



Home Improvement Loan

City of De Pere, Wisconsin

**Development Services Department
December 2024**

A. Summary Description

The City of De Pere's Home Improvement Loan intends to modernize and improve the housing stock in De Pere while maintaining affordability for homeowners and buyers. The program is administered by the City of De Pere Development Services Department and the City of De Pere Redevelopment Authority. This program will work to achieve the goals outlined in the City of De Pere Comprehensive Plan. Establishing such a program will work to achieve the Comprehensive Plan's Housing Goal Statement by "Providing an adequate supply of affordable housing for individuals of all income levels throughout each community."

Nearly 47% of De Pere's housing stock was constructed before 1980, and although many homes have been well maintained, many of the older housing stock no longer meets the needs of today's households, particularly young families with children. The program will make De Pere a more affordable option for existing owners by removing the cost burden of necessary upgrades and may attract homebuyers looking to use the upgrades to customize the home to their specific needs and wants.

Funds from the program will be available as a primary or second mortgage loan at 1.5 percentage points below the 10-year treasury rate over the 15-year life of the loan at the time of the loan. Program funds will be funded through TIF funds from the closure of TID No. 6 and any future TIDs, in addition to any funding made available from the City and City Partners. Important by-products resulting from home improvements made through this program include sustaining a school-age population of children, improving the energy efficiency of the City's housing stock, stabilizing the City's tax base, and building and enhancing community capacity, and improving aesthetics.

The loan program's total allocation is \$500,000, of which \$100,000 is funded through the City's allocation of American Rescue Plan Act (ARPA) funding and \$400,000 from the Affordable Housing Fund.

B. Eligibility Requirements

Eligible applicants include those purchasing or residing in a home within the City of De Pere and looking to make substantial system or structural improvements to the home to enhance its efficiency and bring it to modern standards.

Owner-Occupied Single-Family Home:

The funding applicant must occupy homes as the owner for the entirety of the loan. The program is limited to those making 120% or less than the area county median income reported by the US Department of Housing and Urban Development (HUD). The household's housing costs may not exceed 30% of household income and the total loan-to-value for all mortgages shall be less than 90%.

Estimated Maximum Family Income Limits at Percent (%) of HUD Estimated 2024 County Median Income

% of AMI	COUNTY	FAMILY SIZE								
		ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE
20%	Brown	\$ 13,720	\$ 15,680	\$ 17,640	\$ 19,600	\$ 21,180	\$ 22,740	\$ 24,320	\$ 25,880	\$ 27,440
30%	Brown	\$ 20,580	\$ 23,520	\$ 26,460	\$ 29,400	\$ 31,770	\$ 34,110	\$ 36,480	\$ 38,820	\$ 41,160
40%	Brown	\$ 27,440	\$ 31,360	\$ 35,280	\$ 39,200	\$ 42,360	\$ 45,480	\$ 48,640	\$ 51,760	\$ 54,880
50%	Brown	\$ 34,300	\$ 39,200	\$ 44,100	\$ 49,000	\$ 52,950	\$ 56,850	\$ 60,800	\$ 64,700	\$ 68,600
60%	Brown	\$ 41,160	\$ 47,040	\$ 52,920	\$ 58,800	\$ 63,540	\$ 68,220	\$ 72,960	\$ 77,640	\$ 82,320
70%	Brown	\$ 48,020	\$ 54,880	\$ 61,740	\$ 68,600	\$ 74,130	\$ 79,590	\$ 85,120	\$ 90,580	\$ 96,040
80%	Brown	\$ 54,880	\$ 62,720	\$ 70,560	\$ 78,400	\$ 84,720	\$ 90,960	\$ 97,280	\$ 103,520	\$ 109,760
90%	Brown	\$ 61,740	\$ 70,560	\$ 79,380	\$ 88,200	\$ 95,310	\$ 102,330	\$ 109,440	\$ 116,460	\$ 123,480
100%	Brown	\$ 68,600	\$ 78,400	\$ 88,200	\$ 98,000	\$ 105,900	\$ 113,700	\$ 121,600	\$ 129,400	\$ 137,200
110%	Brown	\$ 75,460	\$ 86,240	\$ 97,020	\$ 107,800	\$ 116,490	\$ 125,070	\$ 133,760	\$ 142,340	\$ 150,920
120%	Brown	\$ 82,320	\$ 94,080	\$ 105,840	\$ 117,600	\$ 127,080	\$ 136,440	\$ 145,920	\$ 155,280	\$ 164,640

C. Eligible Properties

Properties must be located within the City of De Pere, with preference given to homes constructed prior to 1980. Homes eligible for improvements under this program include owner-occupied homes in the City of De Pere whose most recent assessed value is at or below 100% of the median assessed value of single-family

residential property. Furthermore, eligible homes include those in the City of De Pere being purchased whose sale price is valued at or below 100% of the median assessed value of residential property in De Pere.

Also, homes eligible for improvements under this program include owner-occupied homes with a historic district and a local historic designation with an assessed value at or below 150% of the median assessed value of single-family residential property in the City. Furthermore, eligible homes include those in the City of De Pere being purchased in a historic district whose sale price is valued at or below 150% of the median assessed value of residential property in De Pere.

