

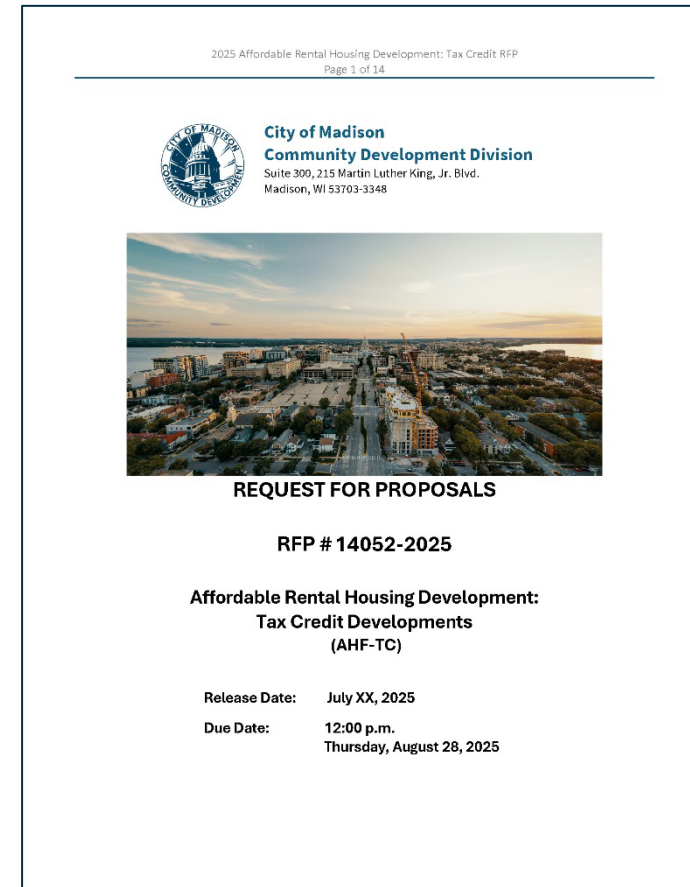
2025 Affordable Rental Housing Development: Tax Credit RFP



City of Madison Community Development Division
July 14, 2025

Background

- Annual funding process
- 12th consecutive year
- Anticipate at least \$10,000,000 in AHF available to allocate
- Process stretches July-January (and beyond)



Policy Guidance



Goals & Objectives

#1 Increase Housing Choice

Notable Accomplishments 2022–2024:

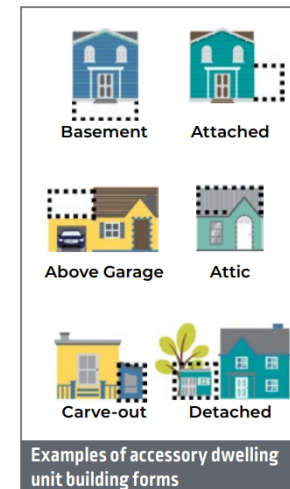
- Proactively rezoned areas to ease the path for building thousands of new homes of all types
- Created new Transit Oriented Development (TOD) Overlay Zoning District allowing more homes near high-frequency transit
- Expanded where and how accessory dwelling units (ADUs) can be built
- Updated code language around families and households to be more inclusive and expand housing choices for unrelated renter-households across Madison
- Identifying employment, institutional and commercial areas well suited for housing
- Working to improve and streamline development review and permitting processes

● Completed since 2022 / Ongoing
● Underway



What's Next:

- Advocate for state policies that support more condominiums and other homeownership options
- Use Tax Increment Financing (TIF) for affordable homeownership programs
- Look for ways to make lot division and subdivision processes simpler to create more new lots for homes
- Pursue more code and process changes to support small-scale "missing middle" housing, including duplexes, townhomes, and small apartment buildings
- Develop pre-approved plan models for ADUs
- Continue to simplify zoning standards for infill housing citywide, including specific options that make sense downtown
- Update the Urban Design process and code
- Improve technology use for more efficient development review
- Strengthen communication with UW-Madison Housing staff about student housing needs and student-focused housing proposals



Goals & Objectives

#2 Create Affordable Housing Throughout the City

Notable Accomplishments 2022–2024:

- Committed \$12 M from TIF and \$47 M from the City's Affordable Housing Fund to develop 2,544 homes, ensuring long-term affordability for 2/3 of these
- Committed land and \$1.35 M to partners to build or renovate 9 homes with permanent affordability for moderate-income homebuyers
- Leveraged over \$200 M in tax credits through City investment to build affordable housing
- Of the City-supported affordable homes, 96% are close to Bus Rapid Transit, and 185 will be affordable for households making no more than 30% of the area median income
- Adopted downtown height incentive to support more affordable housing, including affordable student housing
- Upgraded 159 rental homes in 30 buildings to improve comfort and reduce energy bills for tenants, and working to expand the program
- Continuing work on over 13 acres of land in South Madison for future affordable housing
- Began redeveloping 346 units of public housing into 1,200 mixed-income homes at the Triangle

