

Vacancy-to-Vitality Loan

Vacancy-to-Vitality Overview

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

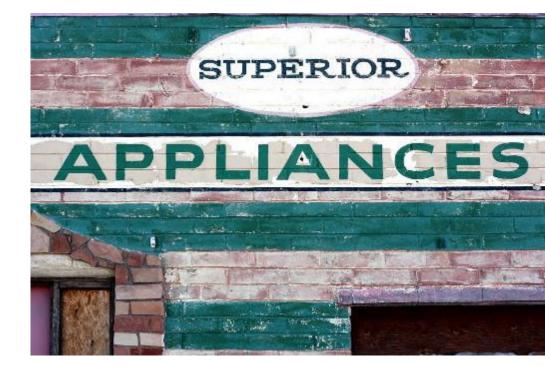
Vacancy-to-Vitality Eligibility

- 16 or more housing units.
- The commercial building is vacant or underutilized.
- The land is currently zoned to permit residential use.
- Has not claimed state or federal historic rehab tax credits or received assistance due to an active Tax Increment District.
- 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.



Vacancy-to-Vitality – Set Asides

- 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

Multifamily

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

Single Family

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

Vacancy-to-Vitality Terms

- 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.

Key Dates for the Competitive Loan Cycle

September 2024	Fall competitive application cycle opens
October 2024	Fall competitive applications due to WHEDA
Late 2024	Recipients announced

Vacancy-to-Vitality Case Study

The Canyons

- 60-unit complex in Dane County
 - 51 units reserved for people earning less than 60% AMI
- Community Service Facility with supportive services
- Received \$1 million Vacancy-to-Vitality loan

The Derby

- 70-unit complex in Dane County
 - 59 units classified as affordable
- Repurposed roller rink
- Received \$1 million Vacancy-to-Vitality loan

