

# WAUNAKEE HOUSING BETTERMENT FUND

DRAFT

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DRAFT SCORING MATRIX

	0	1	2	3	score
Household Income (x2)	>100% AMI	81-100% AMI	61-80% AMI	= or <60% AMI	
Housing Value (x2)	\$450,000+	\$4000,000 - 449,999	\$350,000 - 399,999	< \$350,000	
Age of structure	< 20 yrs	20 - 40 yrs	40 - 60 yrs	> 60 yrs	
Neighborhood Impact	Area not in need of revitalization	Area in need of minimal revitalization	Area in need of revitalization	Area in need of major revitalization	
Repair Need	Project does not need repairs; primarily cosmetic	Project could use minimal repairs	Project is in need of average repair; wear and tear clearly visible	Project in need of major repair and may impact future sellability	
Livability	Project does not add to the livability of the home	Project adds minimal value to livability of the home	The project adds average livability to the home	The project adds a great amount of livability to the home	
Total score					

Scoring: highest possible score = 24; a minimum score of 50% or 12 pts is needed to be considered for disbursement of funds

*Neighborhood Impact* - Is the unit located in an area where other homes are in need of repair or maintenance? If yes, what is the extent/number of other homes in need proximal to subject property?

*Repair Need* - to what degree is the project a need vs. a want; aesthetic vs. structural; improve energy efficiency, etc.

Median Household Income amount to be determined annually; source data: xxxxxx

Median Home Value amount to be determined annually; source data: xxxxxx

Benchmark references:

Census 2020: ACS 5-yr estimate of **median value** - \$358,100 (for Waunakee)

Census 2020: ACS 5-yr estimate of **median household income** - \$114,983 (for Waunakee)  
 [114,983/12 = 9,581.92/month; 9,581.92 x 0.30 = 2,874.58; housing costs = < 2,874.58/month considered affordable, costs > 2,874.58/month considered cost burdened]

**Area Median Income:** The area median income is the midpoint of a region’s income distribution, meaning that half of households in a region earn more than the median and half earn less than the median. A household’s income is calculated by its gross income, which is the total income received before taxes and other payroll deductions. Each year, the US Department of Housing and Urban Development (HUD) calculates the area median income (AMI) for every geographic region in the country by using data from the US Census based American Community Survey. In addition to calculating AMI, HUD defines and calculates different levels of AMI for geographic areas across the country by household size. Households less than 80% of the AMI are considered low-income households, households earning less than 50% of the AMI are considered to be very low-income, and households earning less than 30% of AMI are considered to be extremely low-income households.

## Acknowledgement page

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## INTRODUCTION

### Overview

The *Waunakee Housing Betterment Fund* (WHBF) is a program developed by the Village of Waunakee to benefit Waunakee's affordable housing stock and help increase appearance and quality. *WHBF* aims to work with citizens to invest in both them and their homes. This program will be financed through a Tax Increment Financing (TIF) law known as the "Affordable Housing Extension". The law allows a community to extend a TIF district up to one year when that district's debt is retired, and all project costs are paid. The increment created from the extension is then used to benefit affordable housing and improve housing stock within the community. Funds awarded under this program will be available in the form of reimbursement grants.

In February 2021, the Village Board utilized the provision in state law adopting a resolution to extend the life of TID #2, initiating the creation of a housing fund. Later that year, a portion of the funds were allocated to a 50-unit multi-family Low Income Housing Tax Credit (LIHTC) residential development located on W. Main Street – the first of its kind in Waunakee.

This policy guideline in and of itself does not extend the life of any TIF District in the Village; ~~it~~ it is intended to set forth the program in which funds can be used if and when the Village Board decides to adopt a resolution extending the life of a district to benefit affordable housing. The parameters included herein are meant as a starting point for further refinement and/or expansion of the program as conditions and priorities change over time. Development proposals may be evaluated and awarded on a case-by-case basis that provide an extraordinary public benefit as determined by the Village Board.

The desired outcome of investing in the Village's affordable housing stock will result in a cascading effect that will benefit the Village as a whole.

### Purpose, Goals and Objectives

The Affordable Housing Extension approved by the Village Board in 2021 stated that at least seventy-five (75) percent of the monies collected by extending TID #2 shall assist affordable housing projects that have been awarded LIHTC from the Wisconsin Housing and Economic Development Authority or to assist other affordable housing projects that satisfy the requirements of the Wisconsin Statutes. For purposes of the WHBF, the Wisconsin Statutes define "Affordable housing" as "housing that costs a household no more than 30 percent of the household's gross monthly income." The funding provided for the WHBF is necessarily limited, as it is generated through the extension of tax incremental financing districts as permitted by the Wisconsin Statutes. The primary purpose of the WHBF is to ensure that its funding is provided to the affordable housing projects that are most in need of the funding. To satisfy this purpose, the Village must exercise discretion in how it allocates the limited funding, and the criteria contained in the WHBF should be viewed in this context.

