



**Dane County
Department of Human Services
Division of Housing Access & Affordability**

AHDF 2025 Guidelines

Dane County Affordable Housing Development Fund 2025 Guidelines and Application for Financing

Application Deadline:

12:00PM (CST), NOON

**Proposals Must Be
Uploaded to:**

[Dane County AHDF Dropbox](#)

Late, faxed, mailed, hand-delivered or unsigned proposals will be rejected



Direct All Inquiries To:

Jenna Wuthrich

Housing Program Specialist

608-338-7466

wuthrich@countyofdane.com

Date Issued:

TABLE OF CONTENTS

DANE COUNTY AFFORDABLE HOUSING DEVELOPMENT FUND	1
TABLE OF CONTENTS	2
BACKGROUND AND FUNDING SOURCES	3
ELIGIBLE APPLICANTS AND PROJECT ELIGIBILITY	3
APPLICATION DEADLINE AND CALENDAR OF EVENTS	4
SUBMITTAL INSTRUCTIONS	5
FORM OF FUNDING AND SUPPORT	5
EVALUATION CRITERIA	6
GRANT AWARD AND ACCEPTANCE AND DISTRIBUTION	12
APPLICATION CHECKLIST	13
ATTACHMENT A	15

Background and Funding Sources

The Dane County Affordable Housing Development Fund (AHDF) was established in 2015. The purpose of the AHDF is to encourage the development of affordable housing throughout Dane County by using the fund as a means to leverage additional resources from project partners. Dane County's [Regional Housing Strategy](#) (RHS) prioritizes increasing the number of units affordable to low income and moderate-income households. The RHS establishes a goal of producing 1,765 new affordable rental housing units annually to address the affordable housing shortage.

Since its inception in 2015, the AHDF has awarded over \$55 million dollars to more than 56 projects, and supported the creation of 2,922 affordable units in Dane County.

The 2025 County Capital Budget includes \$20 million in the Affordable Housing Development Fund. Awards made through the fund will be administered by the Dane County Department of Human Services Division of Housing Access and Affordability (DCDHS-HAA). DCDHS-HAA reserves the right to identify and offer alternative sources of Dane County Capital dollars for projects. For example, a project that permanently sets aside units for households with a member who has been formerly incarcerated or is currently under probation, parole, or extended supervision; may be eligible for funding from Dane County's Fair Chance Housing Fund.

Eligible Applicants and Project Eligibility

Projects that receive loans made through the Dane County AHDF must be dedicated to expanding the availability of affordable housing units through the construction of new rental units or the preservation of existing rent and income restricted units. Projects must have a minimum 40-year affordability period and be located within Dane County.

Multiple proposals may be submitted by an applicant, however, only **one project should be submitted per application**. A project is defined as a site or sites together with any buildings to be located on the site(s) that are under common ownership, management, and financing and will be completed as a single undertaking.

The application process is targeted to help specific populations' access affordable housing:

1. Households who are experiencing homelessness and residing in emergency shelters and/or other places not meant for human habitation.
2. Veterans experiencing homelessness.
3. Households who have child welfare or youth justice involvement.
4. Very low-income families.
5. Persons with arrest and conviction records.
6. Individuals who are elderly.
7. Individuals with disabilities.

In order to be considered for financing, applicants and projects must also meet the following requirements:

