



CITY OF WHITEWATER

HOME RENEWAL PROGRAM POLICY *(Update draft for Common Council & CDA*

Discussion – Updated December 8, 2025)

Owner: Economic Development Director (Community Development Department)

Approving Body: Community Development Authority (CDA) / Common Council

Related Policies: Affordable Housing Fund Policy 602.01 (Rev. 02-15-2024); Former Owner-Occupied Rehab Application (2018)

Initial Allocation: \$1,200,000 from Affordable Housing Extension proceeds for Home Renewal Program

1. Purpose & Objectives

The Home Renewal Program (HRP) invests in Whitewater's single-family owner-occupied housing to (a) reconvert homes that were altered for rental use back to compliant single-family layouts and (b) remedy major health, safety, and code deficiencies (e.g., obsolete wiring, failing foundations, life-safety/code failures), thereby extending the useful life of older homes, stabilizing neighborhoods, and increasing long-term owner-occupancy.

This policy operationalizes the City's Affordable Housing Extension (AHE) objectives and uses loan terms and compliance tools consistent with the City's Affordable Housing Fund policy (10-year deed restriction; repayment plus penalty upon conversion to rental; hardship waiver via CDA). Typical rehabilitation priorities mirror Wisconsin CDBG housing guidance: address health and safety, energy efficiency, and accessibility first, then other essential work.

2. Program Budget & Caps

- Total initial program budget: \$1,200,000 (non-Down Payment Assistance share of the Affordable Housing Fund).
- Target allocations (for planning):
 - Reconversion projects: approximately 60 percent
 - Major systems/code rehabilitation: approximately 40 percent
- Per-home assistance (not to exceed):
 - Standard cap: \$60,000
 - Exceptional need cap (with CDA approval): \$90,000 for structural stabilization, comprehensive electrical replacement such as knob-and-tube removal/rewire, or mandated hazard abatement.
- Average project planning figure: \$40,000 to \$60,000 per home (the prior program's typical roof/siding/windows projects ran approximately \$25,000 to \$30,000; complex reconversions and system replacements will exceed this).

Note: Caps are set to balance depth of repair with throughput (20–30 homes from the initial tranche, depending on mix/severity). CDA may adjust allocations to meet demand.

3. Eligible Properties & Households

Location and Type:

Single-family, owner-occupied homes within the City of Whitewater.

Age/Condition Screen:

To ensure Home Renewal Program resources support the City's older housing stock and address the greatest community need:

- Homes must have been constructed at least 30 years ago (built in or before 1995), or
- Exhibit verified major structural, code, or life-safety deficiencies as documented by a Building Inspector (e.g., unsafe electrical systems, foundation failure, heating system collapse, fire or egress hazards).

When determining eligibility and prioritization, the following Age Scoring Matrix will be applied:

Year Built	Points	Notes
Pre-1940	25	Legacy and historic housing stock; high rehab potential.
1940–1959	20	Aging postwar homes typically requiring system modernization.

Year Built	Points	Notes
1960–1979	15	Mid-century homes approaching lifecycle end of core systems.
1980–1994	10	Aging but not yet high-need stock.
1995 or newer	0	Generally ineligible unless a major verified life-safety deficiency exists.

Owner-Occupancy:

Property must serve as the applicant’s primary residence. Proof of continued owner-occupancy and insurance is required annually for the 10-year deed restriction period.

Income Focus:

At least 75 percent of Home Renewal Program (HRP) funds must benefit households at or below 150 percent of HUD-defined county median income. The remaining 25 percent may assist over-income owners when the project contributes to the stabilization of the City’s housing stock.

Property Taxes and Insurance:

Property taxes must be current, and the homeowner must carry insurance throughout the program term.

Deed Restriction:

10-year prohibition on rental conversion; immediate repayment of principal plus \$5,000 penalty if violated. The Whitewater CDA may grant a hardship waiver consistent with Policy 602.01.

Purchase Transactions:

Buyers of qualifying single-family properties who intend to occupy the home as their primary residence may access HRP funds at closing to finance required reconversion or rehabilitation work.

Priority Scoring (for Award Sequencing) (Revised)

Applications will be evaluated on a 100-point scale to prioritize projects that address the most critical needs and align with the City’s long-term housing stabilization goals.

This model draws on HUD and Wisconsin CDBG housing rehabilitation best practices.

Category	Points	Description
Home Age	0–20	Based on the Age Scoring Matrix (above). Focus on pre-1980 homes and older structures with greater community benefit.
Structural Stability	0–20	Foundation, framing, or roof deficiencies threatening structural integrity. Must be verified through inspection or engineer report.
Life/Safety Issues	0–20	Imminent hazards such as electrical, plumbing, heating, or egress failures, consistent with HUD <i>Life-Safety and Health Priority</i> criteria.

Category	Points	Description
Neighborhood Impact / Reconversion Benefit	0–20	Converts former rental units back to compliant owner-occupied single-family use.
Building Code Compliance Deficiencies	0–15	Violations under Wisconsin UDC SPS 320–325 or local ordinances, including broken windows, damaged/failing siding, roofing issues, damaged porches, entryways, etc
Household Income Level	0–5	≤80% AMI = 5 points; ≤150% AMI = 2 points. Reflects Affordable Housing Fund priorities.

