

## **RESOLUTION NO. 2012-30**

### **A RESOLUTION ESTABLISHING HOUSING CONSTRUCTION LOAN INCENTIVES FOR BUILDERS.**

WHEREAS, at their 2012 Council Retreat, the City Council discussed certain loan incentives for builders to build market-rate houses or townhouses in Wayne; and

WHEREAS, the City Council desires to approve and adopt “Housing Construction Loan Incentives” for builders to build fifteen market-rate houses or townhouses in Wayne.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the City of Wayne, Nebraska, hereby approve and adopt the following “Housing Construction Loan Incentives” to builders to build fifteen market rate houses or townhouses:

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. Builder will be eligible for a \$20,000 construction loan per speculative housing unit and \$30,000 per housing unit being built by an owner of a lot, at 0% interest until 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.
7. Proceeds from the incentive loan repayments will be deposited into a City revolving loan fund to be re-loaned for future housing construction incentives.
8. Construction loan would be secured by a Deed of Trust on the property and subordinate to commercial or private construction financing.
9. Applications for housing incentive construction loans must be submitted to the Wayne City Council for their approval.
10. 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.

11. Houses must be ready for occupancy permit within 24 months (two construction seasons) of date of execution of an incentive agreement.
12. 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.
13. Request for LB840 funds – will need to borrow funds from the Electric Fund to establish the first round of loans.

PASSED AND APPROVED this 3<sup>rd</sup> day of April, 2012.

THE CITY OF WAYNE, NEBRASKA

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk