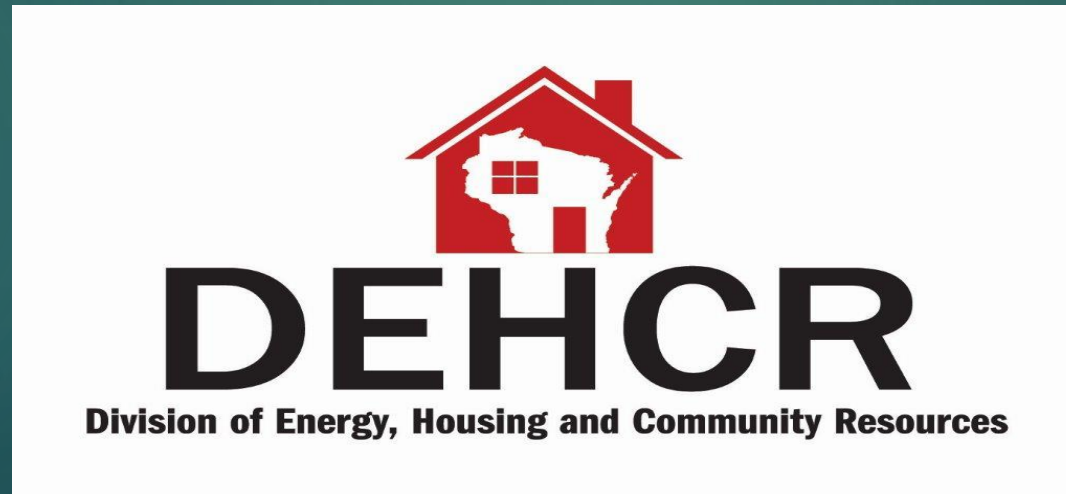


Division of Energy, Housing and Community Resources

DEPARTMENT OF ADMINISTRATION

STATE OF WISCONSIN



Mission

The Division of Energy, Housing and Community Resources (DEHCR) administers programs to improve/increase affordable housing options, address homelessness and assist with energy and home weatherization needs.

Who We Serve

- ▶ DEHCR administers a full array of housing, community development, energy and weatherization programs designed to provide assistance to both communities as well as individuals and households. This assistance is targeted to low-and-moderate income individuals/households.
- ▶ Utilizing a mixture of state and federal funds, the Division administers programs designed to:
 - **Create jobs and spur economic activity**
 - **Build and replace community infrastructure**
 - **Build new rental housing**
 - **Repair and rehabilitate both multi-family and single-family homes**
 - **Provide assistance to aid potential homebuyers**
 - **Provide critical assistance to homeless individuals and families by awarding grants for: emergency shelters, a full suite of essential services, and funding transitional and rapid re-housing**
 - **Provide disaster recovery for housing, businesses, and public infrastructure**
 - **Provide energy assistance to low income residents**
 - **Provide weatherization services to low income residents**

Affordable Housing Programs

▶ AFFORDABLE HOUSING

- ▶ HOME - Homebuyer and Rehabilitation
- ▶ Housing Cost Reduction Initiative
- ▶ HOME – Rental Housing Development
- ▶ HOME – Tenant Based Rental Assistance

HOME Homebuyer and Rehabilitation (HHR) Program Overview

- ▶ The HOME Program provides funds for homebuyer assistance and homeowner repairs
- ▶ Eligible for Low to Moderate Income households
 - ▶ Must be at or below 80% area median income level
- ▶ Assistance can be a grant or loan (deferred or low-interest)
- ▶ Homes must be made affordable - No loan to value limit
- ▶ Income and HQS inspection requirements
- ▶ HOME funds can also be used for weatherization activities under Homeowner Rehabilitation

HHR Housing Program Eligible Costs

- ▶ Homebuyer
 - ▶ Down Payment Assistance
 - ▶ Closing Costs
- ▶ Rehabilitation
 - ▶ Roofs
 - ▶ Windows
 - ▶ Siding
 - ▶ Lead Paint Hazards
 - ▶ Water Heaters/ Furnaces
 - ▶ Septic
 - ▶ Electrical and Plumbing
 - ▶ Energy Efficient Improvements

