days before starting construction.

- b. Focus on Energy's [multifamily program](#) provides a no-cost energy analysis provided by advisors who will assess the existing equipment and systems of buildings with at least four units. Focus on Energy staff will make recommendations for each property based on the energy efficiency goals of the applicant. All applicants for rehabilitation projects will be required to obtain an energy analysis and encouraged to implement the greatest level of energy efficiency as is feasible for the proposed project.
 - c. Preference will be further be given to proposals that use [ENERGY STAR certified](#) appliances, equipment, and materials.
 - d. Both Focus on Energy and Dane County's Office of Energy and Climate Change provide information on the *2022 Inflation Reduction Act (IRA) tax credits* and/or federal funding resources. The IRA aims to promote clean energy through tax incentives. To learn more about how your proposal might take advantage of new IRA tax credits and funding for residential multifamily new construction, solar, and/or other green building credits, go to:
 - a. Focus on Energy:
 - i. <https://focusonenergy.com/federal-funding-resources>
 - b. Dane County's Office of Energy and Climate Change:
 - i. <https://daneclimateaction.org/what-you-can-do/Federal-Funding-for-business#Calculate>
2. **Renewable Energy and Building Decarbonization.**
Applicants are encouraged to explore implementing any **Renewable Energy** options and incentives that may be feasible. Preference will be given to proposals that incorporate renewable energy and decarbonization features.
- a. Focus on Energy's Renewable Energy offerings provide incentives for cost-effective renewable energy projects (e.g., solar photovoltaics (PV), solar thermal, biogas, biomass and wind). The Focus on Energy Renewable Energy Incentive application can be accessed [here](#).
 - b. Additional funding for solar PV may be available through the [MadiSun](#) program and/or [Solar For Good](#).
 - a. The Inflation Reduction Act provides additional funding for renewable energy and green building features that reduce fossil fuel use through several programs, including the New Energy Efficient Home Credit, Energy Efficient Commercial Buildings Deduction, Investment Tax Credit and others.
3. **Sustainable Design.**
The American Institute of Architects (AIA) offers a [Framework for Design Excellence](#). This Framework organizes design elements and strategies into a top 10 "Best Practices" approach to design for equitable communities, optimize site potential, optimize energy use, protect and conserve water, optimize building space and material use, enhance indoor environmental quality (IEQ) and optimize operational & maintenance practices.
Preference will be given to proposals that incorporate sustainable design techniques described in the [AIA's Framework for Design Excellence](#), including but not limited to:
- a. Building techniques that substantially reduce energy and water consumption on site
 - b. A rainwater reclamation or gray water system to minimize water consumption on site
 - c. Sourcing a significant amount of building materials from renewable sources

To help evaluate and measure the expected energy reduction and cost savings associated with this design framework, applicants and their architects are encouraged to consult this [Framework](#) when designing the building.

1.7 2024 Affordable Housing Targeted Area Map

The 2024 Affordable Housing Targeted Area Map is included in this RFP as [Attachment A](#). A larger, searchable version of the map may be obtained using the link at: [Community Development Division Funding Opportunities Website](#). Also available are searchable versions of the Zoning Map and Generalized Future Land Use Map on the City’s Open Data Portal.

Development projects must be proposed within the corresponding locations indicated in the following chart.

Type of Development	Location
New Construction of Rental Housing	Must be located in Eligible or Preferred TOD Areas. Exceptions may be made for increased unit production in Preservation & Rehab areas clearly identified as described below.
Any project that will serve populations that may need intensive case management or ongoing supportive services	Must be located in Eligible or Preferred TOD Areas.
Acquisition &/or Rehab of Rental Housing	May be citywide

1. **Preferred TOD Areas** are those within ¼ mile of the City’s Frequent Transit areas, with Madison Metro bus routes on which service is provided at least every 15 minutes at noon on weekdays and at least 30 minute weekend service in most areas. Please note that not all sites in Preferred TOD Areas are suitable for multifamily residential development.
2. **Eligible Areas** are defined by the City’s Core Transit areas – that is, located within ¼ mile of Madison Metro bus routes on which service is provided at least every 30 minutes, at noon on weekdays. Please note, however, that not all sites in Eligible Areas are suitable for multifamily residential development.
3. **Preservation & Rehab Areas** are those which are not in Core or Frequent Transit Areas but are still eligible for funding. New construction proposals will not be considered for funding in Preservation & Rehab Areas, unless a need is clearly articulated through Neighborhood or Area plans, City initiatives, or large-scale City investments.
4. **Limited Eligibility Areas** are areas that may be eligible for funding based on certain characteristics. They include, for example, properties within areas for which [Special Area Plan](#) efforts are currently underway, and areas located within the 65+ decibel contour model around the Dane County Airport depicted in the U.S. Air Force’s final [Environmental Impact Statement](#) for the selected site of the F-35 operation. Proposed developments within the 65+ decibel area around the airport will be required to include adequate noise attenuation measures. For sites in a Limited Eligibility area, the applicant will be required to present the proposed project at a City Development Assistance Team (DAT) meeting prior to the Affordable Rental application deadline. See Section 2.2 for more information.

1.8 Financing Amounts and Terms

The CDD shall secure funding for capital costs with a promissory note and a mortgage in the form of a non-recourse loan, and a LURA, if required by a funding source.

New Construction Proposals

For new construction proposals, funds will be provided in the form of a long-term deferred loan payable upon sale, transfer, or change in use of the property. The promissory note will reflect the following loan terms:

- Zero percent, long-term deferred loan payable upon sale, transfer, or change in use of the property. The promissory note will require repayment of either a percentage of the appraised value after rehab or construction, based on the amount of the CDD funds invested in the property, or a percentage of the net proceeds from the sale, whichever is less.

Acquisition/Rehabilitation Proposals

For acquisition/rehabilitation proposals, at least 50% of loan funds will be provided in the form of a long-term deferred loan payable upon sale, transfer, or change in use of the property, and up to 50% of loan funds will be provided in the form of a 15-year forgivable loan. The promissory notes will reflect the following loan terms:

- Long-Term Deferred Note: Zero percent, long-term deferred loan payable upon sale, transfer, or change in use of the property. The promissory note will require repayment of either a percentage of the appraised value after rehab or construction, based on the amount of the CDD funds invested in the property, or a percentage of the net proceeds from the sale, whichever is less.
- 15-Year Forgivable Note: 15-year loan at zero percent interest that requires no repayment so long as there is no sale, transfer, or change in use of the property within 15 years of the date of final City disbursement of funds. Each year following the final City disbursement in which the project continues to operate in the intended use, a portion of the loan amount will be forgiven. After 15 years, no repayment will be required and the balance of the note will be forgiven.

At least 75% of all CDD funds offered in support of a project must be used for capital costs, as defined by the CDD to include those related to acquisition and construction. Up to 25% of awarded funds may be applied toward developer fees or soft costs (e.g. closing costs, design, engineering costs), however, not more than 10% of funds awarded may be applied toward the developer fee.

CDD anticipates offering gap financing awards dependent upon on the scale or number of proposed units in the development, number of units with City financial assistance, and amount of funds available. The amount of subsidy will reflect a proposal's responsiveness to the City's overall goals, objectives, and preferences described in this RFP; the extent to which all other available financing sources are leveraged; and the availability of funds. The final commitment of funds is subject to Common Council approval. The execution of a written agreement with the City of Madison will be subject to federally required subsidy layering/underwriting and a HOME cost allocation analysis, if applicable.

An awarded applicant must contribute a minimum of 5% of the project's budget in the form of an equity contribution. In lieu of contributing equity to a proposal, applicants may defer a portion of the proposal's development fee (or provide a combination of owner equity and deferred developer fee) to meet this requirement.

