

City of Madison
Community Development Division
Suite 300, 215 Martin Luther King, Jr. Blvd.
Madison, WI 53703-3348



REQUEST FOR PROPOSALS
RFP #2020-8976

Housing Forward:
Community Development Division
Financing for Housing Development
and Housing Services

Release Date: October XX, 2020

Due Date: 12:00 p.m., NOON
Friday, November XX, 2020

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RFP SUMMARY

RFP NUMBER	RFP # 8976-2020
RFP TITLE	Housing Forward: Community Development Division: Financing for Housing Development and Housing Services
DEADLINE FOR BID SUBMISSIONS	12:00 P.M. (NOON) CDT, Friday, November 6, 2020 Proposals received after the deadline will not be considered.
SCOPE	The City of Madison Community Development Division (CDD) is seeking to improve and preserve the City's housing stock by supporting proposals from qualified developers that seek to accomplish the following two objectives: <ol style="list-style-type: none"> 1. Preserve, improve and expand the supply of affordable housing for homeowners and renters. 2. Improve housing stability for homebuyers.
FUNDS AVAILABLE:	The CDD anticipates having approximately \$X.XX million available from the City's Affordable Housing Fund, HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), and Energy Efficiency & Conservation Block Grant (EECBG) funds. The total amount of funds available is contingent upon the City receiving sufficient federal funding allocations from the U.S. Department of Housing and Urban Development (HUD) and from the City's 2021 Capital Budget.
APPLICATION FORM AND GUIDELINES	Available at: Community Development Division Funding Opportunities Website
E-MAIL PROPOSAL TO:	CDDapplications@cityofmadison.com 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. Please put Housing Forward in email subject line.
DIRECT ALL INQUIRIES TO:	Ethan Tabakin , Community Development Specialist etabakin@cityofmadison.com Linette Rhodes , Community Development Grants Supervisor lrhodes@cityofmadison.com

RFP CALENDAR

These dates represent the City's desired timeline for providing a commitment of funds 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, as needs and circumstances dictate.

Date	RFP Activity
October 12, 2020	Release of RFP
October 15, 2020	Application Workshop (Zoom) Time TBD
12:00 p.m. NOON (CDT) November 6, 2020	DEADLINE FOR SUBMISSION OF PROPOSALS
November 26, 2020	Development Assistance Team (DAT) Deadline (housing development proposals only)
November 30, 2020	Deadline for Neighborhood Meeting (new construction proposals only)
December 3, 2020	Applicant Presentations to CDBG Committee
January 9, 2020	CDBG Committee Recommendations
January 13, 2020	Finance Committee Recommendations
January 21, 2020	Common Council Approval
January 2021	Commitment Letter (Notification of Award)
February 1, 2021	Anticipated contract effective date(s) for Housing Assistance
Mid-2021-2022	Anticipated contract effective date(s)/ Start of Construction for Housing Development

SECTION 1: SCOPE OF WORK

1.1 Purpose

The purpose of the Community Development Program ("The Program") is to help make Madison "a more viable urban community by providing decent housing, a supportive living environment and enhanced economic opportunities for low- and moderate-income persons (defined as individuals/households whose incomes do not exceed 80% of the area median income)." The Program aims to aid and support the efforts of non-profit organizations, businesses, neighborhood groups, labor unions, funding partners, volunteers, other governmental entities and the general community to plan for, develop and invest in projects which contribute to the goals and objectives set forth in the City's Consolidated Plan. The Consolidated Plan is a longer-term (5-year) planning document formulated by the City's CDBG Committee, the Mayor, and Common Council in consultation with Madison residents. Its content also reflects and reinforces the City's broader goals and objectives articulated within [Imagine Madison](#), the City's Comprehensive Plan and related neighborhood plans.

1.2 Goals and Objectives

The City of Madison's approved 2020-2024 Consolidated Plan articulates the community development goals on which the City intends to focus its federal entitlement funds (CDBG/HOME/ESG), and along with the City of Madison's Housing Forward ("Housing Forward") initiative, serves as the foundation for this funding process.

The City of Madison Community Development Division (CDD) Goals and Objectives, as adopted by the Common Council on April 29, 2014, outlines specific goals and objectives intended to guide the use of financial resources administered by CDD. The three primary goal areas for federal funds are (1) Affordable Housing, (2) Economic Development and Employment Opportunities, and (3) Strong and Healthy Neighborhoods. This RFP focuses only on the following approved Goal and Objectives:

- *Goal Area 1. 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 1.1 Housing Supply*
Preserve, improve and expand the supply of affordable housing for homeowners and renters.
 - *Objective 1.2 Housing Assistance*
Improve housing stability for homebuyers.

In addition to these primary objectives, the Community Development Division aims to:

- Achieve a wider dispersion of affordable rental housing throughout the city and discourage development of additional supply of income- and rent-restricted units in areas with high concentrations of assisted housing.
- Incentivize new development in areas of the city with strong connections with or proximity to key amenities such as employment opportunities, public transit, a full-service grocery store, health facilities, schools, parks and other basic amenities.

- Align CDD-assisted development and property management practices with the City's Racial Equity and Social Justice Initiative through inclusive and culturally-sensitive property management and marketing practices.
- Implement the Goals, Strategies and Actions outlined in [Imagine Madison](#), the City of Madison's Comprehensive Plan, and discussed in further detail in the City's Housing Forward strategy.
- Embrace the City's commitment to energy efficiency, renewable energy and/or sustainable building design techniques that contribute to the [City's goal](#) to achieve 100% renewable energy and zero-net carbon emissions by 2030.

This RFP will also seek to further the City of Madison's Housing Forward initiative. Housing Forward is a City-driven approach that outlines the most up-to-date strategies to address the City's housing needs in 2020 and the coming decade.

CDD expects that responsive applicants to this RFP will align their proposals with the strategies identified within the Housing Forward vision. Applicants should think creatively about how to address the creation and preservation of affordable housing in the City.

The City of Madison intends to select development proposals based on RFP proposals that (1) are most responsive to the Goals and Objectives found in Section 1.2 and Requirements and Preferences found in Section 1.4 of the RFP, (2) contain the combination of features and attributes offering the best overall value to the City, and (3) are most aligned with the City's Housing Forward approach. The City will determine the potential best overall value by comparing differences in project features and feasibility, and development team attributes, striking the most advantageous balance for achieving the City's goals.

1.3 Funding Availability

The Community Development Division (CDD) anticipates making approximately \$X million available from a combination of the HOME Investment Partnerships (HOME) Program, Community Development Block Grant (CDBG) Program and Energy Efficiency & Conservation Block Grant (EECBG) Program funds. Total amount of funds available is contingent upon the City receiving sufficient federal funding allocations from the U.S. Department of Housing and Urban Development (HUD).

