



**City of Madison
Community Development Division**

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REQUEST FOR PROPOSALS

RFP #15030-0-2026

**Affordable Rental Housing Development:
Non-Tax Credit Developments
(ARHD-NTC)**

Release Date: April 23, 2026

Due Date: 12:00 p.m.

Thursday, June 4, 2026

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Section 1: RFP Summary

RFP NUMBER	RFP #15030-0-2026
RFP TITLE	Affordable Rental Housing Development: Non-Tax Credit (ARHD-NTC)
DEADLINE FOR BID SUBMISSIONS	Proposals must be received by 12:00 P.M. CDT, June 4, 2026 Proposals received after the deadline will not be accepted.
SCOPE	<p>The City of Madison Community Development Division (CDD) is soliciting development financing proposals under the Affordable Rental Housing Development: Non-Tax Credit (ARHD-NTC) Program. The intent of this solicitation is to increase the supply of income- and rent-restricted housing opportunities to lower-income (up to 60% of Area Median Income) households in Madison.</p> <p>This RFP provides gap financing to help cover the difference between total development costs and the amount that can be secured from other available sources.</p>
FUNDS AVAILABLE:	The CDD anticipates having at least \$X million available from the City's Affordable Housing Fund (AHF) to allocate through this RFP.
APPLICATION FORM AND GUIDELINES	Community Development Division Funding Opportunities Website
E-MAIL PROPOSAL TO:	<p>CDDapplications@cityofmadison.com</p> <p>All proposals must be submitted electronically via email in the Word and Excel Workbook documents provided. Please submit <u>one</u> combined PDF of the application materials, if possible. The subject line must read Affordable Rental Housing Development: Non-Tax Credit Application.</p>
DIRECT ALL INQUIRES TO:	<p>John Vogt, Community Development Specialist RFP Point of Contact</p> <p>jvogt@cityofmadison.com (E-mail preferred)</p> <p>(608) 267-0742</p>

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
April 23, 2026	RFP Released
May 5, 2026	RFP Application Workshop (Registration on RFP Website)
May 20, 2026	Deadline for Making Initial Staff Contact
June 4, 2026 12PM	DEADLINE FOR SUBMITTING PROPOSALS
June 5, 2026	Deadline to Contact Common Council Office to Schedule Neighborhood Meeting
July 3, 2026	– Deadline to meet with Development Assistance Team (DAT) Meeting (New Construction)
July 24, 2026	– Deadline to hold Neighborhood Meeting
July 27, 2026	CDD sends requests for Supplemental Application information
August 12, 2026 at 12PM	Applicants to submit Supplemental Application
August 17 – 28, 2026	Applicant Presentations to Staff
September 10, 2026	Applicant Presentations to CDBG Committee
Fall 2026	CDBG Committee reviews and acts on Staff funding recommendations
Fall 2026	Finance Committee considers funding recommendations
Fall/Winter 2026	Common Council makes final funding decision
Fall/Winter 2026	Commitment Letters (Notification of Award)
Spring 2027	Anticipated earliest contract effective date(s)/Start of Construction

**[Development Review Schedule](#) Submittal Deadlines after December 31, 2026 are projected and subject to change.*

Section 2: Overview

Scope

The City of Madison Community Development Division (CDD) is soliciting development financing proposals for the Affordable Rental Housing Development – Non-Tax Credit (ARHD-NTC) Program. The purpose of the ARHD-NTC Program is to assist in financing the construction, preservation, and acquisition/rehabilitation of affordable rental housing for lower-income households (up to 60% of Area Median Income) in Madison.

Program funds are available only to projects **not** seeking Low-Income Housing Tax Credits (LIHTCs) administered by the Wisconsin Housing and Economic Development Authority (WHEDA). Other forms of development subsidy are acceptable. This RFP provides gap financing to help cover the difference between total development costs and the amount that can be secured from other sources.