In addition to direct subsidies offered as part of this RFP, applicants creating new, low-cost rental housing units may qualify for an exemption from the payment of Park Impact Fees assessed by the City. For purposes of qualifying for this exemption, a low-cost rental unit is defined as one reserved for households with incomes less than or equal to 60% AMI (Area Median Income) and for which rent is restricted to an amount not greater than 30% of income for a household at 60% AMI, with a land use restricted period of at least 30 years.

The City, at its discretion, may alter the terms and conditions of its loans from those described above if deemed necessary to maximize the opportunities to support the development of affordable housing for proposals that most clearly respond to stated preferences.

Alternative Financing Terms for Permanent Affordability

Applicants committing to permanent affordability on the subject property through a recorded Land Use Restriction Agreement (LURA) can request to waive the shared appreciation terms in the Long Term Deferred note in favor of terms that provide a zero percent, long-term deferred loan payable upon sale, transfer, or change in use of the property. The LURA on the affordable units shall remain in place **permanently** notwithstanding repayment of the loan.

SECTION 2: PROPOSAL SUBMISSION REQUIREMENTS

2.1 Application Workshop

The City will hold a virtual workshop over Zoom on **April __, 2024** for applicants interested in responding to this RFP. The workshop will focus on addressing questions that interested applicants may have regarding the RFP or the application. It will also allow CDD staff to provide technical assistance to agencies that have limited experience with responding to City-issued RFPs. Specific topics to be covered at the workshop include the CDD's expectations around the sustainability and energy efficiency provisions and what characterizes a successful application. Applicants are strongly encouraged to attend this workshop. [Registration](#) is required.

2.2 Pre-Application Process

Applicants are strongly encouraged to make the following Pre-Application contacts as soon as feasible in advance of the AHF Application deadline.

1. **Contact CDD Staff.** Applicants are required to contact staff to notify the CDD of the applicant's intent to apply and to discuss how the City might best support the proposed development no later than **April 19, 2024**. To discuss your project, please contact Matt Frater (Community Development Specialist) at mfrater@cityofmadison.com and include Rental Development RFP in the e-mail subject line.
 - a. Coordinating the Land Use Approval Process. Depending on the nature and complexity of the proposal, CDD will coordinate a pre-application meeting with the City's Planning Division (PD) and Zoning staff to discuss site selection, confirm permissive zoning and related requirements and/or re-zoning options, if applicable, and the land use approval process. Please provide the following information: Address(es), proposed number of stories, proposed number of housing units, and square feet of commercial space for a mixed-use building, if applicable.
 - b. Land Use Application. A [Development Review Schedule](#) (subject to change) can be found on the City Planning Division's website. It contains scheduled meeting dates for the City's Plan and Urban Design Commissions, the groups that have jurisdictions for proposals requiring Land Use Application. A Land Use Application is not required at the time of application for funding, but will be required before entering into a Loan Agreement in almost all cases.

2. Alder & Neighborhood Notification Process

All applicants under this RFP are also required to make the following contacts prior to the Affordable Rental Application deadline in order to address the corresponding questions in the Affordable Rental Development application:

- a. **Contact Alder.** All applicants are required to contact the district's [alder](#) to discuss the proposed project, identify and, where possible, address issues or concerns the alder may have. Applicants should discuss the alder's response to the proposed project and the anticipated response from the neighborhood. If the proposed project is within 200 feet

of an adjacent aldermanic district, applicants are also advised to contact that district's alder. Please note, [new aldermanic districts](#) took effect January 1, 2022. It is advisable to inquire about alder availability for a neighborhood meeting at this time. See requirements in 2.3.1 below.

- b. **Contact Neighborhood Association.** Applicants for new construction proposals with an identified site must contact the Neighborhood Association to discuss the proposed project, identify and, where possible, address issues or concerns the neighborhood may have. Contact Information for neighborhood associations is posted on the [City Planning Division Website](#). Applicants must also assess the response of neighborhood associations to the proposed project. If the proposed project is within 200 feet of another association(s), those associations should also be contacted as described above. If the proposed development is not located within an existing neighborhood association, contact the most relevant adjacent neighborhood association(s). A non-profit seeking funds for the future acquisition of a property in a defined geographic area should contact the appropriate neighborhood association when a site is identified.
3. **Development Assistance Team (DAT).** The DAT is an interagency City staff team that meets with applicants to discuss various technical aspects about developments in order to provide timely preliminary feedback regarding specific proposals. Applicant teams with proposals for new construction or complex rehabilitation are *strongly encouraged* to present their proposed project at a Development Assistance Team (DAT) meeting prior to the Affordable Rental Application deadline of **May __, 2024** and will be required to do so before City commitment of funds.

Earlier appointments are encouraged. Contact Christopher Wells (cwells@cityofmadison.com) to schedule an appointment. DAT meetings occur on Thursdays at 10:00 a.m. Appointments are reserved on a first-come first-served basis with agendas finalized at noon on the preceding Friday. Applicants are expected to email a PDF of preliminary site plans by noon on the preceding Friday. A follow-up DAT meeting may be recommended before Land Use Application submittal.

Sites Scheduled to be Annexed into the City of Madison

For any proposal involving a property not located within the City of Madison, please note that the attachment/annexation of that property into the City must be completed and approved **before** the City can accept, process and approve land use applications. Please be aware that this may impact Zoning Compliance statements, depending on the approvals that are necessary. The process for attachments/annexations varies, but typically takes at least 6-8 weeks following receipt of a completed petition. For questions related to the attachment/annexation process, please contact Tim Parks (City of Madison Planning Division) at tparks@cityofmadison.com. It is the responsibility of the existing property owner to coordinate necessary attachment/annexation approvals.

Applicants should consult with City staff via the pre-application process to confirm that the parcel(s) will be annexed into an eligible area on the Affordable Housing Targeted Area Map.

4. **Contact Focus on Energy.** Applicants are reminded to initiate required contacts with the applicable Focus on Energy programs in accordance with Section 1.6 above.

The City reserves the right to waive pre-application meetings for projects deemed to have made sufficient communication with DPCED staff in advance of submitting an application.

2.3 Post-Application Process

1. **Neighborhood Meeting(s) (New Construction Proposals Only).** After presenting at DAT, applicants with an identified site involving new construction or substantial rehabilitation are required to present the proposed development to the neighborhood at a well-publicized meeting. Applicants must coordinate with Debbie Fields (dfields@cityofmadison.com) in the Common Council Office to arrange for mailing postcards to nearby residents at least **three weeks** before proposed meeting. The cost of that mailing is borne by the applicant. Postcards must be mailed to residents at least one week prior to the scheduled meeting. Notify Matt Frater (mfrater@cityofmadison.com) & Kevin Firchow (kfirchow@cityofmadison.com) at least one week in advance of a planned meeting so that Planning and/or CDD staff may attend as availability permits.

The City encourages applicants to offer residents ample opportunities to provide input. Applicants should be prepared to incorporate any reasonable resident feedback and understand that a follow-up neighborhood meeting may be warranted. Some alders and/or neighborhood associations may also request the formation of a project steering team and/or a series of meetings with the developer to facilitate resident input. Applicants are encouraged to meet with the alder and/or neighborhood to assess the residents' preferred level of engagement.