● Completed since 2022 / Ongoing
● Underway

- Six affordable townhomes under construction on Theresa Terrace will be completed in 2025

What's Next:

- Explore changes to TIF policy to further support affordable housing
- Continue to leverage federal resources for affordable housing and to improve the efficiency of existing affordable housing
- Explore ways to better align between state and local standards for affordable housing
- Complete the Triangle and Park/Badger housing projects to add over 1,000 new affordable homes to the City
- Initiate redevelopment projects bringing hundreds of new affordable homes near Bus Rapid Transit including the Brayton Lot, Darbo-Worthington neighborhood, and smaller sites
- Commit another \$32 M to the Affordable Housing Fund in the next two years
- Continue strategic land purchases to add more affordable housing in the city



Goals & Objectives

#3 Combat Displacement by Supporting Choices for People to Stay in Their Homes

Notable Accomplishments 2022–2024:

Combat Displacement and Segregation

- Committed \$6.6 M of City funds and \$3.7 M in federal funds to rehabilitate 637 rental homes
- Provided \$5.5 M for downpayment assistance for 139 households
- Strategizing with property owners to extend affordability on apartments when original terms expire
- Purchasing land for affordable housing in areas facing displacement pressure

Help Residents Remain in Their Homes

- Issued 87 loans totaling \$438K in property tax assistance for older adults on fixed incomes
- Issued 268 loans totaling \$1.7 M for home repairs
- Supported 10,900 households with \$53.2 M in rental assistance and eviction defense funding

- Offered municipal service bill credits to over 500 low-income households through the MadCAP program
- Investigated over 50 complaints of housing-related retaliation

What's Next:

- Expand program for energy improvements to affordable rental homes to reduce tenant energy bills
- Phase redevelopment of public housing across the city to ensure all residents can relocate to a new home on-site or nearby
- Continue supporting MadCAP to reduce utility bills for low-income residents



Triangle redevelopment will be phased to ensure that residents need not move more than once



Goals & Objectives

#4 Work to End Homelessness

Notable Accomplishments 2022–2024:

- Preserved two “Housing First” affordable properties by transferring them to a local non-profit dedicated to rehabilitating buildings and maintaining long-term affordability
- Secured funds to sustain Dairy Drive campground through summer 2025
- Assembled \$25 M in City/County/Federal funds to construct a new men’s shelter anticipated to open in early 2026

What’s Next:

- Support the development of a new women & family shelter by purchasing excess real estate from the Salvation Army
- Complete the new men’s shelter and secure additional public and private funding to ensure that its guests get the services needed to regain housing stability
- Continue supporting the creation of supportive housing to help people transition out of homelessness



Goals & Objectives

The CDD utilizes the Affordable Housing Fund: Tax Credit RFP to support investments in these approaches by:

