

# **City of Scottsbluff, Nebraska**

**Monday, April 8, 2019**

**Regular Meeting**

## **Item 4**

**Review and consider the addition of Workforce Housing Guidelines and Application to the LB840 Plan.**

*Review Option #1*

*Review Option #2*

*Review Developer Application checklist*

Staff Contact: Starr Lehl, Economic Development Director

City of Scottsbluff  
LB840 Workforce Housing Plan

**Purpose**

The purpose of the LB840 Workforce Housing Plan is to provide “gap” financing to developers of workforce housing projects consistent with the Nebraska Rural Workforce Housing Investment Act (the Act).

Applicants are developers creating workforce housing in Scottsbluff and the surrounding area. Qualifying applicants will be those unable to fulfill 100% of the workforce housing financing needs with a combination of their own resources and those from a financial institution.

The LB840 fund (the Fund) will provide assistance to eligible borrowers and applicants for the provision of workforce housing in the City of Scottsbluff (the City) and surrounding area and be operated by the LB840 Application Review Committee (The Committee) with oversight by the Scottsbluff City Council (City Council) and comply with the Fair Housing Act.

Fund assistance may be provided in the form of fully performing loans, deferred loans, loan guarantees, loan participations, purchase and rental guarantees, equity investments, other credit enhancements or any form of assistance designed to reduce the cost of workforce housing related to the Fund. In some circumstances, Fund assistance may be provided in the form of a deferred forgivable loan or conditional grant.

Fund assistance is provided for “Projects” which may include land and infrastructure directly associated with workforce housing.

The Fund guidelines for loan amount are as follows: minimum \$5,000 and maximum \$1,000,000.

**Background**

Housing was added as an “eligible activity” under the LB840 Economic Development Act and approved by the Governor on March 30, 2016 under Legislative Bill 1059 (Nebraska Law 18-2701-18-2739).

**1.0 APPLICANT ELIGIBILITY**

**1.1 General (Conflict of Interest)**

No member of the governing body, official employee, agent or member of their immediate family of the City, who exercise policy, decision-making functions or responsibilities in connection with the planning and implementation of the Fund shall directly or indirectly benefit from this Fund. This prohibition shall continue for one year after an individual’s relationship with the City ends. Any other employee, elected official, committee member may be eligible, but will be treated no differently in the determination of applications accepted for funding. Enclosed with this person’s application shall be a statement of disclosure which outlines the nature of the possible conflict and a description of how the public disclosure was made. Included will also be verification that the affected person has withdrawn from the active involvement in any Fund assistance related issues associated with the project that is the subject of the Fund application.

**1.2 Project Eligibility**

All determinations for assistance will be based upon the proposed project's: direct impact on meeting the workforce housing needs of western Nebraska, likelihood and expediency of loan repayment (including borrower credit worthiness), and estimated expediency of occupancy. The proposed project must be for Workforce Housing. Workforce Housing is housing that meets the needs of today's working families; housing that is attractive to new residents considering relocation to western Nebraska, owner-occupied housing units that cost not more than two hundred seventy-five thousand dollars (\$275,000) (land and infrastructure costs included), or rental housing that cost not more than two hundred thousand dollars (\$200,000) per unit (land and infrastructure costs included); owner-occupied and rental housing units for which the cost to substantially rehabilitate exceeds fifty percent (50%) of a unit's assessed value; upper story housing; and housing that does not receive National Housing Trust Funds, Federal Low Income Housing Tax Credits, Community Development Block Grants, HOME funds, or funds from the Nebraska Affordable Housing Trust Fund.

### **1.3 Borrower Eligibility (Developer)**

In order to qualify for a developer loan from the Fund, the applicant (or applicant's affiliated party) must have ownership interest (risk) at some phase of the proposed project. The developer must demonstrate the following:

1. Financial strength necessary to mitigate risk for the Fund.
2. Reasonable developer financial contribution to the project development costs.
3. Site control or evidence that site control can reasonably be obtained in 30 days or less of loan approval.
4. Proven track record or other evidence of capacity to complete the proposed project.
5. Project budgets and pro-formas that support the requested loan amount and ability to repay.
6. Nebraska tax identification number and Certificate of Good Standing from the Nebraska Secretary of State.

## **2.0 PROPERTY ELIGIBILITY**

### **2.1 Location**

Projects to be financed with the Fund will be located within the extraterritorial zoning jurisdiction of a community in western Nebraska.

### **2.2 Cost Limitations**

For owner occupied housing units, costs cannot exceed \$275,000 per unit. For rental units, costs cannot exceed \$200,000 per unit. These limits include land and infrastructure costs.