2. **Post-Application Meeting with CDD Staff.** CDD staff will schedule a meeting with Applicants to clarify information submitted in the initial application.
3. **Supplemental Application Materials.** Applicants may be required to submit Supplemental Application materials to address items that require clarification or are not likely to be known at the time of initial application. This may also include responding to outstanding concerns identified at DAT, from Neighborhood Meetings, etc.
4. **Applicant Presentations to CDBG Committee.** Applicants should be prepared to address the following during a presentation to the CDBG Committee likely in **September** or once applicant responses are otherwise sufficient for consideration of award. These presentations should serve to:
 - a. Introduce the Development Team and Property Management
 - b. Provide an overview of the project with an emphasis on the elements that clearly address the proposal's responsiveness to the goals, objectives and preferences in the RFP, with special emphasis on:
 - i. Unit mix, incomes and rents, long-term and/or permanent affordability, etc.;
 - ii. Summary of Sources & Uses, briefly
 - iii. Ownership structure, especially non-profit and/or BIPOC partnerships;
 - iv. Supportive Housing and Supportive Service Partnership, or referral agency partnership, if applicable;
 - v. Tenant Selection Plan consistency with the Standards in Attachment B-1; and

- vi. Energy Efficiency, Renewable Energy and Sustainable Design Plans
- c. Address any outstanding concerns identified via the DAT review and/or neighborhood meetings
- d. Provide a brief Land Use Application status and approval timeline.

A PowerPoint presentation is strongly encouraged for the Staff Team presentation as well as to the CDBG Committee.

2.4 Response Format

1. Proposals and all required additional documentation must be submitted electronically to CDDapplications@cityofmadison.com utilizing the Application Form in Microsoft Word, the budget in the Microsoft Excel workbook and/or PDFs. Please submit one combined PDF of the application materials, if possible. Extraneous spacer pages are not necessary. Please adhere to the space limitations in the application document.
2. The response to the RFP should be complete and comprehensive, but succinct. **Where possible, please limit responses to no more than one ½ page per question.** Attachments or documents not specifically required should not be submitted.

2.5 Required Information and Content of Proposals

To be considered complete and eligible for consideration, proposals must include the documents listed below, including all additional requested documentation. Please include only the required submittals, submitted and labelled in the following order.

1. Rental Housing Development RFP Application Form
2. Budget Workbook
3. Designation of Proprietary and Confidential Information – Attachment D
4. A copy of the most recent agency financial audit reports including the management letter and agency's response to the letter, if agency has annual certified audits completed
OR
Financial statements and a letter signed by the president of the board of directors stating that they approved the financial statement as prepared, if agency does not have annual audits completed
OR
For for-profit entities, a copy of last year's federal tax returns including all schedules, W2s and attachments for the Guarantor of the promissory note.

SECTION 3: GENERAL RFP ADMINISTRATIVE INFORMATION

3.1 Point of Contact

The RFP contact identified below is the sole point of contact regarding the RFP from the date of release of the RFP until selection of the successful proposer(s).

Matt Frater, AICP
Community Development Specialist
City of Madison Community Development Division
Phone: 608-266-4209
Email: mfrater@cityofmadison.com

Except as otherwise specified, all communications relating to this RFP must be directed to the designated RFP contact. All bidders, proposers, 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.

3.2 Inquiries and Clarification of Specifications

Proposers shall carefully examine the RFP and contract documents, correlate their observations with the RFP specifications and exercise their own judgment as to the nature and scope of the work required. If applicable, visit the Division's website, [CDD Funding Opportunities](#). Consider federal, state and local laws and regulations that may affect cost, progress, performance or furnishing of the work.

Proposers shall immediately notify the RFP contact about any questions, exceptions, clarification of any ambiguity, error, conflict, discrepancy omission or other deficiency or additions they have concerning the RFP document. Failure to do so will be at proposer's own risk.

This RFP will serve as the basis for or will become part of the resulting agreement. No plea of ignorance of conditions or difficulties that exist or may hereafter arise in the execution of the work under this contract as a result of failure to make necessary examinations and investigations, shall be accepted as an excuse for any failure or omission on the part of the bidder to fulfill the requirements of the contract.

3.3 Contracting Agency

The contract resulting from this RFP will be administered by Community Development Division, City of Madison.

3.4 Addenda / Official Communication

During the solicitation process for this RFP, all official communication between the City and proposers will be made via the [Community Development Division Funding Opportunities Website](#). The City will post such notices, which will include, but not be limited to, addenda for any modifications to administrative or performance requirements, clarifications to requirements and the announcement of the apparent winning proposer(s). It shall be the responsibility of the proposers to regularly monitor this website for any such postings. Failure to retrieve such addenda and include their appropriate provisions in your response, may result in your proposal being disqualified.

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

Proposers will be required to attend pre-application and/or pre-award meetings, make oral presentations, or make the site and/or properties available for a site visit as part of this request for proposal process, upon request. Such presentations, meetings, or site visits will be at the proposer's expense.

3.6 Acceptance/Rejection of Proposals

1. 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 proposer 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).
2. The City reserves the right to postpone due dates and openings for its own convenience and to withdraw this solicitation at any time without prior notice.

3.7 Incurring Costs

This request for proposals does not commit the City to award a contract, pay any costs incurred in preparation of proposals, or to procure or contract for services or equipment.

3.8 Proposer Qualifications

The City of Madison may make such investigations as it deems necessary to determine the ability of the proposer to perform the work, and the proposer 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 proposer fails to satisfy the City that the proposer 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.

3.9 Proposal Content

The evaluation and selection of a Contractor and the contract will be based on the information submitted in the vendor'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 necessary or desired. Information provided by the applicant in addition to the required proposal may not be considered in the evaluation of the proposal.

3.10 Withdrawal or Revision of Proposals

1. A proposer may, without prejudice, withdraw a proposal submitted at any point in the process by requesting such withdrawal in writing (email is sufficient) to the RFP contact.
2. Proposals may not be modified or altered after the deadline.

3.11 Designation of Proprietary Information

Proposers 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, proposers are encouraged to refrain from submitting information that cannot be open for public inspection. However, if proposers must include information deemed confidential and proprietary by the proposer, proposer 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 proposer 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 (RFP Attachment D).
 - 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. 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 proposer prior to release of any requested record.
5. The Selected Contractor 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 Contractor 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.
6. 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.

3.12 Sample Loan Agreement and Purchase of Service Contracts

Proposers are responsible for reviewing this information 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 proposer's demonstration that it has met the contingencies outlined in the authorizing resolution. By submitting a proposal, proposers affirm their willingness to enter into an Agreement containing these terms.

3.13 Proposal Evaluation and Award

1. 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.

2. PROPOSAL EVALUATIONS, INTERVIEWS AND/OR SITE VISITS

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 proposers. However, the City may make preliminary selection(s) based on the original proposals only, without negotiation, interviews and/or site visits with any proposers. 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.

3. BEST AND FINAL OFFER

The designated Selection Committee may request best and final offers from one or more proposers 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. Proposers 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 proposer(s) prior to entering into a contract. If contract negotiations cannot be concluded successfully with the selected proposer(s), the City may negotiate a contract with the next highest scoring proposer.

4. CLARIFICATION OF PROPOSALS

During the evaluation of proposals, the City reserves the right to contact any or all proposers 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.

5. 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 proposer. Proposers shall cooperate as needed with the City's efforts to perform said analyses.

6. NEGOTIATION

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

7. 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.

8. COMMUNICATION WITH SELECTION COMMITTEE

Proposers may not contact members of the Selection Committee at any time during the evaluation process, except at the City of Madison CDD's request, or as instructed in Section 3.1 above.

9. 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 proposer(s) prior to entering into a contract. If contract negotiations cannot be concluded successfully with the selected proposer(s), the City may negotiate a contract with the next preferred proposer.