This determination will be based on the most recent values from the City of De Pere assessment data or the US Census Bureau at the time of the loan application. For example, on the 2018-2022 ACS, the median assessed value of residential property was \$332,979.

D. Eligible Uses of Loan Funds

Many of the older existing homes in the near downtown neighborhoods in the City of De Pere are smaller and could be considered less desirable to new home purchasers looking for more living space. Therefore, program funds may be used to add or remodel living space. Please note that funds may only be used for improvements made on the primary housing structure, not any accessory structures on a particular lot unless an accessory dwelling unit or backyard cottage is added to a structure or lot. Work on garages where the primary use is parking cars used by the resident household is an eligible use of loan funds; however, higher priority will be given to attached garages or garages where the primary use is parking cars – other accessory garages do not qualify.

Funds may also be used to upgrade home systems, including electrical, plumbing, mechanical, or other systems or functionally outdated systems, to comply with current standards and codes or to modernize them to current quality, efficiency, and performance levels. Funds shall not be used to replace or maintain home components that are expected to be replaced periodically, such as water heaters, appliances, and fixtures. Repayment of any loan application fees incurred as part of this program is an eligible use of loan funds received. All systems (listed above) impacted by improvements shall be brought into full code compliance before receiving an occupancy permit. In addition to home system upgrades, loan funds may be used for sump pump connection, window replacement, insulation improvements, or other measures to increase the home's heating and cooling efficiency and overall performance.

The maximum amount of any loan award will be \$50,000 of which a maximum of 30% can be used for interior improvements. All decisions regarding loan fund disbursements, loan eligibility, and the uses of loan funds will be made by the City of De Pere in its sole discretion.

Applicants must obtain up to three quotes from contractors for the proposed scope of work. The property owner will select which contractor they would like to complete the project, and all parties must sign the final paperwork before work commences. The owner is not required to select the lowest bidding contractor.

E. Ineligible Loan Expenditures

1. The repair or replacement of dog houses or any other structure for animals.
2. Any interior projects to the detached garage or accessory building.
3. Materials that have been purchased or projects that are completed or underway prior to issuance of a signed loan commitment with the City.
4. Purchasing permanent equipment or tools (ladder, paint sprayers, etc.) is not an eligible expense.
5. Proposed projects that are solely demolition.
6. Project costs that demolish a structure or part of a structure and do not replace the structure in kind to protect the character of the home or neighborhood.

F. Loan Terms and Conditions

The maximum amount of any loan award will be \$50,000. Loans will consist of interest rate of 1.5 percentage points below the 10-year treasury rate for up to 15-year loan term, and act as a second mortgage with no principal or payments due for 6 months following the award of the loan, at which the monthly loan amortization payment would initiate until the close of the loan or at sale (or refinancing) of the home, or when homeowner ceases to occupy home as primary residence, whichever comes sooner. At the end of the loan term, the amount of the loan must be repaid in full.

Applicants must be the owner as registered with the Brown County Register of Deeds Office. Applicant must sign a lien and promissory note on the property. If home was purchased on a Land Contract, the vendor must also sign the loan documents. Applicants may work with financial institutions to cover the balance of home improvement costs not covered by the loan. Construction on improvements must begin within thirty (30) days of loan approval and shall be completed within 1 year of the start of construction. The applicant shall submit documentation of all mortgages or liens on the property with their formal application.

The City of De Pere staff or designee will keep a record of the dates of loan approval and the start of construction. The De Pere City staff shall provide a letter authorizing the subordination of this improvement mortgage to the existing mortgage holders in the event the homeowner/applicant wishes to refinance. The De Pere City Staff reserves the right to take and use photographs, as well as develop project summaries of improvements for publicity purposes.

G. Process

1. Submit the completed application form, with necessary attachments, to the Development Services Department. The Redevelopment Authority will act on complete applications within sixty (60) days. Depending upon the project, the applicant may need to also seek Zoning Administrator and/or Plan Commission design review concurrent with the Redevelopment Authority review. A separate application form must be completed if a site plan or design review is necessary for a project. Applications that include exterior work must apply for a Certificate of Appropriateness from the Historic Preservation Commission (HPC) if the home is located within a historic district or is designated as a historic structure. The Senior Planning/Zoning Administrator and/or Building Inspection Division may be consulted to determine whether a design review and/or Certificate of Appropriateness is required.
2. Upon all necessary committee and staff approvals, the applicant or contractor prepares final plans, cost estimates, and construction schedules, which must be submitted to the Building Inspection Division for review and issuance of a building permit. If the final plans are not substantially similar to plans approved by staff or any necessary committees, additional review will be required.
3. The Building Inspection Division will send a letter or permit to the applicant upon approval of the building plans.
4. Upon loan commitment, the property owner enters into an agreement with the contractor to do the work, and the contractor obtains the necessary permits (application approval does not release the applicant from obtaining all relevant building permits).
5. The Common Council and applicant approve the loan agreement, outlining the terms of the agreement and the proposed scope of work approved by the Building Inspection Division.
6. Appropriate documentation, such as invoices, must be submitted to the Development Services Department for documentation.
7. The City and the Applicant complete the loan approval and transfer funds.

The City reserves the right to amend the process for large renovation projects that could require multiple months with contractor draw requests.

H. Questions and Contacts

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EXHIBIT A: EXAMPLE AMORTIZATION SCHEDULE