HOME Funds	\$XXX,000
CDBG Funds	\$XXX,000
EECBG Funds	\$900,000
City Affordable Housing Funds ("AHF")	\$X,XXX,XXX

1.4 Requirements for Housing Development Proposals

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 1.1: Housing Supply

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

Requirements

Eligible Applicants

In order to be considered for financing, applicants must meet all of the following requirements:

- a) Demonstrate that the proposed project is economically viable and the applicant(s) have the financial ability to repay the funds, if the project is not completed consistent with written agreement.
- b) Demonstrate financial capacity and experience in developing affordable housing, financed in whole or in part with HOME and/or CDBG funds, to produce a high-quality project and complete the project as proposed.
- c) Demonstrate that the applicant will contribute a minimum of 5% of the total development costs in equity or a first mortgage and that it will be able to secure all funds that may be necessary or convenient to complete the project as proposed.
- d) Be established as a not-for-profit corporation. The corporation must be a 501(c)(3) or 501(c)(4) tax-exempt organization with an active board that meets regularly in accordance with their by-laws and is in good standing with the Wisconsin Department of Financial Institutions; and/or established as a housing cooperative with by-laws consistent with Chapter 185 of the Wisconsin State Statutes and in good standing with the Wisconsin Department of Financial Institutions.
- e) For-profit corporations may co-apply for funding with a not-for-profit corporation, provided the established not-for-profit entity has a majority ownership interest in the property as well as a General Partner Purchase Option, Right of First Refusal, and/or a controlling interest in the ownership entity.
- f) Have an active registration on the System for Award Management website, if applying for federal funds. Registration for the SAM website can be found at <https://www.sam.gov/portal/SAM/#1#1#1>.

Eligible activities for these funds include those that address any of the following:

- a) Increase the supply of safe, quality, affordable rental housing units with long-term affordability and sustainability. For the purposes of this RFP, affordable units are defined as income and rent-restricted units for households with incomes at or below 80% CMI. Long-term affordability will be secured by a Land Use Restriction Agreement for 40 years.
- b) Preserve existing income- and rent-restricted rental housing to ensure long-term affordability and sustainability.
- c) Improve existing rental housing stock in targeted neighborhoods through the acquisition and/or rehabilitation of properties to create long-term affordability and sustainability.

- d) Expand homeownership opportunities through the acquisition, rehabilitation, and/or construction of single-family, townhouse or condominium properties.
- e) Improve or maintain existing owner-occupied dwellings for low-to-moderate -income homeowners.
- f) Enhance the affordability of housing stock through investments in energy efficiency and/or accessibility improvements.

To be eligible, properties must comply with the following City standards and/or requirements:

- a) The property must be located in the City of Madison.
- b) Proposals must demonstrate a commitment to embracing the City's Racial Equity and Social Justice Initiative.
- c) Including any City funds awarded under this RFP, the total amount of secured financing for a project, from all sources, may not exceed 115% of the property's value upon completion of the project. Secured loan-to-value ratios of 125% may be allowed for projects in areas of priority to the City, including designated [Neighborhood Resource Team](#) (NRT) areas. Projects for which a community land trust serves as owner of the underlying land will be permitted the 125% secured funds-to-value ratio for the entire project - land and property.
- d) The CDD will not consider projects that propose to convert owner-occupied units to rental units in Targeted Rehab Areas, except for Lease-to-Purchase projects.
- e) The property must pass an environmental review, conducted by CDD, prior to receiving a formal commitment of federal funding.
- f) 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.
- g) If the applicant does not have site control at the time of application, a targeted or defined project area within a Targeted Rehab Area (see Affordable Housing Targeted Areas Map) of the City of Madison must be identified. Additional preference will be given to sites located in a Neighborhood Resource Team (NRT) Area.
- h) If considering new construction or complex rehabilitation requiring Land Use Approvals, applicants are required to confirm permissive zoning status, or the ability to achieve permissive zoning, with the City's Zoning Administrator or designee prior to submitting an application. [DAT Timing TBD] A [Development Review Schedule](#) (subject to change) can be found on the Planning Division's website containing meeting dates for Plan and Urban Design Commissions for proposals requiring Land Use Application.
- i) Development proposals must commit to a minimum of a 40-year Period of Affordability evidenced by a Land Use Restriction Agreement recorded at closing
- j) Development proposals must engage in the Pre- and Post-Application Processes pertaining to land use entitlements and neighborhood engagement described in Section 2 below, as applicable.
- k) Development proposals must demonstrate a commitment to the City's goal of achieving net-zero carbon emissions by 2030.

- l) Proposals must present a Tenant Selection Plan (TSP) that embraces the CDD's TSP Best Practices outlined in Attachment B-1.
- m) Proposals must present an Affirmative Marketing Plan (AMP) that embraces the CDD's AMP Best Practices outlined in Attachment B-2.

Federal Requirements

All projects must comply with the relevant funding source requirements. HOME-funded projects must comply with the regulations at [24 CFR Part 92](#), HOME Investment Partnerships Program, as amended. CDBG-funded projects must comply with the regulations at 24 CFR Part 570, Community Development Block Grant, as amended. These federal requirements include, but are not limited to, the following:

- a) Acquisition, construction, and/or rehab of rental housing must maintain rents at or below specified HOME rent levels.
- b) At least 90% of HOME-assisted units in a rental project must assist households with incomes at or below 60% of Area Median Income (AMI) at the time of initial occupancy or investment. The remaining units must assist households with incomes at or below 80% of AMI.
- c) At least 20% of HOME units must be designated as low HOME rent units in developments with five or more HOME-assisted units.
- d) All prospective homebuyers offered CDD financial assistance must attend a CDD-approved homebuyer education class. Recipients will be required to submit a homebuyer education certificate of completion prior to closing.
- e) The sale or re-sale prices of HOME-assisted owner-occupied units must comply with the HOME purchase price or value limits designated by the U.S. Department of Housing and Urban Development (HUD).
- f) Homeownership dwellings must be transferred to owner-occupied status within nine (9) months of construction completion.
- g) An agency designated as a developer cannot provide direct down payment assistance to individual homeowners purchasing the property, unless it is certified with the CDD as a Community Housing Development Organization (CHDO), or has both Developer and Sub-recipient contracts for each housing project, as applicable.
- h) Applicants must comply with CDD Underwriting Guidelines for all loans provided for purchase of owner-occupied dwellings.
- i) Housing (after rehab) must meet the CDD Rehabilitation Standards and all applicable City minimum housing standards and building codes.
- j) HOME projects require a minimum of 25% matching funds from non-federal sources. Forms of eligible match are defined under 24 CFR 92.220.
- k) HOME-funded projects will be subject to a Period of Affordability (POA), the length of which is based upon the amount of HOME funds invested in the property and the use of the funds. The POA will be reflected in the Land Use Restriction Agreement (LURA) recorded in first position ahead of the first mortgage.

1.5 Preferences

In addition to the conditions of eligibility listed above, preference will be given to:

- a) Projects that are "shovel ready," meaning that construction or rehab will begin within six months of receiving financial commitment of final approval at Common Council.
- b) Development proposals that utilize innovative and/or creative affordable housing models, including co-operative housing, co-housing, etc.
- c) Development proposals that produce smaller scale, infill new construction meeting the need for more "missing middle" housing for both owners and/or renters.
- d) Agencies serving populations requiring case management or ongoing supportive services that can also leverage their own non-City funded supportive services dollars.
- e) Development projects proposed by Community Housing Development Organizations (CHDOs).
- f) Proposals that demonstrate a commitment to incorporating extraordinary energy efficiency, renewable and/or sustainable building design techniques that contribute to the [City's goal](#) to achieve 100% renewable energy and zero-net carbon emissions by 2030, as described in Section 1.6 below.
- g) New construction proposals that demonstrate a commitment to incorporating Universal Design features for 100% of the proposed units.
- h) Applicant commits to doubling to the City's contractor labor utilization goal for Persons of Color, as tracked by the City's Department of Civil Rights (DCR).
- i) Proposals that show a history of running programming for home repair, modification, and maintenance to income-qualified homeowners.