SECTION 4: Review of Proposals and Scoring Criteria

Scoring Criteria	Points Available
<p>1. OVERALL QUALITY & RESPONSIVENESS Development proposal vision and goals, concept and plan. Level of responsiveness and extent to which proposal addresses overall City goals, objectives and preferences as described in this RFP.</p>	30 points
<p>2. DEVELOPMENT CONCEPT, PLANNING & ZONING AND SUSTAINABILITY Conformance with adopted plans; permissive zoning or likelihood of project re-zoning, securing City approvals; absence of known environmental issues that might significantly delay project; strength of development concept and site plan; sensitivity to neighborhood context; anticipated market demand; readiness to proceed. Demonstrated commitment to energy efficiency, renewable energy and/or sustainable building design; presentation of proposal at Development Assistance Team, if applicable, and response to concerns/issues raised.</p>	20 points
<p>3. INNOVATION AND NEIGHBORHOOD STABILITY Development proposal includes non-traditional development types (e.g. cooperative housing, "missing middle" housing, etc.). Applicant presents a well-thought out plan that describes achievable milestones for the development type proposed. Applicant commits to extraordinary labor utilization goals for persons of color.</p>	10 Points
<p>4. FEASIBILITY Development pro forma details reasonable sources and uses of funds, and is complete. Operating budget details reasonable costs and cash flow over the period of affordability. Financial structure reflects maximized available resources, financial strength of proposal, financial strength of applicant, and includes reasonable assumptions and projections.</p>	15 Points
<p>5. CAPACITY, EXPERIENCE AND QUALIFICATIONS Demonstrated organizational and financial capacity to produce a high-quality product – based on successful history of developing affordable housing, the incorporation of HOME and CDBG regulations in developments, diversity of development team and performance on past CDD-assisted projects. Demonstrated commitment of Property Manager to utilize flexible Tenant Selection Plan and Affirmative Marketing Plan Best Practices that refrain from presenting unreasonable barriers to access, especially for the target population(s).</p>	15 points
<p>6. PROPOSED SITE/TARGETED AREA Proximity to public transit, schools, employment opportunities, groceries, and other key amenities and/or benefit to surrounding neighborhood.</p>	10 points
Total Points Available	100 points

While important, proposal scores are not the sole factor in making funding decisions. The top scoring proposals will be recommended for further consideration.

Development teams that remain under consideration will be expected to present to a City review team. This review team will formulate recommendations for financial assistance to selected projects. Those recommendations, including funding amounts and terms of the awards, will be presented for review to

the City's Community Development Block Grant (CDBG) Committee. Selected applicants will be expected to make project presentations to this Committee. CDBG Committee recommendations will be forwarded to the Finance Committee and Common Council for final approval. Common Council has final authority over offers of financial assistance.

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ATTACHMENT B-1 TENANT SELECTION PLAN STANDARDS

Purpose

The City of Madison encourages Development Teams to embrace that affordable housing programs are intended to, and often do, alleviate conditions that may have previously led to adverse tenant credit histories, rental histories, and/or criminal convictions for some households. Access to stable and affordable housing creates conditions where prior “deficiencies” are not a primary predictor of future tenancy outcomes. However, this is only possible if these prior “deficiencies” are not insurmountable barriers to accessing the very affordable housing that provides more stable living conditions.

All properties receiving City of Madison Community Development Division (CDD) funding must have a written Tenant Selection Plan (TSP) or Resident Selection Criteria. In accordance with the Loan Agreement, the TSP must be submitted to CDD in advance of financial closing, if revised since application, and is subject to City approval. TSPs must adhere to all federal, state, and local fair housing requirements as well as comply with all applicable laws and regulations, including but not limited to program requirements, the Violence Against Women Act (VAWA), the Fair Housing Act, Wis. State Statutes, and Madison General Ordinances. Other funders may also require additional details. This document is not intended to be a complete list or to supersede other, more inclusive funder requirements.

This document is provided to assist Development Teams, including Property Management, in drafting a Tenant Selection Plan that meets the City’s expectations for both the general applicant pool and the Integrated Supportive Housing Units (“SH Units”). In accordance with the explicit goal and requirements of this RFP, it is expected that Tenant Selection Plans be further designed to **screen-in** prospective tenants from the relevant Supportive Housing target population(s) through use of inclusive, low barrier screening criteria. TSPs are most effective when developed in close coordination with Supportive Service Provider(s) or Coordinator(s) who will be providing appropriate referrals and coordinating resident support services at this development. This Attachment will be incorporated into the Loan Agreement.

The TSP should clearly and quantifiably identify the project’s criteria regarding the following categories, bearing in mind that criteria must be designed to provide fair housing opportunity to those who face traditional barriers to access:

Application and Lease-Up Standards

1. **Written Tenant Selection Plan (TSP).** The TSP should be developed as a collaborative effort between all parties (developer, Borrower, property management, and supportive service provider). The written TSP must be made available to applicants, if requested, before they apply and/or pay an application fee.
2. **Wait List.** The TSP must provide for the selection of tenants from a written Wait List in the order of their application. Applications for SH Units and/or units with stated priority set-asides must have either a separate Wait List or a prioritization mechanism, as detailed in AHF loan agreements. All descriptions of the Wait List in the TSP must detail prioritization criteria, if applicable.
3. **Eligibility Criteria.** The TSP must provide clear information on eligibility criteria as described below. It must also clearly state processes and criteria that will be used to evaluate applications.
 - a. **Income criteria.** The TSP must detail clear minimum and maximum income requirements for all

applicants.

- i. Applicants shall not be denied for applying with incomes below minimum income requirements if applicant can demonstrate paying an approximately equivalent rent to income ratio for 2 years, or if they are the recipient of a tenant-based rental subsidy. Applicants that are recent recipients of a tenant-based rental subsidy must be afforded opportunities to utilize said assistance. Demonstrating ability to pay a similar rental amount can be presented to property management in any reasonable method, including letter(s) from prior landlords and/or other proof of payment (e.g. documented, regular deductions as listed on a banking statement).
 - ii. Developments should not have income requirements greater than 2.5 times the monthly rent.
- b. **Occupancy criteria.** Include definitions of the minimum number of persons allowed to occupy each unit in the project, subject to local state, and federal laws. Each unit must be leased to a household comprised of a minimum of one person per bedroom at the time of occupancy unless reasonable accommodations are required.
- c. **Credit score and/or report.** The TSP and application materials should include clear notice of whether a credit report is required for application. Applicants must not be denied for:
- i. Credit score alone, although information within a credit report that indicates fitness as a tenant (e.g., number of accounts and amount in collections) can be utilized in application review
 - ii. Credit score, provided that the applicant has a cosigner, and/or is enrolled in or has documentation of completing a credit repair program, and/or is enrolled in housing program providing supportive services
 - iii. Insufficient credit history, unless the applicant, withholds credit history information in bad faith that might otherwise form a basis for denial
 - iv. Information on a credit report that has been formally disputed, is in repayment, or is substantially unrelated to prior housing obligations;
 - v. The applicant owing money to a prior landlord for rent or damages, or to a utility company, provided the applicant has entered into a payment arrangement with the creditor and is current on the repayment arrangement.

The property manager must provide notice to applicants if a denial is based on information obtained from the credit report, and must make it known to the applicant that they may request a copy of the credit report that was ordered, at no cost, within 60 days of the notice of denial.

- d. **Landlord or housing history**, including prior eviction judgments. A prospective tenant/applicant shall not have an application denied for any of the following:
- i. Any eviction filing that was dismissed or resulted in a judgement in favor of the applicant
 - ii. Any eviction filing which was settled with no judgement or writ of recovery issued (e.g. stipulated dismissal)
 - iii. Any eviction filing that resulted in judgement for the landlord more than 2 years before the applicant submits the application
 - iv. Insufficient rental history, unless management has definitive records indicating that the applicant withholds rental information in bad faith that would otherwise be a basis for denial
- e. **Notice of Denial & Appeal Process.** Written notice is required, unless waived by the applicant in writing, and must include an explanation of the TSP criteria the applicant failed to meet. The notice of denial must

inform applicants how to seek and file an appeal, including what documentation could correct the basis for denial (e.g. stating the reason for denial and providing a list of potentially acceptable documentation) and timeline for processing. During the appeals process, housing providers should consider additional mitigating information as available. Appeals and supporting documentation must be accepted in any reasonable format (e.g., electronically, hand-written, etc.)

