



Rental Housing Development (RHD) Application Reference Guide

The Wisconsin Department of Administration
Division of Energy, Housing and Community Resources (DEHCR)
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Introduction

Purpose

The Rental Housing Development (RHD) Program Application Reference Guide explains how developers, nonprofits, Community Housing Development Organizations (CHDOs), housing authorities, Tribes and local governments can apply for HOME Investment Partnerships Program (HOME) funding through the RHD Program administered by the Wisconsin Department of Administration, Division of Energy, Housing and Community Resources (DEHCR).

The RHD Program is governed by federal regulations [24 CFR § 92](#), the HOME Investment Partnerships Program (HOME) and other applicable federal and state laws and policies.

For additional information regarding the Rental Housing Development (RHD) Program, visit the RHD Home Page at [DEHCR Rental Housing Development Program \(RHD\)](#) or check out the [Rental Housing Development \(RHD\) Program Guide](#).

General Application Information

Applications are due on the **first Monday of each month**, excluding January and December. All applications must be submitted by **11:59pm central time via ACCESS.gov**. In the event that the first Monday of the month falls on a federal holiday, the application will be due the next regular business day.

If you require additional information in completing an application, you may contact the RHD Program at DOADOHAffordableHousingHelp@wisconsin.gov.

Threshold Requirements

Applicants must be able to demonstrate that they can meet the following threshold requirements:

Financial Viability

Applicants must demonstrate that the proposed project will be financially sound with a minimum 1.05 Debt Coverage Ratio (DCR) for the full period of affordability. Long-term financial viability must be documented with the following assumptions:

- Revenues with a maximum 2% annual escalator,
- Expenses with a minimum 3% annual escalator,
- Reasonable vacancy rates,
- 4-6 months of operating reserve,
- A minimum of 4 months' rent per unit for marketing and lease-up reserve, and
- Annual per-unit replacement reserves in the operating budget.

Readiness to Proceed

Applicants must be able to demonstrate that they have cite control and have firm commitments to funds, including match funds. Cite Control may be demonstrated by being able to provide a deed, purchase contract or option to purchase. Firm commitments to funds may be demonstrated by providing letters of intent or commitments for all funding streams for the proposed project.

Relevant Experience

Applicants must be able to demonstrate that the development team (developer, general contractor, management company and supportive services provider) has experience with similar projects in the last five years. Applicants should be ready to answer questions regarding previous projects.

Applicants that are unable to meet the minimum threshold requirements may be denied.

Application Steps

The Rental Housing Development (RHD) Application consists of 11 forms split up over five sections:

[Section 1: Applicant](#)

- Form 1 – Submittal Sheet
- Form 2 – Application Certification
- Form 3 – CHDO Certification

[Section 2: Project](#)

- Form 4 – Site Data
- Form 5 – Unit Data

[Section 3: Team](#)

- Form 6 – Development Team
- Form 7 – Project Timeline

[Section 4: Financial](#)

- Form 8 – Finance Data
- Form 9 – Rental Housing Spreadsheets
- Form 10 – Match Identification

[Section 5: Market Study](#)

- Form 11 – Comparable Data

The application will require applicants to upload various documents throughout the application. **Applicants should review this reference guide in full before completing the application** to ensure all required documentation is acquired prior to completing the application via ACCESS.gov. Applications that are not completed in full or have missing documentation may be denied. Applications must be submitted via ACCESS.gov, paper applications will not be accepted.

[Section1: Applicant](#)

Form 1 – Submittal Sheet

The applicant must provide:

- Applicant Information/Agency Information
- Proposed Project - Name and Address
- Proposed Project - Activity Type

Activity Type	Description
<i>Rehabilitation Only</i>	Rehabilitation of existing housing without acquisition.
<i>New Construction Only</i>	Construction of new housing outside the walls of an existing structure.
<i>Acquisition Only</i>	Acquisition of a structure that received a certificate of occupancy at least 13 months before acquisition without rehabilitation.
<i>Acquisition and Rehabilitation</i>	Acquisition of real property and rehabilitation of existing housing.
<i>Acquisition and New Construction</i>	Acquisition of real property and construction of new housing outside the walls of an existing structure.

