



**Habitat for Humanity of Waukesha County
TIF Affordable Housing Rehabilitation Fund Request**

Memorandum of Understanding between Habitat for Humanity of Waukesha County (HFCWC) and the City of Waukesha

August 10, 2021

Project: Minor Home Repair Projects

Habitat for Humanity of Waukesha County's (HFHWC) mission is to build simple, decent and affordable homes in partnership with families in need. HFHWC is requesting \$50,000 in TIF Affordable Housing Extension - Housing Rehabilitation funds from the City of Waukesha to conduct a minimum of 10 minor repair projects in partnership with existing owner-occupied homeowners within the City of Waukesha.

Why Habitat Repair Program?

- The Habitat for Humanity brand has a strong reputation, individuals call us every day asking for this service and expect that we can perform such tasks
- Currently have a waiting list of 15 families, without announcement or marketing the program
- Most homeowners are not aware of the real issues they have with their properties. Our trained staff and sub-contractors help them address the issues they see, as well as other major issues that may be present
- We leverage volunteer labor, in-kind services and donated products to stretch grant dollars further and help the families address more projects within their home.
- HFHWC will serve as the project manager and work side-by-side homeowners to help them understand the process, address their critical needs, schedule work, ensure quality construction and necessary permits are pulled.
- We have an established network of sub-contractors that work with HFHWC because of our reputation and appreciate the ability to give back. This is incredibly important during our current labor and construction shortage
- We have trained staff certified in loan origination to answer homeowner inquiries, assist with application completion, process applications and complete site visits

Scope of Work: Projects include but are not limited to code compliance, decks, siding, painting, roofing, window replacement, façade repair, HVAC, electrical, improved quality of life, and

accessibility upgrades. HFHWC will not perform emergency repairs, aesthetic (non-critical) improvements, or purchase home furnishings and appliances.

Demographic Served: Partner families will follow the adopted City of Waukesha TIF Extension policy guidelines, HFHWC will prioritize families between 30%- 60% of AMI. Partner families are required to put in up to 24 hours of sweat equity hours into the completion of their project.

Application Process: HFHWC application can be submitted by mail or email. Applicants must meet the same income requirements as our homeownership programs but also fit additional qualifications such as property must be at least 50 years old, appraised at or below City's median assessment for the year the application is submitted, and have a willingness to partner. Applicants must: submit proof of ownership, income, homeowner's insurance and an application fee. Applications are then processed within 30 days of receipt.

Recapture: HFHWC requests the Redevelopment Authority provide grant funds of \$50,000. HFHWC will service a sliding scale fee repayment (see chart below) from partner families which will be cycled back into a revolving loan fund for the repair program and help provide long-term sustainability of the program. A promissory note will be issued by HFHWC for all projects \$10,000 and greater.

Grant Disbursement: Upon application approval, HFHWC will submit a request for up to a \$5,000 grant payment at time of an approved application. This request shall include the address of the property, household size, household income, and scope of work and amount of grant funds requested. Monies will be allocated to projects within 18 months from initial grant agreement. Any unspent grant funds may be reallocated to other program applicants, subject to approval of the City of Waukesha. City staff are able to review application or eligibility criteria as requested.

Grant Goals: The goal is to award a minimum of 10 grants by July 31, 2023.

Repair Program Sliding Scale Repayment Chart		
HUD AMI	Project Cost Repaid by Homeowner	Average Monthly Payment
20-21%	20%	\$33-\$80
21%-30%	40%	\$66-\$140
31%-40%	50%	\$83-\$190
41%-50%	60%	\$100-\$240

51%-60%	70%	\$115-\$290
61%-70%	80%	\$133-\$330
71%-80%	90%	\$150-\$375

* Projects range from \$1,000-\$15,000

* Sample is a family size of 4

* All repayment plans are 0% interest loan and on average satisfied in less than 2 years

Reporting: HFHWC will utilize a separate account to track repayments from partner families and provide a written report twice per year to the Redevelopment Authority to ensure complete transparency. Information will include, project addresses, description, total costs, funds leveraged, donations, etc. HFHWC will be liable for lost funds if the home goes into foreclosure.

Return of Funds: Any grant funds that have not been spent or allocated to a project by HFHWC within 36 months of receiving them shall be returned to the City of Waukesha.

Budget:

Income:

CDBG	\$100,000 (pending)
TIF	\$50,000 (pending)
Veterans Program	\$20,000 (secured) \$30,000 (pending)
Private Philanthropy	\$75,000 (pending)
In-Kind	<u>\$25,000 (secured)</u>
	\$300,000

Expenses:

Start up costs:	\$40,000
Staffing:	\$75,000
Minor Home Repair	\$50,000
Critical Repair	\$100,000
Veterans	<u>\$35,000</u>
	\$300,000