- f. **Domestic Violence.** All properties must comply with the Violence Against Women Act (VAWA), including all requirements of the 2013 reauthorization. Among other requirements, VAWA requires that no applicant be denied admission on the basis that the applicant or member of the applicant's household is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission. It should be clearly stated in the TSP that VAWA protections cover persons of all gender identities and sexual orientations, whether actual or perceived. Examples of circumstances related to abuse include, but are not limited to:
- i. Poor credit history resulting from the perpetrator using the victim's name to open accounts, loans, utilities, and failing in the ability to pay medical bills resulting from the abuse or forcing the victim to work without pay
 - ii. Poor rental history attributable to the perpetrator's actions such as property damage, noise complaints, missed or late rent/utility payments, or drug-related activity
 - iii. Criminal grounds due to the perpetrator forcing the victim to engage in criminal behavior such as sex work, drug use or sale, or crimes committed by the victim to defend themselves or a third party from abuse
- g. **Criminal conviction record criteria** must be detailed in all TSPs, including defining the number of years that will be considered in a criminal background search. Applicants must not be charged a fee for a criminal records search if they are a current resident of Wisconsin. TSPs should clearly define what information will be collected for the use of screening an applicant's criminal history.

An applicant may not be denied based solely on any of the following:

- iv. Arrest that has not resulted in a conviction
- v. Participation in diversion or deferral of judgement programs, including stays of adjudication and continuances for dismissal without prosecution
- vi. Conviction for a crime that is no longer illegal in the State of Wisconsin *or* the City of Madison, regardless of time elapsed from date of conviction
- vii. Conviction which has been vacated or expunged, or for which the applicant received a stay of imposition and sentencing and complied with the terms of the stay
- viii. Conviction, determination, or adjudication in the juvenile justice system
- ix. Conviction for any Misdemeanor offense, unless the offense has a "substantial relation to tenancy" and the date of conviction is within 2 years of the date of application.
- x. Criminal conviction for any Felony offense for which the date of conviction is more than 5 years from the date of application, unless the offense has a "substantial relation to tenancy".
- xi. Conviction for any offense for which the date of conviction is more than 10 years from the date of application, the Maximum Lookback Period.

Definition: "Substantial relation to tenancy" in this document is to mean only that the offense is

violent or drug-related criminal activity as defined by the following regulations:

- i. “Violent criminal activity” is defined in 24 CFR § 5.100 and means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be likely to cause, serious bodily injury or property damage.
- ii. “Drug-related criminal activity” is defined in Wis. Stat. 704.17(3m)(a)(2) and relates only to the manufacture or distribution of a controlled substance. “Drug-related criminal activity” does not include convictions for possession or use of a controlled substance, which may not serve as a basis for denying an applicant regardless of the date of conviction.

Criminal Conviction Table

	Misdemeanors	Felonies
Can Deny:	<ul style="list-style-type: none"> • “Violent criminal activity” as defined in 24 CFR § 5.100 up to 2 years post-conviction • “Drug-related criminal activity” as defined in Wis. Stat. 704.17(3m)(a)(2) up to 2 years post-conviction 	<ul style="list-style-type: none"> • Any felony with a date of conviction older than 5 years from date of application; except: • Felony “Violent criminal activity” as defined in 24 CFR § 5.100 up to 10 years post-conviction • Felony “Drug-related criminal activity” as defined in Wis. Stat. 704.17(3m)(a)(2) up to 10 years post-conviction
Cannot Deny:	<ul style="list-style-type: none"> • Any misdemeanor with a date of conviction older than 2 years from date of application 	<ul style="list-style-type: none"> • Any felony not meeting the violent or drug-related definition above with a date of conviction older than 5 years from date of application

Property Management may additionally deny applicants in developments receiving federal assistance only for those criminal activities required by Federal regulations, which may include, but is not limited to, violent criminal activity as defined in 24 CFR § Part 5.100 or subject to a sex offender registry program.

- h. Tenant selection and application **criteria for Supportive Housing Units** should include additional, flexible criteria, as appropriate to ensure authentic housing opportunities exist for the intended target populations. These criteria should be further developed in coordination with the development’s supportive service coordinator/partner, and be explicitly designed to be inclusive in screening-in prospective tenants for which the partnership was designed.
4. **Security Deposits.** The housing provider shall implement a reasonable security deposit policy that does not create a financial impediment or barrier to entry for low-income households to access housing, especially prospective residents with supportive service needs. To ensure such reasonableness, the CDD has established the following maximum allowable deposit requirements:
- a. Option 1: Maximum Security Deposit equal to ½ month’s rent as standard, or 1 month’s rent for conditionally approved applicants
 - b. Option 2: Maximum Security Deposit equal to a set amount applied equally to all applicants, such that the deposit approximates one-half month’s rent as standard, or 1 month’s rent for conditionally approved

applicants

- iii. (e.g. a \$500 standard security deposit as standard and a \$1,000 security deposit for conditionally-approved applications would be considered to be reasonable)

For units and/or tenants with rental payments guaranteed through an ongoing rent subsidy (e.g. Housing Choice Vouchers, VASH Vouchers, Project-Based Vouchers, Section 811, or other similar program), the lowest-barrier option of the above shall be required.

In addition to the options above, any security deposit requirements for units designated at a rent level less than or equal to 60% AMI, or for any unit for which the prospective tenant has case management or a rental subsidy, must have an installment payment plan offered to them. Installments for security deposit must require no greater than one-half of the deposit to be collected at lease signing, with monthly installment payments of an amount no more than one-quarter of the remaining deposit added to monthly tenant payments until such time that the security deposit balance has reached the full, contracted amount.

At no point shall developments require that applicants place a holding fee, earnest money, or any other payment towards securing housing (beyond the allowable maximum credit check/application fee as defined in ATCP 134.05(4)) until time of lease signing.

5. **Applicants with Disabilities** must be provided reasonable accommodation and that information must be provided clearly to applicants within the TSP and in communication to the prospective tenant. Property Management should also make sure that TSPs do not raise additional barriers to individuals with disabilities, such as the ability to “live independently”.
6. **Tenant-Based Rental Assistance** must be accepted by developments. This must be clearly stated within the TSP. Developments are not allowed to refuse to lease a unit to, or otherwise discriminate against, prospective residents on the basis of source of income, which includes Housing Choice Vouchers, Rental Assistance, or any other form of tenant-based rental subsidy whether temporary or permanent, including use of such funds/programs previously in their rental history.

Prioritizing Targeted Populations

A. General Population

The TSP must establish target populations consistent with those identified in the development's approved LIHTC application submitted to WHEDA, and in the signed Supportive Services Agreement(s), as applicable. The TSP must establish targeted populations and/or set-asides that do not diminish or obstruct the Project's fair housing obligations. The TSP waitlist section must additionally indicate if certain tenant populations will be given a higher priority for units than others.

Any referral process, limitation to tenant eligibility, or targeting/prioritization detailed in the TSP must not violate any nondiscrimination requirements in federal, state, or local law. However, a process that limits preference to specific populations does not violate nondiscrimination requirements so long as that housing is restricted by age or if the housing receives funding from a federal program that limits or prioritizes eligibility to a particular segment of the population and if that limit or preference is tailored to serve that segment of the population.

Among other requirements, it should be especially noted that targeting a designated population does not violate nondiscrimination requirements or fair housing laws should the designated population need supportive services being coordinated and/or provided at the development in order to reasonably obtain and maintain housing. Any referral process that targets any designated population must be explicitly described and approved by the City at point of application and term sheet contracting.