1. Project must not have closed on primary financing or begun construction prior to application.

2. A minimum of 20% the proposed units must be reserved for households with incomes at or below 30% Area Median Income (AMI) using HUD Income Limits, and rents for these units must be at or below those pertaining to maximum 30% AMI using the Standard Multifamily Tax Subsidy Project (MTSP) Rent Limits ("MTSP Rent Limits"), published by the Wisconsin Housing and Economic Development Authority (WHEDA). These units must be distributed proportionately across proposed unit sizes.
3. Project must provide **direct financial support** to the supportive services partner(s).
4. A minimum of 10% of the total project units must be targeted to individuals/households experiencing homelessness, and made available using all Dane County Fair Tenant Selection Criteria.
5. Project must agree to incorporate the Tenancy Addendum, which enhances tenant protections and protects against arbitrary and discriminatory non-renewals.
6. Project must commit to certain Fair Tenant Selection Criteria, and specified denial process.
7. Project must commit to obtaining one of the certifications detailed in Energy Efficiency/Sustainability Evaluation Criteria. Disbursement of final 10% of award will be contingent on project obtaining certification.
8. Applicant(s) must demonstrate that the project is economically viable and the applicant(s) will have the economic financial ability to repay funds if the project is not completed consistent with the written agreement.
9. Project must demonstrate financial capacity and experience in producing affordable housing in whole or in part with local, state, or federal funds, on schedule and as proposed.
10. The county may waive minimum requirements for housing preservation projects due to potential tenant displacement, and/or potential limits on how existing projects may be modified if they are purchased or receive reinvestment.

Application Deadline and Calendar of Events

Listed below are specific and estimated dates and times of actions related to the AHDF application. The actions with specific dates must be completed as indicated unless otherwise changed by the County. In the event that the County finds it necessary to change any of the specific dates and times in the calendar of events listed below, it will do so by issuing an addendum to this application and posting such addendum on the DCDHS Division of Housing Access and Affordability - Housing Development [website](#). There may or may not be a formal notification issued for changes in the estimated dates and times.

DATE	EVENT
*	Application Released
*	Last day to submit written inquiries (2:00 p.m. CST)
*	Supplements to the application posted on DCDHS Division of Housing Access website
*	Proposals due (12:00 p.m. CST)
*	Interviews (if needed)
*	Vendor Recommendation
*	County Board Approval and Issuance of Commitment letters.

Submittal Instructions

Applications must be received by the DCDHS- HAA Dropbox located at [Dane County AHDF Dropbox](#) no later than the date and time indicated on the cover page of the AHDF 2025 Guidelines.

All applications must be saved in PDF format. The file name shall include the name of the business submitting the application and the name of the proposed affordable housing project.

Form of Funding and Support

Support awarded through the County's Affordable Housing Development Fund will be granted as follows. The County will grant the funds to the Dane County Housing Authority (DCHA). The grant agreement will be a three-party agreement between Dane County, the developer and DCHA. DCHA will then loan the funds to the developer. Funds will be provided in the form of 0% interest long-term deferred loan payable upon sale, transfer, or change in use of the property. The principal is due at the end of the 40-year term. If a proposal includes an affordability term longer than 40 years, the loan principal will be due at the end of the lesser of the proposed affordability term or fifty-five years. For projects committing to permanent affordability, a Land Use Restriction will remain in place permanently notwithstanding repayment of the loan. Dane County Housing Authority will not consider or agree to alternative loan terms.

The County requires that the developer defer 40% of the developer fee as a financing source. If the sources and uses for a project indicate that less than 40% of the developer fee has been deferred, the amount requested will be reduced by the difference between the percentage of the developer fee deferred and 40%. Deferred developer fee will be evaluated again prior drafting individual project agreements. Grant amount may be reduced if 40% of developer fee is no longer deferred based on sources and uses and financing commitments.

For example: Assume the developer fee is \$1,000,000 and \$350,000, or 35% of the fee is deferred. Also assume the request for county funding is \$500,000. The actual award would be reduced by \$50,000 and the project would receive an award of \$450,000, if selected.

Evaluation Criteria

The applications will be scored using the following criteria:

Proposal Requirements	Percent
Project Description	25%
Project Disbursement	10%
Partnering to End Homelessness	10%
Tenant Selection	15%
Supportive Services Plan	15%
Development Team Capabilities	10%
Funding Leverage	5%
Project Readiness	5%
Energy Efficiency/Sustainability	5%
TOTAL	100%

Project Description

Application should provide a detailed description of the project proposed for county support. Application should include planned location, zoning, local engagement for project, number of and size of units, eligibility for local municipal affordable housing funding, development costs, pro forma showing projected operating costs and revenues, language and property management access, alternatives to eviction, and the minimum amount of County funding necessary to complete the project.

