

City of Whitewater

Single Family Housing Proposal

Presented to the Common Council & Whitewater CDA

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WHAT WE'RE REVIEWING

- The Affordable Housing Extension
- Current housing assistance programs
- A proposal with two options
 - Option A
 - Option B
- Your feedback and direction



CURRENT HOUSING ASSISTANCE PROGRAMS

- **Affordable Housing Policy:** This 2023/2024 policy document outlined several proposed programs, to be funded by TID Affordable Housing Extension closeout funds
- **Down Payment Assistance Program:** This program is currently running, administered by the CDA. Provides \$25,000 of down payment assistance to qualifying home buyers. Currently, seven borrowers are in this program
- **Developer Assistance Program:** Provides up to \$25,000 per unit for new units that meet affordability criteria...has been little utilized to date
- **Home Rehab Revolving Loan Fund:** This Community Development Block Grant funded program is ending. What can we do to address this?



WHAT WE'RE PROPOSING

- **Keep the Down Payment Assistant Program as-is:** It is operationalized and working. 7 current borrowers. Helps meet an identified need and encourages home ownership in Whitewater
- **Shift existing funding:** Other programs have not been activated
- **Community & Council feedback:** Has expressed strong desire to assist existing homeowners and encourage maintenance of properties within the city
- **Whitewater is an older community with aging housing stock:** Costly repairs can be a barrier to turning over housing stock, can create supply issues in market, and also can result in code enforcement issues



PROGRAM OPTIONS

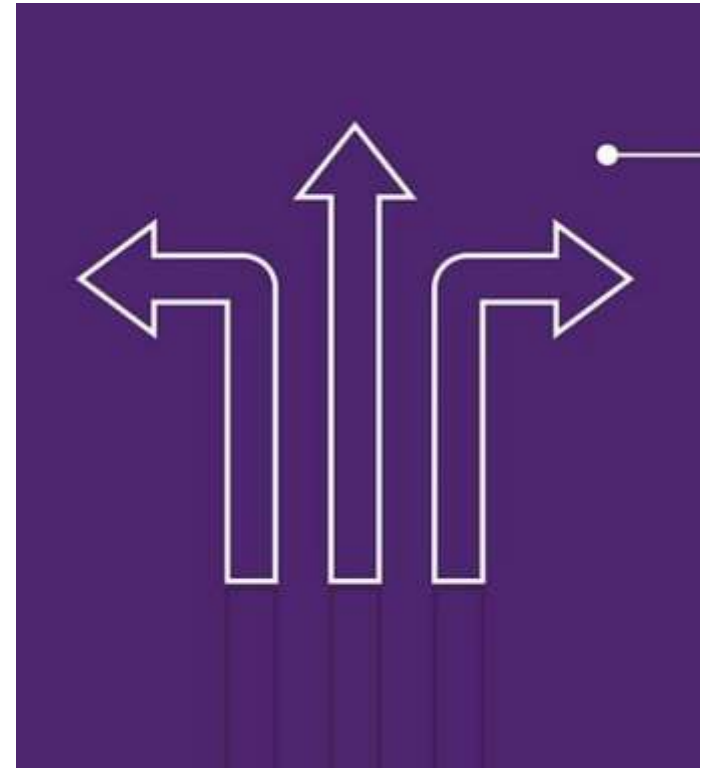
\$1.2 million remaining from Affordable Housing Extension:

How to deploy this?