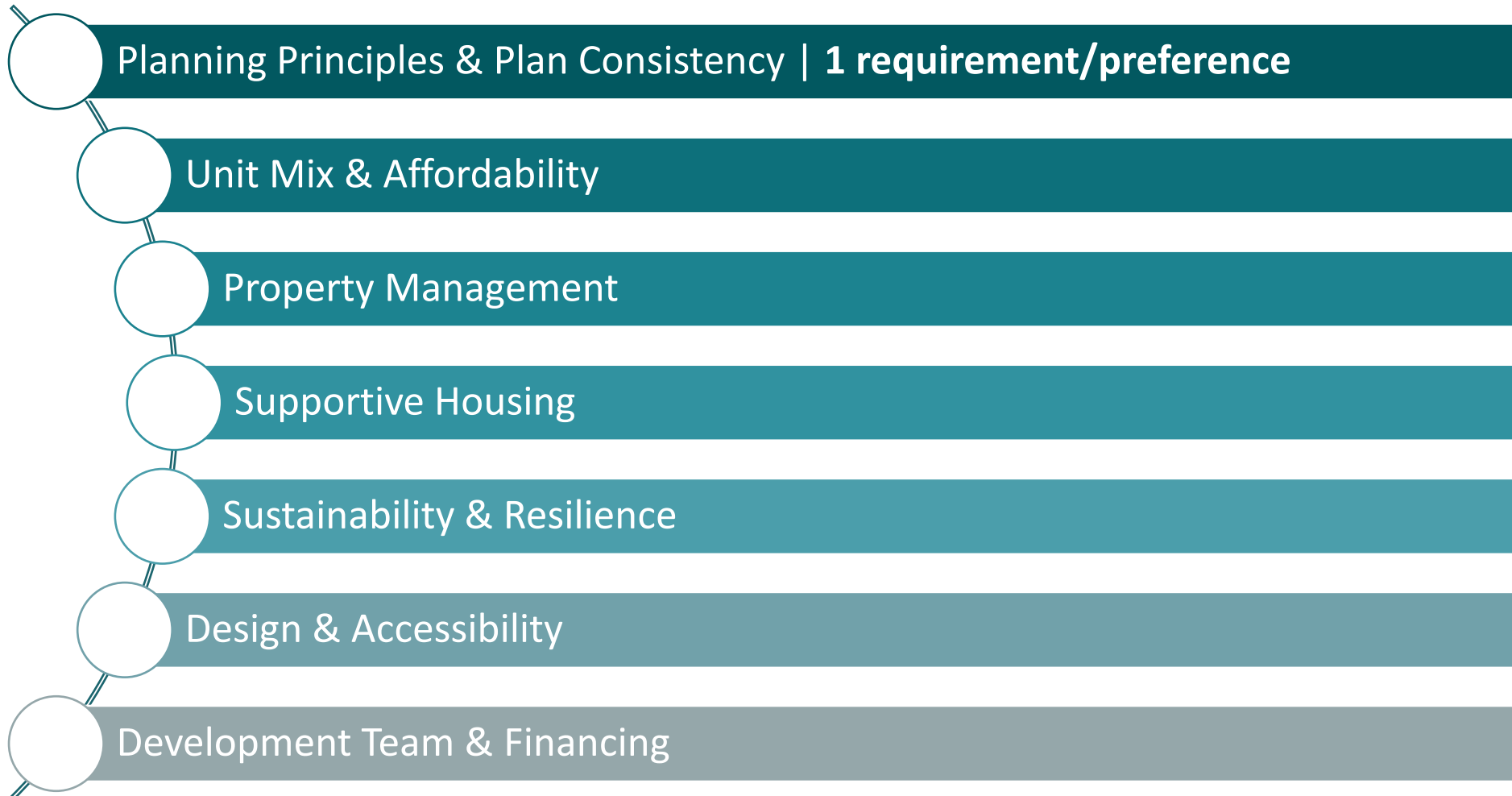
- **Preserving existing income- and rent-restricted housing units**
 - anywhere in the City
- **Developing new affordable housing in parts of the City that currently have limited access to income- and rent-restricted housing**
 - to facilitate geographic mobility for residents and increase overall choice
- **Developing new affordable housing in parts of the City where naturally occurring affordable housing already exists**
 - to improve housing stability and limit the involuntary displacement of existing residents, so long as those areas are very well served by higher-frequency public transit routes
- **Dedicating housing units for households with homeless experience**
 - who are referred from the community's Coordinated Entry (CE) system



