

**TABLE XI-9
SELECTED GOVERNMENT SPONSORED HOUSING PROGRAMS AVAILABLE IN RACINE COUNTY**

Sponsor	Program Name	Description ³
U.S. Department of Housing and Urban Development (HUD)	Section 8: Housing Choice Voucher Program	Vouchers are provided to eligible households who are either very low-income families; elderly; or disabled so they may obtain housing in the private market. Applicants that obtain housing with a voucher pay no more than 30% of their adjusted family income for the unit.
	Section 8: Project-Based Assistance	HUD provides rental subsidies to project owners on behalf of tenants who are either very low- or low-income families; elderly; or disabled. Tenants pay no more than 30% of the family's monthly adjusted income for rent. Though funding is no longer available for new Section 8 projects, property owners that are already receiving funding may continue to participate in the program through the renewal of their contracts. If property owners choose not to renew their contracts, tenants living in these properties will be provided with Section 8 tenant-based vouchers.
	Section 202: Supportive Housing for the Elderly	HUD provides interest-free capital advances to eligible nonprofit organizations to finance the construction, rehabilitation or acquisition of structures to provide housing for very-low income elderly persons. Rental subsidies are provided through project rental assistance contracts to cover the difference between the project operating cost and the tenant's contribution towards rent. Tenants pay no more than 30% of their monthly adjusted income for rent.
	Section 811: Supportive Housing for Persons with Disabilities	HUD provides interest-free capital advances to eligible nonprofit organizations to finance the construction, rehabilitation or acquisition of rental housing for very-low income people with disabilities. Rental subsidies are provided through project rental assistance contracts to cover the difference between the project operating cost and the tenant's contribution towards rent. Tenants pay no more than 30% of their monthly adjusted income for rent.
	HOME Investment Partnerships Program	HUD provides funding for this housing block grant program directly to the City of Racine, which is an entitlement community; other communities can apply to the State for HOME funding. Under this program, HUD HOME funds are provided through WDOC to local units of government, housing authorities, and nonprofit organizations, which, in turn, develop affordable housing programs that are appropriate in their communities (see Wisconsin Department of Commerce, below, for more information).
	Community Development Block Grant Program	The HUD Small Cities Community Development Block Grant (CDBG) program is administered in Wisconsin by the Wisconsin Department of Commerce. The housing component of this program provides grants to general purpose local units of government for housing programs which principally support low- and moderate-income households, with an emphasis on housing rehabilitation efforts. Cities, villages, and towns with a population less than 50,000 persons and other than Milwaukee, Waukesha, and Dane may apply for Small Cities CDBG program grants.
HUD - Federal Housing Administration (FHA)	Section 203(k) Rehabilitation Mortgage Insurance	Loans are insured to finance the rehabilitation or purchase and rehabilitation of one- to four-family properties that are at least one year old. Borrowers can get a single mortgage loan, at a long-term fixed (or adjustable) rate, to finance acquisition and rehabilitation of the property.
	Property Improvement Loan Insurance (Title I)	Loans made by private lenders are insured for up to 20 years to finance the light or moderate rehabilitation of either single- or multifamily properties. Properties may consist of single-family and multi-family homes, manufactured homes, nonresidential structures, and the preservation of historic homes.
U.S. Department of Agriculture (USDA) Rural Development	Section 502: Single-Family Housing Direct Loans	USDA provides direct loans to very low- and low-income households to obtain homeownership. Funding may be used to build, repair, renovate, or relocate homes, or to purchase and prepare sites (including the provision of sewage and water facilities). Subsidies are provided to reduce monthly housing payments—borrowers pay the higher either of 24 percent of the borrower's adjusted annual income, or principal and interest calculated at 1 percent on the loan plus taxes and insurance; if the occupants move from the property, the lesser of the payment assistance or half of the equity must be paid back to USDA. There is no required down payment.

