



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

- 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.
- Affordability and municipal requirements apply.



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.
- **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 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% AMI.
 - Homes must be owner-occupied and not sold for more than the selling price plus inflation adjustments within 10 years. All single-family homes constructed must meet these requirements.

Vacancy-to-Vitality Case Study

The Canyons

- 60-unit complex in Dane County
 - 100% reserved for renters earning between 60%-100% of AMI
- Community Service Facility with supportive services
- Received \$1 million Vacancy-to-Vitality loan

The Derby

- 70-unit complex in Dane County
 - 100% reserved for renters earning between 60%-100% of AMI
- Repurposed roller rink
- Received \$1 million Vacancy-to-Vitality loan



Key Dates for Competitive Loan Cycle

Mid-April 2025	Spring competitive application cycle opens
Mid-May 2025	Spring competitive application cycle closes
June 2025	Spring 2025 loan application funding announced
October 2025	Fall competitive application cycle opens