For substantial repair or rehabilitation of dilapidated housing stock, the cost to rehabilitate must exceed 50% of the unit's assessed value.

Infrastructure development associated with workforce housing is eligible in association with eligible renter or owner occupied housing, proportionate to the number of workforce housing units and subject to the renter and owner occupied housing per unit cost limits.

Proportionality shall be determined by

1. Determining the amount of total project development costs (TPDC), including land and Infrastructure costs. Calculating the adjusted TPDC, which shall be the TPDC less the total of non-Scottsbluff LB840 Fund financing that is specifically designated for infrastructure costs (such as Tax Increment Financing loan proceeds).
3. Dividing the Fund financing amount for project development costs, including infrastructure (numerator) by adjusted TPDC (denominator).
4. Applying the ratio derived in 3. to the total proposed housing units serviced by the infrastructure to determine the minimum number (rounding up to a whole number) of units that must meet the housing unit eligibility requirements (including cost limitations) based on Fund contribution to infrastructure costs. *Housing units directly financed with the Fund are attributed to meeting the minimum number of eligible unit requirement in this calculation.*

### **2.3 Other Financing**

*Housing units to be financed with the Fund may not also be financed in any form or manner by National Housing Trust Funds, Federal Low Income Housing Tax Credits, State Low Income Housing Tax Credits, Community Development Block Grants, HOME Funds, or funds from the Nebraska Affordable Housing Trust Fund.*

### **2.4 Additional Ineligible Properties and Costs**

Fund assistance shall not be available in any form or manner for:

- Housing units located within a Special Flood Hazard area (SFHA);
- Furnishings and personal property not an integral structural fixture including purchase of equipment, fixtures, and motor vehicles;
- Mobile homes as defined by DED; Mobile homes means a movable or portable dwelling constructed to be towed on its own chassis, connected to utilities, and designed with or without a permanent foundation for year-round living. It may consist of one or more units that can be telescoped when towed and expanded later for additional capacity, or two or more units, separately towable but designed to be joined into one integral unit.

## **3.0 FINANCIAL ASSISTANCE – DEVELOPER LOAN PROGRAM**

### **3.1 Eligible Uses and Forms of Assistance**

Borrowers may draw upon the Fund's proceeds for any of the following uses, based upon specifics outlined in the loan application and the executed loan documents. All of these uses described below assume fundamental use is constructing, rehabilitating or operating workforce housing:

- Acquisition of land and buildings;
- Predevelopment expenses such as:
  - site control (options or purchase) and expenses associated with purchase (e.g. title work)
  - engineering
  - architectural
  - site plans
  - preliminary budgets and feasibility analyses
  - financing application fees

- permit fees
  - market studies
  - surveying
  - environmental site assessments
  - tax credit application fees
  - grant application fees to government entities, FHL Bank Affordable Housing Program, or foundations
  - Appraisal
  - Organizational (Partnership/LLC) expenses
- Construction or renovation of real estate either leased or owned for residential purposes;
  - Equity investment
  - Public and Private Infrastructure (streets, water, sewer, electrical) necessary to accommodate the eligible workforce housing project
  - Gap financing loan (permanent loans repaid with annual net operating income of the rental project or other sources as approved)
  - Permanent loan (primary or subordinated loans that with regular, periodic principal and interest payments)
  - Capitalization of reserves
  - Rent or sale (construction take-out) guarantees
  - Loan guarantee
  - Other forms of assistance and costs that are allowed in the Act and approved by the Scottsbluff LB840 Application Review Committee

### **3.2 Additional Risk Mitigation**

The Fund will target assistance to developers that demonstrate:

- Need for the assistance for the project to be feasible
- Likelihood of success in development of the project
- Experienced, qualified development team (including property management in the case of rental housing and sales strategy for for-sale homes)
- Strong market for the type of housing proposed
- Local support, particularly support of employers in western Nebraska
- Developer financial ability and willingness to guarantee the Fund loan

Portfolio Standards of the Fund investments in Developer Loans are as follows:

- Generally, the Fund may not represent more than 40% of the total (predevelopment and construction costs (including carrying costs in a for-sale housing project) or (b) permanent financing needs.
- Fund financing amount and form must be necessary and appropriate based upon review of other possible financial assistance
- Fund financing amount and form is reasonable in relation to the number and type of workforce housing units to be developed

- Incentive loans can be greater than \$250,000 and have more favorable terms for projects addressing a Fund priority:
  - Substantial number of eligible units
  - Portion or all of the eligible units will be located in western Nebraska communities
  - Projected full occupancy of housing units no later than April 1, 2020
  - Expedient loan deployment and repayment schedule OR substantial regular, periodic payments (for example monthly or semi-annual principal and interest)

## **4.0 APPLICATION PROCESS**

### **4.1 Application**

In order to obtain an application form the applicant must call or visit the City of Scottsbluff's office located at 2525 Circle Drive. City staff will explain the assistance available and will be responsible for processing the application, verifying income and determining the applicant's eligibility for participation in the Fund. During the application review, city staff may make recommendations and referral to other programs available for financing.

