



**Community Development Authority
Board of Directors Meeting**

AGENDA

Thursday, May 18, 2023 at 5:30 p.m.

**Location: Municipal Building – Community Room 1st Floor
312 W. Whitewater St., Whitewater, WI 53190**

This will be an IN-PERSON and VIRTUAL MEETING

**Citizens are welcome (and encouraged) to join us via computer, smart phone or telephone.
Citizen participation is welcome during topic discussion periods.**

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join.

<https://us06web.zoom.us/j/89336934457?pwd=Wmc1aFlrU2trU1hwMFo4UkNlcmxZQT09>

Passcode: 903463

Or join by phone: 1-312-626-6799

Passcode: 903463

All agenda items are subject to discussion and/or action.

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action by the Common Council will be taken at this meeting.

1) Administrative Items.

a) Call to Order.

b) Roll Call.

c) Election of Board Chair.

d) Election of Board Vice-Chair.

e) Appointment to Whitewater University Technology Park Board.

f) Declaration of Conflict of Interest. Would any member(s) of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda?

g) Hearing of Citizen Comments: No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

- 2) **Approval of Minutes:** CDA Board Meeting April 18, 2023.
- 3) **Review and Acknowledge Financial Statements:** Period Ending April 30, 2023.
- 4) **Action Items:**
 - a) Review Draft #2 Affordable Housing Policy and possible recommendation for consideration by the Common Council (Draft #1 included for reference).
- 5) **Updates and Discussion:**
 - a) Update regarding Economic Development Director/CDA Director Search.
 - b) Economic Development Activity Report.
- 6) **Board Member Requests for Future Agenda Items:**
 - a) Create policy between the CDA and City regarding transfers of residual equity from the CDA to the City.
 - b) CDA Alternative Revenue Streams.
 - c) Director to visit (virtual/in-person) with Whitewater's employers.
 - d) Recruit Developer that would include a grocery merchant.
(The above matters may be discussed at this meeting but no substantive action will be taken.)
- 7) **EXECUTIVE SESSION. Adjourn to Closed Session, TO RECONVENE,** pursuant to Wisconsin Statutes 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session."
Item to be discussed: Negotiating acquisition of property located at 136 North Jefferson Street.
- 8) **RECONVENE INTO OPEN SESSION.**
- 9) **Possible action on Closed Session Item.**
- 10) **Adjournment.**



Community Development Authority Board of Directors Meeting

MINUTES

Thursday, April 20, 2023

1) Administrative Items.

- a) **Call to Order and Roll Call.** Chairperson Singer called the meeting to order at 5:30 p.m. MEMBERS PRESENT: Joe Kromholz, Jon Kachel, Patrick Singer, Jim Allen, Lucas Schreiber. ABSENT: Jason Gleason. STAFF PRESENT: John Weidl (City Manager), Steve Hatton (Finance Director), Sarah Marquardt, Human Resources Manager, Bonnie Miller (CDA Administrative Assistant).
- b) **Recognize Newly-Appointed Commissioners:** Councilperson Luke Schreiber was introduced as a representative from Common Council, along with Jim Allen who returns as a Common Council representative.
- c) **Election of Board Chair.** Rescheduled to May 18, 2023 meeting.
- d) **Election of Board Vice-Chair.** Rescheduled to May 18, 2023 meeting.
- e) **Appointment to Whitewater University Technology Park Board.** Rescheduled to May 18, 2023 meeting.
- f) **Declaration of Conflict of Interest.** Would any member(s) of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda? None.
- g) **Hearing of Citizen Comments:** No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time. None.

2) **Approval of Minutes:** Moved by Allen to approve the Minutes of the CDA Board Meeting March 16, 2023. Seconded by Schreiber. AYES: All by voice vote (5); NOES: None. ABSENT: Gleason.

3) **Review and Acknowledge Financial Statements:** Noted by City Manager Weidl that the payoff amounts referenced at Item 4(a) are not included in the Financials for Period Ending March 31, 2023. Moved by Allen and seconded by Kromholz to acknowledge the Financials for Period Ending March 31, 2023 as presented. AYES: All by voice vote (5). NOES: None. ABSENT: Gleason. Chairperson Singer acknowledged the contributions of Finance Director Hatton and wished him success in his new position with Sheboygan County.

4) Updates and Discussion:

- a) **Update regarding Blue Line Battery loan payoff.** Finance Director Hatton reported that Blue Line Battery loans were paid in full as of April 6, 2023. Receipt of funds were deposited into respective loan fund, crediting \$108,385.88 to the Capital Catalyst Fund and crediting \$58,705.30 to the Action Fund Account. City Manager Weidl noted that a press release will be issued recognizing the success of Blue Line and wishing them well and promoting the CDA loan programs and available funds.
- b) **Update regarding improvement of physical condition of Lot 9B in the Business Park (Part of Tax Parcel No. 292-0515-3432-000) located on Enterprise Blvd.** City Manager Weidl stated that there is a development currently being proposed for this lot. The Developer has raised no

objections to the way the site is as it exists. Weidl recommended waiting until staff works through the current proposal, and should we not have someone interested in this lot, bring it back for consideration at that time.

c) **Update regarding Economic Development Director/CDA Director Search.** City Manager Weidl introduced, our new Human Resources Manager, Sara Marquardt, who updated the Board with respect to the selection of the new Economic Development Director. Ms. Marquardt stated that the position does not close until April 18, however, we have five candidates, four of which are viable (three in-state and one out-of-state). Applications will be reviewed when the posting has closed. Of the four candidates, one candidate has a master's degree with city economic development experience, one candidate has a bachelor's degree with some master's work and marketing experience at the city level, one candidate has a master's degree with a combination of planner, real estate and community development experience, and one candidate has a master's degree with planner and military civilian affairs experience. Ms. Marquardt stated that she worked for six years in Wausau in economic development and is excited about these interviews. She is looking to have a small interview panel and suggested Kromholz as a member of the panel due to his legal experience. The interview will be a structured interview with presentations and a standard rating system and asked that any Board members who are interested in serving on the panel contact her to provide her with their availability. Chairman Singer suggested limiting Board participation to two to avoid quorum issues. City Manager Weidl suggested one would like to invite the Director of the CEC and Innovation Center to participate and stated that one Board member would be ideal, two acceptable but four is a quorum. City Manager Weidl stated that he would like to include the Director of the CEC and Innovation Center on the panel. Kromholz, Kachel and Singer all expressed interest. After a brief discussion of past procedures, the consensus was that the Chairperson and Board Member Kromholz should serve on the panel. An update will again be brought back to the Board at the May 16, 2023 meeting.