~~WHBF is primarily aimed at updating the Village's existing residential homes.~~ The Village's Community Development Authority (CDA) has identified two main goals for the program to help define what success looks like:

*Improve the integrity of Waunakee's older housing stock.*

1. Provide income qualified home-owners financial assistance to aid in the completion of home-improvement projects for affordable housing projects consistent with the Wisconsin Statutes.
- 1.2. Improve the integrity of Waunakee's older housing stock.

### Administration

The Community Development Department will administer the *WHBF* program. Administration includes, but is not limited to, promoting and advertising the program, accepting and reviewing completed applications, and interpreting program guidelines, and reviewing reimbursement requests.

Applications will be reviewed on a triannual (three times per year) basis. ~~Qualified projects will be approved on a first come first serve basis.~~ The Waunakee CDA will have final determination on amount and who receives funds from the program. Further, the Waunakee CDA reserves the authority to not provide funding to an affordable housing project or other project, even if a project satisfies the initial threshold to be considered for the disbursement of funds under the WHBF. As previously stated, the funding provided for the WHBF is limited. The Waunakee CDA may exercise its authority to not provide funding for an affordable housing project or other project because it determines that the Village, its residents, and the WHBF will be better served by maintaining the funds for a future project (or projects) more in need of the WHBF funding.

Any grant funds that were allocated but not used in full by an approved applicant and/or any unused funds within the calendar year will either be reprogrammed to another grant application with an eligible project(s) or will be carried over to the next calendar year's budget.

The budget for the program will be set on an annual basis and be included in the Village of Waunakee's Community Development Department Budget. However, both the Village Board and the Waunakee CDA reserve the right to reconsider the funding amount for any particular year if funding is available and there are extenuating circumstances that may warrant additional funding.

## PROGRAM DETAILS

The WHBF program is a reimbursable grant program to help eligible single and two-family homes increase the curb appeal, value and livability of their home. The program provides matching funds in the form of a reimbursable grant and will provide funds between \$2,000 and \$10,000 for eligible expenses.

**Eligible Properties:** Properties that meet the following criteria may apply for up to \$10,000 in reimbursable grant funds:

- a. Owner occupied, one or two-family home properties.
- b. Minimum project value of \$4,000.
- c. 1:1 matching funds.
- d. The assessed value of the home to be modified by the project shall not be over 125% of the average assessed home value in the Village of Waunakee, as established by the Village Assessor on an annual basis.

**Ineligible Properties:** A property which has any one or more of the following conditions is ineligible for the program:

- a. A property is not located within the corporate limits of the Village of Waunakee.

- b. Any property where the owner of that property is delinquent on any debt it owes to the Village of Waunakee.
- c. Properties owned in part or in whole by a tax-exempt entity.
- d. A property that has an open or known code violations. Applications that are submitted for projects that will close a code violation may be considered on a case-by-case basis.
- e. Property that has received past affordable housing funds from this program in the previous 5 years.

#### Grant Guidelines:

- a. The applicant must submit a completed application packet, including before photos, prior to any work being completed in order to be considered for loan program.
- b. Before photos shall be submitted, preferably in a digital file format (e.g. jpg, PDF, etc.). Along with images of the area of work, a “master” photo must be submitted that displays the entire house from the street.
- c. A project timeline must be submitted to the Community Development Department.
- d. This program is a reimbursement grant. The applicant is required to pay all expenses related to their approved project and then submit for reimbursement from the Village.
- e. The homeowner must agree to obtain all necessary permits (e.g. building, plumbing, electrical, roofing, permits, etc.), including home owners association (HOA) or neighborhood architectural design review committee approval if necessary.
- f. All work must meet local, state and national standards including but not limited to lead and asbestos.
- g. Projects must be substantially completed within twelve (12) months of grant approval.
- h. Properties may receive a grant, not to exceed \$10,000 for home improvements.
- i. If an applicant is awarded funding under the WHBF program, the applicant must execute a document in a form approved by the Village, which document will be recorded on the property. Generally, the document shall provide that if the property is sold within two (2) years of completion of the project for which the WHBF funding was provided, the applicant shall return the funds to the Village upon the sale of the property. Further, if the applicant fails to return the funds to the Village, the purchaser of the property shall be required to pay the funds to the Village.

## ADDITIONAL PROGRAM DETAILS

### Income Requirements

Affordable housing is defined in state statutes section 66.1105(2) (ab) – housing costing no more than 30% of the household’s gross monthly income. Housing costs include mortgage payments (principal and interest), property taxes and home insurance. (e.g. \$5,000 Gross Monthly Household Income = \$1,500 maximum housing costs)

**Eligible Projects:** Eligible projects shall be comprehensive and may include the following items, but are not limited to:

- a. Bringing non-compliance features up to code.
- b. Replacing the roof.
- c. Repair/Replacing windows.

- d. Exterior masonry repair/replace.
- e. Front porch repair.
- f. Replace/ repair existing siding.
- g. Install guards and handrails.
- h. Paving driveways that are currently non-conforming.
- i. Replace, repair, or install garage.
- j. Demolition and removal of structures deemed dilapidated by the Village Building Inspector as part of a larger project.
- k. Repair or replacement of gutters or trim.
- l. Repair or replacement of soffit and fascia.
- m. Lead and asbestos remediation.
- n. Shrubs and Trees within the front yard (not to exceed 10% of total project reimbursement).
- o. Additions or added architectural features that will enhance the character of the home.
- p. For painting or staining projects, applicants are required to scrape and prime all surfaces prior to painting or staining. Photo documentation of the finished prep work is required.
- q. Additional Projects allowed:
  - a. Foundation repair (Considered Interior Projects)
  - b. Other interior or exterior projects/improvements consistent with principles of universal design (see page 9)
  - c. Upgrading electrical.
  - d. Upgrading plumbing.
  - e. Upgrading mechanical systems.

**Ineligible Projects:** Items/projects that are not eligible for reimbursement under the Program include, but are not limited to, the following:

- a. The repair or replacement of dog houses or any other structure for animals.
- b. Any interior projects to a detached garage or accessory building.
- c. Rental companies or other organizations may not use this program to reimburse their own staff's labor expenses to complete their project.
- d. Materials that have been purchased or projects that are completed or underway prior to issuance of a signed **Contract for Services and Award Letter by Community Development Staff**.
- e. The purchasing of permanent equipment or tools (ladder, paint sprayers, etc.).
- f. Proposed projects that are solely demolition.
- g. Project costs that demolish a structure or part of a structure ([including a salvageable porch](#)) and do not replace the structure in kind to protect the character of the home and neighborhood.

### Labor

Only projects that employ professional labor shall be eligible for the program. Projects done by non-professional labor shall not be considered for grant dollars.

- a. All receipts or invoices must be submitted by or on behalf of the contractor selected for the project.
- b. Professional labor is considered work done by an individual who is trained and engaged in such work for a career. All work must meet the housing standards set forth in Appendix A.

### Application Process

The Community Development Department shall ensure a complete application is submitted and then will process them.

- a. Administration and Approval: Community Development Department review and Community Development Authority Approval ~~on a first come first serve basis.~~
- b. A complete Pre-Documentation project Form. For renovation projects, this Form must include an itemized description of the proposed project and an estimated cost for each item. Any item not listed on the worksheet will not be considered for reimbursement or a loan. If the project is being completed by a contractor, a copy of their estimate to complete the work must be attached. Design plans should be included, if applicable.
- c. Submit a timeline outlining when the project will be completed.
- d. A completed W-9 Form. A completed W-9 form must be completed and submitted in order to be eligible for the program.
- e. The Community Development Department determines whether the applicant owes money to the Village and if there are any open or known code violations on the property.
- f. It is anticipated that an applicant will receive a response whether they are eligible or ineligible for the Program within 30 days from the date received. Receipt of notice that an applicable is eligible for the Program, however, does not constitute approval of any funding by the Waunakee CDA.
- g. Before photos of the proposed project. Items will not be considered if before photos are not submitted. Before photos shall be submitted, preferably in a digital format (e.g. jpg, PDF, etc.). Along with images of the area of work, a “master” photo must be submitted that displays the entire house from the street.
- h. A signed Contract for Services Form. Submit a signed Contract for Services Form. If approved, a signed copy of the Contract from the Village will be sent back to the applicant.
- i. Homeowner’s insurance policy coverage page.

### Reimbursement Procedures:

- a. A completed Final Reimbursement Form/Worksheet. This form must include a description of the proposed project(s) and the final cost for each project. Any items for projects not listed on the Pre-Documentation Form are not considered for reimbursement.
- b. Copies of receipts/paid invoices showing proof of purchase of the approved/ completed items/materials for each project. The applicant is required to mark on their receipt which item(s) is/are being requested for reimbursement and what project they were for.
- c. Final photo documentation of the complete project. (“After” Photos). Photos shall be taken in a similar manner to the “Before” photos.