Policy Guidance

The ARHD-NTC RFP is primarily informed by the following City policy documents:

- [Consolidated Community and Neighborhood Development Plan 2025 – 2029](#)
- [Housing Forward](#)
- [Dane Forward: A Five-Year Plan to Prevent and End Homelessness](#)
- [Imagine Madison: The City of Madison Comprehensive Plan](#)
- [Adopted City of Madison Area Plans](#)
- [2024 Sustainability Plan](#)

Program Goals and Objectives

The CDD supports affordable housing production and preservation through this RFP that advance components of three objectives outlined in the City’s housing initiative – Housing Forward:

1. Increase Housing Choice
2. Create Affordable Housing Throughout the City
3. Combat Displacement

The CDD utilizes this RFP to support investments in these approaches by:

- Increasing the supply of affordable rental housing that ensures long-term affordability and sustainability.
- Preserving existing income- and rent-restricted housing units, anywhere in the City.
- Preserving existing naturally-occurring affordable housing in the City by supporting rehabilitation that ensures long-term income- and rent-restrictions.

- 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.

This is a competitive application process. The CDD will recommend for funding development proposals that it determines address one or more of the above goals and are most responsive to the baseline requirements and preferences set forth in this RFP. Selected proposals will provide combinations of attributes that demonstrate the best value to the City in advancing goals contained within guiding policy documents. **Creative, unique proposals and partnerships are strongly encouraged.**

Detailed processes, contacts, and timelines to meet RFP requirements are provided as Attachment A. An application submission checklist is provided as Attachment F.

The City expects proposals approved for funding by the Common Council to substantively incorporate all representations made in the application materials and presentations to staff and committee members into the final project design and programming, especially those responsive to the RFP preferences. Specific representations will be incorporated as requirements via the City's Loan Agreement(s). Any material changes to the project design, programming, development team composition, or ownership structure will be subject to City approval and may subject the funding commitment to reduction and/or reconsideration by the City.

Amount of Available Funding

The CDD anticipates having at least \$X million available from the City's Affordable Housing Fund (AHF) for the 2026 ARHD-NTC RFP, however there is no obligation that all available funds be allocated.

In addition to funds available through the Affordable Housing Fund, the CDD may, in consultation with an applicant, draw on funds from other City-administered sources, such as HOME Investment Partnerships Program (HOME) funds, to support development proposals. Applicants offered federal funds must be able to meet all requirements that accompany such funds, as set forth in the Federal Funding Requirements and Resources Attachment D. There is not a separate application process for federal funds.

Proposed developments are also eligible to receive exemptions from the City's Park Impact Fee for housing units that are income- and rent restricted, for a minimum of 30 years, for households earning not more than 60% of the AMI.

All offers of CDD-administered financial assistance through this RFP are contingent upon projects securing all other financing necessary to complete the project and obtaining all necessary land use approvals to commence construction.

Financing Amount and Terms

Any potential offer or commitment of assistance under this RFP is gap financing, to help cover the difference between total development costs and the amount that can be secured from other sources. The consideration of City financial assistance comes with an expectation that developers pursue all other feasible sources. Each offer of potential awards is based solely upon the unique needs and circumstances of individual proposals.

The amount of any assistance offered, and its terms, will reflect the extent to which proposals are responsive to the preferences described in this RFP, beyond baseline requirements. Funds will be loaned directly to the project's ownership entity. The City will secure its funding with promissory notes and a mortgage in the form of a non-recourse loan. Unless otherwise authorized by the City, an awarded entity must agree to record and reflect the City's loan in the senior-most position (after the first mortgage) ahead of any other junior and soft debts that may be secured by the entity.

Long-Term Deferred Promissory Note Options

Funding will be provided as a zero percent, long-term deferred loan payable upon sale, transfer, or change in use of the property

1. Option 1: 40-year Period of Affordability with Shared Appreciation
 - a. 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.
2. Option 2: Permanent Period of Affordability without Shared Appreciation
 - a. Applicants agreeing to commit to permanent affordability on the subject property (rather than 40-years) receive the same zero percent interest terms described above but are relieved of the Shared Appreciation provision. The LURA on the affordable units shall remain in place **permanently** notwithstanding repayment of the loan.

Up to 20% of the funds awarded may be applied toward developer fees or soft costs (e.g. closing costs, design, engineering costs) as a grant.

Other Terms and Conditions

1. At least 80% 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.
2. Not more than 10% of the funds awarded may be applied toward developer fee.
3. Proposals awarded federal funds are subject to federally required subsidy layering, underwriting, and HOME cost allocation analysis.