Housing Cost Reduction Initiative (HCRI) Program Overview

- ▶ Only for Homebuyer assistance or Foreclosure Prevention
- ▶ State Funded
- ▶ Eligible Costs Include: down payment, closing, mortgage insurance, property insurance and taxes and utilities
- ▶ Easier Program Administration Requirements than HHR

HHR and HCRI Program Grantees

- ▶ Potential clients need to apply through the non-profit or county government agency that administers the programs in their area
 - ▶ Currently there are 16 HHR and 22 HCRI grantees throughout the State
 - ▶ Not all grantees do homeowner repair and homebuyer assistance
- ▶ The State does not cover Presiding Jurisdictions (PJ's) that receive HOME funds directly
 - ▶ This includes large metropolitan areas including: Rock County, Milwaukee County, Dane County, Waukesha County Consortium as well as the cities of Eau Claire, Green Bay, Kenosha and La Crosse

Rental Housing Development (RHD) Program Overview

- ▶ The HOME RHD Program assists eligible housing organizations, including Community Development Organizations (CHDOs), with funds to develop affordable rental housing. For profit organizations may partner with the above-mentioned groups or apply directly
- ▶ Funds must serve households at or below 60% of the County Median Income (CMI)
- ▶ Subject to rent limitations for a specified period of time (Affordability Period)
- ▶ Funds may be used for acquisition, rehabilitation and new construction
- ▶ Applications accepted for projects of two or more rental units
- ▶ Developers are limited to two awards per year (up to \$500,000 each)

RHD Project – Nicolet Townhomes, De Pere, WI - May, 2015

- Keystone Development
- Project Cost - \$9.4M
- HOME Funds - \$494,100
- Units - 60 total, 9 HOME units (6 @ 30% CMI, 3 @ 50% CMI)
- Joint Funding - WHEDA & LIHTC



The logo for Nicolet Townhomes, featuring a stylized 'N' in blue and green above the text "Nicolet Townhomes" in a serif font.

RHD Project – Artist Lofts – Manitowoc, WI - 2016

- Impact Seven
- Project Cost - \$9.4M
- HOME Funds - \$500,000
- Units - 36 total, 11 HOME units (6 @ 50 CMI, 5 @ 30% CMI)
- Joint Funding - WHEDA & LIHTC
- Historic Tax Credits
- CDBG Local Revolving Loan Funds



Tenant Based Rental Assistance (TBRA) Program

- ▶ Federal HOME funding provided to local governments, housing authorities and non-profit organizations
- ▶ HUD awards TBRA funding to the State of Wisconsin to distribute to eligible applicants
 - ▶ In 2019, \$6 million was awarded
- ▶ HUD also awards TBRA funds directly to entitlement areas
 - ▶ Cities: Eau Claire, Green Bay, Kenosha, La Crosse, Madison, Milwaukee, Racine
 - ▶ Counties: Waukesha/Jefferson/Washington/Ozaukee County Consortia, Milwaukee, Dane, Rock
 - ▶ State TBRA funds cannot be used in these areas

TBRA...*(continued)*

- ▶ Provides a rental subsidy that can be used to help individual households afford housing costs such as rent and security deposits
 - ▶ The subsidy moves with the tenant
 - ▶ The level of subsidy varies
- ▶ Eligible clients are those homeless or at risk of homelessness
- ▶ Household income may not exceed 80% of the County Median Income (CMI)
- ▶ Assistance may be received for up to 24 months
- ▶ Supportive services are often provided alongside the rent assistance
 - ▶ Case management, mental health services, transportation assistance, etc.
- ▶ Units must meet Housing Quality Standards (HQS)

Community Development Housing

- ▶ **CDBG Housing Program**

- ▶ Rehabilitation and Repair
- ▶ Homebuyer Assistance
- ▶ Emergency Housing Repair
- ▶ Emergency Assistance Program (EAP)