1.6 Commitment to Energy Efficiency, Renewable Energy and Sustainable Design

The CDD seeks proposals that embrace the City's commitment to incorporating extraordinary energy efficiency, renewable and/or sustainable building design techniques that contribute to the [City's goal](#) to achieve 100% renewable energy and zero-net carbon emissions by 2030. Preference will be given to proposals that demonstrate how the development will be designed and operated to contribute to these goals, while also taking advantage of available expertise and resources.

1. Energy Efficiency.

- a. Focus on Energy's [New Construction Energy Design Assistance](#) provides a no-cost energy analysis based on building characteristics, implementation cost, payback periods and annual energy cost savings. All applicants for new construction projects will be required to submit an initial Focus on Energy application for Energy Design Assistance.

2. Renewable Energy.

Applicants are encouraged to explore implementing any **Renewable Energy** options and incentives that may be feasible. Preference will be given to proposals that incorporate renewable energy features.

- a. Focus on Energy's Renewable Energy offerings provide incentives for cost-effective renewable energy projects (e.g., solar photovoltaics (PV), solar thermal, biogas, biomass and wind). The Focus on Energy Renewable Energy Incentive application may be

accessed [here](#). Contact Scott Bloedorn at (608) 230-7017 with questions or to discuss program details.

Additional funding for solar PV may be available through the [MadiSun](#) program.

3. Sustainable Design.

The American Institute of Architects (AIA) offers a [Framework for Design Excellence](#). This Framework organizes design elements and strategies into a top 10 "Best Practices" approach to design for equitable communities, optimize site potential, optimize energy use, protect and conserve water, optimize building space and material use, enhance indoor environmental quality (IEQ) and optimize operational & maintenance practices.

Preference will be given to proposals that incorporate sustainable design techniques described in the [AIA's Framework for Design Excellence](#), including but not limited to:

- a. Building techniques that substantially reduce energy and water consumption on site
- b. A rainwater reclamation or gray water system to minimize water consumption on site
- c. Sourcing a significant amount of building materials from renewable sources

To help evaluate and measure the expected energy reduction and cost savings associated with this design framework, applicants and their architects are encouraged to consult this [Framework](#) when designing the building. For questions or further technical assistance, architects may benefit from consulting with City of Madison Planner Janine Glaeser (AIA) at jglaeser@cityofmadison.com.

1.7 Projects Involving Energy Efficiency Rehabilitation of Existing Structures

The City of Madison is also making available funds through the Energy Efficiency & Conservation Block Grant (EECBG) program, funded by the U.S. Department of Energy. This competitive block grant program is intended to provide financial support for the implementation of projects that result in improved energy efficiency. Applicants whose proposals include the rehabilitation of residential structures may be eligible for additional funds if the scope of work includes energy efficiency upgrades or retrofits to the existing building. Eligible activities that may be funded through this program include:

- Installation of insulation.
- Installation of efficient lighting.
- Heating, Venting, and Air Conditioning (HVAC) and high-efficiency shower/faucet upgrades.
- Weather sealing.
- Purchase and installation of Energy Star® appliances.
- Installation of solar-powered appliances with improved efficiency.
- Replacement of windows and doors, if included with projects listed above.

Please note that cosmetic improvements to buildings that do not improve the energy efficiency or decrease the energy consumption of the building are not eligible activities under the EECBG program.

In order to be eligible for EECBG funds, the applicant must have a Focus on Energy Audit completed for the subject property, as performed by a certified and approved energy auditor. Applicants requesting EECBG funds are also subject to all of the requirements referenced in the [Requirements](#) subsection of [Section 1.4 and Section 1.5](#) of this Request for Proposals.

1.8 2020 Affordable Housing Targeted Area Map

The 2020 Affordable Housing Targeted Area Map is included in this RFP as [Attachment A](#). A larger version of the map may be printed from the link at: [Community Development Division Funding Opportunities Website](#). A searchable version of the map where applicants can enter specific addresses may be found on the [City's Open Data Portal](#). Also available are searchable versions of the [Zoning Map](#) and [Generalized Future Land Use Map](#).

Development projects must be proposed within the corresponding locations indicated in the following chart. For the purposes of this RFP, CDD supports the development of owner-occupied projects citywide.

Type of Development	Location
New Construction of Rental Housing	Must be located in Eligible, Preferred, or Super Preferred Areas
Acquisition &/or Rehab of Rental Housing	May be citywide, but preferred in Targeted Rehab Areas
Any project that will serve populations that may need intensive case management or ongoing supportive services	Must be located in Eligible, Preferred, or Super Preferred Areas. Eligible areas must have transit adequate for the population intended to be served
Construction or Acquisition/Rehab for Homeownership properties	Citywide

1. **Preferred Areas** are driven by the City's Core Transit areas within a ¼ mile of Madison Metro bus service every 30 minutes, 7 days/week. Please note that not all sites in Preferred Areas are suitable for multifamily residential development.
2. **Super Preferred Areas** are within a ¼ mile of proposed East-West Bus Rapid Transit (BRT) stops. Please note that not all sites in Super Preferred Areas are suitable for multifamily residential development.
3. **Targeted Rehab Areas** are ineligible for large-scale new construction proposals (i.e., greater than 20 units) in order to align with the City's objective to encourage the development of additional supply of income- and rent-restricted units in areas without existing concentrations of assisted housing. The CDD may consider supporting the smaller-scale proposals for construction of new rental housing in a Targeted Rehab Area if the development is part of a larger revitalization effort designed to stabilize or improve areas of priority to the City, such as Neighborhood Resource Team areas.
4. **Limited Eligibility Areas** are areas that may be eligible for funding based on certain characteristics. These areas include properties that are currently under study as part of a Special Area Plan. Such properties may be found eligible to apply for CDD funds if the applicant can successfully demonstrate that the proposal: a) is consistent with the Comprehensive Plan; b) has or will provide adequate public street frontage; and c) will not preclude the development of future public streets or street connections likely to be recommended. Limited Eligibility areas also include properties that are located within the 65+ decibel contour model around the Dane County Airport depicted in the U.S. Air Force's final [Environmental Impact Statement](#) of the selected site of the F-35 operation. Proposals within the 65+ decibel area around the airport will be required to implement adequate noise

attenuation measures. For sites in a Limited Eligibility area, presentation of the proposed project at a Development Assistance Team (DAT) meeting in advance of the Housing Forward application deadline is required. See Section 2.2 for more information.

