



Restore Main Street Loan

Restore Main Street Overview

Designed to increase the supply of affordable apartments for working families, this program will have the added benefit of revitalizing vacant or underutilized floors that are one or two levels above the ground floor.

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

- **Purpose:** rehabilitation of second and third-floor rental housing over commercial space.
- **Eligible borrowers:** rental housing property owners.
- **Eligible uses:** improvements such as repairing an HVAC system, electrical, plumbing, walls, roofs, adding insulation, or remediating mold or lead paint.



Restore Main Street Eligibility

- 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.
- All other development funding must be secured, and all permits and approvals have been obtained.
- The municipality has reduced the cost of the eligible project by voluntarily revising ordinances or regulations applicable to the project on or after January 1.

Restore Main Street Definitions

- The second and third-floor space has been vacant or underutilized. At least 40 years old with no significant improvements in the last 20 years.
- 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.
- All other development funding must be secured, and all permits and approvals have been obtained.
- Affordability and municipal requirements apply.

Restore Main Street - Terms

- **Loan Amount:** Max of \$20,000 per unit or 25% of the total housing rehab costs, whichever is less.
- **Rate:** 3%. 1% in municipalities with less than 10,000 population.
 - Rate is determined per application round.
- **Term:** The lesser of initial occupancy plus 10 years or the term of the senior debt.
- **Amortization:** The amortization term of the senior debt.



Restore Main Street Set Asides



- 30% of funds set aside for projects in communities of 10,000 people or less.

Restore Main Street Affordability

- Annual housing costs cannot exceed 30% of 100% of AMI.
- Renter income cannot exceed 100% of AMI.
- Affordability is maintained for 10 years after initial occupancy.



Restore Mainstreet Example: Driftless, Wisconsin



- Rural community, population of 5,000
- Recently purchased hardware store with underutilized 2nd and 3rd floor
- 6– 1-bedroom (950 sq. ft) units for people at 100% CMI or less
- Repairs needed:
 - New roof
 - Bring electrical up to code and plumbing installation/upgrades in each unit

Cost Breakdown

- Cost to repair roof: \$47,000
- Cost to upgrade units: \$15,000 per unit

Total Projects Costs: \$137,000
\$20,000 per unit: \$120,000
25% of the project: **\$34,250**

Max loan: \$34,250
Rate: 1%

Primary Loan: \$102,750 from a local credit union

Restore Mainstreet Example: State Street Redevelopment

- \$1.2 million invested in total.
 - Project received \$120,000 to revive building for affordable housing
- Six affordable housing units with two commercial units
 - Businesses operating on the ground floor bring economic value to the area
- One of the first projects for the Restore Main Street 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