



# Vacancy-to-Vitality Loan

# Vacancy-to-Vitality Overview

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Provides funding to help cover the cost of converting a vacant commercial building to workforce housing or senior housing.

- **Purpose:** Subordinate financing for converting vacant and underutilized commercial properties to housing through a competitive process.
- **Eligible borrowers:** Any developer other than a municipality that converts a vacant or underutilized commercial building to residential use.
- **Eligible uses:** To cover construction cost of housing, including demolition.



**VACANCY-TO-VITALITY**

# Vacancy-to-Vitality Eligibility

- The commercial building is vacant for one year or underutilized
- 16 or more housing units
- The land is currently zoned to permit residential use
- Has not claimed state or federal historic rehab tax credits or received assistance due to active TID
- All other development funding must be secured, and all permits and approvals have been obtained
- Municipality has reduced the cost of the eligible project by voluntarily revising ordinances or regulations applicable to the project on or after January 1, 2023
- Municipality has updated the housing element of its comprehensive plan within 5 years. The comprehensive plan must be compliant with Wisconsin Statutes



# Vacancy-to-Vitality – Set Asides

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- 25% of funds set aside for projects supporting senior housing.
- 30% of funds set aside for projects in communities of 10,000 people or less.



# Vacancy-to-Vitality Affordability

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## Multifamily

- Apartments are reserved for families earning up to 100% of AMI.
- Annual housing costs cannot exceed 30% of 100% of AMI.
- All apartments must meet requirements and remain affordable for 10 years.

## Single Family

- Homes are reserved for families earning up to 140% of AMI.
- Annual housing costs cannot exceed 30% of 140% of AMI.
- Homes must be owner-occupied and can't be sold within 10 years for more than the initial selling price plus inflation adjustments. All single family homes constructed must meet requirements.

# Vacancy-to-Vitality Terms

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- **Loan Amount:** Maximum of \$1 million or 20% of the project costs, including land, whichever is less.
- **Rate:** 3% generally, or 1% for eligible projects in municipalities with a population of 10,000 or less. 1% for senior housing. Rate is determined per application round.
- **Term:** The term matches the senior debt.
- **Amortization:** The amortization term of the senior debt.

# Timeline: Vacancy-to-Vitality

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September 2023	Loan term sheets available
Week of November 20, 2023	Competitive loan application available
December 29, 2023	Competitive loan applications due
January 2024	Funding allocation announced

Applications will be accepted in the same software system used for the Housing Tax Credit (Procorem). The system will open the week of Nov. 20.