- The loan application for Developer Loans includes:
  - Proposed loan uses, amount, repayment source
  - Development pro forma
  - Operating pro forma (rental projects)
  - List of all sources of funds
  - Predevelopment/construction budget and monthly draw schedule
  - Developer personal tax returns and financial statements for the past two years
  - Development team biographies/resumes
  - Borrower/development team development history
  - Preliminary plans and specifications
  - Site description, location, zoning, current use, amenities
  - Timeline for development and occupancy
  - Developer/project sponsor management and governance information
  - Credit history authorization

City staff will review information submitted to ensure it is complete. The city may charge a \$250 developer loan application fee. Rate, terms, collateral and equity requirements will be finalized as negotiated between the applicant and staff as approved by the LB840 Application Review Committee.

### **5.2 Underwriting Criteria**

City staff will take into consideration underwriting criteria of the primary lender, when applicable, and the following mitigating factors in making a credit recommendation to the LB840 Application Review Committee (criteria is intended as a guide and not as absolute determinants)

A. Credit Guidelines: Borrower credit payment history, revolving accounts, any collections, judgments, liens, bankruptcy, foreclosures, repossessions, and credit depth.

- B. 1. For Developers – Net worth and other measures of financial strength based on recent Financial Statements.
- B. 2. For rental projects permanent financing – total debt service coverage ratio (DSCR) that does not fall below 1.15 beginning in the second full year of operation and throughout the loan period.
- C. Loan to Value ratio: for construction and permanent financing total loan to value ratio of all debt no greater than 95%.
- D. Compensating Factors: Any of the following may be considered as compensating factors providing they are strong: ratios, equity, assets, credit scores, track record (developers), and character references from reputable sources such as local lenders.

### **5.3 Procedure for Approval or Denial**

Applications will be reviewed on a first-ready, first-served basis. Only complete, original, and signed applications containing all information and documentation that are delivered to the City of Scottsbluff offices at 2525 Circle Drive, Scottsbluff, NE 69361 will be processed. Electronic copies received via e-mail or fax will not be processed until the original application is received via postal mail or delivery in person to the city office. First-ready means that the following items have been completed in order to present the application to the LB840 Application Review Committee : (1) applicant has completed application/initial interview, (2) Project eligibility has been determined, (3) Borrower eligibility has been determined (4) Developer: site control verified, experienced development team verified, relevant financial information reasonable and sufficient (development and operating pro formas, project budget, financial strength of guarantors, and other information as requested), (5) board loan summary prepared by city staff, presented to the LB840 Application Review Committee and recommended to the LB840 Application Review Committee for approval.

The LB840 Application Review Committee will meet as needed to review Loan Applications. Applications will be presented to the Committee ONLY if all of the above-mentioned items are completed.

The application will be reviewed by the Committee and then a recommendation provided to the Scottsbluff City Council based upon the recommendations of the Committee and City Staff.

The application will be reviewed and approved/denied by the City Council based upon the recommendation of the Committee. Approved applicants will be notified in writing and/or via e-mail, if available. Denied applicants will be notified in writing stating the reason for not being selected.

### **5.4 LB840 Loan Committee packet for Developer Loans:**

The loan packet presented to the LB840 Application Review Committee and the Scottsbluff City Council for Loans to Developers includes:

- Summary
- Development pro forma
- Operating pro forma (rental projects)
- List of all sources of funds
- Predevelopment/construction budget

- Developer personal tax returns and financial statements for the past two years
- Development team resumes and real estate schedule (information on previous developments)
- Preliminary plans and specifications
- Details of the proposed Fund assistance including
  - Terms
  - Interest rate
  - Source of repayment
  - Collateral, developer guarantees, and other loan security
  - Loan loss reserve allocation (Fund risk mitigation)
- **Proposed loan payment schedule**

Special circumstances regarding Developer loans may require a different repayment plan and will be structured accordingly. Some projects require special financing techniques to meet a borrower's needs. Recognizing that, a subordinate position to other lenders of record at time of the project may be taken. If a subordinate position is required, additional considerations will be taken so as to not jeopardize the loan portfolio. Other special financing techniques may include quarterly or semiannual payments, interest only payments during the first year, or some other method agreed upon by The Committee and the applicant.