Total Possible: 100 Points

Minimum Recommended Threshold for Selection: 60 Points

Tie-breakers (if needed, based on available funding):

If multiple applicants receive equal scores, preference will be given to:

1. Homes within targeted neighborhood stabilization areas;
2. Homes converting a rental to owner-occupied single-family;
3. Properties with elderly or disabled owner-occupants;
4. Projects addressing multiple life/safety and accessibility factors.
5. Projects utilizing local contractors from within a 25-mile radius of City of Whitewater.

Reference Frameworks:

This scoring system is modeled after HUD CDBG Housing Rehabilitation Standards (24 CFR 570.202) and Wisconsin DEHCR CDBG Housing Manual prioritization criteria. Comparable municipal programs—La Crosse, Racine, and Wausau—use similar point-based approaches emphasizing age, code deficiency, and occupant vulnerability.

4. Eligible Activities (scope must produce a code-compliant home at completion)

1. Reconversion to Single-Family Layout (primary track)
 1. Removal of unpermitted or unsafe bedroom partitions; restoration of required living/dining/common areas.
 2. Reconfiguration of means of egress, smoke/CO detection, and room dimensions to comply with Wisconsin Uniform Dwelling Code (UDC) SPS 320–325 and local code.
2. Major Systems and Code/Life-Safety Repairs
 1. Electrical: replacement of obsolete or unsafe wiring (e.g., knob-and-tube), panel upgrades, grounding, AFCI/GFCI as required by UDC.

2. Structural/foundation stabilization; roof replacement; exterior envelope when failing.
3. Mechanical: heating/ventilation replacements where unsafe or at end-of-life; plumbing repairs to remedy code violations/leaks.
4. Lead-safe work where paint is disturbed; clearance as applicable.
5. Energy and weatherization measures required to meet UDC energy standards when part of a broader life-safety scope. This may include windows and siding if meeting energy standards.
6. Accessibility modifications essential to safe occupancy. Wisconsin CDBG guidance prioritizes accessibility. This may include items such as doors and entryway steps if meeting accessibility standards.

5. Professional Services

- Pre-work inspections, scopes of work, bid packages, construction management, and post-work inspections or clearance testing when required.

Not Eligible: Luxury upgrades; additions that increase square footage unless required to correct life-safety; outbuildings (including garages), landscaping, sidewalks, driveways, decks, patios, and fencing; appliances not integral to health/safety; routine maintenance.

6. Financial Terms

- Form: 0 percent interest deferred-payment loan (DPL) secured by a mortgage and/or note; due upon sale or transfer or program default, mirroring the City's prior rehab program terms.
- Forgiveness: None; principal is repaid at sale or transfer.
- Match: No homeowner cash match required; however, owners may add private funds for non-eligible upgrades under a separate contract.
- Stacking: HRP may coordinate with other resources (e.g., utility rebates or separate CDBG rehab if available), including HOME Consortium, Southern Housing Region; federal funds trigger HUD LSHR compliance.

Reference model: Milwaukee's Compliance Loan Program uses 0 percent deferred loans focused on bringing homes into code compliance.

7. **Priority Scoring** (for award sequencing)

1. Imminent health/safety/code hazard – High
2. Reconversion impact – High
3. Owner income ($\leq$ 150 percent HUD limit) – High
4. Disabled/elderly household or accessibility need – Medium-High
5. Energy/Weatherization add-ons – Medium
6. Readiness (clear title, taxes current, insurance in force, scope well-defined, contractor availability) – Medium

Application, Underwriting and Procurement

A. Application

Use an updated HRP application modeled on the 2018 form (owner/household info; debts; proof of insurance; income documentation; consent to verify; conflict-of-interest; appeal process).

B. Property Inspection and Scope

City (or contracted agent) performs code/condition inspection; produces a written Scope of Work aligned to UDC and lead-safe rules.

C. Bidding and Contractor Requirements

- Minimum 2 written bids (unless emergency work).
- Contractors must be licensed and insured and, where paint will be disturbed in pre-1978 homes, EPA RRP-certified.
- Change orders require pre-approval by program staff; retainages allowed until final acceptance.

D. Agreements and Security

Homeowner signs loan documents and mortgage/note; City records lien; 10-year deed restriction recorded per Policy 602.01.

8. Code, Health and Environmental Compliance (minimums)

- UDC compliance (SPS 320–325): All finished work must meet state and local code.
- Lead-Safe Requirements:
 - If federal funds such as CDBG touch the project, follow HUD Lead Safe Housing Rule 24 CFR Part 35 Subpart J.
 - Regardless of funding, any work disturbing paint in pre-1978 housing must meet EPA RRP Rule 40 CFR Part 745.