1.9 Pre-Application Process-Development Proposals

1. Contact CDD Staff. Applicants are required to contact CDD staff to notify the CDD of the applicant's intent to apply and discuss how the City might best support the proposed development no later than **October XX, 2020**. To discuss your project, please contact Ethan Tabakin (Community Development Specialist) at etabakin@cityofmadison.com or Linette Rhodes (CD Grants Supervisor) at lrhodes@cityofmadison.com. Depending on the nature and complexity of the proposal, CDD may elect to coordinate a pre-application meetings with staff from the Planning Division (PD) to discuss site selection, zoning and the land use approval process. When scheduling these meetings, please indicate that the meeting will be about a proposed project applying through the Housing Forward RFP.
2. **Alder & Neighborhood Notification Process**

Applicants are also required to make the following contacts prior to the Housing Forward Application deadline in order to address the corresponding questions in the Housing Forward application:

 - a. **Contact Alder.** Applicants are required to contact the district's [alder](#) to discuss the proposed project, identify and, where possible, address any issues or concerns the alder may have. Applicants must also assess the alder's response to the proposed project as well as the alder's anticipation of the neighborhood's response to the proposed project. If the proposed project is within 200 feet of another aldermanic district, that alder should also be contacted as described above. (See Application Question #XX).
 - b. **Contact Neighborhood Association (New Construction Proposals Only).** Applicants are required to contact the Neighborhood Association to discuss the proposed project, identify and where possible, address any issues or concerns the neighborhood may have. Designated Contact Information is posted on the [City Planning Division Website](#). Applicants must also assess the response of neighborhood association to the proposed project. If the proposed project is within 200 feet of another association(s), those associations should also be contacted as described above. If the proposed development is not located within an existing neighborhood association, contact the most relevant adjacent neighborhood association(s). (See Application Question #XX).
3. **Development Assistance Team (DAT).** The DAT is an interagency staff team that meets with applicants to discuss various technical requirements regarding development. In order to obtain timely preliminary feedback from City reviewing agencies, applicant teams with proposals for new construction or complex rehabilitation are *strongly encouraged* to present their proposed project at a Development Assistance Team (DAT) meeting in advance of the Housing Forward Application deadline of **October 30, 2020** and required to do so no later than the date of the CDBG Committee meeting on **December 9, 2020**.

Earlier appointments are encouraged. Contact either Christopher Wells (cwells@cityofmadison.com) or Kevin Firchow (kfirchow@cityofmadison.com) to schedule an appointment. DAT meetings occur on Thursdays at 9:00 a.m. Appointments are reserved on a first-come first-served basis with agendas finalized the preceding Friday at noon.

Applicants are expected to email a PDF of preliminary site plans by noon on the preceding Friday. A follow-up DAT meeting may be recommended before Land Use Application submittal.

Sites Scheduled to be Annexed into the City of Madison

For properties that are not within the City of Madison, please note that the attachment/annexation process must be fully completed and approved **before** the City can accept, process and approve land use applications. Please be aware that this may impact Zoning Compliance statements, depending on the approvals that are necessary. The timing of attachments/annexations varies, but typically takes at least 6-8 weeks upon receiving a complete petition. For questions related to the attachment/annexation process, please contact Tim Parks (City of Madison Planning Division) at tparks@cityofmadison.com. It is the responsibility of the existing property owner to coordinate necessary attachment/annexation approvals.

Applicants should consult with City staff via the pre-application process to confirm that the parcel(s) will be annexed into an eligible area on the Affordable Housing Targeted Area Map.

The City reserves the right to waive pre-application meetings for projects deemed to have made sufficient communication with DPCED staff in advance of submitting an application.

1.10 Post-Application Process - Development Proposals

1. **Neighborhood Meeting(s) (New Construction Proposals Only)**. Applicants are required to present the proposed development to the neighborhood at a well-publicized meeting, ideally before submission of the application for funding due on October XX, 2020, but no later than November XX, 2020. Applicants with proposals for new construction or substantial rehabilitation requiring land use approvals must coordinate with Debbie Fields (dfields@cityofmadison.com) in the Common Council Office to send postcards to nearby residents, with the cost of the postcards at the applicant's expense. Postcards must be mailed to residents at least one week before a meeting with the neighborhood. Notify Ethan Tabakin & Kevin Firchow at least one week in advance of planned meeting so that Planning and/or CDD staff may attend as availability permits.

The City encourages applicants to offer residents ample opportunities to provide input in multiple formats in lieu of the ability to conduct in-person neighborhood meetings. Applicants should be prepared to incorporate reasonable resident feedback as well as be aware that a follow-up neighborhood meeting may be warranted. Some alders and/or neighborhood associations may also request a project steering team and/or a series of meetings with the developer. Applicants are encouraged to meet with the alder and/or neighborhood to assess the residents' level of interest in engaging with their proposal.

1.11 Financing Amounts and Terms - Development Proposals

The CDD shall secure funding for capital costs with a promissory note and a mortgage in the form of a non-recourse loan, and a LURA if required by a funding source.

New Construction Proposals

For new construction proposals, funds will be provided in the form of a long-term deferred loan payable upon sale, transfer, or change in the use of the property. The promissory note will reflect the following loan terms:

- Zero percent, long-term deferred loan payable upon sale, transfer, or change in the use of the property. 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, whichever is less.

Acquisition/Rehabilitation Proposals

For acquisition/rehabilitation proposals, at least 50% of loan funds will be provided in the form of a long-term deferred loan payable upon sale, transfer, or change in use of the property, and up to 50% of loan funds will be provided in the form of a 15-year forgivable loan. The promissory notes will reflect the following loan terms:

- Long-Term Deferred Note: Zero percent, long-term deferred loan payable upon sale, transfer, or change in the use of the property. 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, whichever is less.
 - 15-Year Forgivable Note: 15-year loan at zero percent interest that requires no repayment so long as there is no sale, transfer, or change in the use of the property within 15 years of the date of final City disbursement of funds. Each year after final City disbursement that the project continues to operate as the intended use, a portion of the loan amount will be forgiven. After year 15, no repayment is required and the balance of the note is forgiven.
- A minimum of 75% of all funds offered in support of a project must be used for capital costs, as defined by the CDD, to include acquisition- and construction-related costs. Up to 25% of CDD funds may be granted toward developer fee or soft costs (e.g. closing costs, design, engineering costs). A maximum of 10% of the total CDD funds received may be applied toward the developer fee.
 - CDD anticipates offering gap financing awards in the range of up to \$75,000-\$90,000 per unit of affordable housing, depending on the scale or number of proposed units in the development. The amount of subsidy offered will reflect the extent to which proposals match the City's overall goals, objectives, and preferences as described in this RFP; the extent to which all other available financing sources are leveraged; and the availability of funds. Final commitment of funds (execution of a written agreement with the City of Madison) will be subject to federally required subsidy layering/underwriting and a HOME cost allocation analysis, if applicable.
 - An awarded applicant must contribute a minimum of 5% of the project's budget in the form of an equity contribution. In lieu of contributing equity to a proposal, applicants may also defer a portion of the proposal's development fee (or provide a combination of owner equity and deferred developer fee) to meet this criteria.
 - In addition to direct subsidies offered as part of this RFP, applicants may also qualify for an exemption from payment of Park Impact Fees for development of low-cost rental housing units. A low-cost unit is defined as one reserved for households with incomes less than or equal to 60% AMI (Area Median Income) and for which rents are restricted to amounts not greater than 30% of income for a household at 60% AMI with a land use restricted period of at least 30 years.

- The City may alter the terms and conditions of its loans from those described above if deemed necessary to maximize the expansion of affordable housing units or better respond to stated preferences.

2.0 Requirements for Housing Services Proposals

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 1.2: Housing Assistance

Improve housing stability for homebuyers.

Home Buyer Assistance

The City of Madison seeks proposals from qualified nonprofit organizations to administer programs that allocate funds to income-qualified residents interested in purchasing a home. The City strives to increase and create opportunities for marginalized individuals and families to purchase a home. In the City, only 1.7% of homeowners are African American although they make up approximately 8% of the City's population. The CDD is particularly interested in agencies that demonstrate awareness of racial equity and its impact on housing in our community as well as have a proven history of working with diverse populations. The funds will be used for down payment assistance, closing cost assistance, and other costs related to purchasing a home. Recipients may also use funds to provide technical assistance and financial counseling services to residents interested becoming homeowners.