CDBG Housing Program Overview

- ▶ DEHCR awards grants to seven regions. Each region has identified a lead county to administer the award.
- ▶ Provides grants to Units of General Local Government (UGLG) for housing programs which principally benefit LMI households.
- ▶ Examples of eligible projects: rehabilitation of dwelling units, removal of architectural barriers, homeownership opportunities for renters, payment of relocation costs and benefits.
- ▶ Eligible for low to moderate Income households (owner occupied and renter occupied)
 - ▶ Must be at or below 80% area median income level

CDBG Housing Program Overview- continued

- ▶ Owner of the property must apply for assistance
- ▶ Mortgage lien placed against the property
- ▶ 0% deferred payment loan due when the owner no longer owns or occupies the property as their primary residence
- ▶ Rental units have immediate monthly repayment terms. 0% interest loans.
- ▶ Loans can be up to 120% LTV (Loan to Value) of the home
- ▶ Property taxes and insurance must be current
- ▶ Project must be brought into a decent, safe, and sanitary condition upon completion (emergencies excepted)
 - ▶ NOT a remodeling program
 - ▶ Correct necessary repairs and/or health and safety concerns
 - ▶ All LBP (Lead Base Paint) hazards must be remediated on any home built prior to 1978

CDBG Housing Program Eligible Activity Examples

- ▶ Roofs
- ▶ Windows
- ▶ Doors
- ▶ Siding
- ▶ Water/sewer laterals
- ▶ Septic systems and wells
- ▶ Lead based paint hazards
- ▶ Energy efficient Improvements
- ▶ Accessibility accommodations (ramps, high rise toilets, grab bars, etc.)
- ▶ Electrical and plumbing
- ▶ Water heaters and furnaces
- ▶ Down payment assistance dollar for dollar match
- ▶ Closing costs assistance
- ▶ Relocation
- ▶ Conversion of structures to create affordable rental units for LMI households

CDBG-Housing Emergency Rehabilitation

- ▶ Repair the imminent health and safety issue
 - ▶ Does not require an HQS inspection
 - ▶ Can just focus on the H&S concern (i.e. roof, septic, lead poisoned child etc.)
 - ▶ Doesn't have to pass a lead clearance (unless the emergency is for lead poisoned child or lead work is involved)
 - ▶ Property taxes do not have to be current
 - ▶ No equity required
 - ▶ Homeowner's insurance required or the ability to acquire it after the repair has been completed

CDBG-Emergency Assistance Program (EAP)

- ▶ Linked directly to natural or man-made disaster
- ▶ Grant to LMI recipient - not a loan
- ▶ Limited to necessary repairs of disaster affected components
- ▶ Assistance may include:
 - ▶ Housing rehabilitation
 - ▶ Acquisition/demolition/relocation
 - ▶ Housing replacement
 - ▶ Disaster mitigation activities

CDBG Housing and Tribal Lands

- ▶ Regional and local RLF programs can not assist on tribal lands
- ▶ Funds available through the Indian Community Development Block Grant Program (ICDBG)
- ▶ Federally recognized Indian tribes and Alaska Native Villages apply for funds with HUD