d) **Economic Development Activity Report.** City Manager provided updates with respect to economic development activity. Incentis, a site location firm, has put together an offer which has been vetted by the City's financial team, and Ehlers has given its approval and written a review. Weidl used that information to send a letter back to them stating that if we receive a formalized package in the terms as discussed, staff would be happy to present in support of the project as outlined. Weidl will continue to provide updates regarding the project. Weidl summarized the development as an approximately \$18 million investment in an 80,000 square-foot facility, bringing somewhere between 70-90 jobs to the area, 75% of which would be regional hires (25% of their workforce plans to relocate). The lot is located in the business park and they would be paying for the land. Weidl concluded with a mention of the Aldis and Starbucks projects that will be on the May agenda for the Plan & Architectural Review Commission.

5) **Board Member Requests for Future Agenda Items:**

- a) Create policy between the CDA and City regarding transfers of residual equity from the CDA to the City.
- b) Follow up on the physical condition/clean-up of all parcels being marketed for sale in the Business Park.
- c) CDA Alternative Revenue Streams.
- d) Director to visit (virtual/in-person) with Whitewater's employers.
- e) Recruit Developer that would include a grocery merchant.

(The above matters may be discussed at this meeting but no substantive action will be taken.)

6) **EXECUTIVE SESSION.** It was moved by Singer and seconded by Allen to adjourn to Closed Session, **TO RECONVENE**, pursuant to Wisconsin Statutes 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. **Items to be discussed:** (a) **Negotiate Vacant Land Offer to Purchase with Becker & Bolton, LLC with respect to vacant parcel of land located at 501 N. Prospect Dr. in the Business Park (Tax Parcel No. 292-0515-3434-001);** (b) **Deliberate Development Agreement with Becker & Bolton, LLC for further recommendation to Common Council for review and approval regarding proposed project to be located at 501 N. Prospect Dr. (Tax Parcel No. 292-0515-3434-001).** AYES:

Schreiber, Singer, Allen, Kachel, Kromholz. NOES: None. ABSENT: Gleason. The meeting adjourned to closed session.

- 7) **RECONVENE INTO OPEN SESSION.** The meeting reconvened upon unanimous voice vote motion made by Kachel and seconded by Kromholz.

Moved by Kromholz to adopt the Development Agreement for the development of the property located at in Whitewater at 501 Prospect between the City of Whitewater and Becker & Bolton and specifically moved that the City Council accept the agreement as amended, with the caveat that the Agreement will be amended at Section IV.B.6 as disclosed in Closed Session. Seconded by Kachel. AYES: Kachel, Allen, Singer, Kromholz, Schreiber; NOES: None; ABSENT: Gleason. Motion passed.

Moved by Kachel and seconded by Kromholz to approve the Offer to Purchase as presented. AYES: Schreiber, Singer, Allen, Kachel, Kromholz; NOES: None; ABSENT: Gleason. Motion passed.

- 8) **Adjournment.** The meeting was adjourned at 6:12 p.m. upon unanimous voice vote motion made by Schreiber and seconded by Kromholz.

Respectfully submitted,
Bonnie Miller, Recorder

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2023

ECONOMIC DEVELOPMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>OTHER FINANCING SOURCES</u>						
900-49265-56	TRANSFER TID #4 AFFORD HOUSING	.00	.00	50,000.00	50,000.00	.0
900-49266-56	TRANSFER TID #11-ADMIN	.00	.00	5,000.00	5,000.00	.0
900-49267-56	TRANSFER TID #12-ADMIN	.00	.00	5,000.00	5,000.00	.0
900-49268-56	TRANSFER TID #13-ADMIN	.00	.00	35,000.00	35,000.00	.0
900-49290-56	GENERAL FUND TRANSFER	.00	.00	32,500.00	32,500.00	.0
900-49300-56	FUND BALANCE APPLIED	.00	.00	63,244.84	63,244.84	.0
TOTAL OTHER FINANCING SOURCES		.00	.00	190,744.84	190,744.84	.0
TOTAL FUND REVENUE		.00	.00	190,744.84	190,744.84	.0

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2023

ECONOMIC DEVELOPMENT FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA</u>					
900-56500-111 SALARIES	700.00	4,950.00	83,999.92	79,049.92	5.9
900-56500-115 WAGES/PART-TIME/PERMANENT	1,844.64	7,142.49	23,063.04	15,920.55	31.0
900-56500-151 FRINGE BENEFITS	245.10	2,126.57	34,079.72	31,953.15	6.2
900-56500-210 PROFESSIONAL DEVELOPMENT	.00	.00	3,535.00	3,535.00	.0
900-56500-212 LEGAL SERVICES	.00	.00	12,625.00	12,625.00	.0
900-56500-215 PROFESSIONAL SERVICES	6,340.50	6,340.50	2,525.00	(3,815.50)	251.1
900-56500-219 AUDIT FEES	.00	.00	4,040.00	4,040.00	.0
900-56500-222 COUNTY/REGIONAL ECON DEV	.00	.00	9,342.50	9,342.50	.0
900-56500-223 MARKETING	485.00	485.00	2,525.00	2,040.00	19.2
900-56500-224 SOFTWARE/HARDWARE MAINTENANCE	224.75	1,444.11	7,012.02	5,567.91	20.6
900-56500-225 TELECOM/INTERNET/COMMUNICATION	535.11	923.85	2,210.34	1,286.49	41.8
900-56500-310 OFFICE & OPERATING SUPPLIES	30.15	87.13	606.00	518.87	14.4
900-56500-311 POSTAGE	.00	.00	202.00	202.00	.0
900-56500-320 DUES	.00	11,179.00	1,191.80	(9,987.20)	938.0
900-56500-325 PUBLIC EDUCATION	.00	195.00	50.50	(144.50)	386.1
900-56500-330 TRAVEL EXPENSE	.00	.00	3,737.00	3,737.00	.0
TOTAL CDA	10,405.25	34,873.65	190,744.84	155,871.19	18.3
TOTAL FUND EXPENDITURES	10,405.25	34,873.65	190,744.84	155,871.19	18.3
NET REVENUE OVER EXPENDITURES	(10,405.25)	(34,873.65)	.00	34,873.65	.0