Eligible Applicants

In order to be considered for funding, applicants must do the following:

- a) Be established as a not-for-profit corporation. The corporation must be a 501(c)(3) or 501(c)(4) tax-exempt organization with an active board that meets regularly in accordance with their by-laws and is in good standing with the Wisconsin Department of Financial Institutions
- b) Have an active registration on the System for Award Management website. Registration for the SAM website can be found at <https://www.sam.gov/portal/SAM/#1#1#1>.
- c) Demonstrate financial capacity and experience/ability to use CDBG funds to administer the project as proposed.
- d) Demonstrate history working with traditional mortgage lenders to provide financial assistance to borrowers, if applying to administer down payment or closing cost assistance funds.
- e) Establish application procedures for down payment assistance, if applying to administer down payment or closing cost assistance funds.
- f) Market the proposed program effectively, including implementing an affirmative marketing program to the community to ensure nondiscriminatory access to the program.

Eligible Activities

- a) Programs must follow CDD Underwriting Standards
<https://www.cityofmadison.com/cdbg/documents/AgencyProgramGuideeffective2014.pdf>
(Update available October 2nd)
- b) Administer a program that provides down payment and closing cost assistance to first time income-qualified homebuyers. First time homebuyers are defined as not owning other property at the time of closing, has not owned property within the last three years or single parent with a dependent minor child.
- c) Purchase of single family, condominium or zero lot line duplexes that will be owner occupied.
- d) Provide technical assistance to educate first time income-qualified prospective homebuyers on how to maintain their homes and better understand the financial aspects of homeownership.
- e) May request up to 15% of total award for service delivery costs, prorated for eligible and closed transactions and must have documentation of related costs.

Ineligible Activities

- a) Funds may not be used to pay for the operation or administration of the organization receiving funds.
- b) Federal funds may not be used to perform any rehabilitation work.
- c) Applicants may not use funds to purchase a home outside of the City of Madison corporate limits.

Preferences

- a) Target homebuyer assistance programs to prospective applicants in the [City's CDBG Targeted Areas](#) (areas where over 50% of households earn at or below 80% of the Area Median Income) through an approved affirmative marketing plan.
- b) Target first generational or first time homebuyer households who have historically had barriers to property ownership.
- c) Provide easy access to culturally-sensitive marketing materials and make all materials and documentation available in English, Spanish, and Hmong.

BONUS- Agencies with innovative approach to support pre and post home buyer education can apply for up to \$20,000 to cover expenses. Only one award will be granted during this RFP process.

SECTION 2: GENERAL CRITERIA AND REQUIREMENTS

Application Workshop

The City will hold a virtual workshop over Zoom on **October XX, 2020** for applicants interested in submitting a response to this RFP. The workshop will focus on addressing questions that interested applicants may have regarding the RFP or the application. It will also be a way for the City to provide technical assistance to agencies who have limited experience with responding to an RFP issued by the City of Madison CDD. Specific topics expected to be discussed during the workshop will include the CDD's expectations of the sustainability and energy efficiency section and what characterizes a successful application. Applicants are strongly encouraged to attend this workshop.

General Requirements

The CDD will require projects to meet these national, state and local regulatory requirements, where applicable:

1. Serve low- and moderate-income (LMI) persons.
2. Take affirmative steps to contract with minority, women, and disadvantaged business enterprises (M/W/DBEs).
3. 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.
4. Promote affirmative action, non-discrimination and equal opportunity for all citizens.
5. Comply with physical accessibility standards.
6. Minimize negative environmental impacts, and comply with environmental review requirements.
7. Comply with Federal Fair Labor Standards (e.g., Davis-Bacon Prevailing Wages).
8. Affirmatively further fair housing, housing diversity, and housing choices.
9. Reduce lead paint hazards using certified inspectors, supervisors, workers and companies, as well as established lead safe work practices when required.
10. Reduce hazards caused by asbestos and asbestos-containing materials, and/or remove asbestos and asbestos-containing materials, using a certified asbestos abatement supervisor and a certified asbestos worker.
11. Minimize both the direct and indirect displacement of persons and/or businesses. Where appropriate, the CDD will adhere to the State and Uniform Relocation Act procedures.
12. Design program operations to safeguard vulnerable populations, including, but not limited to, young children, youth, elderly, and people with disabilities.
13. **Notice regarding lobbying ordinance:** If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF, or similar assistance), then you likely are subject to Madison's lobbying ordinance, MGO sec. 2.40. You are required to register and report your lobbying. 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](#).

14. Adhere to the constitutional and regulatory provisions of separation of church and state, and avoidance of public funding of inherently religious activities.

More information on the above requirements can be found in the attached sample contracts and exhibits.

SECTION 3: PROPOSAL SUBMISSION REQUIREMENTS

3.1 Response Format

1. Proposals and all required additional documentation must be submitted electronically to CDDapplications@cityofmadison.com utilizing the Application Form in Microsoft Word, the budget in the Microsoft Excel workbook and/or PDFs. Please submit one combined PDF of the application materials, if possible. Extraneous spacer pages are not necessary. Please adhere to the space limitations in the application document.
2. The response to the RFP should be complete and comprehensive but succinct. ***Please limit most answers to a maximum of one ½ page per question.*** Attachments or documents not specifically required should not be submitted.

3.2 Required Information and Content of Proposals

Proposals must include the following documents listed below in order to be considered complete and eligible for consideration, including all additional requested documentation. Please include only the required submittals, submitted and labelled in the following order.

1. Housing Development or Housing Assistance RFP Application Form
2. Budget Workbook
3. Designation of Proprietary and Confidential Information – Attachment D

Complete and submit the form included in this document, if applicable.

SECTION 4: GENERAL RFP ADMINISTRATIVE INFORMATION

4.1 Point of Contact

The RFP contact identified below is the sole point of contact regarding the RFP from the date of release of the RFP until selection of the successful proposer(s).

Linette Rhodes, Community Development Grants Supervisor
City of Madison Community Development Division
Phone: 608-261-9240
Email: lrhodes@cityofmadison.com

All communications relating to this RFP must be directed to the designated contact for this RFP. All bidders, proposers, protestors, or individuals acting on their behalf are hereby prohibited from attempting to persuade or influence any City agents, employees or any member of the relevant selection team, for or against a specific cause related to a pending solicitation, unless otherwise directed by the RFP contact.

4.2 Inquiries and Clarification of Specifications

Proposers shall carefully examine the RFP and contract documents, correlate their observations with the RFP specifications and exercise their own judgment as to the nature and scope of the work required. If applicable, visit the Department's website, [CDD Funding Opportunities](#). Consider federal, state and local laws and regulations that may affect cost, progress, performance or furnishing of the work.

Proposers shall immediately notify the RFP contact of any questions, exceptions, clarification of any ambiguity, error, conflict, discrepancy omission or other deficiency or additions they have concerning the RFP document. Failure to do so will be at proposer's own risk.

This RFP will serve as the basis for or will become part of the resulting agreement. No plea of ignorance of conditions or difficulties that exist or may hereafter arise in the execution of the work under this contract as a result of failure to make necessary examinations and investigations, shall be accepted as an excuse for any failure or omission on the part of the bidder to fulfill the requirements of the contract.

4.3 Contracting Agency

The contract resulting from this RFP will be administered by Community Development Division, City of Madison.

4.4 Addenda / Official Communication

During the solicitation process for this RFP, all official communication between the City and proposers will be made via the [Community Development Division Funding Opportunities Website](#). The City will post such notices, which will include, but not be limited to, addenda for any modifications to administrative or performance requirements, clarifications to requirements and the announcement of the apparent winning proposer(s). It shall be the responsibility of the proposers to regularly monitor this website for any such postings. Failure to retrieve such addenda and include their appropriate provisions in your response, may result in your proposal being disqualified.

