



Department of Planning and Community & Economic Development

Community Development Division

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Child Care
Community Resources
Community Development Block Grant
Madison Senior Center

To: CDBG Committee
From: Ethan Tabakin, Community Development Specialist
Date: February 4, 2021
RE: 2020-2021 Housing Forward RFP

Background

The City of Madison's 2021 Adopted Capital and Operating Budgets include approximately \$1.3 million of Community Development Block Grant (CDBG) funds, approximately \$2.6 million in HOME Investment Partnerships Program (HOME) funds, \$900,000 in Energy Efficiency and Conservation Block Grant (EECBG) funds, \$2 million from the City's Affordable Housing Fund for the purpose of supporting developments not seeking WHEDA tax credits, and \$50,000 in other City funds for the purpose of supporting innovative homebuyer education programs. The Community Development Division made these funds available through the 2020-2021 Housing Forward Request for Proposals.

Although the Community Development Division (CDD) has planned to use Affordable Housing Funds to support non-tax credit housing proposals since the fund's inception, this Request for Proposals represents the first time that this money was set aside by the CDD specifically for supporting nonprofit housing agencies not seeking an allocation of Low-Income Housing Tax Credits. Applications received through this funding process proposed to advance the City's goals of increasing housing supply, access, and assistance to low-income individuals, historically disadvantaged populations, first-time homebuyers, and elderly residents in the City of Madison.

Housing Development Proposals

CDD received six applications for housing development in response to the 2020 RFP as follows:

1. 19 N Hancock Cooperative Phase II Rehab submitted by Madison Community Cooperative
2. Acquisition Rehab for Permanently Affordable Homes on the Northside submitted by the Madison Area Community Land Trust
3. Housing Forward-Lease Purchase submitted by Common Wealth Development, Inc.
4. Oak Glen Single Family Affordable Homeownership submitted by the Wisconsin Partnership for Housing Development, Inc.
5. ReJenerate Housing Cooperative submitted by RefineJenifer, LLC
6. The Gift of Keys submitted by Sankofa Educational Leadership United

Housing Services Proposals

CDD received four applications for housing assistance in response to the 2020 RFP as follows:

1. Habitat Mortgage Reduction Program submitted by Habitat for Humanity of Dane County
2. Maintenance Fund for Permanently Affordable Homes in Community Land Trust submitted by the Madison Area Community Land Trust
3. Minor Home Repair submitted by Project Home, Inc.
4. Movin' Out Mortgage Reduction Assistance submitted by Movin' Out, Inc.

Homebuyer Education Proposals

CDD received three applications for homebuyer education in response to the 2020 RFP as follows:

1. Homebuyer Education & Counseling submitted by Housing Resources, Inc.
2. Housing Counseling submitted by Movin' Out, Inc.
3. The Urban Economic Empowerment Center submitted by the Urban League of Greater Madison

A staff team reviewed the proposals against benchmarks outlined in the RFP. Recommendations for thirteen proposals for a total award of up to \$3.11M in AHF, CDBG, EECBG, and HOME funds are summarized below and attached in greater detail:

1. Allocate up to \$500,000 in Affordable Housing Funds to Common Wealth Development, Inc. for the acquisition and rehabilitation of four properties that will expand its lease-purchase program
2. Allocate up to \$200,000 in HOME funds to Habitat for Humanity of Dane County, Inc. to support down payment assistance to income-qualified first-time homebuyers
3. Allocate up to \$360,000 in Affordable Housing Funds to the Madison Area Community Land Trust for its acquisition and rehabilitation of four units of housing on the Northside
4. Allocate up to \$108,000 in CDBG funds to the Madison Area Community Land Trust to support the creation of a maintenance fund for its homeowners
5. Allocate up to \$168,570 in Affordable Housing Funds and EECBG funds to Madison Community Cooperative for the rehabilitation of a cooperative house downtown
6. Allocate up to \$490,100 in HOME funds to Movin' Out, Inc. to support down payment assistance to income-qualified first-time homebuyers
7. Allocate up to \$250,000 in CDBG funds to Project Home, Inc. to support a minor home repair program for income-qualified and elderly homeowners
8. Allocate up to \$688,149 in Affordable Housing Funds and EECBG funds to RefineJenifer, LLC for the rehabilitation and conversion of two houses into a housing cooperative
9. Allocate up to \$50,000 in City levy to the Urban League of Greater Madison, Inc. to support its homebuyer education program for first-time homebuyers
10. Allocate up to \$255,000 to the Wisconsin Partnership for Housing Development, Inc. to support the construction of four owner-occupied single-family homes that will be sold to income-qualified first-time homebuyers

In total, these ten projects propose to support or benefit at least 280 low- and moderate-income individuals. Final authorization of City funding will be contingent upon submission of all due diligence documentation, underwriting, subsidy layering review, and other requirements dictated by funding source.

Staff Recommendation

Award up to \$1,700,000 in City Affordable Housing Funds, up to \$300,000 in EECBG funds, up to \$360,000 in CDBG funds, up to \$700,000 in HOME funds, and up to \$50,000 in City levy to ten projects identified above and as further outlined in the attached resolution, and authorize the Mayor and City Clerk to enter into agreements associated with these affordable housing development and services proposals.