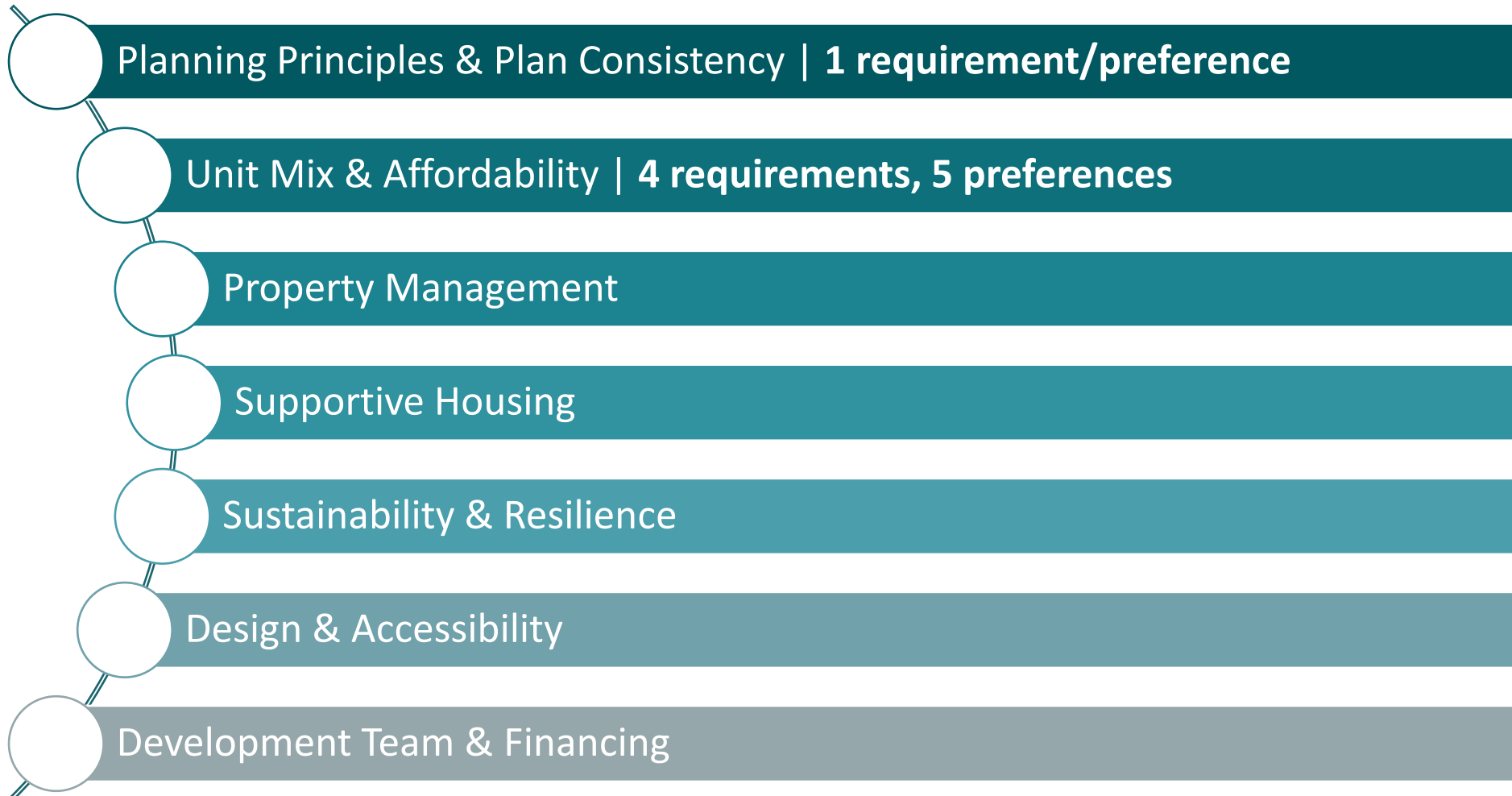
Requirements & Preferences



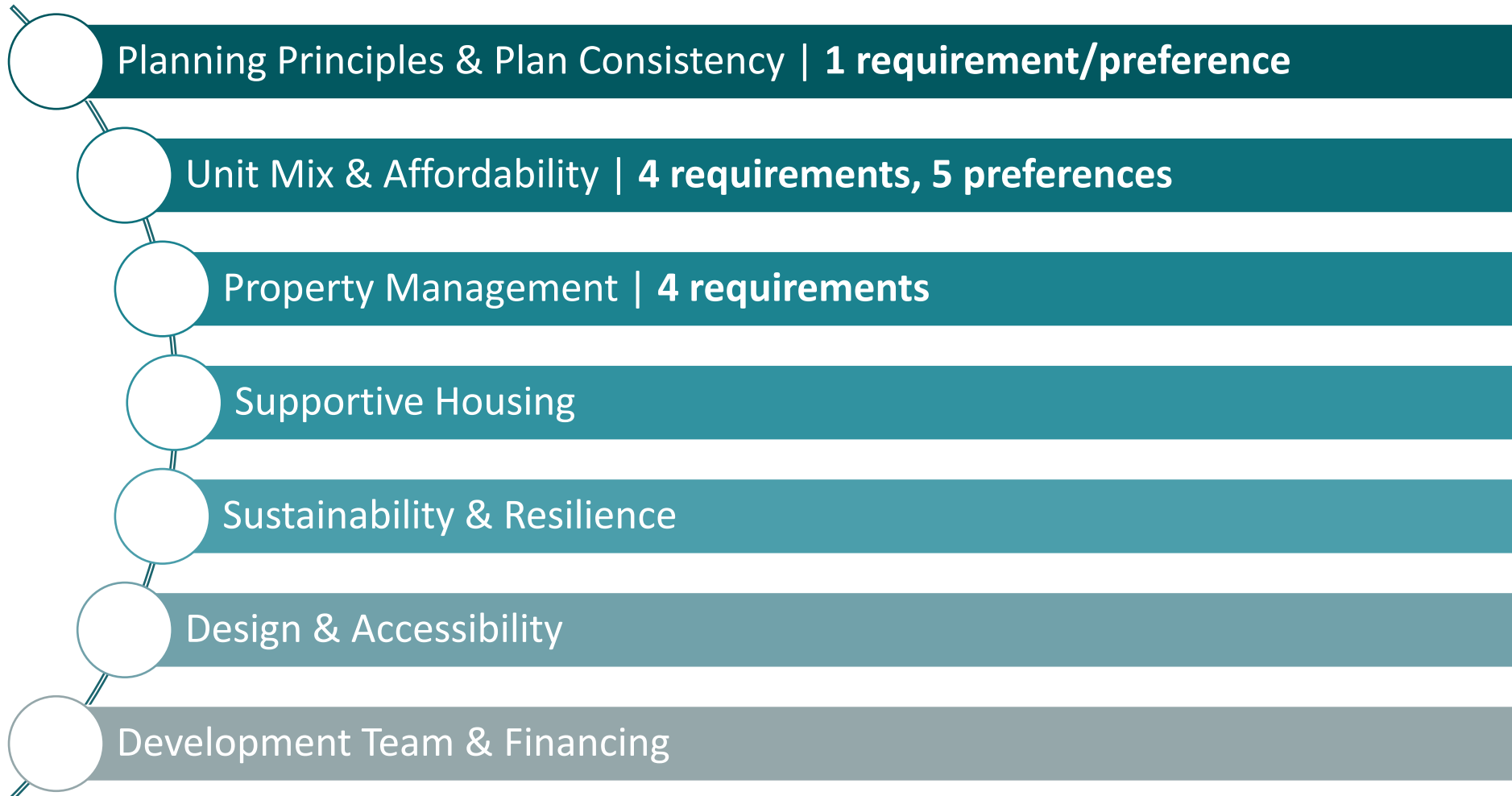