Report Criteria:

Report type: GL detail

Invoice Detail.GL account = 9001000000-9009999999,9101000000-9109999999

Check.Voiced = No

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Notes	Description	Invoice Number	Invoice GL Account	Invoice Amount
900									
04/23	04/13/2023	95021	8438	JAMES LEASING LLC		MAR 2023 COPIE CHARGE	12103	900-56500-310	20.81
04/23	04/13/2023	95027	6643	REDEVELOPMENT RESOURCE		JAN 2023 ECONOMIC DEV WORK	0978	900-56500-215	3,450.00
04/23	04/13/2023	95027	6643	REDEVELOPMENT RESOURCE		FEB 2023 ECONOMIC DEV SVCS	0983	900-56500-215	2,215.50
04/23	04/20/2023	95042	4864	DIGICORP INC		2023 FIREWALL UPDATE & RENEWAL	345874	900-56500-225	207.89
04/23	04/20/2023	95042	4864	DIGICORP INC		2023 FIREWALL UPDATE & RENEWAL	345874	900-56500-225	207.90
04/23	04/21/2023	900186	8487	US BANK	KATHRYN BOYD-IEDC ONLI	ED-Help Wanted Ad for ED Dir	APRIL 2023	900-56500-215	675.00
04/23	04/21/2023	900186	8487	US BANK	JEREMIAH THOMAS-SOUTH	CHAMBER GUIDE AD	APRIL 2023	900-56500-223	385.00
04/23	04/21/2023	900186	8487	US BANK	BRAD MARQUARDT-WHITE	Chamber Dinner & Awards	APRIL 2023	900-56500-223	100.00
04/23	04/21/2023	900186	8487	US BANK	MICHELE SMITH-STERICYC	JAN-MAR 2023 SHRED SVCS	APRIL 2023	900-56500-310	9.34
Total 900:									7,271.44
Grand Totals:									7,271.44

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2023**

ECONOMIC DEVELOPMENT FUND

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>					
900-11100	CASH	47,001.45	(10,405.25)	(37,305.70)	9,695.75
900-19000	GASB 68-WRS NET PENSION ASSETS	15,657.39	.00	.00	15,657.39
900-19021	GASB 68-WRS DOR	30,592.68	.00	.00	30,592.68
900-19999	GASB 68-PENSION CLEARING ACCT	3,479.00	.00	.00	3,479.00
TOTAL ASSETS		96,730.52	(10,405.25)	(37,305.70)	59,424.82
<u>LIABILITIES AND EQUITY</u>					
<u>LIABILITIES</u>					
900-21100	ACCOUNTS PAYABLE	906.21	.00	(906.21)	.00
900-21106	WAGES CLEARING	1,525.84	.00	(1,525.84)	.00
900-29011	GASB 68-WRS DIR	36,871.45	.00	.00	36,871.45
TOTAL LIABILITIES		39,303.50	.00	(2,432.05)	36,871.45
<u>FUND EQUITY</u>					
900-34300	PROPRIETARY CAPITAL	57,427.02	.00	.00	57,427.02
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD		.00	(10,405.25)	(34,873.65)	(34,873.65)
BALANCE - CURRENT DATE		.00	(10,405.25)	(34,873.65)	(34,873.65)
TOTAL FUND EQUITY		57,427.02	(10,405.25)	(34,873.65)	22,553.37
TOTAL LIABILITIES AND EQUITY		96,730.52	(10,405.25)	(37,305.70)	59,424.82

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2023

CDA PROGRAMS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CAPITAL CAT-SEED FUND REV</u>					
910-43015-00	CAPCAT INT-BLUE LINE \$64,614	1,447.05	1,447.05	.00 (1,447.05)	.0
910-43017-00	CAPCAT INT-BLUE LINE \$36,600	5,724.83	5,724.83	.00 (5,724.83)	.0
	TOTAL CAPITAL CAT-SEED FUND REV	7,171.88	7,171.88	.00 (7,171.88)	.0
<u>ACTION LOAN REVENUE</u>					
910-46001-00	INT INC-ACTION-LRN DEPOT \$41K	84.97	352.06	.00 (352.06)	.0
910-46003-00	INT INC-ACTION-BIKEWISE \$23K	2.48	30.64	.00 (30.64)	.0
910-46006-00	INT INC-ACTION-BLUELINE \$34K	80.45	336.47	.00 (336.47)	.0
910-46007-00	INT INC-ACTION-BLUELINE \$45K	89.06	434.91	.00 (434.91)	.0
910-46008-00	INT INC-ACTION-SAFEPRO \$100K	.00	100.00	.00 (100.00)	.0
	TOTAL ACTION LOAN REVENUE	256.96	1,254.08	.00 (1,254.08)	.0
<u>MISCELLANEOUS REVENUE</u>					
910-48103-00	INTEREST INCOME-FACADE	84.39	333.88	.00 (333.88)	.0
910-48104-00	INTEREST INCOME-HOUSING	49.12	194.34	.00 (194.34)	.0
910-48108-00	INTEREST INCOME-SEED FUND	1.88	7.51	.00 (7.51)	.0
910-48109-00	INTEREST INCOME-ACTION FUND	3,973.26	14,151.03	.00 (14,151.03)	.0
910-48605-00	RENTAL INCOME-CROP LEASES	.00	15,876.00	.00 (15,876.00)	.0
	TOTAL MISCELLANEOUS REVENUE	4,108.65	30,562.76	.00 (30,562.76)	.0
	TOTAL FUND REVENUE	11,537.49	38,988.72	.00 (38,988.72)	.0

