

VACANCY TO VITALITY LOAN TERM SHEET

For Single-Family Housing for Sale

The below terms are effective for new applications starting in the Spring 2026 Cycle

Purpose	Subordinate financing for converting vacant and underutilized commercial properties to housing per competitive process
Funding Source	Act 18 Commercial-to-Housing Conversion Revolving Loan Fund
Eligible Borrowers	Any developer other than a city, village, town, or county that converts a vacant or underutilized commercial building to residential use.
Eligible Projects	<ul style="list-style-type: none"> • Construction project for the conversion of a vacant commercial building to a new residential housing development that consists of workforce or senior housing, or for construction costs associated with construction of residential housing for an eligible project for a new mixed-use development. • Vacant for one year or underutilized. • The land is currently zoned to permit residential use. • Owner has secured necessary finances for total cost of construction and demolition not covered by WHEDA loan. • All permits and approvals secured. • Eligible Governmental Unit has taken action to reduce the cost of housing by voluntarily revising zoning ordinances, subdivision regulations, or other land development regulations to increase development density, expedite approvals, reduce applicable fees, or reduce parking, building, or other development costs with respect to the eligible project and revisions that generally apply to residential housing projects within the Governmental Unit on or after January 1, 2020. • Eligible Governmental Unit has updated the housing element of its comprehensive plan within the 5 years immediately preceding the date of application and is in compliance with relevant comprehensive housing plan rules. This condition may be satisfied if, within the 5 years immediately preceding the date of the loan application, the governmental unit adopts an ordinance or resolution certifying that the housing element of its current comprehensive plan provides an adequate housing supply that meets existing and forecasted housing demand in the Governmental Unit. • Eligible Governmental Unit is in compliance with Wisconsin Statutes ss. 66.1001, 66.001(3), 66.001(4) regarding the creation, content and amending of its comprehensive plan.
Eligible Uses	To cover construction cost of housing, including demolition.
Single Family Affordability Requirements	<p>For housing intended to be occupied by the owner, the estimated annual housing costs, as defined under s. 16.301 (3), do not exceed, or are not expected to exceed, 30 percent of 140 percent of the area median income, with family size determined using the federal imputed income limitation, as defined in 26 USC 42 (g) (2) (C).</p> <p>For housing intended to be occupied by the owner, the housing is for purchase by individuals whose annual household income is not more than 140 percent of the area median income.</p> <p>For owner-occupied housing, for the 10-year period commencing immediately after the developer closes on the sale of the housing to the initial owner-occupier, the housing shall remain owner-occupied and may not be sold for a price that exceeds the price paid by the initial owner-occupier, adjusted annually by no more than 5 percent per year, compounded annually.</p>
Minimum Set-Aside Units/Lots	All units constructed must meet affordability requirements.

Loan Amount	Maximum 33% of the project costs, including land. *Availability may be limited based on loans previously awarded in each Regional Planning Commission district as outlined in the Award Plan.
Rate	0% *Rate determined per application round
Term	Matching senior lender(s), with the interest only period to be set at closing with a fixed conversion date in the loan documents. If there is no senior lender, the term will be determined by WHEDA, not to exceed 10 years.
Amortization	No amortization expected with principal repayment with sales.
Principal Repayment	At each home sale, WHEDA will require repayment equal to the Total Loan Amount x Maximum Sale Price of Subject Unit / Maximum Sale Price of all Units in Development.
Loan-to-Value Ratio (LTV)	100% LTV
Debt Coverage Ratio (DCR)	N/A
Credit Enhancements	Unlimited personal or corporate guarantee required if the project's debt exceeds 75% of the project's valuation or if the senior lender requires a personal guarantee. A personal guarantee will be required if the senior lender requires a personal guarantee, and a corporate guarantee will be required if the senior lender requires a corporate guarantee.
Prepayment Provision	Prepayment allowed, without penalty of any time.
Re-subordination	N/A
Escrows	N/A
Environmental Reviews	N/A
Capital Needs Assessment (CNA)	N/A
Origination Fee	0%
Loan Structuring Fee (Non-refundable)	0%
Application Fee	0%