4.5 Oral Presentations / Site Visits / Pre-Application or Pre-Award Meetings

Proposers will be required to attend pre-application and/or pre-award meetings, make oral presentations, or make the site and/or properties available for a site visit as part of this request for proposal process, upon request. Such presentations, meetings, or site visits will be at the proposer's expense.

4.6 Acceptance/Rejection of Proposals

1. The City reserves the right to accept or reject any or all proposals submitted, in whole or in part, and to waive any informalities or technicalities, which at the City's discretion is determined to be in the best interests of the City. Further, the City makes no representations that a contract will be awarded to any proposer responding to this request. The City expressly reserves the right to reject any and all proposals responding to this invitation without indicating any reasons for such rejection(s).
2. The City reserves the right to postpone due dates and openings for its own convenience and to withdraw this solicitation at any time without prior notice.

4.7 Incurring Costs

This request for proposals does not commit the City to award a contract, pay any costs incurred in preparation of proposals, or to procure or contract for services or equipment.

4.8 Proposer Qualifications

The City of Madison may make such investigations as it deems necessary to determine the ability of the proposer to perform the work, and the proposer shall furnish to the City all such information and data for this purpose, as the City may request. The City reserves the right to reject any proposal if the evidence submitted by, or investigated of, such proposer fails to satisfy the City that the proposer understands the full scope of work and is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein.

4.9 Proposal Content

The evaluation and selection of a Contractor and the contract will be based on the information submitted in the vendor's proposal plus any additional information required. Additional information may include references, on-site visits, or oral presentations. Failure to respond to each of the requirements in the RFP may be the basis for rejecting a response.

Elaborate proposals (e.g. expensive artwork, news stories, or letters of support) beyond information required to present a complete and effective proposal, are not necessary or desired. Information provided by the applicant in addition to the required proposal may not be considered in the evaluation of the proposal.

4.10 Withdrawal or Revision of Proposals

1. A proposer may, without prejudice, withdraw a proposal submitted at any point in the process by requesting such withdrawal in writing (email is sufficient) to the RFP contact.
2. Proposals may not be modified or altered after the deadline.

4.11 Designation of Proprietary Information

Proposers are hereby notified that all information submitted in response to this RFP may be accessible to the public through the Community Development Division website and/or made available for public inspection according to public records laws of the State of Wisconsin or other applicable public record laws. Therefore, proposers are encouraged to refrain from submitting information that cannot be open for public inspection. However, if proposers must include information deemed confidential and proprietary by the proposer, proposer must comply with these instructions:

1. All restrictions on the use or inspection of data contained within a proposal shall be requested prior to submission of the proposal itself. Written requests for confidentiality shall be submitted to the RFP contact by the proposer prior to the proposal submission date.
2. Requests shall use the following process:

SECTION 1 – Email or phone the RFP contact to discuss your concern.

SECTION 2 – Any information to be considered confidential or proprietary must clearly be stated on the attached "Designation of Confidential and Proprietary Information" form (RFP Attachment D).

SECTION 3 – Separate any information to be considered confidential or proprietary from the rest of the proposal. Co-mingling of confidential/proprietary and other information is not acceptable.

SECTION 4 – Note that applicants may be asked to submit a written request for information to be considered confidential or proprietary. Provide specific information related to the claim for confidential and proprietary information including RFP section, page number, topic and specific concern that supports claim.

3. Allocation requests always become public information through the selection committee process. Information usually cannot be kept confidential unless it involves a trade secret as defined in §134.90(1)(c), Wis. Stats. Any information that will be included in any resulting contract cannot be considered confidential. A proposal, in its entirety, will not be considered confidential and/or proprietary.
4. Proprietary information submitted in a proposal, or in response to the RFP, will be handled in accordance with the applicable Wisconsin State Statute(s). However, the City cannot ensure that the information will not be subject to release if a request is made under applicable public records laws. The City will not provide advance notice to a proposer prior to release of any requested record.
5. The Selected Contractor agrees to hold the City harmless for any damages arising out of the release of any material unless they are specifically identified. In the event the designation of confidentiality of this information is challenged, the Selected Contractor also agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and, further, agrees to hold the City harmless from any penalties, costs, damages and fees, including attorney's fees, awarded to the requestor and ordered to be paid by the City, in any such legal action.
6. To the extent permitted by law, it is the intention of the City to withhold the contents of the proposal from public view until such times as competitive or bargaining reasons no longer require non-disclosure, in the opinion of the City. At that time, all proposals will be available for review in accordance with the Wisconsin Open Records Law.

4.12 Sample Loan Agreement and Purchase of Service Contracts

Proposers are responsible for reviewing this information on the [CDD Funding Process website](#) prior to submission of their bid. The Sample Loan Agreement shall serve as the basis of the contract resulting from this RFP, subject to revision at the City's discretion, following the proposer's demonstration that it has met the contingencies outlined in the authorizing resolution. By submitting a proposal, proposers affirm their willingness to enter into an Agreement containing these terms.

4.13 Proposal Evaluation and Award

1. PRELIMINARY EVALUATION

Submitted proposals will be reviewed for completeness and compliance with RFP guidelines. All incomplete RFP submissions may be determined nonresponsive and removed from further consideration. To be considered complete, RFPs shall include all required submittals and shall be signed and dated. In the event that no submissions meet all of the RFP requirements, the City of Madison reserves the right to continue the evaluation of the proposals that most closely meet the requirements.

2. PROPOSAL EVALUATIONS, INTERVIEWS AND/OR SITE VISITS

The City's designated RFP Selection Committee, also referred to as the staff team, will make the final selection and recommendation following the evaluation of the proposals, which may include presentations, site visits and interviews, if deemed necessary, with some or all of the proposers. However, the City may make preliminary selection(s) based on the original proposals only, without negotiation, interviews and/or site visits with any proposers. If presentations, interviews and/or site visits are conducted, the Selection Committee may choose to assign additional points for these processes or re-evaluate, re-rate and/or re-rank the finalists' proposals based upon the written documents submitted and any clarifications offered in the interviews.

3. BEST AND FINAL OFFER

The designated Selection Committee may request best and final offers from one or more proposers determined to be reasonably susceptible to being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. If best and final offers are requested, they will be evaluated against the stated criteria, scored and ranked. The City reserves the right to negotiate the terms of the contract, including the award amount, with the selected proposer(s) prior to entering into a contract. If contract negotiations cannot be concluded successfully with the selected proposer(s), the City may negotiate a contract with the next highest scoring proposer.

4. CLARIFICATION OF PROPOSALS

During the evaluation of proposals, the City reserves the right to contact any or all proposers to request additional information for purposes of clarification of RFP responses, reject proposals that contain errors, or at its sole discretion, waive disqualifying errors or gain clarification of errors or information.

5. PRICE AND/OR COST ANALYSIS

The City reserves the right to conduct a price and/or cost analysis to determine if the price is fair and reasonable. If only one responsive proposal is received, a detailed price and/or cost analysis may be requested of the single proposer. Proposers shall cooperate as needed with the City's efforts to perform said analyses.

6. NEGOTIATION

The City reserves the right to negotiate final fees and scope of services with the selected Contractor.

