

17-0898

Housing Renovation Program Guidelines (market rate)

Purpose: The City of La Crosse has a significant interest in neighborhood revitalization in neighborhoods that are experiencing issues with deteriorating housing stock, perception of crime issues, middle and upper class flight, concentrations of poverty resulting in a high demand for social services and a shrinking proportion of the tax base compared to the surrounding municipalities.

The City has a very successful replacement housing program that target low-moderate income households. The City has expanded the replacement housing program to help bridge the gap of redevelopment of market rate homes. The City recognizes that there is the need for a program to assist and encourage renovation of existing housing stock. Additionally, this program can also be paired with the La Crosse Promise program.

Eligible Property:

- Must be located within the Powell Poage Hamilton, Washburn Neighborhoods or between West Avenue and 16th Street and Ferry Street and Green Bay (add map).
- Zoned Washburn Residential (WR) or Residential (R-1)
- Shall have a minimum assessed value of \$80,000
- Property has not been a recipient of the housing renovation program
- May not have an outstanding City of La Crosse Housing Rehabilitation Loan
- Property may not have an outstanding City of La Crosse Replacement Housing Program Deferred Payment Loan Repayment Agreement
- Property may not be a recipient of the County Acquisition and Demolition Grant Program

Eligible Recipient:

- Must hold title to the property (can be developer, builder, etc.)
- Agree to a 10 year owner occupied deed land use restriction agreement.
- Must fulfill commitments to the City, which include paying property taxes, maintaining properties in accordance with all municipal codes/ordinances and any other municipal claims
- If recipient qualifies for the City of La Crosse's Housing Rehabilitation Loan Program, they are not eligible to participate in the housing renovation program.
- Recipient may not have an outstanding Housing Rehabilitation Loan
- Recipient may not have an outstanding City of La Crosse Replacement Housing Purchase Agreement (Vacant Land)
- May not have a property that is currently in the housing renovation program.

Eligible Uses of Funding:

- Engineering and architectural services
- Construction material and labor costs
- Land survey and other site improvements
- Monthly P&I payment(s) for financing secured by the property of interest

Terms:

- Minimum loan amount of \$15,000, maximum \$35,000 or 100% LTV¹, whichever is less²
- Recipient must contribute 25% of the total project costs, contribution can be borrowed funds
- At least 25% of the total scope of work estimate shall go towards exterior renovations³
- Project must be approved by the Community Development Committee
- 0% interest rate
- Monthly payments are not required
- Loan must be in the form of a 1st or 2nd mortgage, the City will not subordinate to future debt
- Repayment must occur upon refinance, transfer of property or 10 years, whichever occurs first.
- Contract with a licensed contractor or demonstrate the ability to perform repairs

Special Terms for multiple unit Conversions

- Individuals seeking to convert homes with multiple units into single family home
- Maximum loan amount will be based on scope of work, minimum loan amount of \$10,000
- Project must be approved by Community Development Committee
- At least 25% of the total scope of work estimate shall go towards exterior renovations
- 0% interest
- Monthly payments are not required
- 10% of the principal is forgiven upon repayment of the loan
- Repayment must occur upon refinance, transfer of property or 10 years, whichever occurs first
- Loan must be in the form of a 1st or 2nd mortgage, the City will not subordinate to future debt
- Contract with a licensed contractor or demonstrate the ability to perform repairs

Guidelines:

- Recipient must allow Staff to perform an initial inspection of the property of interest
- Recipient must certify that upon completion of the renovation, the structure is code compliant as verified by the City of La Crosse's Department of Fire Prevention and Building Safety
- Recipient must keep the property insured for fire and extended coverage perils for at least an amount not less than the total debt against the property, naming the City of La Crosse as loss payee. Said policy shall remain in effect for the term of the loan
- Recipient must agree to pay, before they become delinquent, all taxes and assessments, or other charges which may be levied or assessed against the property
- The Community Development Committee (CDC) reserves the right to deny any applicant based on the ability to provide adequate information needed to determine eligibility, as determined by the Staff of the City of La Crosse
- Recipient will have 6 months, from CDC approval, to complete the renovation. Based on the scope of work, the CDC reserves the right to grant an extension.
- Expenses incurred prior to CDC approval are not be eligible for reimbursement

Procedures:

- Must allow Staff to perform inspections of property of interest (initial inspection, progress for release of payment and final)

¹ Loan to Value (LTV) will be based off of assessed or appraised value

² The loan amount may be modified based on project needs

³ Exterior renovations are defined as siding, roofing, soffit, fascia, windows, exterior doors, chimney repair, porch and/or front entry reconstruction

- Provide project time line, site plans, building plans, scope of work, cost estimate or any other documentation requested by Staff that outlines project details
- Demonstrate financial capability to perform the full scope of work presented
- Contractors and vendors should be approved before a request for payment is submitted
- Prior to disbursement of funds, property owner must submit a request for payment and provide supportive documents; such as:
 - Invoice from contractor, receipts from building Supply Company, financing invoice from financial institution for monthly P&I payment⁴.
Credit card statements will not be accepted
 - Property owner must provide evidence of a title company inspection/authorization to release funds or allow City to conduct an onsite inspection of property before payments will be released.
- Request for payments can be submitted twice a month. Deadline to submit payments is Tuesday by 5:00pm, payment to occur the following Friday after 12:00pm.

⁴ Monthly P& I payments will be made directly to Financial Institution.