Infrastructure Access Loan

OVERVIEW

Allows a developer and a governmental unit to apply for a loan to help cover the cost of installing, replacing, upgrading or improving public infrastructure related to workforce housing or senior housing.

Financing will be provided by WHEDA through a revolving loan fund that is subordinate to other funding sources.

- **Purpose**: covers housing infrastructure costs.

- **Eligible borrowers**: developers and municipalities.

INFRASTRUCTURE
ACCESS

AFFORDABILITY

- Apartments are reserved for families earning up to 100% of Area Median Income.

- For homeowners, household income cannot exceed 140% of Area Median Income.

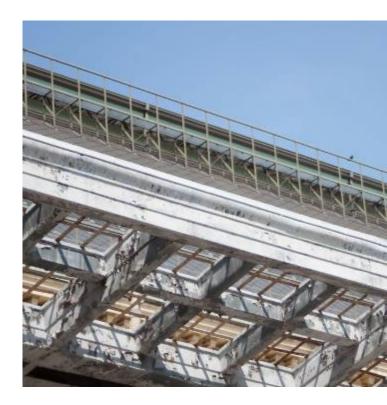- Homes must remain affordable for 10 years.

INFRASTRUCTURE DEFINITION

Housing infrastructure is that "portion of the installation, replacement, upgrade or improvement of public or private infrastructure in rural areas if transferred to public use."

- Water distribution system
- Water treatment plant
- Wastewater treatment plant
- Sanitary sewer system
- Storm sewer system
- Stormwater retention pond

- Lift or pump station
- Street, road, alley, or bridge
- Curb, gutter, or sidewalk
- Traffic device
- Street light
- Electric or gas distribution line

TERMS

- Developers can apply for the lessor of total infrastructure cost or **20%** of the total development cost, including land, of the homes supported by the project.

- Governmental units may apply for the lessor of the public infrastructure cost or **10%** of the total cost of development of the homes supported by the project.

- Rates:
  - 3%
  - 1% for small communities with fewer than 10,000 people
  - 1% for senior housing

EXAMPLE: NEW SUBDIVISION NEEDS SEWER

Storm sewer system cost:	**$4 million**
Total development cost:	**$20 million, excluding donated land.**
Developers can apply for up to*:	**$3.2 million** **($20 million - $4 million) x 20% = $3.2 million.** 20% of the housing portion of the total development cost is the target.
Government units can apply for up to:	**$800,000** Loan is sized to infrastructure cost.
Total from two successful applications:	**$4 million** **$3.2 million + $800,000 = $4 million.**

*Land cost is included for the developer, but not the municipality.

HOW IT WORKS

INFRASTRUCTURE ACCESS

1 — Developer selects site

2 — Municipality and developer identify infrastructure need

3 — Municipality and developer work on application; e.g., Cost Reduction Analysis

4 — Developer applies

5 — Municipality applies either concurrently or in a later round

6 — WHEDA reviews applications and announces awards

7 — Repeat

ANTICIPATED TIMELINE

Available now	Term sheets, award plans and applications available
October 2024	Deadline to request access to Procorem, a secure file sharing site
Late October 2024	Applications due
November/December	Awards announced