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2023

CDA PROGRAMS FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>CDA PROGRAMS</u>					
910-56500-212 LEGAL/PROFESSIONAL/MARKETING	.00	10.00	.00	(10.00)	.0
910-56500-219 PROFESSIONAL SERVICES	10.00	395.24	.00	(395.24)	.0
TOTAL CDA PROGRAMS	10.00	405.24	.00	(405.24)	.0
TOTAL FUND EXPENDITURES	10.00	405.24	.00	(405.24)	.0
NET REVENUE OVER EXPENDITURES	11,527.49	38,583.48	.00	(38,583.48)	.0

910.11600 HOUSING RLF / XXX553	Total Deposit	Debit	910-11600	-	
HO# 1 Payment	Principal	Credit	910-14027		
HO# 11 Payoff	Principal	Credit	910-14037		
910.11800 ACTION-BUSINESS DEV / XXX	Total Deposit	Credit	910-11800	61,439.75	
PAUQUETTE CENTER LOAN RECV	Principal	Debit	910-13500	(1,289.52)	04/05/2023 ACH PAYMENT
ACTION-BIKEWISE-\$23,099	Principal	Credit	910-13503	(744.40)	04/03/2023 CK 10772 PAID OFF
INT INC-ACTION-BIKEWISE \$23K	Interest	Credit	910-46003-00	(2.48)	04/03/2023 CK 10772 PAID OFF
ACTION-BLUE LINE \$34,520	Principal	Credit	910-13506	(24,858.19)	04/06/2023 CK 1923 PAID OFF
INT INC-ACTION-BLUELINE \$34K	Interest	Credit	910-46006-00	(80.45)	04/06/2023 CK 1923 PAID OFF
ACTION-BLUE LINE \$45,457	Principal	Debit	910-13507	(33,677.60)	04/06/2023 CK 1923 PAID OFF
INT INC-ACTION-BLUELINE \$45K	Interest	Credit	910-46007-00	(89.06)	04/06/2023 CK 1923 PAID OFF
ACTION-MEEPER TECH-\$97,907	Principal	Credit	910-13504		REQUESTED TO HAVE ALL PAYMENTS STOPPED
INT INC-ACTION-MEEPER \$97K	Interest	Credit	910-46004-00		REQUESTED TO HAVE ALL PAYMENTS STOPPED
ACTION-MEEPER-\$82,310	Principal	Credit	910-13505		REQUESTED TO HAVE ALL PAYMENTS STOPPED
INT INC-ACTION-MEEPER \$82K	Interest	Credit	910-46005-00		REQUESTED TO HAVE ALL PAYMENTS STOPPED
ACTION-LEARNING DEPOT \$41,294	Principal	Credit	910-13501	(613.08)	04-05-2023 ACH PAYMENT
INT INC-ACTION-LRN DEPOT \$41K	Interest	Credit	910-46001-00	(84.97)	04-05-2023 ACH PAYMENT
ACTION-SAFEPRO TECH \$100K	Principal	Credit	910-13509		
INT INC-ACTION-SAFEPRO \$100K	Interest	Credit	910-46008-00		
910.11900-CAP CATALYST-ASSOC. BANK	Total Deposit	Credit	910-11900	108,385.88	
CAP CAT-BLUELINE BATT-\$64,614	Principal	Credit	910-15015	(64,614.00)	04/06/2023 CK 1923 PAID OFF
CAPCAT INT-BLUE LINE \$64,614	Interest	Credit	910-43015-00	(1,447.05)	04/06/2023 CK 1923 PAID OFF
CAP CAT-BLUELINE BATT \$36,600	Principal	Credit	910-15017	(36,600.00)	04/06/2023 CK 1923 PAID OFF
CAPCAT INT-BLUE LINE \$36,600	Interest	Credit	910-43017-00	(5,724.83)	04/06/2023 CK 1923 PAID OFF
LEGAL/PROFESSIONAL/MARKETING			910-56500-212		
LEGAL/PROFESSIONAL/MARKETING			910-56500-212		
LAND			910-18350		
ACTION-LAND PURCHASE-XXX127			910-11801		
FACADE CKING-1ST CIT- XXX442			910-11702		
FACADE-BOWERS HOUSE LLC \$50K			910-16008		

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2023**

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>LIABILITIES</u>				
910-22000 ACCUM DEPREC-BUILDING	1,461,118.56	.00	.00	1,461,118.56
910-25100 DUE TO GENERAL FUND	3,698.00	.00 (	3,698.00)	.00
910-26101 DEF REVENUE-FD 610-CDBG	851,866.00	.00	.00	851,866.00
TOTAL LIABILITIES	2,316,682.56	.00 (	3,698.00)	2,312,984.56
<u>FUND EQUITY</u>				
910-30110 CONTRIBUTED CAPITAL	456,815.37	.00	.00	456,815.37
910-34300 PROPRIETARY CAPITAL	6,440,505.26	.00	.00	6,440,505.26
910-34400 RESERVE FOR LAND PURCHASES	238,031.94	.00	.00	238,031.94
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	11,527.49	38,583.48	38,583.48
BALANCE - CURRENT DATE	.00	11,527.49	38,583.48	38,583.48
TOTAL FUND EQUITY	7,135,352.57	11,527.49	38,583.48	7,173,936.05
TOTAL LIABILITIES AND EQUITY	9,452,035.13	11,527.49	34,885.48	9,486,920.61