B. Serving Households that are Experiencing or At-Risk of Homelessness

The City of Madison is committed to furthering housing stability for all residents, including the stated goal to Prevent and End Homelessness. Households at risk of or currently experiencing homelessness often encounter barriers to housing that extend beyond their ability to pay, and it is a stated policy of the City's AHF funding to create cohesive partnerships between developers and supportive service partners to house individuals and families with poor credit, poor rental histories, and/or prior criminal convictions, after accounting for the exemptions detailed within this document. Supportive housing programs are successful only when they are designed and implemented so that these histories do not raise insurmountable barriers to housing opportunities.

To the extent permitted by rules and regulations associated with CDD-funded developments, it is expected that developments will adopt lenient, inclusive, and flexible criteria within either the primary or a supplemental TSP for leasing SH Units. The development of a tenant selection plan for these units must include consultation with supportive service coordinators and providers, and should be a collaborative effort between developer, Borrower, property manager, and service provider(s). As TSPs are developed in this collaboration, please note the following:

1. Poor rental and/or credit histories may be evidence of personal financial stress that will be alleviated by having access to affordable and supportive housing opportunities. For supportive units, rental and/or credit histories are not reliable indicators of future behavior. SH Units must allow for mitigating information as a component of the application screening process, and take into account factors such as support structure, services to be provided, whether the tenant has access to rental subsidy, etc. For example, requiring specific credit scores or a year of rental history would be considered an unreasonable barrier for supportive service units and will not receive CDD approval.
2. Criminal convictions can be especially pronounced in populations that experience homelessness. It is expected that for any referrals to supportive service units that place applicants from Coordinated Entry or other programs serving people experiencing homelessness use individualized screening processes to distinguish between prior criminal convictions that indicate a demonstrable risk to tenant safety and/or property and one that does not, as described in Section H above. For more information, HUD provides guidance on fair housing and individualized screening via memorandum at: <https://www.hud.gov/sites/dfiles/FHEO/documents/Implementation%20of%20OGC%20Guidance%20on%20Application%20of%20FHA%20Standards%20to%20the%20Use%20of%20Criminal%20Records%20-%20June%2010%202022.pdf>

C. Serving Other Prioritized or Designated Populations

Veterans

Proposals prioritizing veterans must be described in the TSP consistent with the applicable WHEDA Qualified Action Plan, as applicable.

Age-Restrictions

The TSP must also identify any **age-restriction**, or lack thereof, of tenancy for the project. Acceptable age-restrictions may include "family" housing for units without an age-restriction; "active-adult" or "senior" housing for units restricted to households with at least one member aged 55 and above; and "elderly" housing for units restricted to households aged 62 and above.

The City of Madison and the U.S. Department of Housing and Urban Development (HUD) stress the importance of applying TSP standards consistently to all applicants.

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ATTACHMENT B-2

AFFIRMATIVE MARKETING PLAN STANDARDS

The Community Development Division (CDD) requires that all CDD-funded projects submit an Affirmative Marketing Plan (AMP) for review subject to City approval. At minimum, AMPs must adhere to all state, local, and federal fair housing requirements in addition to CDD requirements.

This document is provided to assist Development Teams, including Property Management (“PM’s”), in drafting an Affirmative Marketing Plan (AMP). These standards serve to align the City’s goals with those of the project (the “Project”) and to ensure that all Madison residents have equal access to fair housing opportunities. These standards are not intended to be a complete or exhaustive list of what should constitute an AMP. In creating this Project’s AMP, housing developers and property managers should consult with their attorneys to ensure that the AMP complies with all applicable laws and regulations, program requirements, and the Fair Housing Act.

The AMP must clearly identify the Project’s targeted populations and outreach methods including the following:

A. Targeted Outreach:

1. **Race, Age or Disability.** The AMP must identify the demographic groups that are “*least likely to apply*” for this housing without affirmative outreach. In determining which groups should be identified, PMs should consider rent rate levels, the population of the broader housing market area, and especially the racial/ethnic composition of the neighborhood in which the property is located.

The AMP must describe the demographic target population(s) least likely to apply in a manner that does not diminish or obstruct the Project’s fair housing obligations.

- i. **Race.** Historical CDD occupancy data shows that Hispanic/Latinx and Asian households are under-represented in CDD-supported housing. Direct and effective outreach methods, especially considering language access, should be clearly described in the AMP.
 - ii. **Age-Restrictions.** The AMP must identify the **age-restriction**, or lack thereof, regarding age-related tenancy requirements for the Project. Acceptable age-restrictions may be described as “family” housing for units without an age-restriction, regardless of household composition; “active-adult” or “senior” housing for units restricted to households with at least one member aged 55 and above; and “elderly” housing for units restricted to households aged 62 and above.
 - iii. **People with Disabilities** must be provided reasonable accommodation(s) as needed to access housing opportunities. Property Management should ensure that marketing, information and access to the application process is low-barrier for all applicants and does not impose preventable barriers to individuals with disabilities. For example, accommodations may include meeting via zoom, phone, at a location other than the leasing office/trailer, etc.
2. **Populations Needing Supportive Services** (e.g., individuals and families experiencing homeless, formerly incarcerated, other targeted population, etc.). The AMP must identify the populations targeted to lease Integrated Supportive Housing Units (“SH Units”) in the Project, as applicable and described in the TSP. CDD requires a written, detailed Lease-Up Coordination Process to be developed and used by the developer, Property Management, and Supportive Services Coordinator.

The AMP must describe effective outreach efforts to successfully lease units to targeted populations identified in the Project's application for City financial assistance as well as its approved WHEDA LIHTC application Appendix S, as applicable. Any discrepancies in the target populations described in these or other funder's applications must be addressed before entering into the City of Madison Loan Agreement.

B. Marketing Efforts and Outreach Methods:

The AMP must describe the marketing efforts anticipated to be used to attract the demographic target population(s) identified as least likely to apply, as well as all segments of the eligible market population. These efforts should identify:

1. The **types of media** and/or advertising activities used to market the development, including the names of publications, social media, and/or websites to be used, as it relates to the likely exposure of the specific *"least likely to apply"* intended audience of each marketing effort;
2. The **languages** in which the marketing will be available as it relates to the likely needs of the specific intended audience of each marketing effort. *Authentic Language Access to the application process must be provided for potential applicants with Limited English Proficiency (i.e. English is not their primary language) and Non-English Speaking Applicants.* If the application itself is not available in the primary language of the applicant, Property Management must ensure that translation and/or Language Line services are available to assist households with questions on the application and/or development. It is expected that marketing materials and signage/marketing on-site be available in languages other than English. This should include, at a minimum, materials translated in Spanish describing the development, when it is opening, and how residents can apply. General and Project-specific websites should contain an easily accessible option to facilitating Language Access and translation (e.g., Google Translate plug in or equivalent), if feasible to do so. PM's are strongly encouraged to hire bilingual staff whenever possible. PM should provide translation services as requested or required for potential applicants to access this housing opportunity. Depending on the location of the development, CDD may require additional language access requirements for the minimum marketing materials, such as translation to other pre-identified languages.
3. The **duration** that each of marketing effort will be published by media type (e.g., newspaper, radio, online listings, social media, etc.) as it relates to the outreach methods most effective in reaching each *"least likely to apply"* group.
4. Specific **community organizations and contacts** must be identified when describing targeted outreach, with a special emphasis placed on those agencies able to assist with outreach directly to populations identified as least likely to apply. CDD staff can assist housing providers in identifying points of contact and agencies to best meet the intent of the AMP, and may add additional suggested or required contacts periodically.
5. Any graphics or **marketing materials that depict people must be inclusive, diverse, culturally-sensitive and representative** of the demographics of target populations identified in the AMP as well as the population(s) targeted for SH Units described in the Tenant Selection Plan, as applicable. Pursuant to the Loan Agreement, marketing materials will be reviewed by and are subject to City approval. Typically, the easiest juncture at which to address inclusive and affirmative marketing is with the earliest architectural renderings that depict people.
6. **Leasing office and process must be physically and practicably accessible** for applicants including people with disabilities, in accordance with the Loan Agreement. Before commencing the Lease-Up Coordination Process, PM must indicate a location that is both physically accessible and accessible via transit to submit applications, documentation, conduct interviews, etc. If leasing office is not both physically accessible

and accessible via transit, an alternative location must be provided. Property Management may not require in-person attendance for interview and documents for any applicant, if an accommodation is requested.

