

# Dane County Housing Initiative



2016 Dane County Housing Summit  
Working Together to Expand Housing Opportunities

## **Fact Sheet on Housing Financing Tools**

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### **Dane County Affordable Housing Fund**

The purpose of this fund is to encourage development of affordable housing in Dane County. The targeted population for this program is the chronically homeless population. Funding for 2016 is expected to be approximately \$2,250,000 was approved. There has been \$500,000 allocated to providing transitional housing for recently released ex-offenders. The remaining \$1,750,000 has been allocated to projects creating affordable rental housing. Contact: Charles Hicklin, Dane County Controller, 608-266-4109, [hicklin@countyofdane.com](mailto:hicklin@countyofdane.com)

### **City of Madison Affordable Housing Fund**

The Trust Fund is meant to address the housing needs of low income and very low income households within the City. This program will provide loans and grants to for-profit and non-profit housing developers for the acquisition, capital and soft costs necessary for the creation of new affordable rental and owner-occupied housing. Program details:

[http://www.cityofmadison.com/cdbg/toolbox/docs/mgo4\\_22.htm](http://www.cityofmadison.com/cdbg/toolbox/docs/mgo4_22.htm) . Contact: Mary Charnitz, Community Development Division, 608-267-0742, [mcharnitz@cityofmadison.com](mailto:mcharnitz@cityofmadison.com)

### **Community Development Block Grant (CDBG) - state, county, city**

Wisconsin Department of Administration, Division of Energy Housing and Community Resources Housing Revolving Loan Funds (RLFs) are loaned to low and moderate-income (LMI) households, and to local landlords in exchange for an agreement to rent to LMI tenants at an affordable rate.

Program details: <http://www.doa.state.wi.us/Divisions/Housing/CDBG-Housing-Revolving-Loan-Fund-Program>

Contact: WI DOA DEHCR - CDBG Housing RLF Program Manager  
Local Government Contacts (Dane County – villages, towns): 608-267-4574  
[http://www.doa.state.wi.us/Documents/DOH/rf/RLF\\_Contacts.pdf](http://www.doa.state.wi.us/Documents/DOH/rf/RLF_Contacts.pdf)

**Dane County** – Housing Funds (CDBG and HOME) must be used to benefit persons living in Dane County outside the City of Madison. There is approximately \$1 million annually for CDBG, and \$400,000 for HOME funds. Program(s) details: <https://cdbg.countyofdane.com>. Contact: David B. Phillips, 608-266-4006, [phillips.dave@countyofdane.com](mailto:phillips.dave@countyofdane.com)

**City of Madison** – Community Development, Housing Funds details:

[www.cityofmadison.com/cdbg/about.htm](http://www.cityofmadison.com/cdbg/about.htm) . Program(s) details:

[www.cityofmadison.com/cdbg/current/activity.htm#obj](http://www.cityofmadison.com/cdbg/current/activity.htm#obj) . Contact: Community Development Division – CDBG, 608-266-6520, [cdbg@cityofmadison.com](mailto:cdbg@cityofmadison.com) .

### **Tax increment financing (TIF)**

is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects. Through the use of TIF, municipalities typically divert future property tax revenue increases from a defined area or district toward an economic development project

or public improvement project in the community such as workforce housing. Communities may also opt to extend the closure of their TIF for one year, and use the additional increment to fund workforce housing development.

<https://www.cityofmadison.com/dpced/economicdevelopment/tax-incremental-financing/415/>

<http://www.fitchburgwi.gov/DocumentCenter/View/268>

<http://www.ci.middleton.wi.us/TIF>

<http://mymonona.com/530/Tax-Incremental-Financing>

### **LIHTC/Sect 42**

The Low-Income Housing Tax Credit (LIHTC), commonly referred to as section 42, is the federal government's primary program for encouraging the investment of private equity in the development of affordable rental housing for low-income households. The equity raised with LIHTCs can be used for newly constructed and substantially rehabilitated and affordable rental-housing properties for low-income households, and for the acquisition of such properties in acquisition/rehabilitation deals. LIHTCs provide equity equal to the present value of either 30 percent (referred to in this report as the 4 percent credit) or 70 percent (referred to as the 9 percent credit) of the eligible costs of a low-income housing project, depending in part on whether tax-exempt bonds are used to finance the project.

<https://www.wheda.com/Tax-Credits/>

### **Housing Choice Vouchers (HCV)**

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. Housing choice vouchers are administered locally by public housing agencies (PHAs). Eligibility for a housing voucher is determined by the PHA based on the total annual gross income and family size and is limited to US citizens and specified categories of non-citizens who have eligible immigration status. In general, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live. HCV can be used to in development through the Project Based Voucher Program where PHAs attach the vouchers to specific addresses allowing the development to serve very low income families. Dane County has two Housing Choice Voucher Programs, one administered by the CDA of the City of Madison and the other administered by the Dane County Housing Authority.

<https://www.cityofmadison.com/dpced/housing/section-8/318/>

<http://www.dcha.net/section-8-housing.php>

### **Federal Home Loan Bank (FHLB)**

FHLB Chicago member banks can partner with community developers and public agencies to apply for Affordable Housing Program (AHP) funds on behalf of community projects, which the FHLB Chicago awards through a competitive process. The AHP subsidy is in the form of a grant from the FHLB Chicago to a member. These grants are awarded to the highest scoring projects, determined eligible under FHLB Chicago guidelines, and are awarded until the funds are exhausted. The competitive round is held annually and AHP application materials are made available approximately 60 days prior to the application deadline. Community investment staff holds workshops for members and sponsoring organizations prior to each competitive round to provide applicants with technical assistance. Eligible projects include acquisition, construction or rehabilitation of owner occupied housing or multifamily housing.

<https://www.fhlbc.com/ProductsandServices/CommunityInvestmentsandAffordableHousingPrograms/GrantPrograms/Pages/federal-home-loan-bank-chicago-community-investment-affordable-housing-ahp.aspx>

**Community development financial institution (CDFI)**

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations. CDFIs are certified by the Community Development Financial Institutions Fund (CDFI Fund) at the U.S. Department of the Treasury, which provides funds to CDFIs through a variety of programs. Locally, Forward Community Investments (FCI) is an investor, connector, and advisor for organizations and initiatives that reduce social, racial, and economic disparities across Wisconsin. Regionally, IFF is a mission-driven lender, real estate consultant, and developer that helps communities thrive by creating opportunities for low-income communities and people with disabilities.

<http://www.forwardci.org/>

<http://www.iff.org/>

**MGE Shared Savings**

This program is intended to provide support for energy conservation, energy efficiency, renewable energy, and sustainability projects. Loans are available for \$5,000 to \$500,000. Terms and interest rates are case-specific or project-specific. Maximum loan terms are ten years, and the interest rate is typically market rate plus a small percentage. The concept for this program is to use the dollars saved from the energy-related investment to pay back the loan.

Contact: Randy Popp, MGE Shared Savings Program Manager, 608-252-5650

[rpopp@mge.com](mailto:rpopp@mge.com)