**CITY OF WHITEWATER
BALANCE SHEET
APRIL 30, 2023**

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11600 CDBG-HOUSING CHK-1CSB XXX450	13,790.70	49.12	194.34	13,985.04
910-11702 FACADE CKING-1ST CIT- XXX442	23,693.95	84.39	333.88	24,027.83
910-11800 ACTION-BUS DEV-BUS PARK-XXX127	261,460.54	65,403.01	100,007.34	361,467.88
910-11801 ACTION-LAND PURCHASE-XXX127	702,295.93	.00 (	11,000.00)	691,295.93
910-11900 CAP CAT-ASSOC BK XXXXX3734	9,134.66	108,387.76	108,393.39	117,528.05
910-13500 PAUQUETTE CENTER LOAN REC V	127,371.52 (	1,289.52) (	5,158.08)	122,213.44
910-13501 ACTION-LEARNING DEPOT \$41,294	27,317.14 (	613.08) (	2,440.14)	24,877.00
910-13503 ACTION-BIKEWISE-\$23,099	4,716.24 (	744.40) (	4,716.24)	.00
910-13504 ACTION-MEEPER TECH-\$97,907	81,791.63	.00 (	81,791.63)	.00
910-13505 ACTION-MEEPER-\$82,310	71,814.49	.00 (	71,814.49)	.00
910-13506 ACTION-BLUE LINE \$34,520	25,975.45 (	24,858.19) (	25,975.45)	.00
910-13507 ACTION-BLUE LINE \$45,457	35,039.56 (	33,677.60) (	35,039.56)	.00
910-13508 ACTION-FINE FOOD ARTS \$31,810	30,000.00	.00	.00	30,000.00
910-13509 ACTION-SAFEPRO TECH \$100K	100,000.00	.00	.00	100,000.00
910-13510 ACTION-SWSPOT/GILDEMEISTER 54K	54,000.00	.00	.00	54,000.00
910-13999 ACTION LOAN-LOAN LOSS RESERVE	(153,606.12)	.00	153,606.12	.00
910-14000 CDBG HOUSING-MO301	8,220.00	.00	.00	8,220.00
910-14001 CDBG HOUSING-A8416	10,203.84	.00	.00	10,203.84
910-14003 CDBG HOUSING-B935	18,420.02	.00	.00	18,420.02
910-14006 CDBG HOUSING-C932	8,062.00	.00	.00	8,062.00
910-14009 CDBG HOUSING-J8802	10,818.00	.00	.00	10,818.00
910-14011 CDBG HOUSING-M8501	11,000.90	.00	.00	11,000.90
910-14013 CDBG HOUSING-P954	11,000.00	.00	.00	11,000.00
910-14016 CDBG HOUSING-V902	12,504.15	.00	.00	12,504.15
910-14025 CDBG HOUSING-M0801	18,422.00	.00	.00	18,422.00
910-14026 CDBG HOUSING-B0803-0901	34,448.00	.00	.00	34,448.00
910-14030 CDBG HOUSING-HO#13-2016	8,000.00	.00	.00	8,000.00
910-14031 CDBG HOUSING-HO#4	37,795.00	.00	.00	37,795.00
910-14038 CDBG HOUSING-HO#14	18,000.00	.00	.00	18,000.00
910-14039 CDBG HOUSING-HO#15	36,815.00	.00	.00	36,815.00
910-14040 CDBG HOUSING-HO#18	4,235.00	.00	.00	4,235.00
910-15000 CAP CAT-SLIPSTREAM-\$102,500	102,500.00	.00	.00	102,500.00
910-15003 CAP CAT-SLIPSTREAM-\$42,000	42,000.00	.00	.00	42,000.00
910-15004 CAP CAT-MEEPER TECH-\$102,000	102,000.00 (	102,000.00) (	102,000.00)	.00
910-15006 CAP CAT- ROYAL-INVENT-27.5K	27,500.00	.00	.00	27,500.00
910-15011 CAP CAT-ROYAL-SCANALYTICS-95K	97,500.00	.00	.00	97,500.00
910-15012 CAP CAT-ROYAL-INVENTALATOR-75K	77,500.00	.00	.00	77,500.00
910-15015 CAP CAT-BLUELINE BATT-\$64,614	64,614.00 (	64,614.00) (	64,614.00)	.00
910-15017 CAP CAT-BLUELINE BATT \$36,600	36,600.00 (	36,600.00) (	36,600.00)	.00
910-15018 CAP CAT-RECRUITCHUTE \$51,050	51,050.00	.00	.00	51,050.00
910-15999 CAP CAT-LOAN LOSS RESERVE	(102,000.00)	102,000.00	102,000.00	.00
910-16008 FACADE-BOWERS HOUSE LLC \$50K	75,000.00	.00	.00	75,000.00
910-17002 UDAG-SLIPSTREAM-LOC	12,500.00	.00	.00	12,500.00
910-17999 UDAG-LOAN LOSS RESERVE	(12,500.00)	.00	.00 (	12,500.00)
910-18103 LOAN DUE FROM FD 610-CDBG	851,866.00	.00	.00	851,866.00
910-18350 LAND	275,171.53	.00	11,500.00	286,671.53
910-18360 REAL ESTATE	6,087,994.00	.00	.00	6,087,994.00
TOTAL ASSETS	9,452,035.13	11,527.49	34,885.48	9,486,920.61

LIABILITIES AND EQUITY

ACTION FUND		ORIGINAL	03/31/2023			04/30/2023		04/30/2023		NOTES
ACCT#	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance		
910-13500	PAUQUETTE CENTER LOAN REC	\$88,660.00	\$123,502.96	1,289.52	0.00	1,289.52	\$122,213.44	\$122,213.44	\$0.00	Current
910-13501	ACTION-LEARNING DEPOT \$41,294	\$41,294.63	\$25,490.08	613.08	84.97	698.05	\$24,877.00	\$24,877.00	\$0.00	Current
910-13503	ACTION-BIKEWISE-\$23,099	\$23,099.36	\$744.40	744.40	2.48	746.88	\$0.00	\$0.00	\$0.00	Making Payments
910-13504	ACTION-MEEPER TECH-\$97,907	\$97,907.69	\$0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00	Written off in Default 03/31/2023
910-13505	ACTION-MEEPER-\$82,310	\$82,310.00	\$0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00	Written off in Default 03/31/2023
910-13506	ACTION-BLUE LINE \$34,520	\$34,520.75	\$24,858.19	24,858.19	80.45	24,938.64	\$0.00	\$0.00	\$0.00	Paid off April 2023
910-13507	ACTION-BLUE LINE \$45,457	\$45,457.82	\$33,677.60	33,677.60	89.06	33,766.66	\$0.00	\$0.00	\$0.00	Paid off April 2023
910-13508	ACTION-FINE FOOD ARTS \$31,810	\$30,000.00	\$30,000.00	0.00	0.00	0.00	\$30,000.00	\$30,000.00	\$0.00	In Default
910-13509	ACTION-SAFEPRO TECH \$100K	\$104,940.00	\$100,000.00	0.00	0.00	0.00	\$100,000.00	\$100,000.00	\$0.00	New loan April 2022
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	\$54,000.00	\$54,000.00	0.00	0.00	0.00	\$54,000.00	\$54,000.00	\$0.00	New loan June 2022
910-17002	UDAG-SLIPSTREAM-LOC	\$12,500.00	\$12,500.00	0.00	0.00	0.00	\$12,500.00	\$12,500.00	\$0.00	Strive On-Still in Business
TOTALS		\$614,690.25	\$584,213.91	\$61,182.79	\$256.96	\$61,439.75	\$343,590.44	\$343,590.44	\$0.00	
910-13999	ACTION LOAN-LOAN LOSS RESERVE		\$0.00	0.00	0.00	0.00	\$0.00	\$0.00		
910-17999	UDAG-LOAN LOSS RESERVE		(\$12,500.00)	0.00	0.00	0.00	(\$12,500.00)	(\$12,500.00)		

