



Capital Improvements for Non-profit Housing (CINH) Program

1. PROGRAM SUMMARY

The Capital Improvements for Non-profit Housing (CINH) Program provides funds to make certain improvements to properties that serve tenants at or below 80% of County Median Income (CMI).

The Community Development Division (CDD) has received feedback from nonprofit agencies that own and operate housing serving low-to moderate-income households that the effects of the COVID-19 pandemic have had lasting impacts to their maintenance reserves. The causes include but are not limited to tenants who refused to apply for the Emergency Rental Assistance and therefore reducing funds available for routine repairs and the increasing cost of improvements due to deferred maintenance.

Nonprofit agencies wishing to utilize the CINH Program must own the housing and agree to maintain the housing for at least 5 years after the project is complete.

The City of Madison will use Community Development Block Grant (CDBG) funds to grant nonprofit agencies the opportunity to make housing improvements. Final approval of grant funds will be awarded, via Resolution, by the City's Common Council with recommendations from the CDBG Committee for amounts that exceed \$50,000. The specific timeline for a commitment of funds is contingent upon the Committee's schedule.

2. PROGRAM GUIDELINES

ELIGIBLE APPLICANTS

To be eligible, an applicant must be a nonprofit (non-stock corporation) organized under Chapter 181 of Wisconsin Statutes and:

- At least 51% of the units in the proposed project must house a tenant with incomes at or below 80% CMI.

HOUSEHOLD SIZE	80% INCOME
	(HUD-definition)
1	\$ 62,600
2	\$ 71,550
3	\$ 80,500
4	\$ 89,400

- The applicant must have an active registration in the System for Award Management website. Registration for the SAM website can be found at <https://sam.gov/content/entity-registration>.

ELIGIBLE REHAB ACTIVITIES

- **Rehabilitation or Substantial Rehabilitation.**

Labor, materials, and other costs of rehabilitation or the substantial rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and component of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination.

- **Energy Efficiency and Improvements**

Improvements to increase the efficiency use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment.

- **Water Efficiency and Improvements**

Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks.

Substantial Rehabilitation Requirements and Definition

Projects undertaking a substantial rehabilitation of their property requires the installation of broadband infrastructure.

Substantial rehabilitation is defined as:

1. Significant work on the electrical system of the multifamily rental housing. “Significant work” means complete replacement of the electrical system or other work for which the pre-construction cost estimate is equal to or greater than 75% of the cost of replacing the entire electrical system. In the case of multifamily rental housing with multiple buildings with more than 4 units, “entire system” refers to the electrical system of the building undergoing rehabilitation; or,
2. Rehabilitation of the multifamily rental housing in which the pre-construction estimated cost of the rehabilitation is equal to or greater than 75% of the total estimated cost of replacing the multifamily rental housing after the rehabilitation is complete. In the case of multifamily rental housing with multiple buildings with more than 4 units, the replacement cost must be the replacement cost of the building undergoing rehabilitation.

INELIGIBLE ACTIVITIES

Any activity that is not authorized under the provisions of [§ 570.201](#)–570.206 is ineligible to be assisted with CDBG funds. Ineligible activities include:

- New permanent housing construction projects are ineligible.
- The purchase of construction equipment.
- Equipment, fixtures, motor vehicles, furnishings or other personal property not an integral structural fixture (fire protection equipment is considered an integral part of a facility, thus eligible.).

More information on ineligible uses of CDBG funds is found in [§ 570.207](#).

ELIGIBLE PROPERTIES

- Property must be located in the City of Madison.
- At least 51% of the units on the property must house tenants with incomes at or below 80% CMI.

GRANT REQUIREMENTS

City Requirements

1. Applicant will sign agreement that the building will be used for housing for low-to-moderate income households for the next five (5) years for at least 51% of the units in the building.
2. 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.
3. **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](#).

Federal Requirements

For projects awarded CDBG funds, the following national, state and local regulatory standards may apply. Projects awarded CDBG funds must generally comply with the regulations at [24 CFR Part 570](#), Community Development Block Grant, as amended. Projects must:

1. [Self-Certification Requirement](#) or underwriting household income via [24 CFR Part 5](#). A sample of households may be selected during monitoring, income documentation may be requested.
2. Applicant must comply with environmental review requirements under [24 CFR Part 58](#). The property must pass an environmental review prior to receiving a formal commitment of federal funding. CDD is the Responsibility Entity to complete environment assessments upon request and can take up to two weeks to process.
3. Minimize both the direct and indirect displacement of persons. Where applicable, the applicant will adhere to the Uniform Relocation Act procedures consistent with [49 CFR Part 24](#).
4. If the property and/or project has eight (8) or more units, the project must comply with Federal Fair Labor Standards (e.g., [Davis-Bacon Prevailing Wages](#)). Visit [HUD Exchange](#) on information about unit counts related to Davis-Bacon.
5. Applicant must 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 during construction.

6. 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](#)
7. 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.
8. 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.
9. Comply with physical accessibility standards.
10. Adhere to the constitutional and regulatory provisions of separation of church and state, and avoidance of public funding of inherently religious activities.
11. [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.
12. [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.
13. [24 CFR Part 570](#) (Federal Resource): Electronic Code of Federal Regulations for the Community Development Block Grants program.

OTHER RESOURCES

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