Option A: Home Renewal Program: \$1.2 million

Option B: \$720,000 in Home Renewal Program, \$480,000 to Developer Assistance Loan Program

Both programs are called for in the Affordable Housing Policy document, but neither have been activated to date, other than one Developer Assistance Loan to Habitat for Humanity in 2024 (\$25,000)

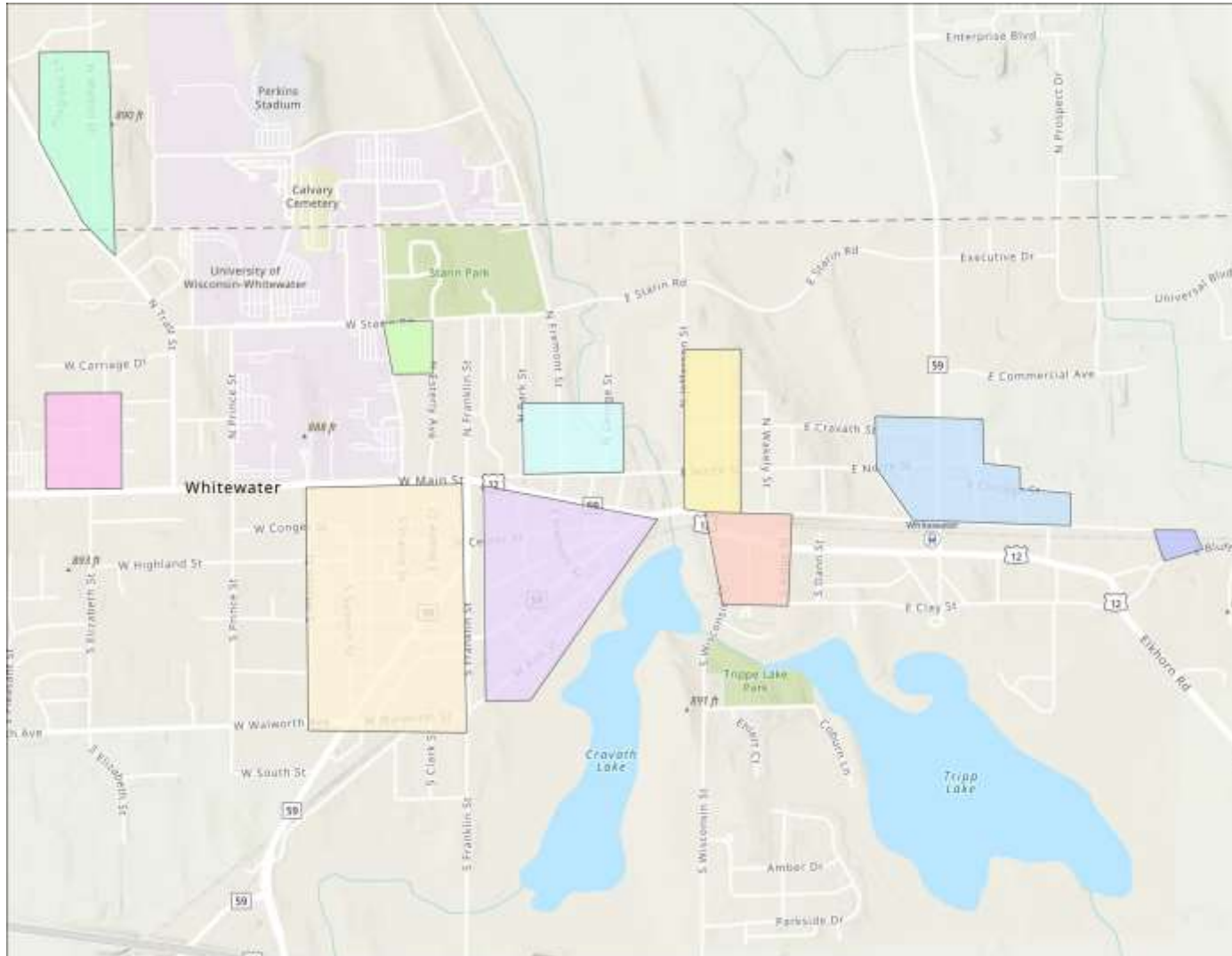


PROPOSING: THE HOME RENEWAL PROGRAM

- **Reinvest** in single-family, owner-occupied homes
- **Reconvert** former rentals to compliant single-family layouts
- Address major health, safety, and code deficiencies
- Maintain neighborhoods and increase long-term owner-occupancy
- Helps preserve and stabilize property values while extending life of older homes
- This aligns with goals laid out in the previously approved Affordable Housing Fund Policy (2023/2024)