Preferences will be given to:

- A. Affordable housing preservation projects - priority for preservation projects will be given in the following order of preference:
 - a. Deeply affordable because of federal (e.g., HUD or USDA) rent assistance contracts; and
 - b. Income and rent-restricted units.
- B. Projects that meet the income, occupancy and rent restrictions of WHEDA low-income housing tax credits (LIHTC).
- C. Projects with permanent affordability.
- D. Projects that are developed by nonprofit organization that will have a majority ownership interest in the development.
- E. Projects that are geographically located to maximize access to jobs, transit, schools and other key amenities.
- F. Projects that integrate supportive services in partnership with non-profit service providers.
- G. Projects that include three (3) bedroom units.

Project Disbursement

Projects that are located outside the City of Madison will receive 10 points. Projects located within the City of Madison that are more than one-half mile of any point indicated on the map shown as **Attachment A** will also receive 10 points. Projects that are inside the City of Madison, and outside the [City of Madison's Preferred Transit Oriented Development Areas](#), that are within one-half mile of a project identified in the map will receive a partial score based on the distance from the project location to other projects shown in **Attachment A**. For instance, a project located within one-half mile but more than one-quarter mile would receive 5 points, a project located less than one-quarter of mile but more than one-eighth of a mile would receive 2.5 points and so on.

Projects that are located within the [City of Madison's Preferred Transit Oriented Development Areas](#) and are more than one-quarter mile from any point indicated on the map will receive 10 points. Projects that are within one-quarter mile of any point indicated on the map will receive a partial score based on the distance from the project location to other projects shown in **Attachment A**. For instance, a project located within one-quarter of mile but more than one-eighth of mile would receive 5 points, a project located within one-eighth of a mile but more than one-sixteenth would receive 2.5 points and so on.

To facilitate this analysis, the points on the map are also listed in **Attachment A**. Application should indicate the parcel or parcel numbers of their project location as well as the address of the project. Distance will be measured from the closest edge of the existing project's parcel to the closest edge of the proposed project's parcel.

Tenant Selection

The application provides a list of Fair Tenant Selection Criteria. To be eligible for funding, applicants must indicate the five tenant selection criteria detailed below will be incorporated into the project's tenant selection criteria.

- Applications will not be denied due to inability to meet a minimum income requirement if the applicant can demonstrate the ability to comply with the rent obligation based on a rental history of paying at an equivalent rent to income ratio for 24 months.
- Applications will not be denied due to lack of housing history.
- Applications will not be denied due to membership in a class protected by Dane County Fair Housing Ordinances and non-discrimination ordinances in the municipality where the project is located.
- Wisconsin Circuit Court Access records
- Inability to meet financial obligations other than housing and utilities necessary for housing (gas, electric, water).

In addition to the five criteria detailed above, applicants must indicate they will incorporate the following denial process.

1.	Prior to a denial based on a criminal record, the housing provider shall provide the applicant access to a copy of the criminal record at least five days prior to the issuance of denial and an opportunity to dispute the accuracy and relevance of the report, which is already required of HUD assisted housing providers. See 24 C.F.R. § 982.553(d), which applies to public housing agencies administering the section 8 rent assistance program.
----	--