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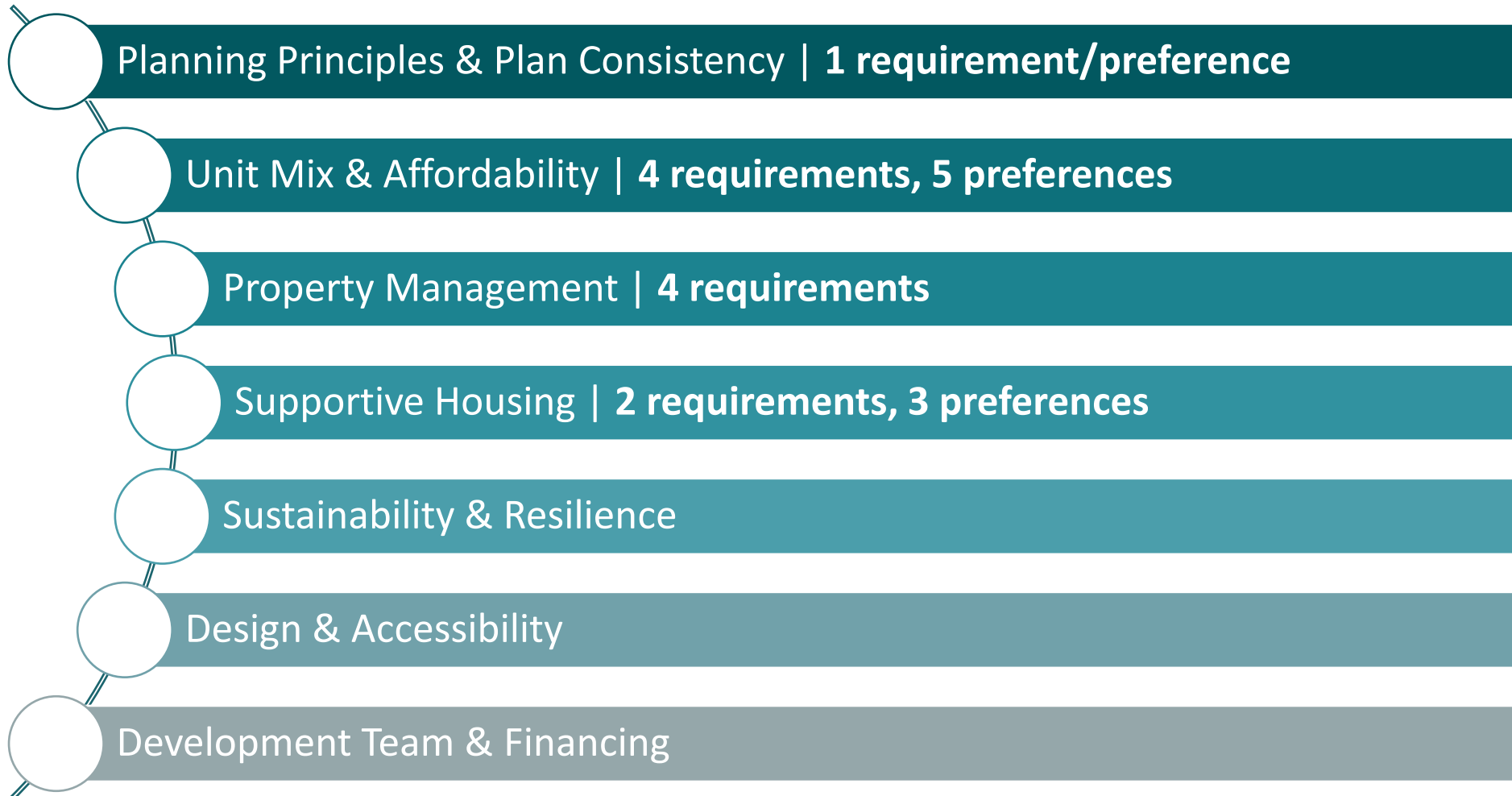
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