- d. After the applicants submit all of the required information for reimbursement, the Community Development Department shall review all information submitted to ensure it is eligible for reimbursement and will determine the amount awarded, if any, to the applicant. Eligibility for the Program does not guarantee that any funding shall be provided for the Project.
- e. Once the request is complete, copies are made of the reimbursement form and all receipts and/or paid invoices are forwarded to the Village of Waunakee's Finance Department and the dollar amount to be reimbursed back to the applicant.

### Community Development Authority Approval

The CDA shall review and make final determinations for all applications. The following criteria will be taken into consideration by the Community Development Department and the CDA:

• Whether the project benefits affordable housing, as that term is defined in the Wisconsin Statutes and in the WHBF.

- The applicant's financial history.
- History of the applicant and/or listed contractors including past ordinance violations and/or citations.
- The quality of work performed by the applicant in any other applicable home renovation.
- The Project quality.
- The neighborhood impact of the project.

### Project Extensions

Upon the request of a Property Owner of an approved project, the CDA may consider granting one 6-month extension for which the project shall have substantial completion considering the following:

- a. A Property Owner must submit an extension form prior to the end of the allotted timeframe.
- b. Upon review, the Housing Authority shall consider the Applicant worked in good faith to start the project upon approval and actively pursued the completion of the project in a timely matter. If the project has not commenced, materials have not been ordered, and/or the applicant fails to show proper documentation among other support, the extension will be denied, and the applicant must reapply for the program.
- c. Any project extension shall have a \$50.00 review fee.

### Marketing Funds

It is the expressed intent of this initiative that up to \$1,500 shall be budgeted per calendar year to market and advertise the initiative. The Community Development Department will determine how best to use the budgeted marketing funds to promote the initiative.

### Housing Standards

In order to maintain the character and quality of Waunakee's older homes, all houses that use program funds must abide by the guidelines set forth in Appendix A.

### Universal Design

Universal design or barrier-free design focuses on making the house safe and accessible for everyone, regardless of age, physical ability, or stature. Examples of common universal design features include:

- **No-step entry.** Stairs are not needed to get into a home or into the home's main rooms.
- **One-story living.** Places for eating, sleeping, and using the bathroom are all located on one level.

- Avoid changes in floor height, including thresholds.
- **Wide doorways.** Doorways that are 32-36 inches wide let wheelchairs pass through.
- **Wide hallways.** Hallways should be 36-42 inches wide.
- Floors, bathtubs, steps and grab bars with **non-slip surfaces** help everyone stay on their feet.
- Improvements in **lighting** to help people with poor vision.
- Incorporating **lever handles** instead of doorknobs.
- Lowered electrical switches and raised receptacles so that they can be reached from a seated position.

## APPENDIX A

The ~~WHBF Village's housing~~ program is primarily aimed at ~~providing assistance to affordable housing projects and, in particular,~~ renovating existing homes. These homes have a character that is unique and should be preserved and enhanced when at all possible. When a structure is renovated with the use of Village of Waunakee Affordable Housing funds, the purpose of the renovation is not to make an old house new but to improve or repair the existing features. The original home's design, structure, and style should be maintained when at all possible. The following is a design guideline to ensure that the aesthetics of existing homes are not lost with renovation projects.

### A. Siding:

- When existing wood siding exists, it is preferred that the existing siding is maintained opposed to replacing it with new siding.
- New siding shall be applied in a manner that preserves all existing distinguishing architectural features and ornamentation.
- Width of new siding is consistent with the type, age, and style of the house.

### B. Brick and other Exterior Masonry:

- When at all possible, all existing exterior masonry will be preserved and repaired. Only in cases of irreparable damage can the exterior masonry be removed.
- New masonry shall be applied in a manner that preserves all existing distinguishing architectural features and ornamentation.

### C. Porches:

- Existing porches will be maintained and repaired. ~~In no case should a salvageable porch be removed.~~
- Existing front porches will be maintained and repaired to original appearance and condition. ~~Salvageable front porches will not be removed.~~
- Funds allocated under this program shall not be used to remove a salvageable porch.

### D. Windows and Doors:

- The style and design of any new window or door should match the original.
- The removal of a window or door shall not be permitted unless the removal of the window or door is vital to the completion of the project.
- The replacement of windows shall not destroy any distinguishing features or architectural ornamentation.
- A new window or door may not be smaller than the existing window or door.

### E. Outbuildings:

- Any outbuilding, shed, garage or other structure will conform in style and color to the principal structure on the lot.