

City of La Crosse Replacement Housing

Policy: Homebuyer Selection Lottery

Effective Date: June 2026

1. Objective

The purpose of this policy is to establish a fair, transparent, and non-discriminatory method for selecting homebuyers when the number of eligible applicants exceeds the number of available housing units.

2. General Eligibility

To participate in the lottery, all applicants must be "Program Qualified" prior to the drawing.

Qualification includes:

- Verification that household income does not exceed HUD-defined AMI limits.
- Completion of or Confirmed Registration for a HUD-approved Homebuyer Education course.
- Submission of a mortgage pre-approval letter from a verified lender.
- Submission of an offer to purchase for an amount between 95% and 100% of the asking price of the property and keeps the monthly mortgage/taxes/insurance payments equal to or less than 31% of gross monthly income and equal to or less than 43% when you include all other debt obligations

3. Weighted Lottery System

This program utilizes a "Loyalty Credit" system to reward persistent applicants. The program will grant additional lottery entries to applicants who have unsuccessfully applied for and made qualifying offers on previous program properties within the last 2 years from the date the property is listed for sale.

3.1 Ticket Allocation

Tickets will be assigned per household based on the following verified history:

- **First-Time Applicant:** 1 Ticket
- **Second-Time Applicant:** 2 Tickets (Has made 1 previous unsuccessful offer).
- **Third-Time + Applicant:** 3 Tickets (Has made 2 or more previous unsuccessful offers).

4. Drawing Procedures

The lottery shall be conducted in a public forum (physical or live-streamed) to ensure transparency.

4.1 Application Process

Each interested party will complete an application in Neighborly which will be reviewed for program eligibility. All eligible applicants will be assigned a Unique ID number.

The Community Development Manager shall verify the number of entries each ID is entitled to based on the number of times the applicant has submitted a qualified offer in the past.

4.2 Selection

1. The selection of the buyer will remain with the Economic & Community Development Commissioners. The lottery draw shall be performed and presented to ECDC for review and approval. The results of the selection will be recorded in the meeting minutes by the applicant's Unique ID.

5. Post-Selection Requirements

Notice of Selection: All applicants will be notified by email or phone before 12:00pm (noon) the day following the ECDC meeting where the lottery draw was held to let them know if their offer had been selected or not.