Generally, loan payments on loans with regular, periodic payment schedules will start no more than 60 days after loan closing. During the loan payment period, The committee, at their discretion, may authorize a one-time, 3-month payment deferral or 3-month interest only payment.

## **6.0 Loan Closing – Developer**

The City will schedule the loan closing with the borrower. The loan closing may be conducted electronically via e-mail including scanned signatures and documents as allowable. The developer must submit original signed and notarized documents within 5 days after an electronic closing to The City.

The borrower will provide evidence of the following prior to or at loan closing, as applicable:

- Equity requirements have been met
- Other financing has been secured
- Proof of insurance appropriate for the type of project and Fund loan timing
- Appraisals
- Wiring instructions for loan advances

The City will prepare and have the borrower execute the following items at closing, as appropriate:

- Promissory Note
- Authorization and Loan Agreement
- Security Agreement
- Deed of Trust
- Guaranty

The City will provide loan advance request requirements to the borrower at or before loan closing. No funds will be disbursed until the borrower has satisfied all conditions established by The Committee, City



Council and staff as prerequisites for disbursement of funds and has signed all loan documents, as well as other documents necessary to protect the city's security interest in the collateral. The Committee will have final approval of loan advances. The City may charge an origination fee of \$250 for any loan of \$25,000 or less. If the loan amount is greater than \$25,000, the loan origination fee shall be equal to 1% of the loan amount.

The loan origination fee may be included in the loan request and deducted from the loan proceeds prior to disbursement to the borrower. At its discretion, city staff may substitute a commitment fee for the origination fee or waive or modify the origination fee.

## **6.1 Other Loan Conditions**

In addition to the above, and to the application requirements, all LB840 Fund borrowers must comply with certain requirements including the following:

- Signed statement that there are no outstanding judgments pending against the loan applicant and a current "Certificate of Good Standing" from the Nebraska Secretary of State.
- Agreement to acknowledge the participation or inclusion of LB840 Fund financing in marketing and other promotional efforts which cite financial supporters of their project.
- Valid title insurance policy whenever a lien on the property is being used as collateral.

## **6.2 Loan Payments**

The City will require annual financial statements, annual insurance renewals, conducting regular site visits to project and/or the borrower, review of annual project status reporting, and other reports that are specific to each loan. If requested documents necessary for loan monitoring are not received within 60 days as required by written communication, a monthly assessment of not less than \$100 may be assessed to the borrower and will be automatically withdrawn from the client's bank account electronically each month until received.

In the event of a late payment or loans over 90 days in arrears, city staff or city legal counsel will attempt to establish a workout arrangement with the borrower. Every effort will be made to assist the borrower but protect the Fund as well. Workout arrangements must be approved by the Committee after being reviewed by city staff. Substantial changes to the loan agreement will be approved by the Committee or City Council. All action taken on any give loan will be documented and reported to the City Council.

If payment is not honored from the bank, city staff documents contact with the client (either by phone or letter) – notifying the client of Non-sufficient Funds (NSF) charge and payment must be sent to the office by the 10th of the month to avoid a late payment fee of \$50. If bank financing is also involved, the bank is contacted to verify if their payments are also in jeopardy.

If the first payment is not received and the second payment is not made, a certified letter is sent explaining the NSF charge and the late payment fee again if not received by the 10th and the bank is contacted.

If the first two payments are not made and the third payment is not made, city staff will recommend to the Committee that legal remedies be sought. The Committee will decide whether to use legal remedies to resolve the matter. This may include a Default Notice being sent and filed.

In most instances, if a bank is involved as primary lender, the City will follow the actions of the bank as not to incur the cost of a Trustee's sale. If there is no bank involved the city will proceed with a Trustee's Sale if applicable.

## **6.6 Collateral Change Requests**

From time to time collateral change requests may be necessary. Loan subordination requests for refinancing of existing debt with no "cash out" will be approved by the Committee in the event it does not diminish our lien position. Any other requests must be approved by the Committee or City Council. All fees associated with any collateral change requests, will be the clients responsibility.

## **6.7 Loan Write-Off Collections**

The city may pursue bad debt any way possible to collect loans that have been written off. This may include, but is not limited to, wage garnishment and repossession of collateral.

## **6.8 Close-Out**

The City shall maintain and keep all applications as well as all other required document, records, and other evidence in conformance with the Rural Workforce Housing Act.

## **7.0 PROPERTY MAINTENANCE**

All properties permanently financed (developer borrowers) with the Fund shall be maintained in compliance with local ordinances and subdivision covenants.