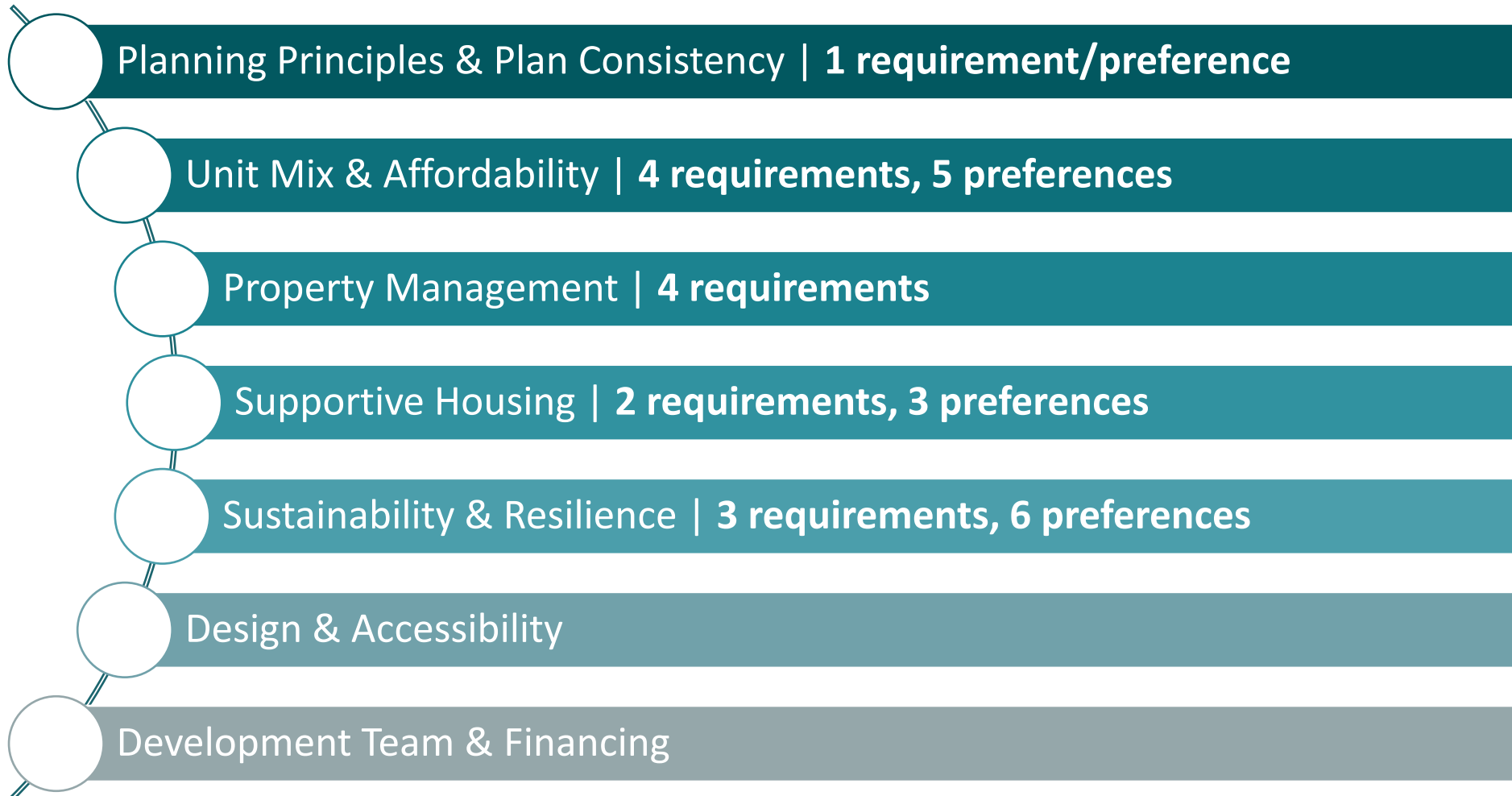
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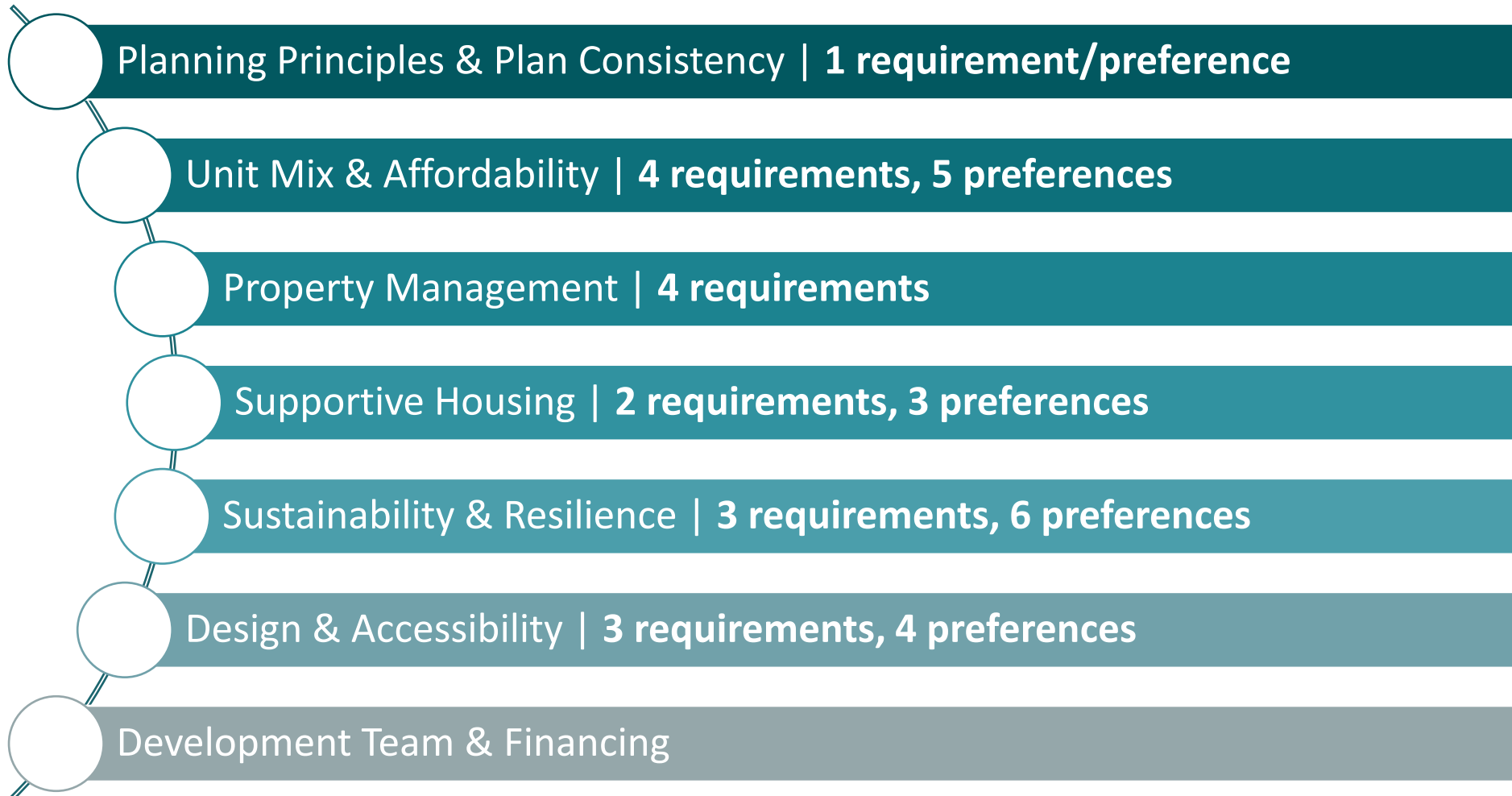