9. Monitoring, Reporting and Enforcement

- Construction oversight: Progress inspections; final inspection for code compliance; lead clearance documentation if applicable.
- Annual compliance: Owner must submit annual certification of owner-occupancy and insurance.
- Rental prohibition: If converted to rental within 10 years, the City will demand immediate repayment of principal plus \$5,000 penalty; CDA may grant a hardship waiver case-by-case.
- Records: Maintain project files for not less than seven years after repayment or closeout.

10. Appeals and Conflict of Interest

- Conflict of Interest: Applicants disclose relationships with covered persons; the program follows the City's existing disclosure/recusal process.
- Appeals: Applicants may appeal staff determinations to the CDA; if federal funds are used under a CDBG overlay, follow DEHCR/HUD appeal protocols.

11. Program Workflow (summary)

- Intake → eligibility pre-screen.
- Inspection → written scope.
- Bidding → select lowest responsible contractor.
- Loan closing → record mortgage and deed restriction; issue Notice to Proceed.
- Construction → inspections; change-order control.
- Final → code sign-off; lead clearance if required.

- Annual monitoring → occupancy and insurance certifications.
- Repayment → at sale/transfer or upon prohibited rental conversion.

12. Communications and Branding

Public-facing materials shall consistently use the “Home Renewal Program” branding and emphasize: helping owner-occupants reconvert former rentals and address major code and safety issues, as well as renewing Whitewater’s single-family homes for the long term.

CITY OF WHITEWATER

HOME RENEWAL PROGRAM APPLICATION

Office Use Only:

Application Number _____

Date Received _____

All information contained in this application is strictly confidential. Please complete all pages.

SECTION 1 – APPLICANT INFORMATION

Applicant Name _____ Age _____

Co-Applicant Name _____ Age _____

Current Street Address _____

Mailing Address (if different) _____

Phone: (Home) _____ (Work) _____ (Cell) _____

Email Address _____

May we contact you via email? Yes / No

May we contact you at work? Yes / No

SECTION 2 – PROPERTY INFORMATION

Property Address _____

Type of Property: Single Family (check) ☐

Is this your primary residence? Yes / No

Year Property Built _____ (must be 20 years or older unless major code or life-safety deficiency is documented)

Property Taxes Paid Up to Date? Yes / No

Homeowner's Insurance Company _____ Policy # _____

SECTION 3 – PURCHASE TRANSACTIONS

If you are applying as a purchaser of a qualifying property:

Are you under contract to purchase a single-family home in Whitewater that meets program criteria? Yes / No

Expected Closing Date _____

Purchase Price _____

Mortgage Lender _____ Contact Info _____

At closing, HRP funds are requested to finance: ☐ Reconversion ☐ Rehabilitation ☐ Both

Attach accepted Offer to Purchase and proof of lender prequalification.

SECTION 4 – HOUSEHOLD COMPOSITION

List all people who will live in the home at least 50 percent of the time.

Name _____ Relationship _____ Birth Date _____ Disabled? Y/N Full-time Student? Y/N

Name _____ Relationship _____ Birth Date _____ Disabled? Y/N Full-time Student? Y/N

(Attach separate sheet if necessary)

SECTION 5 – INCOME AND ASSETS

Complete for all household members. Documentation is required.

Income Sources (check all that apply):

- ☐ Employment
- ☐ Self-Employment
- ☐ Unemployment
- ☐ Social Security / SSI / Disability
- ☐ Pension / Retirement
- ☐ Child Support
- ☐ Other _____

Assets (check all that apply):

- ☐ Checking / Savings
- ☐ Certificates of Deposit
- ☐ IRA / 401(k)
- ☐ Life Insurance
- ☐ Real Estate
- ☐ Other _____

Attach most recent tax return, pay stubs, bank statements, and benefit letters.

SECTION 6 – IMPROVEMENTS NEEDED

Check all that apply:

- ☐ Reconversion (removal of added bedrooms, restoration of living space)
 - ☐ Electrical (obsolete wiring replacement, panel upgrades)
 - ☐ Structural or Foundation Repair
 - ☐ Roof / Siding / Windows
 - ☐ Heating or Cooling System
 - ☐ Plumbing or Water Heater
 - ☐ Lead Hazard Removal
 - ☐ Accessibility Modifications
 - ☐ Other _____
-

SECTION 7 – PROGRAM AGREEMENTS (Read and Initial)

_____ I understand Home Renewal funds are offered as a 0 percent deferred-payment loan, secured by a mortgage or note, repayable upon sale or transfer of the property.

_____ I understand properties must remain owner-occupied for 10 years. If the home is converted to rental use during this time, I will be required to immediately repay the loan plus a \$5,000 penalty, unless a hardship waiver is approved by the CDA.

_____ I understand the City of Whitewater will inspect the property to determine rehabilitation needs. Only eligible, code-related work will be permitted.

_____ I will provide proof annually of property insurance and continued owner-occupancy.

_____ I authorize verification of all information provided, including employment, credit, insurance, and property records.

SECTION 8 – CONFLICT OF INTEREST

Do you have family or business ties to City of Whitewater staff or CDA members? Yes / No

If yes, disclose: _____

SECTION 9 – SIGNATURES

I/We certify that all information provided is true and complete to the best of my/our knowledge.

False information may result in disqualification.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____