## **8.0 CONSTRUCTION SUPERVISION, APPRAISAL, and COST CERTIFICATION**

All development is subject to review and inspection. All housing units built under this Fund shall be subject to appraisal to verify completed value. All housing units constructed or rehabilitated with this Fund shall be subject to a cost certification to verify the project meets the cost to build/rehabilitate per unit limitations of the Act. City staff and the Committee will determine the appropriate cost certification method on a per project basis.

## **9.0 DEVELOPER/CONTRACTOR DISPUTES**

Construction-related developer/contractor disputes or deficiencies and/or any disagreements regarding the construction of the homes shall be resolved prior to permanent loan assistance closing in a manner acceptable to all parties. Informal resolution of disagreements is recommended. Acceptance of the home and delivery of the deed at loan closing shall constitute the homebuyer's waiver of any rights concerning known defects or existing disputes or disagreements between the homebuyer and seller, subject only to such special warranty given by the seller on the home and as set forth in the documents delivered and accepted at the time of closing. The foregoing shall not limit warranty-express or implied-as may otherwise exist as a matter of law.

## **10.0 GRIEVANCE PROCEDURES**

In the event that any applicant feels he or she has been unfairly treated or discriminated against during the process of selections of projects to be funded, excluding the determination of ability to secure a mortgage loan from a financial institution (as applicable), or within any other segment of the Nebraska Workforce Housing Investment Act, he or she may appeal the decision of city staff to the Committee for their consideration. The appeal must be submitted in writing to the Chairman of the LB840 Application Review Committee and postmarked within 14 calendar days of the decision. The Committee will act to support or overturn the action within 30 days of the receipt of the appeal. The Committee will have final authority in the decision. City Council will be notified of any grievances that the City receives which are not resolved by the Committee's standard grievance procedures. In some cases it may be necessary to use a neutral third party as mediator between the city, the committee and the contractor.

Appeals regarding other loan eligibility (excluding the Fund) shall be made to the financial institution in accordance with their procedures.

#### **11.0 OFFICIAL CONTACT OFFICE**

The places of contact for this Fund shall be City of Scottsbluff, 2525 Circle Drive, Scottsbluff, NE 69361. Any grievances, suggestions or requests for information shall be directed to this office. This in no way shall be construed to limit other interested parties from distributing information about the Fund or receiving suggestions for amendments to the Fund. All grievances shall be directed to the City in writing.

**City of Scottsbluff LB840**  
**Workforce Housing**  
**Developer Loan Application**

THE CITY OF SCOTTSBLUFF LB840 WORKFORCE HOUSING FUND PROVIDES NON-TRADITIONAL LOANS TO ASSIST WITH THE PRODUCTION OF WORKFORCE HOUSING. NO APPLICANT SHALL, ON THE GROUNDS OF RACE, COLOR, OR NATIONAL ORIGIN, BE EXCLUDED FROM PARTICIPATION IN, BE DENIED THE BENEFITS OF, OR BE SUBJECTED TO DISCRIMINATION IN ACCORDANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 AS AMENDED. THE CITY ALSO COMPLIES WITH TITLE IX OF THE EDUCATION AMENDMENTS OF 1972, SECTION 504 OF THE REHABILITATION ACT OF 1973, THE AGE DISCRIMINATION ACT OF 1975, THE DRUG ABUSE OFFICE AND TREATMENT ACT OF 1972, THE COMPREHENSIVE ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT AND REHABILITATION ACT OF 1970, SECTION 523 AND 527 OF THE PUBLIC HEALTH SERVICE ACT OF 1912 AND TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968.

**A. BORROWER INFORMATION [Cannot be an individual]:**

Name of Borrower/Business \_\_\_\_\_

Name and Title of Borrower's Representative \_\_\_\_\_

Address of Borrower \_\_\_\_\_

City State Zip  
Business Phone \_\_\_\_\_ FAX No: \_\_\_\_\_

E-mail: \_\_\_\_\_ Cell No. \_\_\_\_\_

Outstanding litigation against borrower \_\_\_\_\_

Federal ID #: \_\_\_\_\_ Nebr. Tax ID #: \_\_\_\_\_

**B. DEVELOPER INFORMATION:**

Name of Developer/Sponsor \_\_\_\_\_

Length of time in development field \_\_\_\_\_ Number of projects developed \_\_\_\_\_

Development History \_\_\_\_\_

Outstanding litigation against developer \_\_\_\_\_

**C. GUARANTOR/COLLATERAL\*:**

Name of **Guarantor(s)** \_\_\_\_\_

[Must be financially able to repay loan, may be individuals and/or multiple parties.]

