

January 13, 2025

Wauwatosa Community Development Authority Use of American Rescue Plan Act (ARPA) Funds for Affordable Housing Development

Purpose

The purpose of this policy is to establish guidelines for the use of American Rescue Plan Act (ARPA) funds to support the creation of affordable housing through strategic property acquisition, subdivision, and redevelopment.

Program Description

ARPA funds may be used to acquire single-family residential properties for the purpose of subdividing parcels and developing additional affordable housing units. All activities shall comply with applicable federal, state, and local laws, including land-use and zoning regulations.

Subdivision and Development

Acquired properties may be subdivided to create one or more buildable lots suitable for residential development. Following subdivision approval, additional housing units may be constructed, including single-family homes, two-family homes, and accessory dwelling units (ADUs).

Affordability Requirements

Affordability of existing residential structures shall be created through mechanisms such as enrollment in a Community Land Trust, deed restrictions, or other comparable affordability controls.

Affordability of newly created buildable parcels or housing units shall be ensured through partnerships with nonprofit builders, deed restrictions, or similar legally enforceable mechanisms.

Program Administration

To minimize long-term administrative burden, the City shall prioritize partnerships with organizations that possess demonstrated administrative and program management capacity.

Disposition of Property and Proceeds

The disposition of subdivided parcels or housing units shall be subject to approval by the Community Development Authority (CDA).

Any proceeds generated from the disposition of property shall be deposited into the CDA Home Repair Program or another CDA program fund, as determined by the CDA.

Financial Parameters and Authority

The target public subsidy per affordable housing unit shall be between \$50,000 and \$75,000.

The Development Director is authorized to make offers to acquire properties where the net public investment—defined as total acquisition costs minus anticipated disposition proceeds—does not exceed \$100,000 per lot.

Oversight and Approval

The CDA shall provide oversight of program implementation and shall approve all disposition plans related to this policy.