FAÇADE LOAN		ORIGINAL	03/31/2023			04/30/2023		04/30/2023		NOTES
ACCT#	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance		
910-16008	FAÇADE-BOWERS HOUSE LLC \$50K	-	75,000.00	-	-	-	75,000.00	75,000.00	-	New loan April 2022
TOTALS \$		-	\$ 75,000.00	\$ -	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	

CAPITAL CATALYST		ORIGINAL	03/31/2023			04/30/2023		04/30/2023		NOTES
ACCT#	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance		
910-15000	CAP CAT-SLIPSTREAM-\$102,500	\$102,500.00	\$102,500.00	0.00	0.00	0.00	\$102,500.00	\$102,500.00	\$0.00	interest only
910-15003	CAP CAT-SLIPSTREAM-\$42,000	\$42,000.00	\$42,000.00	0.00	0.00	0.00	\$42,000.00	\$42,000.00	\$0.00	annual net revenue royalty-no payments have been received.
910-15004	CAP CAT-MEEPER TECH-\$102,000	\$102,000.00	\$102,000.00	102,000.00	0.00	0.00	\$0.00	\$0.00	\$0.00	Written off in Default 04/30/2023
910-15006	CAP CAT- ROYAL-INVENT-27.5K	\$27,500.00	\$27,500.00	0.00	0.00	0.00	\$27,500.00	\$27,500.00	\$0.00	annual net revenue royalty-no payments have been received.
910-15011	CAP CAT-ROYAL-SCANALYTICS-95K	\$97,500.00	\$97,500.00	0.00	0.00	0.00	\$97,500.00	\$97,500.00	\$0.00	annual net revenue royalty-first payment due October 2016
910-15012	CAP CAT-ROYAL-INVENTALATOR-75K	\$77,500.00	\$77,500.00	0.00	0.00	0.00	\$77,500.00	\$77,500.00	\$0.00	First payment received 08-21-2018
910-15015	CAP CAT-BLUELINE BATT-\$64,614	\$64,614.00	\$64,614.00	64,614.00	0.00	0.00	\$0.00	\$0.00	\$0.00	Paid off April 2023
910-15017	CAP CAT-BLUELINE BATT \$36,600	\$36,600.00	\$36,600.00	36,600.00	1,447.05	0.00	\$0.00	\$0.00	\$0.00	Paid off April 2023
910-15018	CAP CAT-RECRUITCHUTE \$51,050	\$51,050.00	\$51,050.00	0.00	0.00	0.00	\$51,050.00	\$51,050.00	\$0.00	
TOTALS		\$601,264.00	\$601,264.00	\$203,214.00	\$1,447.05	\$0.00	\$398,050.00	\$398,050.00	\$0.00	
910-15999	CAP CAT-LOAN LOSS RESERVE		(\$102,000.00)					\$0.00		

HOUSING		ORIGINAL	03/31/2023			04/30/2023		04/30/2023		Current
ACCT#	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance		
910-14000	CDBG HOUSING-MO301	\$8,220.00	\$8,220.00	0.00	0.00	0.00	\$8,220.00	\$8,220.00	\$0.00	
910-14001	CDBG HOUSING-A8416	\$10,203.84	\$10,203.84	0.00	0.00	0.00	\$10,203.84	\$10,203.84	\$0.00	
910-14003	CDBG HOUSING-B935	\$18,420.02	\$18,420.02	0.00	0.00	0.00	\$18,420.02	\$18,420.02	\$0.00	
910-14006	CDBG HOUSING-C932	\$8,062.00	\$8,062.00	0.00	0.00	0.00	\$8,062.00	\$8,062.00	\$0.00	
910-14009	CDBG HOUSING-J8802	\$10,818.00	\$10,818.00	0.00	0.00	0.00	\$10,818.00	\$10,818.00	\$0.00	
910-14011	CDBG HOUSING-M8501	\$11,000.90	\$11,000.90	0.00	0.00	0.00	\$11,000.90	\$11,000.90	\$0.00	
910-14013	CDBG HOUSING-P954	\$11,000.00	\$11,000.00	0.00	0.00	0.00	\$11,000.00	\$11,000.00	\$0.00	
910-14016	CDBG HOUSING-V902	\$12,504.15	\$12,504.15	0.00	0.00	0.00	\$12,504.15	\$12,504.15	\$0.00	
910-14025	CDBG HOUSING-M0801	\$18,422.00	\$18,422.00	0.00	0.00	0.00	\$18,422.00	\$18,422.00	\$0.00	
910-14026	CDBG HOUSING-B0803-0901	\$34,448.00	\$34,448.00	0.00	0.00	0.00	\$34,448.00	\$34,448.00	\$0.00	
910-14030	CDBG HOUSING-HO#13-2016	\$8,000.00	\$8,000.00	0.00	0.00	0.00	\$8,000.00	\$8,000.00	\$0.00	
910-14031	CDBG HOUSING-HO#4	\$37,795.00	\$37,795.00	0.00	0.00	0.00	\$37,795.00	\$37,795.00	\$0.00	
910-14038	CDBG HOUSING-HO#14	\$14,671.00	\$18,000.00	0.00	0.00	0.00	\$18,000.00	\$18,000.00	\$0.00	
910-14039	CDBG HOUSING-HO#15	\$21,090.00	\$36,815.00	0.00	0.00	0.00	\$36,815.00	\$36,815.00	\$0.00	
910-14040	CDBG HOUSING-HO#18	\$4,235.00	\$4,235.00	0.00	0.00	0.00	\$4,235.00	\$4,235.00	\$0.00	
TOTALS		\$228,889.91	\$247,943.91	\$0.00	\$0.00	\$0.00	\$247,943.91	\$247,943.91	\$0.00	
910-14999	CDBG HOUSING-LOAN LOSS RESERVE		\$0.00					\$0.00		
910-35000	GENERAL LOAN LOSS RESERVE		\$0.00					\$0.00		

