



## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 1. Introduction

The City of La Crosse (the City) anticipates expending nearly \$1.2 million in HUD Community Development Block Grant and HOME Investment Partnership (CDBG/HOME) resources this year to address housing and community needs in La Crosse. In particular, with the pandemic, the City will focus on providing funds to non-profit organizations to help people in need. These funds will be expended in accordance with both City and CDBG/HOME goals, and the purpose will be to positively impact low-and-moderate income residents. These investments will leverage over \$8 million in other sources of funding, resulting that every \$1 spent in CDBG will leverage \$6.78. In addition, the city will also be focusing on childcare needs within our community. This industry has been struggling for a number of years and the

pandemic has further negatively impacted this sector. Employers continue to be engaged in this important conversation because when parents do not have safe and stable childcare their employees are less productive. In addition, when childcare centers loose staff or close parents often miss critical time at work. In La Crosse, childcare providers have expressed concern regarding staff turnover, licensing requirements as well as parent’s ability to pay timely. This has led to closures for both home-based as well as childcare centers in our community.

In year three of the City's 2021-2022 Consolidated Plans, the City of La Crosse will continue to prioritize and fund:

1. Neighborhood revitalization through acquisition and demolition of blighted structures, improving housing structures, in-fill ownership housing, and code enforcement.
2. Creation of Affordable housing through the development of mixed income, mixed use rental housing focused on meeting the needs of low-income families, ending homelessness, and housing for persons with disabilities.
3. Support businesses that create economic opportunity for LMI persons and in LMI neighborhoods, and focus on expanding access to licensed child care or early learning opportunities for LMI persons.

## **2. Summarize the objectives and outcomes identified in the Plan**

5-YEAR GOALS	5-YEAR NRSA OUTCOMES	NRSA 2021 Goal
<b>Housing Quality and Affordability</b>		
1. Increase safety and maintenance of homes through code enforcement	2000 housing units make repairs as a result of code enforcement	500
2. Repair aging housing infrastructure, both rental and owner-occupied.	25 units of homeowner housing are improved to meet Housing Quality Standards.	5
	25 units of rental housing are improved to meet HQS standards.	
3. Address lead-based paint hazards in homes with children.	10 rental units pass a lead clearance test.	5
4 Build mixed-income, affordable multi-family rental housing, with set-aside units for formerly homeless individuals.	50 units of affordable rental housing built or significantly rehabbed (priority 50% CMI)	25
	35 long-term units for persons transitioning out of homelessness added (30% AMI units).	
<b>Neighborhood Capital Improvements</b>		
5. Rebuild public infrastructure to improve livability and attractiveness of Neighborhood Strategy Areas for families.	Hamilton Elementary School completes capital improvements to enhance learning for its low-income students and surrounding neighborhood.	1
<b>Community Economic Development</b>		
6. Support businesses that create economic opportunity in LMI neighborhoods, with an emphasis on food access.	50 businesses receive technical assistance or financial assistance for start-up or expansion. 100 jobs created as a result. Launch public food market.	30/10

### Neighborhood Revitalization Strategy Area (NRSA) Goals

#### 3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The global pandemic has caused the City of La Crosse to focus on support non-profit organizations to deliver needed services to low-income families this year. The City, however, will continue to operate its Housing Rehabilitation program, as households find themselves trying to make even more improvements to their homes, due to staying at home. Neighborhood revitalization is still a need and the City's Replacement Housing Program won a state-wide award in November 2019. This successful program will be continued.

#### 4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

On December 20, 2021, the City noticed in the newspaper the availability of the City's Annual Action Plan for comment until January 21, 2022. The legal ad also notified the public that a public hearing would take place on January 11, 2022 at the Community Development Committee meeting. A twenty-day notice was given for the public hearings. It also informed the public that they could comment on the plan. The public was given 32 days to comment on the Action Plan.



**Public Services Partners**

**PR-05 Lead & Responsible Agencies – 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	LA CROSSE	Planning and Development Department
HOME Administrator	LA CROSSE	Planning and Development Department

**Table 1 – Responsible Agencies**

**Narrative (optional)**

The City of La Crosse was the lead agency that prepared this Action Plan.