- Proposed Project - HOME-Assisted Unit¹ Information
 - The applicant must indicate the total number of HOME-assisted units, by number of bedrooms proposed to be HOME funded and how many of the HOME-assisted units will be designated by rent category. **Applicants will be required to have a minimum of one sub-(30%) HOME-assisted unit and at least 20% of all HOME-assisted units at LOW-(50%). The proposed project must have at least two total HOME-assisted units.**
- Maximum Cost Model
 - Documentation that the project costs meet the cost guidelines set by WHEDA's Multifamily Maximum Cost Model. Applicants can obtain this information by visiting <https://www.wheda.com> and use WHEDA's Appendix F- Maximum Cost Model.
- Capital Needs Assessment (CNA) (*Acquisition/Rehabilitation Projects Only*)
 - A CNA, or detailed inspection documenting what is needed to bring all systems up to reasonable useful life, meet standards set forth by HUD and [24 CFR § 92.251](#). The scope of work must ensure property standards and useful life for the full period of affordability².

Form 2 – Application Certification

The applicant will provide:

- State of Wisconsin Department of Financial Institutions (DFI) Certification
 - This certification must show good standing. DFI Certification can be obtained by visiting <https://dfi.wi.gov/Pages/Home.aspx>.
- Unique Entity Identifier (UEI) Number
 - The entity that owns the proposed project will provide a UEI number. UEI number can be obtained by visiting <https://sam.gov/>. Applicants should be aware that SAM registration may require the tax identification number and other business information.
- Debarment Certification
 - This certification must show no debarment for each entity (not individuals). Certifications can be obtained by visiting <https://sam.gov/>. Applicants should be aware that SAM registration may require the tax identification number and other business information.
- W-9
 - The entity that owns the proposed project and is applying to receive HOME funds must complete the W-9.

Applicants must provide documentation demonstrating **readiness to proceed**, including:

- Executed option or accepted offer to purchase,
- Zoning appropriate to the proposed project, or
- Letter of Intent (LOI) or Commitment of Financing

The applicant must also provide information and documentation regarding the owner's entity, when applicable.

Form 3 – CHDO Certification Documentation

The applicant must indicate whether they are **Community Housing Development Organization (CHDO)**. If not, the applicant will select N/A and move to the next form. If the applicant is a CHDO, they identify a role for that specific project; **owner, developer, or sponsor**. Governmental agencies such as HOME Participating Jurisdictions

¹ HOME-assisted units refer to specific rental housing units that receive funding through the HOME Investment Partnerships Program (HOME).

² The period of affordability is the minimum length of time that HOME-assisted units must remain affordable to low-income and/or very-low-income families.

(PJs), Tribes, Public Housing Authorities, Indian Housing Authorities, Housing Finance agencies and Community Development Authorities **are not eligible** to be certified as a CHDO. Agencies that intend to create a CHDO whose primary purpose is the development or management of housing cannot be certified as a CHDO, which includes builders, contractors, developers, or real estate management firms.

Owner – The CHDO holds title to the property and oversees the hiring of an experienced project manager to oversee all aspects of the development. The CHDO owns the housing during development and throughout the period of affordability.

Developer – The CHDO holds title to the property and oversees the majority of the development process but may share some developer responsibilities with another entity. The CHDO owns the housing during development and throughout the period of affordability.

Sponsor – The CHDO initiates and develops the project and has ownership early in the project but plans to transfer ownership to another nonprofit entity at a predetermined time.