Account Name	CDA Operating	Action Bus Dev (UDAG) Checking	Facade Checking	CDBG Housing	Capital Cat Checking
Fund Account Number	Fund 900	Fund 910 xxx-127	Fund 910 xxx-442	Fund 910 xxx-450	Fund 910 xxxxxx3734
Bank	1st Citizens	1st Citizens	1st Citizens	1st Citizens	Associated
Interest Rate	4.69%	4.69%	4.69%	4.69%	0.25%
GL Account Number(s)	900-11100	910-11800 910-11801 910-11806	910-11702	910-11600	910-11900
GL Balance as of:					
05/31/2022	29,441.85	537,221.02	48,278.66	13,638.19	1,108.94
06/30/2022	24,425.41	474,394.36	48,299.88	13,644.18	1,109.09
07/31/2022	18,673.95	476,879.17	48,332.72	13,653.46	1,109.33
08/31/2022	12,479.29	944,815.37	48,393.66	13,670.67	1,109.57
09/30/2022	9,778.45	947,454.93	48,473.61	13,693.25	1,109.80
10/31/2022	70,610.54	941,037.42	48,570.01	13,720.48	1,110.04
11/30/2022	51,923.25	956,241.31	23,627.48	13,752.01	9,132.72
12/31/2022	47,001.45	963,756.47	23,693.95	13,790.70	9,134.66
01/31/2023	36,477.13	960,234.63	23,776.15	13,838.54	9,136.60
02/28/2023	26,218.59	966,150.05	23,852.75	13,883.13	9,138.35
03/31/2023	20,101.00	987,360.80	23,943.44	13,935.92	9,140.29
04/30/2023	9,695.75	1,052,763.81	24,027.83	13,985.04	117,528.05
Outstanding items		-108,385.88			108,385.88
Current Bank Balance	9,695.75	1,161,149.69	24,027.83	13,985.04	9,142.17
Difference:	0.00	0.00	0.00	0.00	0.00

Monthly GL bank balances may not agree with the actual month end bank account balances due to outstanding items.

April 2023 Interest Income

ACTION-BUS DEV-BUS PARK-XXX127	910-11800	3,973.26	April 2023 Interest Income
FACADE CKING-1ST CIT- XXX442	910-11702	84.39	April 2023 Interest Income
CDBG-HOUSING CHK-1CSB XXX450	910-11600	49.12	April 2023 Interest Income
CAP CAT-ASSOC BK XXXXX3734	910-11900	1.88	April 2023 Interest Income
INTEREST INCOME-ACTION FUND	910-48109-00	(3,973.26)	April 2023 Interest Income
INTEREST INCOME-FACADE	910-48103-00	(84.39)	April 2023 Interest Income
INTEREST INCOME-HOUSING	910-48104-00	(49.12)	April 2023 Interest Income
INTEREST INCOME-SEED FUND	910-48108-00	(1.88)	April 2023 Interest Income

CITY OF WHITEWATER

AFFORDABLE HOUSING FUND POLICY

ALLOCATION OF TAX INCREMENTAL DEVELOPMENT EXTENSION FUNDS

Date Issued:

Effective Date:

Responsible Department/Division:

DRAFT

PURPOSE

The purpose of the Affordable Housing Fund is to assist home buyers and developers by addressing the lack of housing stock available in the City of Whitewater, especially for low-income residents, through supporting home buyers in acquiring homes and incentivizing contractors/developers with the construction of new housing units.

The goal of the Affordable Housing Fund is to aid homebuyers and provide gap financing for projects in the City of Whitewater that seek to increase the supply of safe, quality, affordable housing and facilitate long-term affordability and sustainability. In addition, the funds seek to achieve a wider dispersion of affordable housing units throughout the city and discourage development of more affordable housing in areas with existing high concentrations.

STATEMENT OF POLICY

Background

The State of Wisconsin created the Affordable Housing Extension program (“AHE”) to the Tax Incremental Finance law in 2009. Under this provision, cities with a Tax Increment District (“TID”) that has retired its debt and paid for all its project costs can extend the life of the district for one year. The funds captured in the one-year extension must be used solely to benefit affordable housing and improve housing stock anywhere in the community. A city must use at least 75% of those tax increments to benefit affordable housing anywhere in the community. Affordable housing is defined as housing costing no more than 30% of the household’s gross income. Any remaining portion of the increment must be used by the municipality to improve its housing stock.

Affordable Housing Funding

1.1 Funding Availability

Funding will become available intermittently as TIDs close and the one-year extensions are approved by the City Council through a resolution.

1.2 Down payment assistance

- Up to \$500,000 will be set aside initially for down payment assistance to home buyers who income-qualify, earning 80% or less of the County Median Income.
- Income-qualified homebuyers could receive a 0% interest loan for \$25,000 to be put toward the down payment on a home.
- Loan payments would be deferred until the borrowers sell the home at a point in the future.