**Consolidated Plan Public Contact Information**

For questions or comments about the Annual Action Plan, please contact Diane McGinnis Casey, Community Development Administrator, [mcginniscaseyd@cityoflacrosse.org](mailto:mcginniscaseyd@cityoflacrosse.org) or 608-789-7362.



## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

The City anticipates a balance of \$400,000 in revolving loan for its housing rehabilitation loan program. The demands for the CDBG program were greater than what was available. The Community Development Committee prioritized projects based on need.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	898,644	0	430,000	1,328,644	2,600,000	The City of La Crosse shall set aside 20% of its receipted program income funds for Administration and Planning and then receipt the balance of funds to the respective revolving loans.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	303,090	0	0	303,090	0	The City of La Crosse will expend the Program Income as it is received on its Replacement Housing Program.

Table 2 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City of La Crosse anticipated leveraging CDBG/HOME funds with approximately \$8.3 million on local funds, private donors, Continuum of Care Funding, city funding, loans and state resources. The City will continue its history of matching nearly \$6.76 for every \$1 of CDBG investment. One advantage for the City of La Crosse looking at the next five years is the energy and commitment to affordable housing and neighborhood revitalization from all public agencies (county, city, council and boards), the private sector, and non-profit organizations. The City has committed \$1.7 million in TIF funds towards neighborhoods and affordable housing and \$1.2 million was committed in County Grant Funding towards the revitalization of neighborhoods. In addition, the City of La Crosse has also received a grant from the State of Wisconsin for



Lead Abatement. HOME Match requirements will be satisfied through donated time and labor from our technical college partner who builds homes. Additionally, the City's strategy of leverage CDBG/HOME funds with housing tax credits has been very successful.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The City of La Crosse is looking at under-utilized land and considering options for new affordable housing development.

**Discussion**

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Repair aging housing infrastructure	2020	2024	Affordable Housing	City-Wide Area Northside Neighborhood Revitalization Strategy Area Southside Neighborhood Revitalization Strategy Area	Improve housing quality	CDBG: \$300,000	Homeowner Housing Rehabilitated: 15 Household Housing Unit
2	Replace or rehab dilapidated housing structures	2020	2025	Affordable Housing	City-Wide Area Northside Neighborhood Revitalization Strategy Area Southside Neighborhood Revitalization Strategy Area	Improve housing quality	CDBG: \$300,961 HOME: \$272,781	Homeowner Housing Added: 3 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Increase affordable housing	2020	2025	Affordable Housing Homeless	City-Wide Area Northside Neighborhood Revitalization Strategy Area Southside Neighborhood Revitalization Strategy Area	Affordable Rental Housing (In-fill or rehab)	CDBG: \$160,476	Rental units constructed: 25 Household Housing Unit
4	Improve Neighborhood Livability for Families	2020	2025	Non-Housing Community Development	Southside Neighborhood Revitalization Strategy Area	Public Infrastructure (lighting, schools, parks)	CDBG: \$25,000	Other: 1 Other
5	Increase economic opportunities	2020	2025	Non-Housing Community Development	City-Wide Area	Economic Development: Food Access and Child Care	CDBG: \$100,000	Jobs created/retained: 20 Jobs Businesses assisted: 50 Businesses Assisted
6	Prevent and end homelessness	2020	2025	Homeless	City-Wide Area	Poverty Alleviation	CDBG: \$88,000	Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 600 Beds Homelessness Prevention: 100 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Alleviate poverty and increase self-reliance.	2020	2025	Non-Housing Community Development	City-Wide Area	Poverty Alleviation	CDBG: \$102,000	Public service activities for Low/Moderate Income Housing Benefit: 1600 Households Assisted
8	Administer CDBG/HOME Program	2015	2020	Administration	City-Wide Area	Housing and Neighborhood Plans	CDBG: \$129,728 HOME: \$30,309	Other: 1 Other
9	Child Care	2020	2025	Child Care	City-Wide Area		CDBG: \$250,000	Other: 12 Other

**Table 3 – Goals Summary**

### Goal Descriptions

1	<b>Goal Name</b>	Repair aging housing infrastructure
	<b>Goal Description</b>	These funds will be used to fund the City's Housing Rehabilitation Loan Program. In addition, the City will leverage these funds to bring up to 8 units of housing in lead-safe home compliance. It is expected that about 30% of the Housing Rehabilitation Loans will be for homes in a NRSA.
2	<b>Goal Name</b>	Replace or rehab dilapidated housing structures
	<b>Goal Description</b>	Increase the number of quality and affordable owner-occupied homes in target neighborhoods. This will be accomplished through single-family owner-occupied development by Couleecap and the City of La Crosse.