**Table XI-9
(continued)**

Sponsor	Program Name	Description ^a
U.S. Department of Agriculture (USDA) Rural Development cont.	Section 502: Single-Family Housing Guaranteed Loans	USDA guarantees loans to low- and moderate-income households by commercial lenders to build, repair, renovate or relocate a home, or to purchase and prepare sites (including providing water and sewage facilities). Applicants must be without adequate housing but be able to afford the mortgage payments. Loans are provided at fixed rates with terms of 30 years. No down payment is required.
	Section 502: Mutual Self Help Housing Loans	Loans are provided to help very low- and low-income households construct their own homes. Families perform a significant amount of the construction labor on their homes under qualified supervision. Savings from the reduction in labor costs allow otherwise ineligible families to own their own homes. There is no required down payment and subsidies are provided to reduce monthly housing payments—borrowers pay the higher of either 24 percent of the borrower's adjusted annual income, or principal and interest calculated at 1 percent on the loan plus taxes and insurance. If the occupants move from the property, the lesser of the payment assistance or half of the equity must be paid back to USDA. Nonprofit or public agencies which sponsor mutual self-help housing often use administrative funds from the Section 523 Self-Help Technical Assistance Grant Program.
	Sections 514/516: Farm Labor Housing Loans and Grants	Section 514 loans and Section 516 grants provide low cost financing for the development of affordable rental housing for year round and migrant "domestic farm laborers" and their households. Funds may be used to build, buy, improve, or repair farm labor housing and provide related facilities, such as on-site child care centers. Loans are for 33 years and generally at a 1 percent interest rate; grants may cover up to 90 percent of the development cost (the balance is typically covered by a Section 514 loan). Section 521 rental assistance subsidies may be used to limit tenants' payments to 30% of their income.
	Section 515: Rural Rental Housing Loans	Direct mortgage loans are made to provide affordable multifamily rental housing for very low-, low-, and moderate-income families; elderly persons; and persons with disabilities. Loans may be made available at an effective interest rate of 1%. Section 521 rental assistance subsidies may be used to limit tenants' payments to 30% of their income.
	Section 521: Rural Rental Assistance Payments	Provides rent subsidies to elderly, disabled, very-low and low-income residents of multi-family housing to ensure that they pay no more than 30% of their income for housing. Projects that are eligible to use rental assistance include Section 515 Rural Rental Housing and Section 514 Farm Labor Housing.
Wisconsin Housing and Economic Development Authority (WHEDA)	Sections 523/524: Rural Housing Site Loans	Loans are made to provide housing sites for low- and moderate-income families. Nonprofit organizations may obtain loans to buy and develop building sites, including the construction of access roads, streets and utilities. Section 523 loans are limited to private or public nonprofit organizations that provide sites for self-help housing only.
	Section 538: Rural Rental Housing Guaranteed Loans	Loans are guaranteed for the construction, acquisition or rehabilitation of rural multi-family housing whose occupants are very low-, low-, or moderate-income households, elderly, handicapped, or disabled persons with income not more than 115% of the area median income. The terms of the loans guaranteed may be up to 40 years and the rates must be fixed. The rent, including utilities made by tenants cannot exceed 115% of the area median income.
	Low Income Housing Tax Credit (LIHTC) Program	Provides developers of affordable housing with a tax credit that is used to offset a portion of their federal tax liability. At a minimum, 20% of units must be occupied by households whose incomes are at or below 50% of the county median income (CMI) or at least 40% of units must be occupied by households whose incomes are at or below 60% of the CMI. Units designated as low-income have a maximum rent limit that is based on the CMI. Developers are expected to maintain the elected proportion of low-income units for at least 30 years.
HOME Plus Loan Program	Home Ownership Mortgage Loan (HOME) Program	The HOME program offers 15 to 30 year mortgage loans at below market, fixed interest rates to low- and moderate-income families and individuals who are first time homebuyers. WHEDA administers the HOME Loan Program, which is funded by the sale of tax-exempt and taxable bonds.
	HOME Plus Loan Program	Provides financing of up to \$10,000 for down payment and closing costs, and a line of credit for future repairs. To be eligible for a HOME Plus Loan, borrowers must be applying for their first mortgage with a WHEDA HOME Loan.
	Partnership for Homeownership Program	WHEDA and the U.S. Department of Agriculture's Rural Development jointly offer this program through which an eligible borrower receives a mortgage with a rate at or below the market and a mortgage from Rural Development with an interest rate based on ability to pay. This program is targeted to low income homebuyers. The program is offered in rural areas served by USDA-Rural Development.