Required CHDO Documentation:

- Operating Funds Amount (Requested Amount)
 - For more information about Operating Funds, see the RHD Program Guide.
- Articles of Incorporation, Charter, By-Laws or Resolutions
- Nonprofit Status (Tax-exempt designation Letter from the IRS)
- Map of Service Area
- Board or Agency Statement (certifying the CHDO cannot discriminate on the basis of religion)
- Board Member Information
- CHDO Experience/Capacity Information
- CHDO Financial Statements

Section 2: Project

Form 4 – Site Data

The applicant will be asked various questions regarding the proposed project site. The applicant must provide **site control documentation**; which may include:

- Deed,
- Purchase Contract or
- Option to Purchase

The applicant will also need to provide seller information and acknowledge if potential conflict of interest exists. Applicants will also be asked if there are current tenants living on-site. If there are current tenants living on-site, the applicant will be asked further questions regarding displacement and will be required to provide an example of a displacement notice. Applicants will need to provide information about legislative districts for the proposed project site. Lastly, zoning and utilities information will be obtained; including the collection of:

- Broadband Infrastructure Certification
 - This certification must provide information about the capacity, speed and timing of installation of broadband. For more information about Broadband Infrastructure, see the [RHD Program Guide](#).

Form 5 – Unit Data

The applicant must provide information about HOME-assisted units for the proposed project, including

- Total number of HOME-assisted units by designated rent category (populated based on the information entered on form 1), and
- Number of HOME-assisted units identified by rent category and bedroom size

Note: The amount awarded for each intended HOME-assisted unit will be subject to the following calculations:

Step 1: Determine applicable table.

Table 1 is for non-CHDO applicants and table 2 is for CHDO applicants.

Step 2: Determine the proposed rent category for each HOME-assisted unit size being considered for HOME funds.

Step 3: Multiply the rent category sq. ft. rate by the unit's square footage.

Step 4: Make a comparison of the maximum unit amount against the project calculation to determine the maximum amount.

Step 5: Add the amounts for all HOME-assisted units for the maximum amount.

Table 1: NON-CHDO Applicants

	Bedrooms in HOME-assisted Unit	0	1	2	3	4
Rent Category	Rent Category per Sq. ft. Rate	400 MAX. Sq. Ft.	700 MAX. Sq. Ft.	900 MAX. Sq. Ft.	1200 MAX. Sq. Ft.	1350 MAX. Sq. Ft.
HIGH-(60%)	\$45.00	N/A	\$31,500	\$40,500	\$54,000	\$60,750
LOW-(50%)	\$65.00	N/A	\$45,500	\$58,500	\$78,000	\$87,750
SUB-(30%)	\$90.00	N/A	\$63,000	\$81,000	\$108,000	\$121,500
SRO-(30%)	\$105.00	\$42,000	N/A	N/A	N/A	N/A
MAXIMUM UNIT AMOUNT						

Table 2: CHDO Applicants

	Bedrooms in HOME-assisted Unit	0	1	2	3	4
Rent Category	Rent Category per Sq. ft. Rate	400 MAX. Sq. Ft.	700 MAX. Sq. Ft.	900 MAX. Sq. Ft.	1200 MAX. Sq. Ft.	1350 MAX. Sq. Ft.
HIGH-(60%)	\$45.00	N/A	\$37,100	\$47,700	\$63,600	\$71,550
LOW-(50%)	\$65.00	N/A	\$52,500	\$67,500	\$90,000	\$101,250
SUB-(30%)	\$90.00	N/A	\$73,500	\$94,500	\$126,000	\$141,750
SRO-(30%)	\$105.00	\$48,000	N/A	N/A	N/A	N/A
MAXIMUM UNIT AMOUNT						

The applicant will provide further information concerning the utilities, equipment included in HOME-assisted units, parking/garage, commercial facilities and other recreational/common facilities planned for the proposed project. Applicants will need to provide:

- HUD's Affirmative Fair Housing Marketing Plan (AFHMP)
- Tenant Selection Policy

Section 3: Team

Form 6 – Development Team

The applicant must provide identifying information and **demonstrate relevant experience** with similar activities within the past five years for the following team members:

- Developer (Co-Developer, when applicable)
- General Contractor
- Management Company
- Supportive Services Provider, if applicable.