7. PROCESS

At any phase, the City reserves the right to terminate, suspend, or modify this selection process; reject any or all submittals; and waive any informalities, irregularities or omissions in submittals, all as deemed in the best interests of the City.

8. COMMUNICATION WITH SELECTION COMMITTEE

Proposers may not contact members of the Selection Committee at any time during the evaluation process, except at the City of Madison CDD's request, or as instructed in Section 4.1 above.

9. RIGHT TO REJECT PROPOSALS AND NEGOTIATE CONTRACT TERMS

The City reserves the right to reject any and all proposals and to negotiate the terms of the contract, including the award amount, with the selected proposer(s) prior to entering into a contract. If contract negotiations cannot be concluded successfully with the selected proposer(s), the City may negotiate a contract with the next preferred propose

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SECTION 5: Review of Proposals and Scoring Criteria

Rental and Homeownership Development Proposals

Scoring Criteria	Points Available
<p>1. OVERALL QUALITY & RESPONSIVENESS Development proposal vision and goals, concept and plan. Level of responsiveness and extent to which proposal addresses overall City goals, objectives and preferences as described in this RFP.</p>	25 points
<p>2. DEVELOPMENT CONCEPT, PLANNING & ZONING AND SUSTAINABILITY Conformance with adopted plans; permissive zoning or likelihood of project re-zoning, securing City approvals; absence of known environmental issues that might significantly delay project; strength of development concept and site plan; sensitivity to neighborhood context; anticipated market demand; readiness to proceed. Demonstrated commitment to energy efficiency, renewable energy and/or sustainable building design; presentation of proposal at Development Assistance Team and response to concerns/issues raised.</p>	25 points
<p>3. INNOVATION AND NEIGHBORHOOD STABILITY Development proposal includes non-traditional development types (e.g. cooperative housing, "missing middle" housing, etc.) or proposes the construction of new owner-occupied or lease-purchase housing. Applicant presents a well-thought out plan that describes achievable milestones for the development type proposed. Applicant or commits to extraordinary labor utilization goals for women and workers of color.</p>	15 Points
<p>4. FEASIBILITY Development pro forma details reasonable sources and uses of funds, and is complete. Operating budget details reasonable costs and cash flow over the period of affordability. Financial structure reflects maximized available resources, financial strength of proposal, financial strength of applicant, and includes reasonable assumptions and projections.</p>	10 Points
<p>5. CAPACITY, EXPERIENCE AND QUALIFICATIONS Demonstrated organizational and financial capacity to produce a high-quality product – based on successful history of developing affordable housing, the incorporation of HOME and CDBG regulations in developments, diversity of development team and performance on past CDD-assisted projects. Demonstrated commitment of Property Manager to utilize flexible Tenant Selection Plan and Affirmative Marketing Plan Best Practices that refrain from presenting unreasonable barriers to access, especially for the target population(s).</p>	15 points
<p>6. PROPOSED SITE/TARGETED AREA Proximity to public transit, schools, employment opportunities, groceries, and other key amenities and/or benefit to surrounding neighborhood.</p>	10 points
Total Points Available	100 points

While informative, proposal scores are not the sole factor in making funding decisions.

Rehabilitation Programs and Down Payment Assistance Programs

Scoring Criteria	Points Available
1. AGENCY CAPACITY, EXPERIENCE AND QUALIFICATIONS	30 points
2. INNOVATION AND PROGRAM IMPACT	25 points
3. TARGET POPULATION NEED	25 Points
4. FEASIBILITY	10 Points
5. PROPOSED SITE/TARGETED AREA	10 points
Total Points Available	100 points

While informative, proposal scores are not the sole factor in making funding decisions.

ATTACHMENT B-1

Tenant Selection Plan Best Practices City of Madison Affordable Housing Initiative

The City of Madison requires a tenant or resident selection plan and adherence to all state, local and federal fair housing requirements.

Below is a set of best practices that may assist housing developers and property managers in drafting a Tenant Selection Plan (TSP). These best practices serve to align the City's goals with those of the project and to ensure Madison residents have reduced barriers to fair housing choice. They are not intended to be a complete or exhaustive list. In creating your project's Tenant Selection Plan, housing developers and property managers should consult with your attorney to ensure that your plan complies with all applicable laws and regulations, program requirements and the Fair Housing Act.

The TSP should clearly identify the project's criteria regarding the following categories:

- **Income criteria**, including providing clear information on minimum and maximum income requirements of applicants and the processes and criteria used to evaluate applications. Identify the **unit mix**, i.e., the quantity of housing units that are available for rent at each level of income-restriction (e.g. 30% of the Area Median Income, 50% of the Area Median Income, 60% of the Area Median Income). The TSP should also indicate the rent structure that identifies the rental rates of units by bedroom size and income distribution. Applicants should not be denied for not meeting minimum income requirements if applicant can demonstrate paying an approximately equivalent rent to income ratio for 2 years.
- **Occupancy criteria**, including defining the minimum number of persons allowed to occupy each unit in the project, subject to local state, and federal laws. Each unit should be occupied by a minimum of one person per bedroom at the time of occupancy.
- **Credit score and/or report**. The TSP, marketing and application materials should include a section noting whether or not a credit report will be ordered. The housing provider must provide a notice to applicants if adverse action is taken based on information obtained from the credit report.
- Landlord or **housing history**, including eviction judgment.
- **Waitlist process** and waitlist preference criteria, if applicable. The TSP should note that apartments are rented on a first come, first served basis.
- **Notice of denial**, which includes a written explanation of the TSP criteria the applicant failed to meet. The notice of denial should inform applicants how to seek an appeal of the housing provider's decision.
- **Compliance with the Violence Against Women Act (VAWA)**, which provides that an applicant may not be denied admission on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission.
- Tenant selection and application **criteria for supportive housing units**.
- **Criminal and felony convictions**, including defining the number of years that will be considered in a criminal background search. A housing provider's TSP should clearly define what information will be collected for the use of screening an applicant's criminal history:
 - It is unlawful for a housing provider to reject applicants solely based on arrest records (without conviction).
 - Housing providers should distinguish between convictions for **criminal conduct that indicates a demonstrable risk to resident safety and/or property** and criminal conduct that does not.
 - Screening policies should take into account the nature and severity of a conviction and the amount of time that has passed since the criminal conduct occurred
 - Housing providers should take into account evidence that the individual has maintained a good tenant history before and/or after the criminal conduct occurred.

- **Preferences:**

The project should establish preferences that conform to preferences identified in the development's approved LIHTC application submitted to WHEDA, and in the signed Supportive Services Agreement, as applicable. The TSP should identify the **age-restriction**, or lack thereof, of tenancy for the project. Acceptable age-restrictions may include "family" housing for units without an age-restriction; "active-adult" or "senior" housing for units restricted to households with at least one member aged 55 and above; and "elderly" housing for units restricted to households aged 62 and above.

The TSP should establish resident preferences that do not diminish or obstruct the Project's fair housing obligations. Both existing tenant preferences and new tenant preferences should be outlined in the TSP. The TSP should identify the populations targeted to lease supportive services units in the Project, if applicable. The Project's waitlist must indicate if certain tenant populations will be given a higher priority for units than others.