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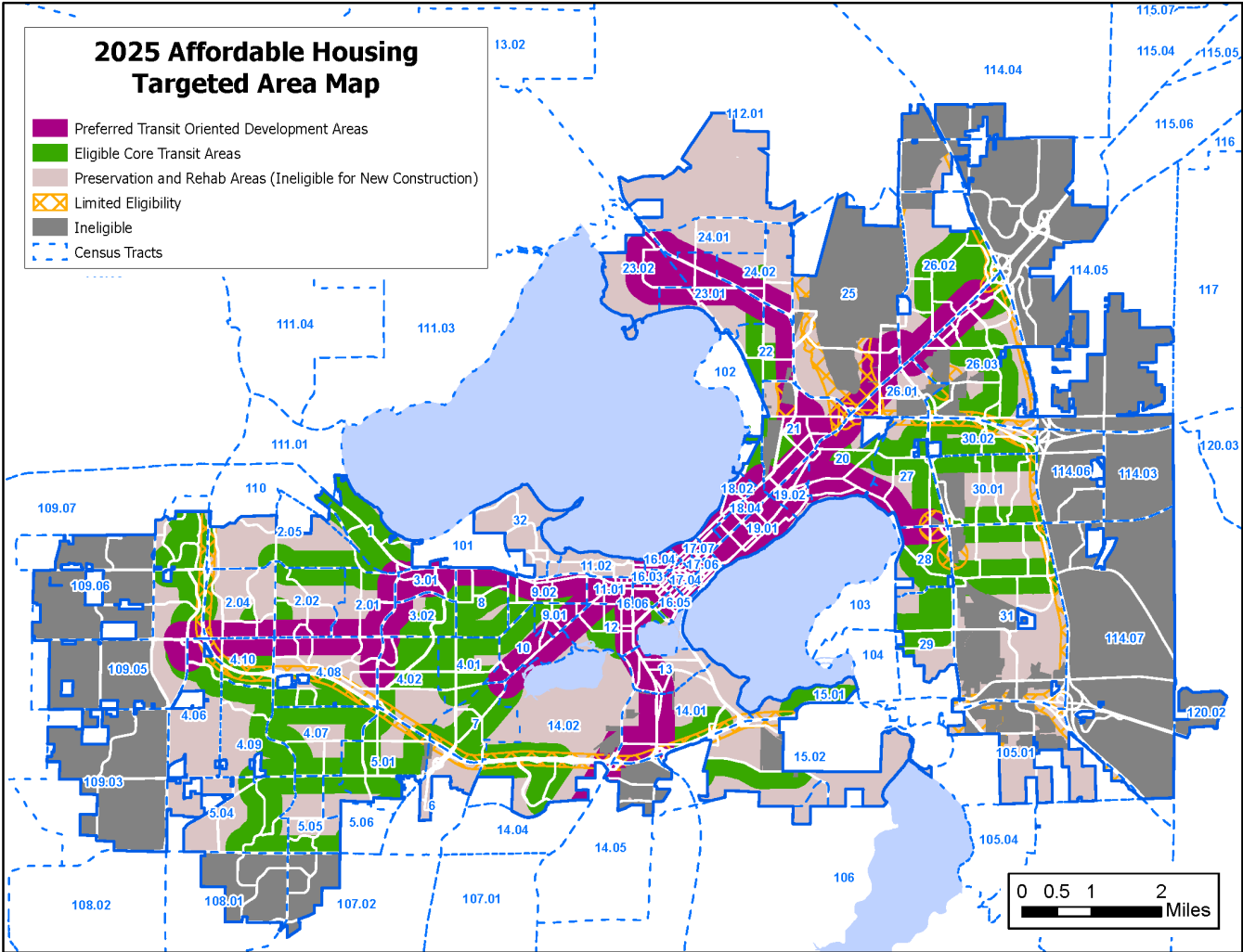
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Highlights

