Grow Stoughton

A Home for Everyone

Introduction

Purpose

Grow Stoughton is an initiative of the City of Stoughton designed to improve the city's housing stock and to increase affordable housing opportunities for current and potential city residents.

Goals and Objectives

Grow Stoughton seeks to attain the following goals and objectives:

- To incentivize improvements to existing housing stock.
- To attract new residents to Stoughton.
- To increase affordable housing opportunities.
- To maintain and increase housing values.

Programs

Grow Stoughton will consist of three separate programs.

- Stoughton Housing Authority Housing Stock Improvements
- First-Time Home Buyer's Down Payment Assistance
- Homeowner Improvement Assistance

Funding

Grow Stoughton will be funded by various sources, including tax increment "Affordable Housing Extension" funding, related grant funding, donations, and interest earnings.

Stoughton Housing Authority Housing Stock Improvements

Program Purpose

The purpose of the Stoughton Housing Authority (SHA) Housing Stock Improvements program is to incentivize improvements to affordable residential housing owned by the SHA. The program provides grant assistance that does not need to be paid back to the City of Stoughton.

Eligible Projects

Projects of the following nature are eligible for assistance:

- Capital projects that substantially add to the value of the residential building.
- Projects identified in a Capital Needs Assessment that are acceptable to the City Council.

Ineligible Projects

- Operating expenses.
- Capital projects under $2,500.
- Eligible project expenses incurred prior to city approval of the application.

Affordable Housing Requirement

Funding from this program must be expended on affordable housing as defined as costing "a household no more than 30 percent of the household's gross monthly income." WI St 66.1105(2).

Application

The SHA shall apply for funding by filing an application and submitting it to the Stoughton Finance Committee, who will make a recommendation to the Stoughton City Council to approve, reject or modify the application. The Stoughton City Council will make the final determination to fund the project and at what level.

Payment

Once the application is approved and expenses incurred, SHA may apply for payment on a reimbursement basis. SHA will submit to the City Finance Department receipts or other documentation of expenses. The expense report will be forwarded to the Finance Committee and City Council for final approval.

First-Time Home Buyers Down Payment Assistance

Program Purpose
The purpose of the First-Time Home Buyers Down Payment Assistance program is to increase affordable homeownership opportunities in the City of Stoughton. The program will provide loans to qualifying residents to help with down payment requirements.

Program Details
This program will provide loans up to $5,000 that will serve as a down payment in the purchase of an eligible property. This program will be limited to no more than 25 loans per calendar year.

Eligible Properties
- Owner-occupied homes in the City of Stoughton limits. Property may be single family, an individual duplex unit or a condo unit.
- First-home purchase: Defined as the applicant (including all the joint applicants on the first mortgage application or proposed co-owners) not owning a primary residence in the last five years prior to applying for assistance.
- Must not be located in the 100-year flood plain.

Security, Term and Interest Rate
The loan will be secured by a junior mortgage. The term of the loan will extend until the property is sold, ownership is transferred, cash-out refinance, foreclosed, leased, or the applicant fails to maintain, and provide proof annually of, use of the assisted property as the applicant's primary residence. The loan will not incur interest.

Affordable Housing Requirement
The sum of the monthly mortgage (principal and interest), property tax, homeowners' association fees, and insurance payments must be less than 31% of the household's gross monthly income as defined by WI St 66.1105(2).

Household's Gross Monthly Income Definition
Gross monthly income is defined as "income from all of the household's members from the following sources: wages, overtime, commissions, bonuses, profit sharing, tips, business income, child support, interest and dividends from funds retained after the closing, and other types of periodic payments which are

anticipated for the 12-month period commencing with the date of the request divided by 12 months. Income is gross and does not include deductions for retirement contributions, pensions, 401k's, insurance deductions, etc.

Application

The applicant(s) shall file with the City of Stoughton Finance Committee an application detailing the request, household income, projected monthly property cost and any other relevant data requested by city staff. The income will be properly verified. The finance committee will make a recommendation to the Stoughton City Council to approve, reject or modify the application. The Stoughton City Council will make the final determination to fund the application and at what level. Once approved, the applicant(s) will have 180 days to close on the purchase an eligible property. The City shall have no obligation to fund the application after the expiration of this 180-day deadline.

Payment

If the applicant closes on the property within 180 days of approval of the application by the City Council, the loan will be funded at closing with the property subject to terms and conditions established by the City Council.

Once the Stoughton Director of Finance has verified that all requirements have been met, the City will fund the loan by sending funds to the title company or other appropriate entity. The applicants will not be paid directly.

The Stoughton Finance Department may charge the applicant for out-of-pocket costs related to funding and securing the loan. The fee may be paid at or prior to closing or deducted from loan proceeds.

First-Come, First-Served

Loans will be funded on a first-come, first-served and one-time basis at the time of closing. City staff are prohibited from lending out more funds than are designated and available for the loan program. E.g. no deficit spending.

Homeowner Environmental Remediation Assistance

Program Purpose
The purpose of the Homeowner Environmental Remediation Assistance (HERA) program is to improve the city's housing stock by remediating environmental hazards.

Funding Source
The HERA program will be funded with TIF affordable housing extension funds and interest earnings. No more than 25% of the extension funds will be provided to the HERA program.

Eligible Properties
- Residential property in the City of Stoughton.
- May be owner-occupied, tenant-occupied or vacant.
- Project would not be funded but for assistance from the HERA program.

Eligible Projects
- Lead-contaminated private water services replacement.
- Asbestos siding removal.
- Lead-based paint removal.
- Other eligible projects as determined by the City Council.

Grant Share
The HERA program will reimburse homeowners up to 100% of eligible costs up to a maximum of $1,500 for private lead water service replacement. The HERA program will reimburse homeowners up to 50% of eligible costs up to a maximum of $1,500 for asbestos siding removal, lead-based removal and other eligible projects. The funds will be a grant that does not need to be paid back as long as all program requirements are met.

Application

The homeowner shall apply for funding by filing an application and submitting it to the Stoughton Finance Committee, who will make a recommendation to the Stoughton City Council to approve, reject or modify the application.

Payment

Once the application is approved and expenses incurred, the homeowner may apply for payment on a reimbursement basis. The homeowner will submit to the City Finance Department receipts or other documentation of expenses. The expense report will be forwarded to the Finance Committee and City Council for final approval.