4. Applicant(s) must contribute an equity contribution of, at minimum, 5% of the total development cost.
 - a. In lieu of contributing equity, applicants may defer a portion of the development fee (or provide a combination of owner equity and deferred developer fee) to meet this requirement.
5. Proposals involving construction activities must commence construction no later than one year from commitment of funds.

The City, in its sole discretion, may alter the terms and conditions of its loans from those described above.

Section 3: Requirements & Preferences

Eligible Applicants

Eligible applicants include:

1. **Non-profit organizations**
 - a. At time of application must have 501(c)(3) or 501(c)(4) tax-exempt status with an active board of directors and registered and in good standing with the Wisconsin Department of Financial Institutions.
2. **Housing Cooperatives**
 - a. Established with by-laws consistent with Chapter 185 of the Wisconsin State Statutes and registered and in good standing with the Wisconsin Department of Financial Institutions.
3. **For-profit organizations**
 - a. Registered and in good standing with the Wisconsin Department of Financial Institutions.

To be considered for City financing, applicants must:

1. Demonstrate the ability to secure all funds necessary to complete the project.
2. Demonstrate that the proposed project is economically viable.
3. Demonstrate an ability to repay awarded funds.
4. Demonstrate ability to produce high-quality affordable housing, or partnership with an experienced housing developer.

To be considered for federal funds, applicants must also:

1. Have an active registration on the System for Award Management (SAM) website.
2. Have experience with the HOME or CDBG programs or be partnered with an organization with experience using these programs.

Eligible Activities

Eligible proposals may include the development of new affordable housing units, acquisition and rehabilitation of existing housing units, or the preservation and improvement of existing affordable housing with an income and rent-restriction.

Geographic Eligibility

Developments are eligible for financing under this RFP so long as their locations are consistent with the geographic priorities of the Affordable Housing Target Area Map (Attachment B). 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 small-scale unit production in Preservation & Rehab areas as part of a non-profit owned and coordinated initiative.
Any project that will serve populations that may need case management or ongoing supportive services to remain stable in housing.	Must be located in Eligible or Preferred TOD Areas. Exceptions may be made for small-scale development in Preservation & Rehab areas.
Acquisition and/or Rehab of Rental Housing, including projects designed to preserve existing income- and rent restricted rental housing.	May be citywide, except where ineligible.

Affordable Housing Fund Targeted Area Map Categories

- **Preferred Transit Oriented Development (TOD) Areas** are those within ¼ mile of the high-frequency transit service. Preferred TOD sites receive the greatest possible location preference.
- **Eligible Areas** are located within ¼ mile of medium-frequency transit service. Location within an eligible area is a baseline requirement for new construction and acquisition/rehabilitation proposals.
- **Preservation and Rehab Areas** are those which are not in high or medium frequency transit areas but are eligible for acquisition/rehab or preservation activities.
- **Limited Eligibility Areas** are those in which development proposals possess attributes deemed potentially unsuitable for development proposals seeking City financial assistance (proximity to airport, interstate highways, high concentration of subsidized housing). Proposals in Limited Eligibility areas may be eligible for funding under certain conditions pending significant coordination with the City’s Planning and Building Inspection Divisions to, for example, ensure adequate site design and/or noise attenuation, or with CDD in the case of already high concentration of assisted housing. Sites in Limited Eligibility areas due

to the existence of explosive hazards must remediate the hazard as a condition of redevelopment. Applicants will be required to present projects proposed in a Limited Eligibility area at a City Development Assistance Team (DAT) meeting prior to the application deadline.

Not all sites in otherwise eligible areas are suitable for multifamily residential development, and must be verified via pre-application meeting.

Requirements

1. Applicants must demonstrate site control at time of application, unless the site is owned or controlled by the City or County.

Preferences

1. Proposals located within Preferred TOD areas.
2. Proposals with excellent proximity to amenities such as employment, grocery stores, health facilities, schools, childcare facilities, and parks.

Planning Principles & Plan Consistency

As there may be variation in Area and Neighborhood Plans and individual sites, respondents to this RFP will be expected to respond to concerns and recommendations from Planning Division and/or Zoning staff following pre-application/DAT meetings as necessary with respect to issues pertaining to site design, layout, and other aspects of building design and siting. The timeliness and sufficiency of responses to these issues will be considered in evaluating proposals.

