



Department of Planning and Community & Economic Development

## Community Development Division

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Child Care  
Community Resources  
Community Development Block Grant  
Madison Senior Center

## Memo

To: CDBG Committee

From: Linette Rhodes, Community Development Grants Supervisor

Date: August 6, 2020

Re: **2020-2021 Housing Development & Financing RFP**

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Community Development Division (CDD) will release two Request for Proposals (RFPs) in 2020 to support affordable housing goals. The Affordable Housing Fund RFP focused on leveraging Wisconsin Housing and Economic Development Authority (WHEDA) Low-Income Housing Tax Credits (LIHTC) was released in June and applications received in July. A team of City staff are currently reviewing applications with anticipated funding recommendations will be to Community Development Block Grant Committee October 1, 2020.

The second RFP will focus on housing development projects and financing programs that will not apply for WHEDA's LIHTC. A combination of funding from HOME Investment Partnerships (HOME) Program, Community Development Block Grant (CDBG) Program, Energy Efficiency & Conservation Block Grant (EECBG) Program and Affordable Housing Funds will be released, to eligible applicants.

A similar RFP was released in 2018 for housing development proposals. A copy of the previous RFP can be found on CDD's website here [\[2018-2019 Request for Proposals Development Projects \(Federal Funds\)\]](#)

### Goals and Objectives

**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: Housing Supply**

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

- Housing Development Rental- acquisition/rehabilitation or new construction
- Housing Development Homeownership- acquisition/rehabilitation or new construction
- Owner-Occupied Housing Rehab –rehabilitation program

**OBJECTIVE: Housing Assistance***Improve housing stability for homebuyers*

- Homebuyer Assistance- down payment assistance
- Financial Literacy- HUD-approved education

<b>Current CDD Guidelines</b>	<b>Potential Changes for RFP</b>
No pre-development loans	Pre-development loans to nonprofit developers for complex development projects, up to \$50,000
Terms: Developer receives 85% of award as long term deferred loan with shared appreciation and 15% as developer fee (grant)	Terms: <ul style="list-style-type: none"> <li>• Nonprofit developer may receive 50% of award as long term deferred loan with shared appreciation and 50% of award as 10 year forgivable loan for acquisition/rehabilitation development.</li> <li>• Nonprofit developer may receive 75% of award as long term deferred loan with shared appreciation and 25% as developer fee for new construction</li> <li>• For-profit, no changes</li> </ul>
Homebuyer Assistance not targeted to a population	Increase opportunities for Madison community members who have been impacted by the effects of redlining and decades of disinvestment
Homebuyer Assistance federal funded only	Set aside at least \$500,000 of Affordable Housing Funds for down payment assistance programs
No direct funding for education. Service provided through Home Buyers Round Table or online.	Provide financial support for pre-purchase, post-purchase HUD-approved homebuyer education

**Timeline**

August 6, 2020	Discussion of RFP- CDBG Committee
September 3, 2020	Review final draft RFP- CDBG Committee
September 4, 2020	Release of RFP
September 8- September 30, 2020	Pre-development meeting with City staff
October 2, 2020	Application Due
November 5, 2020	Applicant Presentations
December 3, 2020	Staff Recommendations to CDBG Committee
January TBD	Finance Committee
January 19, 2021	Common Council Approval