3	<b>Goal Name</b>	Increase affordable housing
	<b>Goal Description</b>	Build mixed-income, affordable, multi-family housing, with set-aside units for homeless individuals
4	<b>Goal Name</b>	Improve Neighborhood Livability for Families
	<b>Goal Description</b>	This goal will undertake the Planning Comprehensive Plan.
5	<b>Goal Name</b>	Increase economic opportunities
	<b>Goal Description</b>	In addition to the CDBG Entitlement indicated below, the City will also undertake activities related to supporting Women and Minority-Owned Business previously described in its 2020 Action Plan. The activities will principally benefit low-and-moderate income families.
6	<b>Goal Name</b>	Prevent and end homelessness
	<b>Goal Description</b>	
7	<b>Goal Name</b>	Alleviate poverty and increase self-reliance.
	<b>Goal Description</b>	
8	<b>Goal Name</b>	Administer CDBG/HOME Program
	<b>Goal Description</b>	
9	<b>Goal Name</b>	Child Care
	<b>Goal Description</b>	Expand access to licensed child care or early learning opportunities for LMI persons



# Projects

## AP-35 Projects – 91.220(d)

### Introduction

The projects listed below are aimed at achieving the City's Consolidated Plan goals

### Projects

#	Project Name

Table 4 - Project Information

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Allocation priorities were based on priorities identified in the Consolidate Plan. A lack of resources and high needs of the homeless population are obstacles to addressing underserved needs.



**AP-38 Project Summary**  
**Project Summary Information**

## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

The City of La Crosse will concentrate its effort in Census Tract 4, 9, and 2. These areas are known locally as Washburn, Powell Poage Hamilton, and Lower Northside Neighborhoods. These areas are of the greatest priority for the City.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
City-Wide Area	41
Northside Neighborhood Revitalization Strategy Area	41
Southside Neighborhood Revitalization Strategy Area	18

**Table 5 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

Research demonstrates that concentrating resources in smaller areas creates the largest impact on home values and neighborhoods. Additionally, the NRSA areas represent the City's areas of greatest need and potential to impact low-moderate income households.

### **Discussion**

## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

The goals are also listed under the goals section of the Consolidated Plan.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	515
Non-Homeless	32
Special-Needs	0
Total	547

**Table 6 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	75
The Production of New Units	25
Rehab of Existing Units	15
Acquisition of Existing Units	0
Total	115

**Table 7 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

Assistance will be provided to households through the construction of new affordable housing, housing rehabilitation programs, and code enforcement.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

The City of La Crosse continues to improve its level of collaboration with the public housing authority but does not directly fund their projects. The City will collaborate with the Housing Authority on advancing the analysis of impediments to fair housing, working with landlords, and addressing homelessness.

### **Actions planned during the next year to address the needs to public housing**

The City of La Crosse Public Housing Authority has obtained 40 additional Section 8 Vouchers to help prevent families from becoming homeless during Covid-19. The City of La Crosse supported and advocated for this effort.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

No action being undertaken.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

N/A

### **Discussion**

The City of La Crosse's relationship with the City of La Crosse Housing Authority has significantly improved.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City of La Crosse, in addition to the actions listed below, coordinates with the Continuum of Care which is led by the La Crosse Collaborative to End Homelessness and CouleeCap.

- Independent Living Resources (ILR) will operate an Outreach Worker Program. ILR will provide assistance to homeless persons or persons at risk of being homeless.
- Additionally, studies show there is a strong correlation between homelessness and domestic violence victims. The City of La Crosse's will help New Horizons shelter provided emergency shelter to homeless women.
- The YWCA Ruth House will help women transition into a drug-free independent lifestyle by providing them transitional housing services.
- Couleecap will operate a Permanent Housing Program which will provide case management and housing for homeless persons.
- Funding is being provided to the Warming Center to provide emergency services during the winter.
- In 2021 the REACH center opened. This center includes multiple service providers in one location to better serve our homeless population.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City of La Crosse is funding Independent Living Resources to provide homeless outreach services. It is anticipated that they will serve 110 people.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The City is funding Catholic Charities Warming Center and New Horizons Domestic Violence Shelter. It is anticipated that they will serve 330 people.

#### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were**

### **recently homeless from becoming homeless again**

The City of La Crosse will support the Couleecap program to transition individuals to permanent supportive housing (110 people served).

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

The City of La Crosse will support ILR to operate an outreach worker program that anticipates serving 120 individuals to undertake these activities.

### **Discussion**

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

The City of La Crosse will continue its strong efforts to support affordable housing opportunities in the region, continue to de-concentrate pockets of poverty and create mixed-income neighborhoods, promote home ownership for minorities, collaborate with the Housing Authority, and continue to promote housing for all abilities. The onset of Covid-19 made it difficult to achieve its goals but it is making significant progress through promoting minority homeownership and promoting fair housing education.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

- Develop a regional affordable housing plan to examine these issues in the ex-urban areas of La Crosse such as Onalaska, Holmen, Town of Shelby
- Examine ways to increase the number of rental housing vouchers available in the region
- Work with landlords to participate in the Housing Choice Voucher program
- Examine ways to reinstate the rental registration and rental inspection program
- Deliver annual fair housing education
- Use CDBG funds to support the construction of affordable housing
- Review family definitions and review permitted locations of housing serving people recovering from alcohol or substance abuse
- Examine a local code amendment that would provide an alternative to a variance application for people requesting modifications related to a disability

### **Discussion:**

The City recently completed its analysis of impediments to fair housing. It is located at <https://www.cityoflacrosse.org/your-government/departments/community-development-and-housing/fair-housing/fair-housing-study>. At this time, the City is committing \$25,000 towards encouraging minority homeownership (as indicated in its Fair Housing Analysis) and \$160,476 towards creating affordable multi-family housing. These funds will help leverage a similar program utilizing TIF financing to assist developers in developing both affordable units and units targeting our homeless

population. In addition, the City of La Crosse anticipates utilizing some of the ARPA funds the city received toward affordable housing projects.



## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

There are a variety of other initiatives that the City is undertaking as part of its Action Plan.

### **Actions planned to address obstacles to meeting underserved needs**

Cuts to HUD funding has meant that it's more difficult to address underserved needs. The City is addressing this issue by prioritizing its funds towards only projects that meet a high priority in its Consolidated Plan. It also evaluates applicants for funding based on whether applicants are using CDBG funds to leverage additional funds. Finally, the City started a revolving loan fund in 2021 dedicated to meeting one of the highest underserved needs- affordable housing for renters. Currently, there is legislation being written to provide non-HUD capital towards this fund, which will leverage HUD funds.

### **Actions planned to foster and maintain affordable housing**

As noted in previous sections, the City is bolstering its efforts to promote affordable housing by creating a capital funds, currently anticipated to be capitalized at \$1.7 million in addition to the \$160,476 outlined in this plan towards affordable multi-family housing. The City also funds its Housing Rehabilitation Loan program and Replacement Housing program also aimed at fostering and maintaining affordable housing.

### **Actions planned to reduce lead-based paint hazards**

The City of La Crosse applied for and received a grant from the State of Wisconsin to reduce lead-based paint hazards in homes and completely abate lead hazards. This is also a key component of the City's Housing Rehabilitation Loan Program.

### **Actions planned to reduce the number of poverty-level families**

The City of La Crosse and its partners support a diverse range of programs and services funded through multiple sources to help low income families.

1. Assist families and individuals access resources that may help them move into self-sufficiency (stable and affordable housing, neighborhood-based sources, after-school programs, job training) through a partnership with La Crosse County La Crosse Area Family Collaborative;
2. Prevent poverty through assistance to City of La Crosse's youth, building communities, and supporting affordable housing initiatives;
3. Alleviate poverty by improving family and individual economic opportunities that lead to a sustainable living wage.

### **Actions planned to develop institutional structure**

- The City of La Crosse will continue to support a strategic planning process to explore the viability of a La Crosse Neighborhood Development Corporation.
- The City of La Crosse will convene its affordable housing partners both formally and informally to enhance coordination and carry out joint projects.
- The City of La Crosse is also providing technical support to a non-profit organization, La Crosse Promise, to leverage private funds to re-develop its priority neighborhoods.
- The City plans to update its Neighborhood Revitalization Strategy Area to HUD in the near future.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

The City of La Crosse will continue to improve its efforts to bring together multiple public and private housing and social service agencies for improved collaboration, to assist with strategy and policy-making, and leverage joint resources.

