

# Integration of Sustainability Requirements Into City AHF Developments



## The Affordable Housing Fund

- The Affordable Housing Fund is composed of:
  - City Tax Levy,
  - Federal HOME Investment Partnership Program (HOME),
  - and Federal Community Development Block Grant funding
- City distributes the funding through RFPs to developers, often leveraging Low Income Housing Tax Credits
- The development process is designed to be collaborative

# RFP Sustainability Integrations to Date

1

2024 Affordable  
Housing Fund - Tax  
Credits RFP

2

2025 Affordable Rental  
Housing Development:  
Tax Credit RFP

3

2025 Financing for  
Affordable  
Homeownership  
Development, Programs,  
and Services

## 2024 AHF Tax Credit RFP

- Prior to 2024, American Institute of Architect requirements were a feature of the Sustainability section
- Our approach was to inform developers of federal tax credits (45L), have them enroll in Focus on Energy Energy Design Assistance, and describe Sustainability design features

78. Please indicate sustainable design features and equipment included choices in the proposed development that will help to reduce fossil fuel consumption, achieve decarbonization, and improve air quality:

<b>Sustainability Design Features &amp; Equipment</b>	<b>YES</b>	<b>Comments</b>
a. Air-source or ground source heat pumps	<input checked="" type="checkbox"/>	Currently under review
b. Electric or heat-pump water heaters	<input type="checkbox"/>	High-efficiency staged control central hot water plant
c. Electric stoves	<input checked="" type="checkbox"/>	
d. EV charging infrastructure or EV ready design ( <i>exceeding City ordinance requirements</i> )	<input checked="" type="checkbox"/>	
e. Battery storage	<input type="checkbox"/>	Alternative consideration in lieu of emergency generator backup
f. Other:	<input checked="" type="checkbox"/>	Green Roof over Parking
g. Other:	<input type="checkbox"/>	

## Most Developers Emphasized:

- Previous Experience with LEED Gold Certification and Passive House Certification
- Electrification
- Focus on Energy Design Assistance Bundles targeting 20% energy reduction
- Rooftop solar in exceedance of the 30 kw requirement

Applications can be read here:

<https://www.cityofmadison.com/dpced/community-development/contracts-funding/funding-opportunities/past-funding-opportunities-2>

## Most Firms Neglected:

- Commitment to Energy Star certifications (MFNC/NetZero) to receive federal tax credits
- Good descriptions of R values of materials to be used in construction
- Good descriptions of indoor air quality assurance measures

## Lessons Learned:

- CDD emphasizes the importance of mixed income development and distribution of low income housing near areas where there is a projection of emerging economic opportunities
- Building management techniques that allowed for social service providers to refer clients into housing was the biggest x-factor for building operators hired by developers
- Percentages of units that would maintain their affordability to 30% amenities for the duration of the property's existence was also emphasized

## 2025 AHF TC RFP

- Requirements were created that reduced the qualitative nature of developers commitments and questions were edited to elicit simplified developer responses.
- We attempted to align with WHEDA Stretch and Advanced Goals as the main point of reference. We also encouraged electric vehicle charging stations

45. Will the proposed development claim points in the WHEDA MFA for Stretch or Advanced goals in this category?

Yes       No

46. Check all applicable Energy Efficiency & Sustainability third-party certifications that will be sought.

Program			
Wisconsin Green Built	<input type="checkbox"/> Gold Standard	<input type="checkbox"/> Gold Plus	<input type="checkbox"/> Gold Zero Energy
Enterprise 2020 Green Communities	<input type="checkbox"/> Criteria	<input type="checkbox"/> Certification	<input type="checkbox"/> Certification Plus 5.4b Criterion
ENERGY STAR Multifamily New Construction	<input checked="" type="checkbox"/> Equivalency	<input type="checkbox"/> Certification	
EPA AirPLUS	<input checked="" type="checkbox"/> Equivalency	<input type="checkbox"/> Certification	
LEED®	<input checked="" type="checkbox"/> LEED Silver	<input type="checkbox"/> LEED Gold/ Platinum	<input checked="" type="checkbox"/> LEED Zero Energy
Passive House (PHIUS)	<input type="checkbox"/>	<input type="checkbox"/> PHIUS Core	<input type="checkbox"/> PHIUS Zero
WELL	<input type="checkbox"/>		
Other:	<input type="checkbox"/>		

## Most Firms Emphasized:

- Pursuing WHEDA Advanced Sustainability criteria
- Wisconsin Green Built Gold Certification
- 30% EUI reduction based on Focus on Energy projections
- Rooftop solar in exceedance of the 30 kW requirement (max commitment was 338.76 kW array on
- Describing Focus on Energy suggested measures they would be focusing on

Applications can be found here:

<https://www.cityofmadison.com/dpced/community-development/contracts-funding/funding-opportunities/past-funding-opportunities-3>

## Most Firms Neglected:

- Expressing interest in the Energy Star program
- Electrification (most electrification measures described were induction stoves)

# 2025 Owner Occupied RFP

## We created new requirements:

1. New Construction Developments must meet ENERGY STAR certification for new construction.
2. Acquisition-Rehabilitation Developments must incorporate the following features into their rehabilitation scope of work:
  - a. Remove Wood, Propane, or Oil heating systems, (meaning only gas or electric heating systems are installed);
  - b. Knob and tube wiring replacement, if present;
  - c. LED lightbulbs where lightbulbs are installed;
  - d. Air sealed attic;
  - e. Air infiltration (ACH50) rate of 3;
  - f. Wall Insulation: Cavity + Continuous at R-20 + R-5 respectively;
  - g. Fans with CFM of at least 50 in bathrooms and at least 300 in kitchens.

## Accomplishments

- 2 firms were able to commit to achieving Energy Star Single Family Certification
- Other developers emphasized specific appliances and insulation that would achieve energy savings
- Estimates for incremental cost increases ranged from 5-30% of the total building cost

Applications can be found here:

<https://www.cityofmadison.com/dpced/community-development/contracts-funding/funding-opportunities/past-funding-opportunities-5>

## Essential Components to Continued Advancement

- Emphasize the overlap between decarbonization and affordability
- Further align prescriptive measures with state and federal support
- Verify that sustainability requirements are resulting in emissions reductions and reduced utility bills