Outstanding litigation against guarantor(s) \_\_\_\_\_

Collateral for loan (e.g. lien on real estate) \_\_\_\_\_

*\*Please note that any federal or state low-income housing tax credits, Community Development Block Grants, HOME funds or funds from the Affordable Housing Trust Fund are not permissible and can NOT be used as a funding source to this fund.*

**D. PROJECT INFORMATION:**

**Project Location cost limits (all must be checked to qualify for funding):**

- ☐ Within the extraterritorial zoning jurisdiction of a community in western Nebraska
- ☐ New owner-occupied housing costing no more than \$275,000 to construct
- ☐ New rental housing units costing no more than \$200,000 per unit to construct
- ☐ Owner-occupied or rental housing units for which the cost to substantially rehabilitate exceeds 50% of a unit's assessed value
- ☐ Upstairs housing – plans must be submitted and fund cannot exceed 50% of total project cost

Owner of project (typically a LP or LLC) \_\_\_\_\_

Address of project \_\_\_\_\_

Description of project (include amenities) \_\_\_\_\_

Market for project \_\_\_\_\_

Employer(s) support of project \_\_\_\_\_

Status of project \_\_\_\_\_

Timeline of project \_\_\_\_\_

Site description (include current use of site) \_\_\_\_\_

Current zoning of site \_\_\_\_\_

Current ownership of site \_\_\_\_\_

Site control by project (Y/N) \_\_\_\_\_

Availability of utilities to site (Y/N) \_\_\_\_\_

Environmental issues on site \_\_\_\_\_

Anticipated project lenders \_\_\_\_\_

Anticipated project architect \_\_\_\_\_

Anticipated project general contractor \_\_\_\_\_

Anticipated project property manager \_\_\_\_\_

Other project team members \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**E. LOAN INFORMATION:**

Type of loan requested \_\_\_\_\_

Loan amount requested \_\_\_\_\_

Term/maturity requested \_\_\_\_\_

Loan will be used to pay for \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Source of repayment for this loan will be \_\_\_\_\_

**ATTACH FOLLOWING DOCUMENTS AS APPLICABLE TO THIS APPLICATION:**

- Organization documents of the borrower and all guarantors (formation documents such as Articles and Bylaws & 501c status, if applicable)
- Current Certificate of Good Standing for the borrower and all guarantors
- Developer personal tax returns and financial statements for the past two years
- Signed statement that there are no outstanding judgments pending against loan applicant and for Borrowers that are not individuals; or detail of outstanding litigation against borrower, developer or any guarantor
- List all sources of funds
- Bios/resumes for development team
- Borrower/Development team development history
- Development pro forma
- Operating pro forma (15 yr. operating income and expenses)
- Predevelopment construction budget and monthly draw schedule
- Preliminary plans and specifications
- Timeline for development and occupancy

- Developer/project sponsor management and governance information
- Evidence of site control
- Copy of a Credit report from Financial Institution **OR** Credit History Authorization (attached)

Once all documents have been received the City will review the application to determine if it meets the eligibility requirements to be considered by the LB840 Application Review Committee. If eligible, a meeting will be scheduled with you and the items on the Full Application Checklist will be requested. An origination fee of \$250 for any loan of \$25,000 or less will be collected. If the loan amount is greater than \$25,000, the loan origination fee shall be equal to 1% of the loan amount. The loan origination fee may be included in the loan request and deducted from the loan proceeds prior to disbursement to the borrower. If this loan is approved and the applicant chooses not to close the loan, the applicant agrees to pay GFDC a 1% loan application fee.

**The above information is accurate to the best of my knowledge and belief. The above information is provided to help you evaluate the feasibility of obtaining public financial assistance. It is further understood that the submission of this form does not constitute a formal loan application and that the form will be used for analysis and assessment purposes only.**

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

☐ I have received and read the City of Scottsbluff LB840 Workforce Housing Plan and will adhere to all requirements.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_

### Credit History Search Authorization

By signing this agreement, I hereby give full authorization to the City of Scottsbluff to perform a credit history search on my past and current credit history. Also, I hereby give full authorization to utilize the information that I have supplied on this form for the purpose of performing a credit history search.

Applicants Full Name: \_\_\_\_\_

dba: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

FAX: \_\_\_\_\_

E-mail: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Fed I.D. #: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_





## City of Scottsbluff LB840 Workforce Housing Plan and Application

**Purpose:** To stimulate additional single family, townhouse/duplex, and multi-family development to meet a critical shortage of workforce housing in the Scottsbluff area.