2.	Prior to a denial based on a criminal record, the housing provider shall provide the applicant the opportunity to exclude the culpable family member as a condition of admission of the remaining family members.
3.	Prior to a denial decision, the housing provider is encouraged to meet with the applicant to review their application and make an individualized determination of their eligibility, considering: (a) factors identified in the provider's own screening policies, (b) if applicable, federal regulations, and (c) whether the applicant has a disability that relates to concerns with their eligibility and an exception to the admissions rules, policies, practices, and services is necessary as a reasonable accommodation of the applicant's disability. In making a denial decision, the housing provider shall consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial on other family members who were not involved in the action or failure.
4.	The property manager will base any denial on sufficient evidence. An arrest record or police incident report is not sufficient evidence. Uncorroborated hearsay is not sufficient evidence.
5.	Denial notices shall include the following: a) The reason for denial with details sufficient for the applicant to prepare a defense, including: i) The action or inaction forming the basis for the denial, ii) Who participated in the action or inaction, iii) When the action or inaction was committed, and iv) The source(s) of information relied upon for the action or inaction. b) Notice of the applicant's right to a copy of their application file, which shall include all evidence upon which the denial decision was based. c) Notice of the applicant's right to copies of the property manager's screening criteria. d) Notice of the right to request an in-person appeal meeting on the denial decision by making a written request for a hearing within 45 days. The housing provider is not required to hold the unit open while the appeal is pending. e) Notice of the right to have an advocate present at the in-person appeal meeting and of the right to be represented by an attorney or other representative. f) Notice of the right to present evidence in support of their application, including, but not limited to evidence related to the applicant's completion or participation in a rehabilitation program, behavioral health treatment, or other supportive services.
6.	If the applicant requests an in-person appeal meeting, the hearing will be conducted by a person who was not involved in or consulted in making the decision to deny the application nor a subordinate of such a person so involved.
7.	The in-person appeal meeting shall be scheduled within ten working days of the request, unless the applicant requests a later date.
8.	A written decision on the application shall be provided to the applicant within ten working days after the in-person appeal meeting.

Applicants that select additional criteria will be awarded points in this category. Applicants that select two additional criteria will receive 2 points, applicants that select four criteria will receive 4 points, applicants that select five criteria will receive 5 points, and applicants that select all criteria will receive 10 points.

Applications must include a signed letter of agreement from the developer's property management partner that summarizes and acknowledges property management's role in the developer's proposal. The letter from the property management partner must acknowledge their understanding of any tenancy selection criteria.

Selected tenant selection criteria elements will be included in final project documents. Those documents will provide for a \$500 fine for any violations of these elements. If an applicant agrees to include these criteria and is awarded the points for doing so, the County will not be flexible in the application of the criteria later in the development process. Applicants should assess the impact of these criteria on the ability to secure other financing sources before agreeing in their application.

Partnering to End Homelessness

Dane County is committed to ending homelessness in our community. To further this goal, projects that include a preference for individuals/families experiencing homelessness will receive additional scoring points.

The Dane County Homeless Services Consortium (HSC) is comprised of a number of agencies and organizations working to end homelessness in Dane County. A number of agencies take client/tenant referrals for their housing programs from a community by-name list.

The community by-name list is managed by the Dane County Homeless Services Consortium's (HSC), Coordinated Entry Systems Manager. The Coordinated Entry Systems Manager works with agencies to help identify/select individuals from the by-name list for housing placement into available housing units. Individuals on the by-name list may have access to case management and some form of rental subsidy once enrolled in these programs. In order for a household to be on the by-name list they must meet the definition of [literally homeless](#).

Additionally, HSC agencies may work with individuals and households who do not meet the definition of literally homeless, but qualify as [homeless under other federal statutes](#).

Identifying units with a preference for individuals/families who are experiencing homelessness, commits the applicant to working in partnership with the Coordinated Entry Systems Manager, supportive services partner, other identified HSC community partners, and the project's property manager, to identify appropriate tenant referrals for those units. Targeted units are expected to be held open a minimum of thirty days once it becomes vacant. A unit is considered vacant once it is available for occupancy.

Projects are required to set-aside a minimum of 10% of units for households experiencing homelessness. Applicants must also agree to use **ALL** of the listed Fair Tenant Selection Criteria for screening of applicants referred for units under the homeless set-aside.

The application with the highest percentage, beyond the required 10%, of set-aside units will receive the highest number of points for the set-aside portion of the score. The remaining applications will receive points in set-aside section based on a sliding scale from the highest scoring proposal.

Applications must include a signed letter of agreement from the developer's supportive services partner that acknowledges the developer's specific unit commitment.