C. Marketing and Lease-Up Timeline.

1. **Initial Lease-Up.** The AMP should specify the approximate start date of marketing activities to groups targeted for special and/or affirmative outreach and the expected date of initial occupancy. CDD requires that Property Management (“PM”) perform targeted outreach for SH Units begins at least 30 days before marketing to general population.
2. **Future and Continued Marketing Efforts.** The AMP should include a statement or description of how the housing provider will continue affirmative marketing efforts after initial lease-up is complete to maintain affirmatively representative housing community. The Equal Housing Opportunity logo is required on all notices, lease documents, and marketing materials, and the Fair Housing poster must be displayed in the leasing office.

D. Staff Experience. The AMP should indicate the experience, training, and certification(s), if any, held by staff that will be involved in marketing and lease-up of the property. The AMP should mention that a hard copy of the plan, and any other written materials regarding fair housing laws, will be available on request in the leasing office.

E. Recordkeeping and Evaluation. PM’s must maintain copies of their Affirmative Fair Housing Marketing Plans and keep records of their actions to affirmatively market the program, subject to CDD review. PM’s also must evaluate the success of their affirmative marketing activities annually and adjust efforts accordingly.

While not explicitly required, the City of Madison will also accept a HUD template Affirmative Fair Housing Marketing Plan (HUD Form 92243-PRA) that incorporates the above standards. HUD also publishes related Affirmative Fair Housing Marketing Guidance in further detail. The City of Madison and the U.S. Department of Housing and Urban Development (HUD) stress the importance of implementing the AMP consistently during initial and ongoing lease-up.

ATTACHMENT C

FEDERAL FUNDING REQUIREMENTS AND RESOURCES

A. Federal General Cross-Cutting Requirements

Proposals awarded federal funds will be required projects to meet these national, state and local regulatory requirements, where applicable:

1. Minimize negative environmental impacts and comply with environmental review requirements under [24 CFR Part 58](#). Applicants must consult with CDD staff at the time of application to determine if a Phase 1 and Phase 2 Environmental Site Assessment will be required as well as language that must be included in any offer to purchase real property prior to acquisition or any choice limiting actions. The property must pass an environmental review, conducted by CDD, prior to receiving a formal commitment of federal funding. Activities neither exempt nor categorically excluded under [24 CFR Part 58](#) will require an environmental assessment, conducted by CDD, with a Finding of No Significant Impact prior to commitment of federal funding.
2. Affirmatively further fair housing, housing diversity, and housing choices.
3. Take affirmative steps to contract and/or ensure subcontracting with minority, women, and disadvantaged business enterprises (M/W/DBEs) consistent with [2 CFR Part 200.321](#).
4. Comply with the goals and requirements of the [City's Section 3 Program](#), which seeks to extend employment, training and contracting opportunities to low- and moderate-income people and businesses.
5. Promote affirmative action, non-discrimination and equal opportunity for all citizens.
6. Comply with physical accessibility standards.
7. Comply with Federal Fair Labor Standards (e.g., [Davis-Bacon Prevailing Wages](#)), if required.
8. Reduce lead paint hazards using certified inspectors, supervisors, workers and companies, as well as established lead safe work practices when required. All properties built prior to 1978 must undergo lead assessments.
9. Reduce hazards caused by asbestos and asbestos-containing materials, and/or remove asbestos and asbestos-containing materials, using certified asbestos abatement supervision and certified asbestos worker.
10. Minimize both the direct and indirect displacement of persons and/or businesses. Where applicable, the CDD will adhere to the State of Wisconsin Relocation Rights and Uniform Relocation Act procedures consistent with [49 CFR Part 24](#). Applicants must consult with CDD staff about relocation requirements for any occupied properties.
11. Design program operations to safeguard vulnerable populations, including, but not limited to, young children, youth, elderly, and people with disabilities.
12. Adhere to the constitutional and regulatory provisions of separation of church and state, and avoidance of public funding of inherently religious activities.
13. 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](#).

B. Federal HOME and CDBG Requirements

Proposals awarded **HOME Investment Partnerships Program (HOME) or Community Development Block Grant (CDBG)** funds must comply with all the relevant funding source requirements. HOME-funded projects must comply with the regulations at [24 CFR Part 92](#), as amended. CDBG-funded projects must comply with the regulations at [24 CFR Part 570](#), as amended.

These federal requirements include, but are not limited to, the following:

1. Acquisition, construction, and/or rehab of rental housing using HOME or CDBG funds must maintain rents at or below specified HOME rent levels during the Period of Affordability.
2. All units in a rental project must serve households with incomes at or below 60% of Area Median Income (AMI) during the Period of Affordability.
3. In developments with five or more HOME-assisted units, at least 20% of HOME units must be designated as Low HOME rent units, where rent is restricted to the Low HOME rent limit published by HUD annually.
4. Housing must meet the all applicable City minimum housing standards and building codes. Rehabilitation projects assisted with HOME funds must also meet the [Community Development Division's Rehabilitation Standards](#).
5. HOME projects require a minimum of 25% matching funds from non-federal sources. Forms of eligible match are defined under [24 CFR 92.220](#).
6. HOME-funded projects will be subject to a HOME Period of Affordability (HOME POA) reflected in the HOME Land Use Restriction Agreement (LURA), the length of which is based upon the amount of HOME funds invested in the property and the use of those funds. Both a City and HOME POA will be reflected in LURAs recorded in first position ahead of the first mortgage. The City LURA will have a minimum compliance period to maintain affordability for 40 years.

Applicants may request a sample HOME Loan Agreement for more detailed information.

C. Federal Funding Links and Resources:

[2023 HOME Rent & Income Limits](#) (City Resource): This document provides the current rent and income limits for projects seeking HOME funds.

[Community Housing Development Organization \(CHDO\) Application](#) (City Resource): An application for housing developers interested in renewing or applying for status as a certified CHDO with the City of Madison.

[24 CFR Part 92](#) (Federal Resource): Electronic Code of Federal Regulations for the HOME Investment Partnerships Program [24 CFR Part 570](#) (Federal Resource): Electronic Code of Federal Regulations for the Community Development Block Grants program.

[2 CFR Part 200.302 \(Financial Management\)](#) (Federal Resource): Part of the Electronic Code of Federal Regulations, it details uniform administrative requirements, cost principles and audit requirements for federal awards.

[2 CFR Part 200.303 \(Internal Controls\)](#) (Federal Resource): Part of the Electronic Code of Federal Regulations, it details uniform administrative requirements, cost principals and audit requirements for federal awards.

[Targeted Area Map](#) (City Resource): This map provides guidance to eligible or preferred areas for housing development assisted with federal funds in the City of Madison.

[Focus on Energy](#) (Local Resource): Information from Focus on Energy about energy efficiency.

[86 FR 56764 \(HOME-ARP Notice\)](#) (Federal Resource): Part of the Federal Register, it details the requirements and administration of HOME-ARP.

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ATTACHMENT D

DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

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

- Requests for confidentiality must be submitted prior to the proposal submission date to the City of Madison Purchasing Office.
- Requests for confidentiality must use this designated form. Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The City considers other markings of confidential in the bid/proposal document to be insufficient.
- Any information to be considered confidential or proprietary must be separated and packaged from the rest of the proposal. Co-mingling of confidential/proprietary and other information is not acceptable.

Prices always become public information when bids/proposals are opened or when negotiations have been completed and the contract has been awarded. Other 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.

