

2025 Dane County Capital Funding for Affordable Housing



2025 Project Guidelines and Applications
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2025 Dane County Affordable Housing Funds



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2025 Dane County Affordable Housing Funds Overview



- 2025 Budget
 - \$8 million to expand in investment broader types of housing projects that do not use Low Income Housing Tax Credits (LIHTC), unless invested in a project that will be used for the preservation of an expiring LIHTC project.
 - \$20 million designated to assist in the development of new or preservation of projects accessing Low Income Housing Tax Credits.
- Both funds will prioritize preservation of existing affordable housing projects in the following order:
 - Deeply affordable because of federal (e.g. HUD or USDA) rent assistance contracts; and
 - Income and rent restricted units
- May waive minimum requirements for housing preservation projects due to potential displacement, and/or limits on how existing projects may be modified.
- Applications submitted under both funds will be evaluated by staff review team containing members from:
 - Department of Human Services - HAA
 - Controller's Office
 - Office of Equity and Inclusion
 - Planning and Development Department
- Both application processes will allow staff review team to identify if other capital funds are available to support a project (e.g. a project targeting households with a member who has been formerly incarcerated or is currently under probation, parole, or extended supervision; may be eligible for funding from the Fair Chance Housing Fund.)

Tenancy Addendum



Current Addendum:

- a. Limits security deposits to one month's rent.
- b. Limits Late Fees to 5% of tenant's portion of rent, prohibits other penalty fees. Requires all other fee to be related to specific amenity or service.
- c. Requires Rights of Youth to Access Common Spaces
- d. Good Cause for Termination for termination during or at end of the lease.
- e. Reasonable Guest Rules
- f. Parking Policies.

Proposed Updates:

- a. Maintain late fee limit and prohibition on penalty fees
- b. Expand All Other Fees to include that non-essential services be transparently identified, and allow tenant to opt out of services and associated fees if tenant chooses. Prohibit junk fees which defined as unnecessary, deceptive, or poorly disclosed charges not tied to legitimate service or cost, and that place an undue burden on tenants.
- c. Add "Written Notice for Termination of Tenancy" to require that landlord or landlord's agent must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

Fair Tenant Selection



All Projects Required to not deny based on:

- 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
- Lack of housing history
- 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)

Optional for scoring:

- Credit score
- Information on credit report that is disputed, in repayment, or unrelated to past housing or utility obligations
- Owing money to prior landlord or negative rent payment history if housing costs were more than 50% of their monthly income.
- Owing money to a prior landlord or negative rent or utility payment history if applicant does one of the following: (1) establishes a regular record of repayment of the obligation; 2) signs up for automatic payment of rent to the housing provider; or (3) obtains a representative payee.
- Any eviction filing if meets any of the following: (1) eviction filing was dismissed or resulted in a judgement in favor of the applicant; (2) eviction filing which was settled with no judgement or write of recovery issued (e.g. stipulated dismissal); or (3) eviction filing that resulted in judgement for the landlord more than two years before the applicant submits the application.
- Criminal activity, except: (i) a criminal conviction within the last two years for violent criminal activity or drug related criminal activity resulting in a criminal conviction, and (ii) if the program or project is federally assisted, criminal activity for which federal law currently requires denial.

** All units targeted to households experiencing homelessness must use all criteria for the targeted units.*

Affordable Housing Fund - Non LIHTC



- 2025 Budget - \$8 million to expand in investment housing broader types of projects that do not use Low Income Housing Tax Credits (LIHTC), unless invested in a project that will be used for the preservation of an expiring LIHTC project.
- Eligible Types of Projects
 - Acquisition and Rehab of existing multi-family housing
 - New construction of multi-family housing
 - Rehab of existing multi-family housing needing investment to address housing quality, code, and accessibility issues; and make energy improvements.

Affordable Housing Fund - Non LIHTC (con't)



- Funded Projects must commit to:
 - 40-year period of affordability
 - Dane County Tenancy Addendum
 - Certain Fair Tenant Selection Criteria and Denial Process
 - All units must be income and rent restricted to households at 60% AMI and below.
 - Include a minimum of 4 units
- Scoring Preferences for projects that:
 - Include rent restricted units for 30% and 50% AMI
 - Permanent affordability
 - Non-profit owned
 - Located in proximity to jobs, transit, schools, and other amenities.
 - Include 3 bedroom units
 - Involve smaller scale, infill developments (approximately 4-40 units of housing)

Affordable Housing Fund - Non LIHTC (con't)



Evaluation Criteria

Proposal Requirements	Percent
Project Description	25%
Tenant Selection	20%
Partnering to End Homelessness	15%
Supportive Services Plan	10%
Development Team Capabilities	10%
Financial Capacity	10%
Energy Efficiency/Sustainability	5%
Project Readiness	5%
TOTAL	100%

Affordable Housing Development Fund - LIHTC



- 2025 Budget includes \$20 million designated to assist in the development of new or preservation of projects accessing Low Income Housing Tax Credits.
- Application process targeted to help specific populations' access to housing
 - Households experiencing literal homelessness
 - Veterans experiencing homelessness
 - Households who have child welfare or youth justice involvement
 - Very low-income families
 - Persons with arrest and conviction records
 - Individuals who are elderly
 - Individuals with disabilities
- Eligible Types of Projects
 - New construction projects that anticipate using 9% or 4% tax credits
 - Projects that would preserve expiring tax credit projects

Affordable Housing Development Fund - LIHTC (con't)



- Funded projects must commit to:
 - 40-year period of affordability
 - A minimum of 20% of project units income and rent restricted to 30% CMI
 - A minimum of 10% of units dedicated households experiences homelessness
 - Provide direct financial support to supportive services partner(s)
 - Fair Tenant Selection Criteria & Denial Process, Tenancy Addendum
 - Minimum Energy Efficiency/Sustainability certifications.
- Preferences will be given to:
 - Affordable housing preservation projects
 - Projects with permanent affordability
 - Projects developed by nonprofit
 - Projects located to maximize access to jobs, transit, schools and other key amenities.
 - Projects that integrate supportive services with nonprofit providers.
 - Projects that include 3 bedroom units

Affordable Housing Development Fund - LIHTC (con't)



Evaluation 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%

2025 Affordable Housing Funds



Questions?