**Goal:** Add new housing units in the Scottsbluff area.

**Incentive:** \$12,000 per new qualified single family housing unit or duplex/townhouse (note: for Townhouse/duplex, the housing unit incentive is \$12,000 per side). The program incentive for imported “Modular” homes is \$6,000. For multi-family units, "up to" \$6,000 per unit can be granted at Application Review Team discretion. The funding will be advanced after qualified units reach the ready for paint stage of construction, that is, "drywall is complete".

**Governance and Oversight:** The LB840 Application Review Committee will review all applications for participation in this initiative. It will be at the discretion of the Review Team how many housing units will be awarded to each respective developer/contractor depending on qualifications, experience, financial stability, plan of action and ability to perform within the restricted time line.

**Financial Wherewithal:** Applicant must include banking or investor’s letter of reference that supports the company’s ability to perform the construction requirements under this initiative.

**Failure to Perform Penalty:** Applications for housing units that are approved for funding under this program, but are not constructed as agreed upon, will receive no funds from this program and will incur a \$1,000.00 non-performance penalty payable to the City of Scottsbluff.

**Program Requirements:** Applicants must commit to building at least two (2) housing structures within program guidelines.

- Construction must be "drywall complete" on each and every awarded unit two years after date of application approval. This program may not be combined with other state funding incentives, but may use additional local incentives (e.g. Tax Increment Financing)
- Homes must be located within the Scottsbluff zoning jurisdiction or in the Cities of Gering, Terrytown, Kimball, Bayard, Bridgeport, Mitchell, Morrill
- For sale or for lease (rent) are both eligible

- The **maximum sales price per home is \$275,000**. Multi-unit apartments cannot cost more than \$200,000 per unit to construct (price levels are state requirements).
- Single family houses can qualify for \$12,000 in incentives (see Housing Minimum Requirements Below)
- Townhomes/duplexes can qualify for \$12,000 (see Housing Minimum Requirements below)
- Multi-unit structures (over 2 units) can qualify for "up to" \$6,000 per unit upon certificate of occupancy
- Modular Homes (as defined by State) can qualify for \$6,000 per unit upon certificate of occupancy
- Applicants must provide proof of credit/bank reference letter from a reputable financial institution.
- Communities other than Scottsbluff are required to provide a lot at no charge as part of the matching local commitment. This can be from any entity (city, village, non-profit, private citizen, etc.)
- Final decision of eligibility lies with the LB840 Application Review Committee. Individual housing projects must be approved in advance.

### **Housing Minimum Requirements**

#### **Single Family Home:**

1,400 square feet of living space,  
2 car garage and 1 ¾ bath

#### **Duplex/Townhouse (each side)**

1,400 square feet of living space  
each side, 2 car garage and 1 ¾  
bath

#### **Multi-Unit Complex (2+ units)**

Must meet city standards.

\*Maximum number of units

Awarded will be determined by the  
Application Review Committee

## LB840 Workforce Housing Application

Applicant (Company) Name: \_\_\_\_\_

Company Owner/Manager Name: \_\_\_\_\_

Federal EIN or Social Security Number: \_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Company CEO Name: \_\_\_\_\_

Office Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Cell Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ email: \_\_\_\_\_

Number of qualified unites that will be completed within this program \_\_\_\_\_ (minimum is two)

Number of Single Family: \_\_\_\_\_ Number of townhouses/duplexes: \_\_\_\_\_

Number of Multi-Units \_\_\_\_\_ Number of Upstairs Apartments \_\_\_\_\_

I, \_\_\_\_\_ (Authorized Signor), acting on behalf of \_\_\_\_\_  
(Builder) hereby attest and state as follows:

1. I have the authority to bind the Builder to this application and any future agreements;
2. If Builder's application(s) is/are approved for funding, Builder will abide by the terms and conditions of this application specifically, but not exclusively with regard to the dates, square footage, and other specifications as set forth in this application;
3. If Builder's application(s) is/are approved for funding, Builder will comply with all local, state, and national building codes applicable to this project.
4. I understand that there will be a non-performance penalty of \$1,000.00 per approved housing unit, should a unit not be "drywall complete" within the allotted time and meet the minimum specifications stated in the application and that such penalty shall be applied jointly and severally to Builder and Authorized Signor;
5. I understand and agree to the terms of this application and understand that if this application is approved for funding, Authorized Signor and Builder will be bound by the terms as they are set forth in this application;
6. I understand that there is no guarantee that all or any of this application will be approved and that it is possible for a portion of my application to be approved, and a portion of it to be denied;

Authorized Signor: \_\_\_\_\_ Date: \_\_\_\_\_

Witness: \_\_\_\_\_ Representing the City of Scottsbluff

**Please complete the following form for each structure in your application; noting the minimum number of qualifying structures is two (reproduce as needed):**

