



## PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

### Memorandum

**To:** Community Development Committee  
**From:** Kevin Conroy and Caroline Gregerson  
**Date:** 4/4/2019  
**File ID:** 19-0531  
**Re:** Approval of policy revisions to Housing Renovate Program

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Our first year of launching the Housing Renovate Program was a pilot phase. The program as structured, offers the following incentives to property owners to make renovations to their homes:

- Up to \$40,000 loan, minimum \$15,000, up to 100% LTV, with a 1% interest rate, due in full in 10 years (assumes refinancing into first mortgage). Make exterior repairs on homes, address maintenance issues, and upgrades to interior.
- For property owners who convert a rental into a single family, up to 10% of the loan will be forgiven upon repayment for a formerly single-family rental and 20% for a duplex or triplex.
- Property owner must contribute 25% of the total project cost in matching funds.
- At least 25% of the total project costs must go to exterior improvements.
- Application and inspection fee of \$295
- No income requirements
- A 10-year deed owner-occupied restriction is recorded on the property
- Property owner may not rent the property after loan approval by CDC. If the owner decides to rent the property, the loan will be due immediately and in full, plus a \$10,000 penalty.

### Location and Amount

- Half mile boundary of TIF 14 (Gundersen TIF), includes Powell Poage Hamilton, Washburn, and part of Holy Trinity Neighborhood and now half mile boundary of TIF 15 Chart TIF, neighborhoods surrounding Trane and Chart.
- Have \$197,747 in allocated funds for each area (total \$300,000). When funds are paid back, they are put back into a "Housing Renovate" account. 5% of funds set-aside for administrative costs. Have \$47,747.07 in a loan payoff.
- \$150,000 available for city-wide rental conversion program only.
- Approximately 3-4 projects for each area.

### Recommended Program Revisions

- 6-week open application period (could be re-opened if not sufficient applications).
- To take advantage of the rental incentive, must prove that it was a rental for at least two consecutive years.

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- Projects ranked according to the criteria below and funds allocated according to ranking. If insufficient funds, applicants will be wait listed and contacted if funds become available.

## Housing Renovation Scoring

INCENTIVE	POINTS Achieved	POINTS AVAILABLE	Check If Meet Criteria	DESCRIPTION
Exterior Needs Improvements		4		Property Inventory Evaluation (PIE) identifies property as Below-High to Below-Low <a href="https://gis.cityoflacrosse.org/maps/housing_market_index/">https://gis.cityoflacrosse.org/maps/housing_market_index/</a>
		2		PIE identifies property as Standard (High, Average, Low)
		0		PIE identifies property as Above-High-Above Low
Curb Appeal Enhancement		4		Project includes work that will maintain or restore the historical character of the home or significantly improve the home's exterior.
		4		Extra exterior architectural details will be added as a result of this project.
Use of a single contract for all work.		3		1 contractor utilized.
		2		2 or less contractors.
		0		3 or more contractors
Detail of Plans and Specifications and Bids Provided		3		Bids and plans and specifications included
	0	<b>18</b>		

If no pie scoring available, staff will use discretion on which category the property meets. Staff may also change PIE score according to its judgement and discretion.

## Committee Feedback

Difficulty evaluating projects in which the property owner “would do this anyways” with or without funding, in particular for rental conversions. Any suggestions as to how staff might evaluate this?