Unit Mix & Affordability

Requirements

1. The minimum period of affordability for units in an assisted project is 40 years and will be secured by a Land Use Restriction Agreement (LURA).
2. Affordable units must be income and rent restricted to households at or below 60% of Area Median Income (AMI).
3. The property must be located in the City of Madison at time of recommendation of award.
4. Proposals must construct or rehab a minimum of four net new units (less any existing units demolished).

Preferences

1. Projects electing permanent affordability for assisted units and secured by a Land Use Restriction Agreement (LURA).

Property Management

Applicants will be assessed by their plan to sufficiently manage the property.

Requirements

1. Developer/ownership entity will be held responsible to ensure that:
 - a. The property is continuously supported by property management sufficient to carry out responsibilities associated with managing tenant relations, handling property maintenance and repairs, collecting rent, screening tenants, and ensuring legal compliance.
 - b. Property management staff have undergone training sanctioned by the City of Madison, including fair housing training.
 - c. The property manager, or designated responsible point person, is registered as an emergency contact with Building Inspection and responds in a timely and sufficient manner to inquiries, concerns or complaints from tenants, neighboring properties, and City of Madison law enforcement, legal counsel, building inspection and civil rights officials.
 - d. No property within the City of Madison, for which it is sole or part owner, is the subject of an unresolved dispute, legal complaint or enforcement action involving agencies of city government.
2. Rent increases are limited to 2% annually for lease renewals.
3. Non-renewals of leases may only be issued in response to serious lease violations or a repeated pattern of minor violations and must contain written notification to the tenant with an opportunity for appeal.
4. Developments must utilize a Tenant Selection Plan (TSP) and Affirmative Marketing Plan (AMP) consistent with the City of Madison TSP/AMP Standards for all units throughout the period of affordability.

Preferences

1. Property management has experience supporting the unique needs of the Madison affordable housing market.
2. Property management has experience engaging with community organizations that provide outreach and services to households facing barriers to housing and are least likely to apply.

Sustainability & Resilience

Requirements

1. New Construction Proposals:
 - a. Must enroll in Focus on Energy's Income-Qualified Housing (IQH) Track - Energy Design Assistance to obtain analysis of the proposed project identifying energy efficiency strategies and financial incentives.
2. Rehabilitation Proposals:

- i. Multifamily buildings with 4+ units must obtain an Energy Audit to identify energy efficiency strategies, financial incentives, and rebates.
- b. Non-traditional multifamily buildings (cooperative or SROs) must consult with City of Madison Office of Sustainability to explore the most appropriate building evaluation and energy efficiency prioritization options.
- c. All Rehabilitation Scopes of Work must:
 1. Replace Knob and tube wiring, if present
 2. Replace Wood, Propane, or Oil heating systems with high-efficiency gas or electric heating systems
 3. Replace non-LED lightbulbs with LED lightbulbs

Preferences

1. New Construction Proposals:
 - a. Select energy efficiency options that will yield at least 20% projected Energy Use Intensity (EUI) savings over baseline energy code.
2. Rehabilitation Proposals:
 - a. Insulate and air seal attic at R-49.
 - b. Achieve an air infiltration (ACH50) rate of 3.
 - c. Insulate Wall Cavity at R-20 respectively.
 - d. Install or replace fans with a minimum of 50 CFM in bathrooms and 300 CFM in kitchens.
 - e. Install ducted air source heat pumps.
 - f. Obtaining a more in-depth energy assessment, such as a ASHRAE Level 2 Analysis, which provides a cost/benefit analysis of implementation cost, payback periods and annual energy cost savings.
3. All Proposals:
 - a. Use ENERGY STAR certified appliances, equipment, and materials.
 - b. Implement full electrification of HVAC systems and appliances.
 - c. Include a photovoltaic array.
 - d. Optimize building design to accommodate maximized future photovoltaic capacity (solar ready for photovoltaic expansion).
 - e. Exceed any other additional minimum code requirements, such as EV charger installation, etc.

Design & Accessibility

Requirements

1. Housing must meet all applicable City minimum housing standards and building codes
2. New construction:
 - a. All common spaces, offices, and areas accessible to tenants, including first floor units and elevator accessible units, must be fully visitable.