CDBG-Housing Region Overview

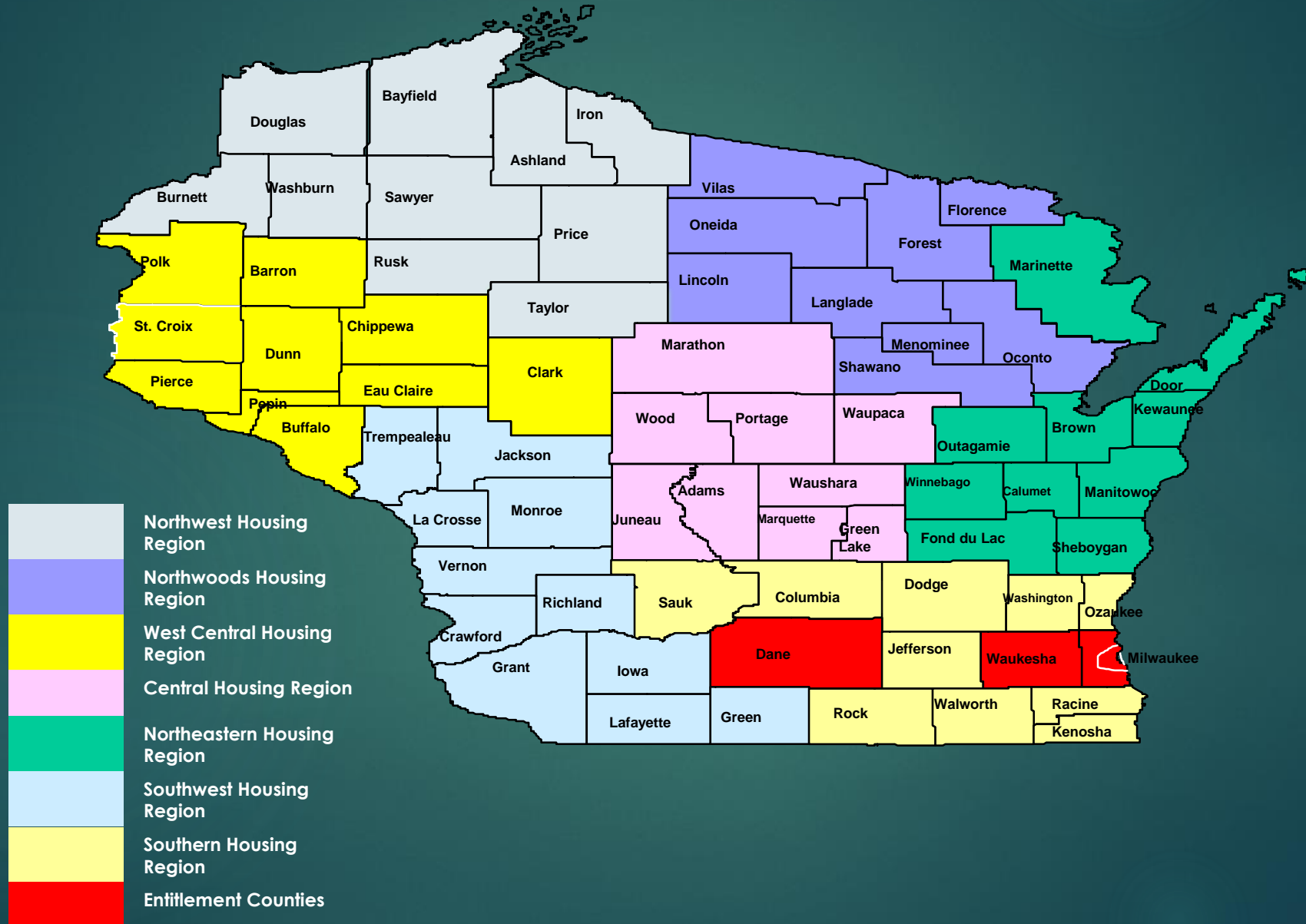
The State is divided into seven regions to administer CDBG-H funds. Funding is awarded every two years.

- ▶ Central
- ▶ Northeastern
- ▶ North West
- ▶ North Woods
- ▶ Southern
- ▶ South West
- ▶ West Central

Dane, Waukesha, and Milwaukee Counties are “Entitlement” areas, along with larger cities. A list is located on the DOA website:

<http://www.doa.state.wi.us/Documents/DOH/SCH/Entitlement.pdf>

CDBG HOUSING REGIONS



Revolving Loan Fund (RLF)

- ▶ RLF programs include 279 Towns, Villages, Cities, or Counties (Units of General Local Government, or UGLG) that received CDBG funding prior to 2012
- ▶ Money received from a loan repayment returns to the municipality for future CDBG home rehabilitation projects or homebuyer down payment assistance
- ▶ The CDBG funds within an RLF must be used first, prior to using funds from the Region