The TSP should explicitly state that applicants would not be denied solely due to:

- A lack of housing history;
- A low credit score, provided that the applicant has a cosigner and/or is enrolled in a credit repair program;
- Information on a credit report that is or has been formally disputed, in repayment, or unrelated to a past housing or housing utility obligation;
- The applicant owing money to a prior landlord for rent or damages, or to a utility company, provided the applicant has entered into a payment arrangement with the creditor and is current on the repayment arrangement

Security Deposits

The project should not implement a security deposit that puts an undue financial burden on applicants or creates a financial impediment to accessing housing. Housing providers should consider whether existing security deposit policies create a barrier to entry for low-income households and those requiring supportive services. Security deposits for prospective residents should be reasonable, and the City has a preference for security deposit policies that incorporate some or all of the following:

- A maximum security deposit equal to one-half month's rent, as a standard;
- For tenants with conditional credit, limited rental histories, or other limiting factors: a security deposit equal to one-half month's rent with a cosigner, or a deposit equal to one month's rent;
- A set amount applied equally to all applicants that approximate one-half month's rent and one month's rent for standard and conditionally approved applicants, respectively (e.g. a \$500 standard security deposit and a \$1,000 security deposit for conditionally-approved applications);
- For units and/or tenants with rental payments guaranteed through an operating subsidy (e.g. Housing Choice Vouchers, VASH Vouchers, or Project-Based Vouchers): the lower or standard security deposit amount should be imposed, regardless of credit history

The City of Madison and the U.S. Department of Housing and Urban Development (HUD) stress the importance of applying TSP standards consistently to all applicants.

ATTACHMENT B-2

Affirmative Marketing Plan Best Practices

The Affordable Housing Fund (AHF), HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) Loan Agreements require an Affirmative Marketing Plan and adherence to all state, local and federal fair housing requirements.

Below is a set of best practices that may assist housing developers and property managers in drafting an Affirmative Marketing Plan (AMP). These best practices serve to align the City's goals with those of the project and to ensure Madison residents have reduced barriers to fair housing choice. They are not intended to be a complete or exhaustive list. In creating your project's Affirmative Marketing Plan, housing developers and property managers should consult with your attorney to ensure that your plan complies with all applicable laws and regulations, program requirements and the Fair Housing Act.

The AMP should clearly identify the project's criteria regarding the following categories:

- **Applicant and Project Identification**, the plan should specify the approximate start date of marketing activities to groups targeted for special outreach and the expected date of initial occupancy.
- **Targeted Outreach**, the plan should identify the demographic groups that are "least likely to apply" for this housing without special outreach. In determining which groups should be identified, housing providers should consider the rental rate of the housing, the racial/ethnic composition of the neighborhood in which the property is located and the population of the broader housing market area.
 - The plan should describe the marketing efforts anticipated to be used to attract the demographics identified as least likely to apply, as well as all segments of the eligible population. These efforts could include the type of media used to advertise the development (including the names of publications and websites to be used); the duration that the marketing effort will be published in the newspaper or run on the radio; and the identity of the intended audience of each marketing effort.
 - Specific community organizations and contacts should also be identified when describing targeted outreach, with a special emphasis placed on those agencies able to influence populations identified as least likely to apply. City staff can assist housing providers in identifying points of contact and relevant listservs, if necessary. Examples of listservs that should receive housing vacancy listing notifications include: Homeless Services Consortium and the City's Neighborhood Resource Teams.
 - Pursuant to the Loan Agreement, marketing materials will be reviewed by the City of Madison Community Development Division. Any marketing materials that depict graphics or renderings of people should be inclusive, diverse, culturally-sensitive and representative of the demographics of target populations identified in the AMP as well as the supportive service population(s) described in the tenant selection plan, if applicable.
- **Future and Continued Marketing Efforts**, the plan should include a statement or description of how the housing provider will continue affirmative marketing efforts after initial lease-up is complete to maintain occupancy goals. The property must use the Equal Housing Opportunity logo on all notices, lease documents and marketing materials, and the Fair Housing poster must be prominently displayed in the leasing office, including any temporary spaces that may be used during lease up.
- **Staff Experience**, the plan should indicate the experience, training and certification(s), if any, held by staff that will be involved in marketing and lease-up of the property. The AMP should mention that a hard copy of the plan, and any other written materials regarding fair housing laws, should be available on request in the leasing office.

The project should make note of efforts that conform to preferences identified in the development's approved LIHTC application submitted to WHEDA, as applicable. The AMP should identify the **age-restriction**, or lack thereof, or tenancy for the project. Acceptable age-restrictions may include "family" housing for units without an age-restriction; "active-adult" or "senior" housing for units restricted to households with at least one member aged 55 and above; and "elderly" housing for units restricted to households aged 62 and above.

The AMP should describe demographics least likely to apply in a manner that does not diminish or obstruct the Project's fair housing obligations. The AMP should identify the populations targeted to lease supportive services units in the Project, if applicable. The Project's waitlist must indicate if certain tenant populations will be given a higher priority for units than others.

While not explicitly required, the City of Madison will also accept a HUD template Affirmative Fair Housing Marketing Plan (HUD Form 92243-PRA) that incorporates the above best practices. The City of Madison and the U.S. Department of Housing and Urban Development (HUD) stress the importance of implementing the AMP consistently during leasing and throughout the lease-up process.

ATTACHMENT C RFP RESOURCES

Relevant Links:

[2020 Community Housing Development Organization \(CHDO\) Application](#) (City Resource): An application for housing developers interested in renewing or applying for status as a certified CHDO with the City of Madison.

[2020 HOME Rent & Income Limits](#) (City Resource): This document provides the current rent and income limits for projects seeking HOME funds.

[2020 HOME Homeownership Value Limits](#) (Federal Resource): This resource provides the maximum allowed purchase price or after-rehabilitation value of homeownership units assisted with HOME funds, as determined by HUD.

[Targeted Area Map](#) (City Resource): This map provides guidance to eligible or preferred areas for housing development assisted with federal funds in the City of Madison.

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

[24 CFR Part 92](#) (Federal Resource): Electronic Code of Federal Regulations for the HOME Investment Partnerships Program [24 CFR Part 570](#) (Federal Resource): Electronic Code of Federal Regulations for the Community Development Block Grants program.

[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.

[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.

ATTACHMENT D

DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

Proposers are hereby notified that all information submitted in response to this RFP may be made available for public inspection according to public records laws of the State of Wisconsin or other applicable public record laws. Therefore, proposers are encouraged to refrain from submitting information that cannot be open for public inspection. However, if proposers must include information deemed confidential and proprietary by the proposer, proposer must comply with these instructions:

- Requests for confidentiality must be submitted prior to the proposal submission date to the City of Madison Purchasing Office.
- Requests for confidentiality must use this designated form. Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The City considers other markings of confidential in the bid/proposal document to be insufficient.
- Any information to be considered confidential or proprietary must be separated and packaged from the rest of the proposal. Co-mingling of confidential/proprietary and other information is not acceptable.

Prices always become public information when bids/proposals are opened or when negotiations have been completed and the contract has been awarded. Other information usually cannot be kept confidential unless it involves a trade secret as defined in §.134.90(1)(c), Wis. Stats. Any information that will be included in any resulting contract cannot be considered confidential. A proposal, in its entirety, will not be considered confidential and/or proprietary.

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in §. 134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to hold the City of Madison harmless for any costs or damages arising out of the City's agreeing to withhold the materials.

The attached material submitted in response to Bid/Proposal # _____ includes proprietary and confidential information which qualifies as a trade secret, as provided in §s.19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released:

Section	Page No.	Topic	Specific law that supports confidentiality of information

Company Name _____

Enter Name: _____

By entering your initials in the box,

You are electronically signing your name and agreeing to the terms above.

Date: _____