



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER

GOVERNOR

SCOTT A. NEITZEL

SECRETARY

Division of Energy, Housing and
Community Resources

P.O. Box 7970

Madison, WI 53707-7970

HOME PROGRAM RENTAL HOUSING DEVELOPMENT (RHD)

The HOME Investment Partnership Program is a federal program developed to strengthen public-private partnerships to provide more affordable housing opportunities for low-and very-low income households.

Rental Housing Development Program is specially designed to assist affordable housing development opportunities for persons at or below 60% of County Median Income (CMI). A priority of these funds is to serve persons at or below 30% of CMI as well as rural and supportive housing projects.

The State Department of Administration, Division of Energy, Housing and Community Resources (DEHCR) will accept applications for HOME funds in the Rental Housing Development (RHD) category from non-profit organizations, Community Housing Development Organizations (CHDOs), public housing authorities (PHAs), and local governments and for-profit developers for acquisition rehabilitation, and new construction of rental housing for low-income persons.

HOME RHD funds are available as grants or loans. The terms and any repayment of the loan will be negotiated between DEHCR and the applicant. Loans are deferred for three years and are amortized for 27 years. The interest rate on such loans is 2.5% or Long-term Annual Applicable Federal Rate (whichever is lower).

Funds are not available in areas that receive funds directly from HUD and are excluded from the State HOME funds. These are the cities of Milwaukee, Madison, Racine, Green Bay, Kenosha, La Crosse and Eau Claire as well as the counties of Dane, Rock, Milwaukee, Waukesha, Ozaukee, Jefferson and Washington.

The Division of Energy, Housing and Community Resources HOME Program guidelines and restrictions stipulated by HUD regulations include: (a) maximum income levels of residents of assisted units, compliance affordability period, property and rent/utility payment standards; and (b) one unit must be for a 30% CMI household, and 20% of the HOME assisted units in a project must benefit households at or below 50% of CMI. The remaining 80% of the HOME units must be occupied by households whose annual incomes to not exceed 60% of the CMI at the time of initial occupancy

In addition, DEHCR guidelines require: (a) all CHDO projects involving units set-aside for persons under 30% CMI, shall have the rent limit fixed at one half of the HUD HOME HIGH Rent limit (also referred to as the 65% rent limit).

The amount of RHD funds cannot exceed 75% of the total project costs. Other federal funds used in proposed projects are subject to federal subsidy layering review provisions. It will be necessary to obtain qualifying match resources of 25% of HOME dollars awarded. Eligible match cannot include owner equity or be provided from a federal source.

To obtain RHD funds, an applicant must submit an application to the Department of Administration, Division of Energy, Housing and Community Resources according to an established format. (See the DEHCR website for Application and Program Guide). Applications may be reviewed on basis of, but not limited to,

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threshold criteria and scoring categories, types of project(s), need, geographic area, capacity of the applicant, development team, project management, and compliance with HOME regulations. The reasonableness that the project will be completed and sustained through the period of affordability will also be considered. CHDOs must submit full certification documentation at the time of HOME application.

Submission of completed applications for the RHD HOME funds will be accepted in June, October, and year-round for a first-come, first-served cycle for small rural, or supportive housing.

For further information, contact:

**Bureau of Affordable Housing
Division of Energy, Housing and Community Resources
P.O. Box 7970
Madison, WI 53707-7970
Phone: (608) 264-7838
FAX: (608) 266-5381
E-Mail: DOAAffordableHousing@wisconsin.gov**