Supportive Services

Application must provide a detailed description of how supportive services will be secured for the tenants of any property developed as part of this project. It is a priority that supportive services for projects are adequately funded, and appropriate for the targeted populations identified in the application. To be eligible for funding, applicants are required to provide **direct financial support** to supportive services in the project.

Application must include overview of supportive services for project to include identified services partner, annual project budget for services, amount of funding for services provided by developer and/or project, full-time equivalent (FTEs) dedicated to providing services at the project, and estimated number of weekly on-site services hours at the project.

Application should also include the experience and qualifications of the supportive services partner providing services to households who have experienced homelessness and any other identified targeted populations; relevant performance data indicating the partner's experience with the targeted populations and tenant outcomes related to housing retention.

Application must also detail how supportive services partners and property management staff will work together to ensure best outcomes for tenants, such as housing retention.

To be eligible for points in this category, application must include a signed letter from the supportive services partner. The letter must include a description of the services that will be provided to tenants and must match what is included in the developer's proposal.

Development and Service Team Background

Provide a description of the organization including key staff who will be involved in the project, past projects the team has completed, and projects currently in progress.

Additional items that should be included in Development and Service Team Experience in:

1. Obtaining and utilizing Section 42 tax credits
2. Participating in public/private joint ventures
3. Developing multifamily housing for low-income households
4. Developing permanent supportive housing if applying for such project
5. Property management
6. Provision of support services if the project entails permanent supportive housing

Unresolved Dane County Affordable Housing Development grant agreement violations and/or monitoring findings of applicant's previously funded projects may result in zero points in this category.

Project Financing and Leverage

The application must include a sources and uses statement that outlines the estimated project costs, including the proposed developer fee; and the proposed sources of funding including the primary mortgage, the estimated tax credit equity, other public or private grant sources, the amount requested from the County, and the amount of the developer fee that is deferred.

Applications should clearly indicate the amount of County funding requested compared to the total project costs, and describe the other sources of funds that will support the project. Applications should discuss how the County's contribution will enhance affordability of housing units. Applications will be evaluated such that the application with the lowest County AFDF cost

per affordable unit bedroom will receive the highest points. The County will consider projects that apply 4% or 9% tax credits or other sources of funding support.

Project Readiness

Application should include proposed timeline from project from award acceptance to project completion.

Application should also indicate if organization has site control, if project is properly zoned or timeline for securing zoning, and what sources of financing have already been committed to the project.

Energy Efficiency/Sustainability

Dane County prioritizes affordable housing that is safe and comfortable and that features low energy costs.

All applicants must commit to earning one of the certifications listed below for a new construction project.

- 2020 Enterprise Green Communities Certification
- LEED Silver Certification
- Wisconsin Green Build Gold Standard Certification
- Passive House (PHIUS) Core

Applicants for rehabilitation and preservation must commit to earning one of the certifications listed below.

- Enterprise 2020 Green Communities for Moderate & Substantial Rehab
- Wisconsin Green Build Gold Standard Certification
- Passive House Institute US -PHIUS Core Revive

Additionally, rehabilitation projects must meet one of the following requirements:

- HERS Index score of 80 or less for properties built in or after 1980 or demonstrate that the energy performance of the completed building will be equivalent to or better than ASHRAE 90.1-2013, using an energy model created by a qualified energy services provider according to Appendix G 90.1–2016
- HERS Index score of 100 or less for properties built before 1980 or demonstrate that the energy performance of the completed building will be equivalent to or better than ASHRAE 90.1-2013, using an energy model created by a qualified energy services provider according to Appendix G 90.1–2016.
- Post-rehab HERS Index score at least 15% lower than the pre-rehab HERS Index score. In addition, applicants can earn points for pursuing an energy efficiency and sustainability standard for the project.

Applicants can earn 10 points by obtaining one of the following certifications

New Construction

- Enterprise 2020 Green Communities Certification Plus
- LEED Gold/Platinum Certification

- Wisconsin Green Built Communities Gold Plus
- Passive House Institute US PHIUS Core.

