



## Common Council Agenda Item

Meeting Date: March 5, 2024

Agenda Item #5: Discussion and possible action regarding revisions to the Down Payment Assistance component of the Affordable Housing Fund Policy

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### BACKGROUND

(Enter the who, what when, where, why)

This memo outlines proposed revisions to the Down Payment Assistance component of the Affordable Housing Fund Policy, as suggested by Nate Parrish, President of First Citizens State Bank with the intent to enhance program accessibility and effectiveness.

### PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

The CDA approved the following changes at their February 15, 2024 Board Meeting:

1. **Income Eligibility Adjustment:** Increase the eligibility threshold from 100% to 150% of HUD Income Limits to widen the applicant pool.
2. **Property Value Limit Revision:** Remove the current HUD county property value limit (\$271,000) to accommodate new housing developments projected to be priced between \$289,000 and \$318,000.
3. **Affordability Criteria Clarification:** Specify that maximum mortgage payments must not exceed 30% of household gross income at application and loan closing.

### FINANCIAL IMPACT

These adjustments are intended to address CDA's concerns about program feasibility and to better support the City's affordable housing objectives.

### STAFF RECOMMENDATION

Staff is recommending approval.

### ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Email Correspondence between City staff and Nate Parrish, President of First Citizens State Bank dated January 19, 2024.
- Draft of Policy 602.01 Affordable Housing Fund Policy (revised 2/15/2024 and redlined to reflect changes).