HOME RENEWAL PROGRAM: EXAMPLE SERVICE AREAS



HOME RENEWAL PROGRAM: ASSISTANCE LEVELS

- Standard cap: \$60,000 per home
- Exceptional need cap: \$90,000 (w/ CDA approval)
- Must be built 20+ years ago OR address major code deficiency
- Proof of primary residency required annually
- Income focus: 75% of funds dedicated to homeowners at $\leq 150\%$ HUD defined county median income limit
- Taxes and insurance must be current



HOME RENEWAL PROGRAM: DETAILS SUMMARY

Eligible Uses:

- Reconversion to single-family layouts
- Repairs to existing single-family
 - Electrical, roof, foundation, etc
 - Heating, plumbing, and mechanical replacements
- Energy efficiency and weatherization upgrades
- Accessibility modifications

Financial Terms:

- 0% interest deferred-payment loan
- Secured by mortgage/note
- Repaid upon sale, transfer, or default
- No homeowner cash match required
- Repayment due if home is later converted to a rental
- Can be combined with other funding sources



PROPOSING: DEVELOPER ASSISTANCE LOAN PROGRAM

- Encourage **new single-family**, owner-occupied home construction
- **Increase supply** of affordable housing in the community
- Address gaps in developer funding
- Incentivizes meeting ADA accessibility criteria
- Allowance for some market-rate units under program
- Aligns with goals laid out in Affordable Housing Fund Policy (2023/2024)



DEVELOPER ASSISTANCE LOAN PROGRAM: FINANCIAL DETAILS

- Total Program Allocation: \$480,000 from the Affordable Housing Extension
- Maximum Assistance per Unit:
 - Affordable Units: Up to \$25,000 per dwelling unit (buyer $\leq 150\%$ of HUD defined county median income)
 - Market-Rate Units: Up to \$15,000 per dwelling unit
 - Accessibility Bonus: Additional \$5,000 per fully accessible home
- Maximum Assistance per Developer: \$150,000 total per development entity
- Payment Timing: Disbursed upon home sale to eligible owner-occupant
- Verification: Buyer income and owner-occupancy confirmed prior to disbursement



DEVELOPER ASSISTANCE LOAN PROGRAM: ELIGIBLE USES & TERMS

Eligible Uses of Funds

- Gap financing to reduce home prices to income-qualified levels
- Infrastructure directly tied to eligible units (streets, utilities, sidewalks)
- Site preparation, grading, and foundation work
- Costs for accessible housing features

Ineligible Uses: Acquisition, off-site improvements, developer fees, marketing, etc

Financial Terms

- Form: Deferred, zero-interest loan secured by development agreement
- Forgiveness: Upon verified sale to income-qualified, owner-occupant buyer
- Repayment Trigger: Conversion to rental within 10 years → full repayment + \$5,000 penalty per unit
- Owner-Occupancy Requirement: Minimum 10 years as primary residence



OVERSIGHT & COMPLIANCE

- The CDA will oversee program administration w/ Economic Development Director
- Thrive ED will assist with reviewing and recommending applications for approval
 - They have experience administering these types of programs, and can sometimes assist homeowners/developers in accessing additional resources
 - Funds will still be held locally
 - Leverages existing partnerships
- The new Economic Developer Coordinator position will serve as local liaison for tracking applications, invoices, etc



NEXT STEPS

- CDA and Council review and feedback
- Finalize program guidelines and application materials
- City Attorney will conduct final legal reviews
- Goal will be to launch program by end of Q1 2026
- City Media Department will launch public communications campaign
- Begin application intake and project selections



QUESTIONS AND FEEDBACK

We are looking for input from the CDA board and direction from the Common Council on which option to take.

Key Takeaway: This is an opportunity to activate and revitalize single-family housing stock within the City of Whitewater, by using funds already secured through the Affordable Housing Extension. This will help to ensure the preservation and availability of owner-occupied single family housing in the community for years to come.

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