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in §. 134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to hold the City of Madison harmless for any costs or damages arising out of the City's agreeing to withhold the materials.

The attached material submitted in response to Bid/Proposal # _____ includes proprietary and confidential information which qualifies as a trade secret, as provided in §s.19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released:

Section	Page No.	Topic	Specific law that supports confidentiality of information

Company Name _____

Enter Name: _____

By entering your initials in the box,

You are electronically signing your name and agreeing to the terms above.

Date: _____

ATTACHMENT E

HOME-ARP SET-ASIDE FOR PERMANENT SUPPORTIVE HOUSING

American Rescue Plan HOME Investment Partnership Program (HOME-ARP)

The American Rescue Plan Act of 2021 (ARPA) provided critical supplemental funding to communities in their local response efforts to the COVID-19 pandemic. As part of ARPA, HUD provided a special allocation of HOME Investment Partnership Program (HOME-ARP) funds to the City of Madison.

The overall purpose of the funding is to provide assistance to individuals and families at risk of or experiencing homelessness (referred to as the Qualifying Population), including:

1. Those who are homeless as defined under [24 CFR 91.5](#)
2. Those who are at imminent risk of homelessness as defined in [24 CFR 91.5](#)
3. Those who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD.
4. Other populations where assistance would prevent the family's homelessness or serve those with the greatest risk of housing instability.

Projects funded through this set-aside must serve the four Qualifying Populations.

Available Funding

The CDD seeks development proposals that will create new units of permanent supportive housing to serve the Qualifying Population as described above. Proposals may be for new construction or acquisition and/or rehab of existing units that were not previously income and rent-restricted to serve the qualifying population. CDD recognizes that supportive services are necessary to support the Qualifying Population as they transition out of homelessness.

	Total Funding Available
Supportive Services	\$2,020,000
Rental Housing Development	\$3,056,197

The selected proposal must create at least 11 HOME-ARP units. Supportive service funds allocated to a HOME-ARP project must be used to deliver services to HOME-ARP units. Unlike development funds, which will be awarded to the project as a loan, support service funds will be administered through an annual services contract with the Support Service Provider.

Qualifying Population and Referral Methods

Pursuant to the City of Madison [HOME-ARP Allocation Plan](#), projects funded through this set-aside must establish a preference for the Primary Qualified Population: Households experiencing homelessness as defined in Section 3205 of the American Rescue Plan Act of 2021. If there are no eligible households referred from the Homeless Services Consortium Coordinated Entry Priority List ("Coordinated Entry"), Property Management may utilize a Secondary Qualified Population referral wait list of households at imminent risk of homelessness, those fleeing domestic violence, dating violence, stalking, sexual abuse, or human trafficking, or those whose homelessness could be prevented with service provision, as detailed in (#Ref) 2-4 above.

Qualifying Populations that are not served through Coordinated Entry will be served through other referral methods including a waitlist that is developed through coordination with service providers who serve the Qualifying Population(s). Units will be held open for a period of 30 days, from Certificate of Occupancy or turnover, when a vacancy arises for referrals from Coordinated Entry. If a referred applicant is unsuccessful, applicants on the waiting list will be selected in chronological order.

HOME-ARP Federal Requirements

Rental Housing

1. HOME-ARP funds must primarily benefit individuals and families that meet one of the Qualifying Populations as defined above.
2. HOME-ARP rental units must comply with all rental property standards in accordance with 24 CFR 92.251.
3. HOME-ARP unit rents may not exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area (i.e., Low HOME Rents). [[2023 HOME Income and Rent Limits](#)]
4. Additional HOME-ARP program requirements can be found [here](#).

Supportive Services

HOME-ARP supportive services may be provided to households who are not already receiving the services through another program. Support services under [Section 401\(29\) of the McKinney-Vento Homeless Assistance Act](#) are eligible under HOME-ARP. This includes:

1. Case management
2. Assistance in obtaining permanent housing, employment counseling, and nutritional counseling.
3. Outreach services, advocacy, life skills training, housing search and counseling services.
4. Provision of mental health and trauma counseling, and victim services.
5. Provision of obtaining other Federal, State, and Local assistance available to residents.
6. Transportation services that facilitate an individual's ability to obtain and maintain employment.
7. Health care
8. Other support services necessary to obtain and maintain housing.

Other federal requirements:

1. All supportive service costs paid for by HOME-ARP must comply with the requirements of the Notice and the Uniform Administrative Requirements at 24 CFR part 200, subpart E, Cost Principles that require costs be necessary and reasonable.
2. Program participants are to receive only the HOME-ARP services needed so there is no duplication of services or assistance.
3. Each household that occupies a HOME-ARP assisted unit must execute a lease that complies with the following:
 - a. **Lease Requirement:** There must be a lease between the qualifying household or the low-income household and the owner of the HOME-ARP-assisted project in accordance with [24 CFR 92.253\(a\)](#).
 - b. **Prohibited Lease Terms:** The lease between the low-income household, qualifying household, or HOME-ARP sponsor and the HOME-ARP project owner or the sublease between the HOME-ARP sponsor and a qualifying household may not contain any of the prohibited lease terms specified in [24 CFR 92.253\(b\)](#).
 - c. **Termination of Tenancy:** An owner may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME-ARP unit or of a HOME-ARP sponsor with a sublease with a qualifying household except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; or for other good cause. See [Section VI.B.19](#) of the Notice for more information.

Learn more about HOME-ARP requirements for rental housing by reading the [HOME-ARP Program Fact Sheet: Rental Housing](#).

Important Differences from the Standard HOME Program:

HUD has waived or implemented alternative requirements for HOME-ARP funds in certain situations when compared to the standard HOME program guidelines. These include:

- a. There is no required match when using HOME-ARP funds.
- b. HUD has waived the per-unit cost maximums for rental housing development.
- c. The cost of funding operating cost assistance during the project's compliance period or a capitalized operating cost assistance reserve in accordance with requirements of the HOME-ARP Notice are eligible costs. See the HOME-ARP Notice for more details.
- d. The cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up for HOME-ARP units (not to exceed 12 months) is an eligible cost. See the HOME-ARP Notice for more details.
- e. HOME-ARP rents must not exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income, i.e. Low HOME Rent. Exceptions apply for some project-based or tenant based rental subsidies, as detailed [here](#). HUD publishes the HOME and HOME-ARP rent limits on an annual basis. Rent limits for HOME-ARP qualifying populations include the rent plus the utility allowance established pursuant to Section VI.B.13.d of the HOME-ARP Notice.

More information can be found by reading the [Waivers and Alternative Requirements for Implementation of the HOME American Rescue Plan \(HOME-ARP\) Program \(86 FR 56764\)](#).

Other City Requirements

1. Proposals are not required to seek WHEDA tax credits. However, if seeking WHEDA tax credits, proposals must demonstrate ability to achieve a reasonably competitive score under the current QAP. Proposals not seeking WHEDA tax credits must demonstrate sufficient financial feasibility to ensure project viability.
2. Property Management will be required to utilize a Housing First approach to the Tenant Selection Plan to serve the Qualifying Population, in consultation with and subject to City approval.
3. The City's preference is that proposed properties shall be located within the AHF Targeted Area Map's Preferred Transit Oriented Development (purple) areas, however, projects proposed in Eligible Core Transit (green) areas may be considered. Projects located outside of these areas will only be considered in extremely rare exceptions.
4. A **Supportive Service Plan** must be submitted with the application. Generally, a Supportive Service Plan should focus on the following details:
 - a. Describe how support services will be made available to tenants.
 - b. Outline how the Support Service Provider will collaborate with other support partners. Please name potential partners.
 - c. Describe how the Support Service Provider will develop rapport with applicants and maintain engagement throughout tenancy.
 - d. Describe the proposed staffing roles structure for support services.
 - e. Estimate the hours and days services will be provided on site.