- b. Proposals for family housing must include at least one on-site play space for children, either indoor or outdoor, unless deemed infeasible due to site constraints.

Preferences

1. Proposals that demonstrate the extensive incorporation of universal design components in common spaces, offices, or any areas accessible to tenants.
2. Rehab Proposals:
 - a. All common spaces, offices, and areas accessible to tenants, including first floor units and/or elevator accessible units, be fully visitable
 - b. Proposals for family housing that add on-site play space for children, either indoor or outdoor, unless deemed infeasible due to site constraints.
3. Proposals that exceed minimum code requirements of a percentage of units classified as Type A units, or Type B units convertible to Type A.

Development Team & Financial Feasibility

Requirements

1. Applicants must submit realistic and feasible sources of funding.
 - a. If the proposed development is eligible and competitive for other sources of funding, these sources should be listed in the application.
 - b. Only one financial model/scenario may be submitted per site.
2. Capital budget & scope of work must be based on sound cost projections.
3. Operating budget includes a complete list of reasonable expenses, including property management and adequate cash flow over the period of affordability.
4. All co-developer team members are expected to play active roles in all aspects of the development process from project concept formation to participation in discussions with City staff around land use and design reviews, resident engagement efforts, meetings required as part of this process, and project lease-up.

Preferences

1. Proposal provides for a minimum 24% stake in all aspects of the development for emerging developers and/or ACRE graduates.
2. A proposal from a non-profit entity, currently providing services or development within the Madison community, that assumes the roles of both Developer and Owner, or a partnership arrangement in which the non-profit has a majority ownership interest in the property and a General Partner Purchase Option, Right of First Refusal, or controlling interest in the ownership entity.

Section 4: Other Requirements

1. Rehabilitation projects must meet the Community Development Division's [Residential Rehabilitation Standards](#).
2. The displacement of renter or owner households due to CDD funded activities are subject to Wisconsin's relocation law or the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA).
3. Lead-based paint hazards will be assumed on all properties built prior to 1978 in accordance with the Lead-Based Paint Poisoning Prevention Act and will require a Lead Risk Assessment or the use of a certified lead abatement contractor.
4. A Minimum Housing Code (MHC) inspection and Lead Clearance inspection will be required prior to planned occupancy. In cases of new construction, a Certificate of Occupancy provided by the City of Madison Building Inspection Unit will be accepted in lieu of the MHC inspection.

Section 6: Scoring Criteria

The following presents the criteria used in scoring development proposals. While important, assigned scores serve primarily to determine relative strengths of proposals. Proposals that score more favorably are recommended for further assessments leading to funding decisions.

Scoring Criteria	Points Available
Geographic Eligibility, Affordability, and Planning Principles <ul style="list-style-type: none"> ▪ Suitability of site and connectivity to amenities ▪ Suitability of existing property for major rehabilitation ▪ Permanent affordability ▪ Responsiveness to Planning/Zoning comments received 	10
Property Management <ul style="list-style-type: none"> ▪ Completeness of plan to ensure quality property management ▪ Performance and experience in Madison's housing market ▪ Experience working with community organizations serving historically peripheralized households 	10
Sustainability & Resilience <ul style="list-style-type: none"> ▪ Full electrification ▪ Photovoltaic array ▪ Building design accommodates future solar capacity ▪ Additional efficiency, renewable, or decarbonization features 	10
Design & Accessibility <ul style="list-style-type: none"> • Universal Design and accessibility • Outdoor amenities • Indoor amenities 	10
Development Team & Financing/Financial Feasibility <ul style="list-style-type: none"> ▪ Proposal financial feasibility, including sound Scope of Work ▪ Experience in affordable development 	10

<ul style="list-style-type: none"> ▪ Emerging developers/ACRE graduate co-developers ▪ Non-profit developer involvement 	
<p>Overall Responsiveness</p> <ul style="list-style-type: none"> ▪ Overall creativity and responsiveness ▪ Readiness to proceed 	10

A staff review team formulates recommendations for financial assistance to selected projects, which are presented for review to the CDBG Committee. Following its review and any modifications it chooses to make, the Committee forwards the recommendations to the Finance Committee for review and to the Common Council for final action. The Common Council has final authority with respect to offers of financial assistance.

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