### **Discussion:**

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

#### Introduction:

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

- |  |          |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed  | 0        |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0        |
| 3. The amount of surplus funds from urban renewal settlements  | 0        |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan   | 0        |
| 5. The amount of income from float-funded activities   | 0        |
| <b>Total Program Income:</b>   | <b>0</b> |

#### Other CDBG Requirements

- |   |        |
|---|--------|
| 1. The amount of urgent need activities   | 0      |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 75.00% |

#### HOME Investment Partnership Program (HOME)

##### Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

None that have not already been described previously.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The La Crosse HOME Program/CHDO Loan Payment Repayment Agreement signed at closing will indicate which provision will apply to each property. The Agreement enforces the resale or recapture obligation through a lien, deed restriction, or covenant running with the land. The City's homes will use the recapture provision in the case that there is a second mortgage on the property. The CHDO homes will always use the recapture provision. In most cases, recapture will be used by the City but the resale provision will be used by the City of La Crosse in the case that there was no direct subsidy to the homebuyer.

The Declaration of Restrictive Covenants (Deed Restrictions) requires that units utilizing HOME funds meet the affordability requirements of the HOME program at 24 CFR 92.254 for homeowner housing. To ensure affordability, recapture or resale restrictions will be triggered by any transfer of title, either voluntary or involuntary, during the established HOME period of affordability. A copy of the recorded deed restrictions will be on file with the City.

1. In the event that the property is sold during the affordability period, the following recapture conditions will be met:
  - a. Under the recapture option, the period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit.
  - b. The CHDO and/or PJ will recapture the full amount of the HOME direct subsidy out of the net proceeds of the sale of the property. The net proceeds mean the sale price minus non-HOME loan repayment and closing costs.
  - c. If there are no net proceeds or insufficient proceeds to recapture the full amount of HOME investment due, the amount subject to recapture must be limited to what is available from net proceeds.
  - d. If the net proceeds are not sufficient to recapture the full amount of HOME investment plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvements made to the property during the period of occupancy, the homeowner's investment will be repaid in full before any HOME funds are recaptured.
  - e. If no direct subsidy is provided to the homebuyer to allow for the purchase of the unit, then

the resale provisions must be imposed.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

A resale provision will be used for projects that involve HOME assistance paid to the CHDO/PJ, but with no additional assistance to the buyer, meaning no direct subsidy was provided to the homebuyer that enabled the homebuyer to purchase the unit. This is because there are no funds that are subject to recapture.

- a. The affordability period will be based on the total amount of HOME funds used to assist the property and the buyer. The homebuyer must sell to another Low-Income homebuyer who earn less than 80% of the CMI, with the new home being affordable to the new buyer. The new homebuyer may not pay more than 33 percent of gross income for Principal, Interest, Taxes and Insurance (PITI).
- b. In the event that the resale provisions will be used, the CHDO/PJ must inform the homebuyer prior to the closing of the sale of the property and incorporate the resale provisions in the written agreements with the homebuyer.

In certain circumstances, the CITY may permit a new homebuyer to assume the City/CHDO loan and affordability restrictions, i.e., the CITY will not require the full repayment of the initial HOME subsidy. The HOME subsidy would be transferred to the new buyer and the remaining affordability period will remain with the property unless additional HOME assistance is provided to the new buyer.

The homebuyer for whom a resale restriction is enforced will be allowed a fair return when selling to another income eligible buyer. The seller (i.e., the original buyer) will be allowed to retain their original investment in the property (i.e., down payment) plus the cost of any improvements made to the property.

During the period of affordability, the last recorded purchase price will generally be the minimum restricted price at the time of resale. Neither the minimum nor the maximum restricted resale price is guaranteed to the owner. If the restricted price exceeds the actual market value, the owner may have to accept the lower price. HOME-assisted units must be maintained in good condition receive the maximum restricted price.

Foreclosure and Resale – Foreclosure also triggers Resale provisions. Under a foreclosure scenario the CHDO/PJ must ensure the house is sold to another low-income buyer, as defined by HUD, at an affordable price. The CITY has a right of first refusal under a foreclosure scenario.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A