Rehabilitation

- Enterprise 2020 Green Communities for Moderate & Substantial Rehab Certifications Plus
- Wisconsin Green Build Homes Gold Plus
- Passive House Institute US – PHIUS Core Revive

Applicants may change certification selection prior to execution of grant agreement if the change would not impact project score (e.g. changing from LEED Silver Certification to Wisconsin Green Built Communities Gold Certification). Disbursement of final 10% of awarded funds will be contingent on project receiving selected certification.

Grant Award and Acceptance and Distribution

Recipients must sign a Dane County Affordable Housing Grant Agreement that lays out the responsibility of the grant recipient in carrying out the project, including reporting requirements. Recipient will also be expected to execute a note, mortgage, and Land Use Restriction Agreement to secure funds and preserve affordability of completed project. All written agreements must be approved by the Dane County Board before being executed by the County Executive and County Clerk.

It is expected that recipients will secure all sources of financing for the project prior to execution of County documents. Significant changes to the project, including number of affordable units, unit mix, and other items committed to in project application will not be considered without County Board approval.

Awards are contingent on the applicant securing LIHTC tax credits for the category they specify in their proposal. If applicant does not secure these credits, the applicant will need to reapply for AHDF funds during the next funding cycle. Additionally, projects will need to reapply if unable to move the project forward for any reason within 18 months of award recommendation. One extension of up to four months may be granted at the county's discretion.

Funds awarded to projects that do not move forward will be included in the following funding year.

Special Contract Terms and Conditions

Tenancy Addendum

Recipients of funding will be required to commit to incorporating Dane County Tenancy Addendum into all tenant leases. The addendum outlines specific provisions of related to security deposits, late fees, termination of tenancy, parking and guest policies. Recipients must agree to all of these elements. These elements will be included in final project documents. Those documents will provide a basis for a \$500 fine for any violation(s) of these elements. Applicants should assess the impact of these criteria on the ability to secure other financing sources before agreeing in their application.

To view Dane County's Tenancy Addendum in full: <https://www.dcdhs.com/HAA/Tenancy-Addendum>

Application must include a signed letter of agreement from the developer's property management partner that summarizes and acknowledges property management's role in the developer's proposal. The letter from the property management partner must acknowledge their understanding of any lease addendum items the developer is agreeing to in their proposal.

Relocation

Notice to applicants depending on the scale of the project submitted and the total dollar amount of funding awarded, this project may be defined as a Public Project under Wisconsin Administrative Code, Chapter 52:

<https://docs.legis.wisconsin.gov/code/register/2011/672b/insert/adm92>

For purposes here, "public project" means a project directly receiving public financial assistance including at least \$25,000 in a project having total costs of less than \$50,000 or at least 50% in a project having total costs of \$50,000 or more. If the project includes other funding sources with more stringent requirements, those requirements would apply.

Providing Notice of Dane County Housing Initiatives

Recipient will be required to post a sign in a common area of award projects that is frequented by applicants and residents. The sign shall be conspicuously located and include the following information:

- (a) The amount of funding provided by Dane County;
- (b) The year that such funding was provided by Dane County;
- (c) A statement notifying the public that the housing may be subject to additional requirements for resident selection and property management due to the requirements associated with the County's funding of the project;
- (d) The contact information for Dane County's contract compliance office, including a website, email, and phone number, for interested persons to obtain more information about the project and register any concerns.

Application Checklist

1. Dane County Application for 2025 Affordable Housing Development Fund
2. Capital Needs Assessment, if applicable
3. Signed letter from designated property management partner that acknowledges their understanding of any selected tenancy selection criteria in the project application.
4. Signed letter from designated property management partner that acknowledges their understanding of any lease addendum items the developer is agreeing to in their application
5. Signed letter(s) from designated supportive services partner(s) confirming the details of the application's commitment to end homelessness
6. Signed letter(s) from designated supportive services partner(s) confirming the details in the application's supportive services plan.
7. Certification of registration for any selected green energies/sustainability certification
8. Site and building plans, if available.

ATTACHMENT A