



To: Finance Committee
CC: Mayor McFarland
From: Mason Becker, Strategic Initiatives and Development Coordinator
Date: June 23, 2023
Re: ARPA Housing Rehab Grant Program

Finance Committee members,

As you may recall, the City of Watertown received American Rescue Plan Act (ARPA) funds to utilize for various projects. The Common Council had budgeted \$100,000 of these ARPA funds to use for preservation of affordable housing stock. Watertown (along with the greater Jefferson and Dodge County area) has an identified shortage of available housing (both owner-occupied and rentals), and this program will be one more tool to help combat this problem, along with the City's many other efforts. Lack of housing can contribute to challenges in finding adequate workforce for local employers, cause economic hardship for residents, as well as other issues.

Following discussions with city staff, a program proposal has been developed, targeted toward items that routinely come up as compliance issues and add to the property's value.

Under this plan, the RDA would facilitate that program and review all applications received. The RDA's existing Revolving Loan Fund (RLF) review committee is already in place, and able to handle review of these applications. In return, the RDA will be granted a 5% administrative fee, which is significantly less than a third-party underwriter would charge. As a frame of reference, one firm that the City works with includes an 8% charge on the sum of revolving loan fund deposits, and an 8% charge when new RLF projects are funded.

At the Watertown Redevelopment Authority's (RDA) board meeting on April 19th, the board voted unanimously to participate in this proposed Housing Rehab Grant Program, which will utilize ARPA monies previously approved by the Common Council. The RDA board approved participation in administering this program, with the understanding that some program details might be adjusted slightly.

The following document outlines the general format of the program, as well as the application form, which the city attorney has reviewed. I am recommending that the Finance Committee approve this program, as this grant program falls in line with the City's identified need to preserve and maintain affordable housing stock.

Sincerely,

Mason T. Becker
Strategic Initiatives and Development Coordinator