

RESOLUTION NO. 2012-37

A RESOLUTION AMENDING HOUSING CONSTRUCTION LOAN INCENTIVES FOR BUILDERS.

WHEREAS, on April 3, 2012, the Wayne City Council established “Housing Construction Loan Incentives for Builders” to promote the building of market-rate houses or townhouses in Wayne; and

WHEREAS, the City Council desires to amend said incentives as follows:

1. Lots can be selected within the city limits by the buyer or builder.
2. Incentives for **fifteen homes** will be approved on a first-come, first-serve basis.
3. Builder/buyer will sign an agreement with the City for incentives for approved incentives.
4. Builder/buyer participation in the “Energy Star Program” is required with every house receiving incentives.
5. Eligible home buyers must have an annual household income of no more than 150% median income for Wayne County.
6. **Builders will be eligible for and limited to two \$20,000 construction loans for two speculative housing units, and \$30,000 per housing unit being built by an owner of a lot, at 0% interest until the date of sale or four (4) years, whichever comes first, from LB840 funds or other funds provided by the City, with payback from the homebuyer at the time of permanent financing. When the builder pays back one or both of the \$20,000 construction loans, he/she will be eligible for applying for an additional construction loan, not to exceed the maximum of two.**
7. **Only two incentives houses per contractor. When an incentive is paid off the contractor may apply for an additional incentive if there are still fund available.**
8. Proceeds from the incentive loan repayments will be deposited into a City revolving loan fund to be re-loaned for future housing construction incentives.
9. Construction loan would be secured by a Deed of Trust on the property and subordinate to commercial or private construction financing.
10. Applications for housing incentive construction loans must be submitted to the Wayne City Council for their approval.

11. Approval of front elevation design of each house receiving a construction loan incentive will be required by the City Council or a designated representative with approval of the building permit.
12. Houses must be ready for occupancy permit within 24 months (two construction seasons) of date of execution of an incentive agreement.
13. Suggested penalties for not completing house within the required 24 months are:
 - a. If primary construction loan is not secured within 6 months of approval of the incentive, the City incentive loan will become void.
 - b. If the house is not ready for occupancy within 24 months, the builder is not eligible for future city incentives.
 - c. If the house does not have an occupancy permit within 24 months, the loan is in default and due immediately at 5% interest from the date of loan approval.
14. Request for LB840 funds – will need to borrow funds from the Electric Fund to establish the first round of loans.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the City of Wayne, Nebraska, hereby approve and adopt the foregoing amended “Housing Construction Loan Incentives” to promote the building of market-rate houses or townhouses in Wayne.

PASSED AND APPROVED this 1st day of May, 2012.

THE CITY OF WAYNE, NEBRASKA

By _____
Mayor

ATTEST:

City Clerk