**Structure 1 details:**

**Location address or legal description:**

**Scheduled start date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Scheduled Completion Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Check one:** Single Family: \_\_\_\_ Duplex/townhouse: \_\_\_\_ Modular \_\_\_\_ Multi-Unit \_\_\_\_

Square feet of living space: \_\_\_\_\_

Number of rooms: \_\_\_\_\_

Garage Double car (minimum for single family structures and duplex/townhouse): \_\_\_\_

Single Family Baths (single family minimum is 1 ¾ baths): \_\_\_\_

Duplex Baths (duplex units minimum of 1 ¾ baths): \_\_\_\_

Modular (single family minimum is 1 ¾ baths): \_\_\_\_

Foundation (Check One): Basement \_\_\_\_ Crawl Space \_\_\_\_ Slab on grade \_\_\_\_

**(Please attach plans with application)**

**For City of Scottsbluff use:**

Building permit or Land Use permit number: \_\_\_\_\_ Date Issued:

\_\_\_\_/\_\_\_\_/\_\_\_\_

Committee reviewed on \_\_\_\_/\_\_\_\_/\_\_\_\_ Recommendation: Favorable \_\_\_\_ Denied \_\_\_\_

Board Reviewed on \_\_\_\_/\_\_\_\_/\_\_\_\_ Approved \_\_\_\_ Denied \_\_\_\_ If Multi-Unit,

#Units \_\_\_\_

Notification Letter sent to applicant: \_\_\_\_/\_\_\_\_/\_\_\_\_

Site Inspection:

\_\_\_\_/\_\_\_\_/\_\_\_\_; by \_\_\_\_\_ comment:

Payment Awarded: \_\_\_\_/\_\_\_\_/\_\_\_\_

Sale Price (if applicable) \$ \_\_\_\_\_

**Structure 2 details:**

**Location address or legal description:**

**Scheduled start date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Scheduled Completion Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Check one:** Single Family: \_\_\_\_ Duplex/townhouse: \_\_\_\_ Modular \_\_\_\_ Multi-Unit \_\_\_\_

Square feet of living space: \_\_\_\_\_

Number of rooms: \_\_\_\_\_

Garage Double car (minimum for single family structures and duplex/townhouse): \_\_\_\_

Single Family Baths (single family minimum is 1 ¾ baths): \_\_\_\_

Duplex Baths (duplex units minimum of 1 ¾ baths): \_\_\_\_

Modular (single family minimum is 1 ¾ baths): \_\_\_\_

Foundation (Check One): Basement \_\_\_\_ Crawl Space \_\_\_\_ Slab on grade \_\_\_\_

(Please attach plans with application)

**For City of Scottsbluff use:**

Building permit or Land Use permit number: \_\_\_\_\_ Date Issued:

\_\_\_\_/\_\_\_\_/\_\_\_\_

Committee reviewed on \_\_\_\_/\_\_\_\_/\_\_\_\_ Recommendation: Favorable \_\_\_\_ Denied \_\_\_\_

Board Reviewed on \_\_\_\_/\_\_\_\_/\_\_\_\_ Approved \_\_\_\_ Denied \_\_\_\_ If Multi-Unit,

#Units \_\_\_\_

Notification Letter sent to applicant: \_\_\_\_/\_\_\_\_/\_\_\_\_

Site Inspection:

\_\_\_\_/\_\_\_\_/\_\_\_\_; by \_\_\_\_\_ comment:

Payment Awarded: \_\_\_\_/\_\_\_\_/\_\_\_\_

Sale Price (if applicable) \$ \_\_\_\_\_



# City of Scottsbluff LB840

## Workforce Housing

### Developer Application Checklist

THE FOLLOWING MUST BE DELIVERED TO THE CITY OF SCOTTSBLUFF PRIOR TO CLOSING (unless otherwise indicated)	Received
1. Borrower & Guarantor Articles of Incorporation, By Laws and/or 501c status if applicable	
2. Current Certificate of Good Standing for borrower and guarantors	
3. Developer personal tax returns & financial statements for the past two years.	
4. Signed statement that there are no outstanding judgments pending against loan applicant and for Borrowers that are not individuals; or detail of outstanding litigation against borrower, developer or any guarantor	
5. List all sources of funds	
6. Bios/Resumes for development team	
7. Borrower/Development team development history	
8. Development pro forma	
9. Operating pro forma (15 yr. operating income and expenses)	
10. Predevelopment/construction budget and monthly draw schedule	
11. Preliminary Plans and Specifications	
12. Timeline for development and occupancy	
13. Developer/project sponsor management and governance information	
14. Evidence of site control	
15. Credit History Authorization (on application)	