To demonstrate experience, the applicant will be asked to provide information about previous projects completed for all team members; including:

- The number of projects completed in the last five years, and
- Details for 1-3 of the completed projects.

The applicant must submit **audited financial statements** for the developer and co-developer for the most recent fiscal year. The applicant must also provide an **architect certification** confirming that the proposed project will comply with all required property standards listed below.

Visitable

A project is considered visitable if more than 50% of HOME- assisted units meet all of the following criteria:

- 32” clear openings in all interior and bathroom doorways,
- At least one accessible means of egress/ingress for each unit and
- One bathroom located on the first floor of the unit.

Energy Efficiency Standards

The project must be constructed to meet existing green building standards, e.g. LEED-certified, etc.

Energy Star

The project must use:

- Energy Star-labeled bathroom fans, vented to the outdoors and equipped with a humidistat sensor or timer
- Energy Start-labeled power vented fans or range hoods, vented to the outdoors

Resource Conservation

The project must use:

- A minimum of 20% recycled content material (excluding mechanical and electrical equipment), and
- A minimum of 35% of wood products that are:
 - Salvaged wood
 - Engineered materials, and/or
 - Forest Stewardship Council certified wood products/materials.

Form 7 – Project Timeline

The applicant must provide an anticipated start-up date (purchase contract/option, site acquisition, zoning/permits, site analysis, initial drawings and complete plans/specifications) and development dates (closing, construction, marketing and occupancy/rent up).

Section 4: Financial

Form 8 – Finance Data

The applicant must provide detailed information for both **construction financing and permanent financing**, including:

- Source
- Amount
- Contact Information
- Amortization Period (years)
- Interest Rate (Percentage)
- Firm Commitment and/or Letter of Intent (LOI)

The applicant must also indicate if the proposed project is also a LIHTC project and/or Historic Tax Credit project.

Form 9 – Rental Housing Spreadsheets

The applicant must complete and upload [Form 9/Proforma](#) and **demonstrate long-term financial viability**, with a minimum 1.05 Debt Coverage Ratio (DCR) for the full HOME period of affordability. Long-term financial viability must be documented with the following assumptions:

- Revenues with a maximum 2% annual escalator,
- Expenses with a minimum 3% annual escalator,
- Reasonable vacancy rates,
- 4-6 months of operating reserve,
- A minimum of 4 months' rent per unit for marketing and lease-up reserve, and
- Annual per-unit replacement reserves in the operating budget.

Projects that fall below a 1.05 DCR in years 1-12 may still be considered financially sound if the applicant demonstrates how the project will return to a 1.05+ DCR within five years.

The applicant will also provide:

- Development Budget
 - A detailed budget showing construction costs for new construction, or acquisition/rehabilitation. If the applicant is a CHDO, and is requesting CHDO operating funds, the applicant must submit a separate line-item budget showing what the operating funds will be used for.

Form 10 – Match Identification

Applicants must identify all eligible **match sources**. Projects must demonstrate **at least 25%** of the RHD award amount from permanent, non-federal contributions. Applicants must list all anticipated eligible match sources (committed and uncommitted).

Section 5: Market Study

Form 11 – Comparable Data

If the proposed project is LIHTC funded or would have 12 or more HOME-assisted units, then the applicant will attach a Market Study completed by an approved provider from the [WHEDA Approved Market Study Provider List](#). If the proposed project is not LIHTC funded or would not contain 12 or more HOME-assisted units, then the applicant may submit a Market Study with:

- Current Neighborhood Market Information
 - A short narrative describing demand for the proposed project.
 - Define the boundary to the neighborhood market of the proposed project. A clear definition of the market area from which renters can reasonably be expected to be drawn.
- Analysis of Local Market Trends
 - Characteristics of the households are likely to be attracted to the proposed project.
 - Include the number of income-eligible households
 - Market area demographics
 - Analysis of the demand, supply, and competition
 - Absorption rate of the proposed project
 - Proximity to key services (with documentation), including:
 - Retail
 - Medical Centers
 - Recreational Facilities
 - Transportation
 - Other relevant amenities
- Comparable Data
 - A minimum of three comparables in the proposed project's target market area.
 - A map of comparable locations that includes the proposed project site.
 - A description of why each of the comparables were chosen, which may include:
 - Neighborhood Market
 - Community Conditions
 - Target Population Pool
 - Affordability
 - Needs
 - Competition

The market study should be related to the project scope and demonstrate the demand for all units, not just HOME-assisted units. The assessment must be current or performed less than 12 months prior to the commitment of any HOME funds. At a minimum the assessment should contain:

- An analysis of local market trends,
- A clear definition of the market area
- Analysis of the demand, supply, and competition.

Environmental Review Report (ERR)

Applicants must complete and submit the Environmental Review Report (ERR) at the same time as the RHD application via ACCESS.gov. The ERR is a required component of a complete RHD application and must be fully submitted for the application to move forward.

The environmental effects of each activity must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

Note: No funds may be committed or released until the ERR is fully completed and approved, the project is publicly noticed, and HUD has issued the Authority to Use Grant Funds (AUGF).

Application Document Checklist

The application document checklist provides a quick and general overview of what documents are required to complete an RHD application.

Financial Viability Documentation		
1.	☐	Maximum Cost Model
2.	☐	Capital Needs Assessment/CAN (<i>Acquisition/Rehabilitation Only</i>)
3.	☐	Development Budget
4.	☐	Form 9/Proforma
5.	☐	Audited Financials (Developer and Co-Developer)
Readiness to Proceed Documentation		
6.	☐	Zoning Appropriate to the Proposed Project (<i>optional</i>)
7.	☐	Deed, Purchase Contract or Option to Purchase – Site Control
8.	☐	Firm Commitment and/or Letter of Intent (LOI) – Financing
CHDO Documentation (CHDO Only)		
9.	☐	Articles of Incorporation, Charter, By-Laws or Resolutions
10.	☐	Nonprofit Status (Tax-exempt designation Letter from the IRS)
11.	☐	Map of Service Area
12.	☐	Board or Agency Statement (certifying the CHDO cannot discriminate on the basis of religion)
13.	☐	CHDO Financial Statements
Other		
14.	☐	State of Wisconsin Department of Financial Institutions (DFI) Certification
15.	☐	Unique Entity Identifier (UEI) Number
16.	☐	Debarment Certification
17.	☐	W-9
18.	☐	Broadband Infrastructure Certification
19.	☐	HUD's Affirmative Fair housing Marketing Plan (AFHMP)
20.	☐	Tenant Selection Policy
21.	☐	Architect Certification
22.	☐	Market Study
23.	☐	Environmental Review Report

Application to Agreement

Preliminary Commitment Letter

Applicants can expect to receive either a preliminary commitment letter or a denial letter within 90 days of submitting an RHD application and ERR. The preliminary commitment letter will provide award information, outline program tasks, and list possible contingencies for progression. All contingencies listed in the preliminary commitment letter must be satisfied.

Agreement

Terms will be set forth in an agreement between the Wisconsin Department of Administration and the applicant as outlined in [24 CFR§ 92.504](#). **Acquisition, relocation of occupants, rehabilitation or construction may not begin prior to the execution of an agreement.** The agreement set forth by the Wisconsin Department of Administration is non-negotiable for change. If an applicant accepts HOME funding through the RHD Program, they accept the terms and conditions of the agreement. Applicants are required to enter into a Land Use Restrictive Agreement (LURA) for the full period of affordability, which will mandate the use of the land.

Construction must begin within 12 months of the signed agreement.