**Table XI-9
(continued)**

Sponsor	Program Name	Description ^a
Wisconsin Department of Commerce (WDOC), Division of Housing and Community Development (DHCD)	WDOC HOME Investment Partnerships Program—Funded by HUD	The WDOC has created several “sub-programs” as a basis for distributing non-entitlement HUD HOME Investment Partnerships program funds in Wisconsin. These sub-programs include the Development Projects program; Rental Housing Development program; Homebuyer and Rehabilitation (HRR) program; Tenant Based Rental Assistance program; and Wisconsin Fresh Start program. With funds available under these programs, local sponsors develop affordable housing opportunities (for households at or below 80 percent of the county median income) that are most needed in their respective communities. Eligible local sponsors include local governments, housing authorities, and nonprofit organizations.
	Housing Cost Reduction Program Initiative (HCRI) Homebuyer Program	The WDOC administers this state-funded program that provides housing assistance to low- and moderate-income households seeking to own or rent affordable housing. This program has two components: the Housing Preservation program (HPP) that provides short-term assistance to households facing foreclosure or other short-term housing problem; and the HCRI Homebuyer program, which provides closing cost and down payment assistance to eligible homebuyers. Eligible local sponsors include local units of government; nonprofit and certain for-profit corporations; housing authorities; and others.
	Home Single-Family (HSF) Housing Program, including American Dream Down Payment Initiative (ADDI)	The HSF program is designed to provide funding to assist low- and moderate-income (LMI) homebuyers and homeowners to secure and maintain safe, decent, affordable housing. Eligible costs covered by the program include: homebuyer assistance to acquire a single-family home, including: down payment and closing costs, gap financing, new construction, essential rehab at the time of purchase; and homeowner assistance for essential improvements to the home, including: structural repair, energy-related components, accessibility improvements, lead-based paint hazard reduction/removal, and repair of code violations. Organizations that are eligible to complete for HSF funding include local governments, federally recognized American Indian tribes/bands, housing authorities, non-profit and for-profit corporations, and faith-based organizations. Eligible homebuyers/owners must have household incomes at or below 80% of County Median Income (CMI) and the property must be the primary residence of the owner.
Department of Veteran Affairs (VA)	Home Loan Program	The ADDI provides HUD funds to local governments and housing organizations to cover down payment assistance, closing costs, and other soft costs involved in the purchase of a home by low-income households. These homebuyer funds can be utilized for new construction, acquisition and rehabilitation of home to be purchased to help reduce homeownership costs for low-income households.
Wisconsin Historical Society	Historic Home Owner's Tax Credit	Offers guaranteed loans with no money down and no private mortgage insurance payments to veterans, active duty military personnel, and certain members of the reserves and National Guard. Applicants must meet income and credit requirements for the loans, which are generally administered by lenders approved by the Department of Veteran Affairs. A 25 percent Wisconsin investment tax credit is available for people who rehabilitate historic non-income-producing, personal residences, and who apply for and receive project approval before beginning physical work on their projects. For more information contact the Wisconsin Historical Society.

NOTES: For most programs, “very-low income” families are defined as those whose annual incomes are at or below 50 percent of the median for the area, adjusted for family size. “Low-income” families are defined as those whose annual incomes are between 50 percent and 80 percent of the median income for the area, adjusted for family size. “Moderate-income” families are defined as those whose annual incomes do not exceed 115 percent of the area median income; however, for HUD’s CDBG and WDOC’s HCRI programs, low to moderate income families are defined as those earning 80 percent or less of the area median income, and for the USDA’s Section 515 Rural Rental Housing Loan program, moderate-income families must have incomes not exceeding \$5,500 above the low-income limit.

^a This table provides a general description of the various housing programs. Details can be found at the websites of the administering agencies.

Source: SEWRPC.