- Focus on Affordable Unit Production – especially 30% AMI units
- Long-Term Affordability Requirement – Permanent Option
- Tenant Selection Standards
- Quality Property Management & Training
- Supportive Housing – Hard Set-Aside Option
- Preferred Transit Oriented Development (TOD) Areas
- Non-Profit & Emerging Developers Preference



RFP Calendar

- Important dates for Committee:
 - August 28*
 - Deadline for submission of proposals
 - October 9
 - Applicant presentations to Committee (in person!)
 - December 4
 - Committee reviews and acts on staff funding recommendations
 - March 2028
 - Committee sees annual Housing Overview presentation

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RFP CALENDAR	
These dates represent the CDD's anticipated timeline for providing a commitment of financing 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 without notice.	
Date	RFP Activity
July XX, 2025	RFP Released
July 24, 2025	RFP Application Workshop (Registration on RFP Website)
August 14, 2025	Deadline for Making Initial Staff Contact
August 28, 2025 12PM	DEADLINE FOR SUBMITTING PROPOSALS
August 28, 2025	Deadline to Contact Common Council Office to Schedule Neighborhood Meeting <ul style="list-style-type: none">– Deadline to meet with Development Assistance Team (DAT)– Deadline to hold Neighborhood Meeting
September 18, 2025	CDD sends requests for Supplemental Application information
Week of Sept. 15, 2025	Applicants to submit Supplemental Application
September 26, 2025	Applicant Presentations to Staff
Week of Sept. 29, 2025	Applicant Presentations to CDBG Committee (In person at Madison Municipal Building)
October 9, 2025	Staff funding recommendations submitted to Common Council
November 25, 2025	CDBG Committee reviews and acts on Staff funding recommendations
December 4, 2025	WHEDA Project Concept Submission
December 5, 2025	City Finance Committee considers funding recommendations
December 8, 2025	Common Council makes final funding decisions
December 9, 2025	Deadline for Land Use Application for Projects Requiring a Zoning Map Amendment or Urban Design Commission Action <ul style="list-style-type: none">– Commitment Letters (Notification of Award) sent– Term Sheet Development
December 2025 - January 2026	Deadline for Land Use Application for Projects not Requiring a Zoning Map Amendment
January 2026	Full WHEDA Application Submission
March 20, 2026	Anticipated contract effective date(s)/ Start of Construction
Mid 2026 - Mid 2027	

*Development Review Schedule: Submittal Deadlines after December 31, 2025 are projected and subject to change.



AHF: Tax Credit Summary Table *(2013-present)*

		Projects	Total Units	Affordable Units	Supportive Housing Units
Completed		24	1,825	1,548	389
Under Construction		7	783	605	148
Planned		2	190	161	53
Proposed		2	140	84	42
Total		35	2,938	2,398	632



Affordable Housing Fund-TC RFP

City of Madison Community Development Division

Matt Frater, AICP | MFrater@cityofmadison.com