



## Request for Housing Rehabilitation Fund Request April 2025

### Project: Home Preservation Program - Critical Home Repair

Habitat for Humanity of Waukesha County seeks \$50,000 in TIF Affordable Housing Extension-Housing Rehabilitation funds to conduct critical repair projects in partnership with existing owner-occupied homeowners within the City of Waukesha.

### Program Overview and Impact

The Home Preservation Program provides critical home repairs to qualifying low-income homeowners in Waukesha County. Since its revival in 2021, the program has successfully completed 22 projects across six municipalities. The program has demonstrated sustainable impact by:

- Preserving affordable housing stock in aging neighborhoods
- Preventing displacement of low-income homeowners
- Ensuring safe living conditions for vulnerable populations
- Improving neighborhood stability and property values
- Creating a sustainable program through our sliding-scale repayment model

### TIF Impact on Affordability

TIF funding has been instrumental to the success of our program, enabling 9 projects to move forward that might otherwise have been financially unfeasible for the homeowners. By providing increments of \$4,999 per project, TIF grants significantly reduce the overall project cost that factors into the homeowner's repayment calculation. This approach:

- Makes critical repairs affordable for the most vulnerable homeowners (20-50% AMI)
- Allows us to leverage our CDBG funding to serve more homeowners and families
- Creates immediate impact in City of Waukesha neighborhoods
- Complements our sliding-scale model by reducing the base cost before the percentage is applied

### Why Partner with Habitat's Home Preservation Program?

- **Established Track Record:** Our program has successfully served over 20 families with critical repairs since the program's revival in 2021
- **Comprehensive Approach:** We address both visible needs and underlying critical issues
- **Experienced Leadership:** Dedicated staff provide expertise in homeowner assessment, contractor management, and project oversight
- **Efficient Process:** Streamlined application, assessment, and project management systems ensure timely completion
- **Financial Sustainability:** Our sliding-scale repayment model generates program income to serve future homeowners through CDBG

- **Digital Innovation:** We've implemented an online application system to increase accessibility
- **Community Networks:** Established relationships with contractors, community organizations, and referral sources

**Scope of Work:** Projects include but are not limited to code compliance, roofing, HVAC systems, electrical and plumbing repairs, window replacements, and structural repairs. The average repair cost is \$15,000, with a maximum of \$24,999 per project.

**Demographic Served:** All homeowners must qualify as low-to-moderate income (below 80% AMI) with priority given to households between 20-50% AMI. The program especially benefits elderly, disabled, and veteran homeowners.

**Application and Selection Process:**

- Initial application and documentation review
- Income and property eligibility verification
- Environmental and historical review
- Site visit assessment
- Contractor bidding and selection
- Project agreement and loan documentation
- Construction oversight and quality control

**Sliding-Scale Repayment Model:** Our innovative approach ties repayment amounts directly to household AMI percentage, ensuring affordability while creating program sustainability. For example, a household at 50% AMI would repay 50% of their project cost at 0% interest. Monthly payments start at \$75, with terms typically 36 months or less. Loans over \$5,000 include a recorded mortgage with the county to secure the loan.

**TIF Funding Request Structure:**

- \$50,000 total request
- Applied in increments of \$4,999 per qualifying City of Waukesha project
- Enables approximately 10 critical repair projects for low-income City homeowners
- TIF funds are structured as grants, not loans, to reduce the overall cost basis

**Home Preservation Annual Budget:**

**Income:**

CDBG	\$200,000 (pending)
TIF	\$50,000 (pending)
Habitat Funds	<u>\$35,000 (secured)</u>
	<b>\$285,000</b>

**Expenses:**

Staffing & Admin:	\$75,000
Critical Repairs	<u>\$210,000</u>
	<b>\$285,000</b>

**Conclusion:** The Home Preservation Program has demonstrated its effectiveness in preserving affordable housing in Waukesha County. With continued TIF funding support, we can expand our impact to help additional low-income homeowners in the City of Waukesha maintain safe, decent housing while supporting neighborhood revitalization. The unique structure of combining TIF grants with our sliding-scale repayment model creates an exceptionally affordable solution for homeowners who would otherwise be unable to address critical home repair needs.