1.3 Developer Incentives – for development of single-family homes

- A maximum of \$25,000 per dwelling unit created for households whose income is at or below 60% of the County Median Income (CMI)
- A maximum of \$10,000 per market rate unit created where at least 75% of the units in the project have an average income at or below 60% of CMI

- An additional \$5,000 per unit may be considered when necessary for projects providing fully accessible units or projects that include energy efficient improvements proven to reduce monthly energy costs (e.g., solar, energy recapture, geothermal, etc.).
- Maximum amount per project: \$500,000.
- Incentive would be paid out to the developer as homes are sold if they are priced to income-qualify.

1.4 Capital contribution to Homeowner Rehab Revolving Loan Fund

- A one-time contribution to the Homeowner Rehab Revolving Loan Fund to replenish funds for repairs in the amount of \$200,000.

Affordability Definition

2.1 Affordability

The maximum program mortgage payments will not exceed 30% of the household's gross income. Buyers must be qualified upon initial offer to purchase the unit by the developer or the assigned realtor.

Eligibility and Application

3.1 Applicant Eligibility - Developers

- Projects must be located in the City of Whitewater
- Projects must meet the affordability definition in section 2.1 of this document
- Projects where the developer owns the land in fee simple or has the land under a binding offer to purchase and plans have been submitted to Planning Department for review/approval

3.2 Applicant Eligibility – Down payment Assistance for Homebuyers

- Applicants must have combined household income of 80% or less than County Median Household Income
- Buyers must be prequalified by a bank for housing with consideration for the down payment assistance.
- Buyers must have an accepted offer to purchase contingent on financing

3.3 Application Process - Developers

- The Developer must meet with the Community Development Authority Office and the Neighborhood Services Department to determine eligibility
- Staff will review the application for eligibility and against the criteria outlined in this policy
- Prior to approval by CDA and City Council, staff will collect the following documents from the developer:
 - Evidence of all secured financing, including all terms and

- conditions
- Copy of a partnership agreement or operating agreement if the applicant is a partnership or limited liability corporation.
- Statement of cash contributions of any partner or LLC members
- Copy of construction cost estimates, construction contract, and preliminary bids
- Applicants will present their project to CDA and City Council for approval
- The City of Whitewater Economic Development Office will receive draw requests and process grant disbursements

3.4 Application Process – Home Buyers

- Homebuyers must meet with Neighborhood Services Office with accepted offer, to determine eligibility.
- Staff will review the application for eligibility and against the criteria outlined in this policy
- Staff reports internally reviewed applications to CDA for approval

3.5 Application

To apply for the Affordable Housing Fund, applicants should complete the Affordable Housing Fund application. The application will allow the developer to describe the proposed development concept and their experience developing and operating multi-family, affordable housing projects.

Project Summary -Describe basic information on project sponsors and project ownership.

Project Description- Include the following:

- Project narrative - Describe how the proposed project meets the City's goals
- Design and Quality - Describe the construction of the units and the materials used
- Units by Bedroom Count and Income Levels
- Project Schedule
- A concept plan and site plan - Submit both plan view and elevations
- Location of the site regarding proximity to schools, shopping, employment, recreational activities, and public transportation

Development Budget

- Sources and uses budget

Financing Sources

- Financing narrative

Project Operations

- Operating narrative

- Proposed sale prices detailed by unit size and income level
- Marketing plan for sale of homes

Organizational Capacity

- General Ownership experience
- Personnel
- References
- Resume of Lead Project Manager
- Corporate philosophy on affordable housing, fair housing, and diversity, equality, and inclusion

Evaluation of Application

4.1 Project Description and Technical Approach

Evaluation of the organization's approach to the project, proposed design quality, and success in understanding and meeting the city's goals and visions for single-family development. Should conform with adopted plans.

4.2 Development Concept, Site Design, and Proposed Location

Strength of design concept, sensitivity to neighborhood context, readiness to proceed. Demonstrated commitment to energy efficiency and sustainable design. Proximity of proposed site to public transit, schools, employment opportunities, and shopping districts. Project amenities.

4.3 Financial Soundness and Capacity to Obtain Funding for the Project

Evaluation of the financial soundness of the proposed funding plan and the capacity of the developer to successfully obtain the funding necessary for the project, including operating subsidies.

4.4 Organizational Capacity

The city is seeking to invest in a developer that represents a sound, long-term investment in scarce housing resources. The city will evaluate whether all involved parties have demonstrated the experience necessary to execute the project within budget, secure funding and operate the development over the long term. The city will also determine if the mission, vision, and values of the applicant aligns with those of the City of Whitewater.

CITY OF WHITEWATER

AFFORDABLE HOUSING FUND POLICY

ALLOCATION OF TAX INCREMENTAL DEVELOPMENT EXTENSION FUNDS

Date Issued:

Effective Date:

Responsible Department/Division:

DRAFT

PURPOSE

The purpose of the Affordable Housing Fund is to assist home buyers and developers by addressing the lack of housing stock available in the City of Whitewater, especially for low-income residents, through supporting home buyers in acquiring homes and incentivizing contractors/developers with the construction of new housing units.

The goal of the Affordable Housing Fund is to aid homebuyers and provide gap financing for projects in the City of Whitewater that seek to increase the supply of safe, quality, affordable housing and facilitate long-term affordability and sustainability. In addition, the funds seek to achieve a wider dispersion of affordable housing units throughout the city and discourage development of more affordable housing in areas with existing high concentrations.

STATEMENT OF POLICY

Background

The State of Wisconsin created the Affordable Housing Extension program (“AHE”) to the Tax Incremental Finance law in 2009. Under this provision, cities with a Tax Increment District (“TID”) that has retired its debt and paid for all its project costs can extend the life of the district for one year. The funds captured in the one-year extension must be used solely to benefit affordable housing and improve housing stock anywhere in the community. A city must use at least 75% of those tax increments to benefit affordable housing anywhere in the community. Affordable housing is defined as housing costing no more than 30% of the household’s gross income. Any remaining portion of the increment must be used by the municipality to improve its housing stock.

Affordable Housing Funding

1.1 Funding Availability

Funding will become available intermittently as TIDs close and the one-year extensions are approved by the City Council through a resolution.

1.2 Down payment assistance

- Up to \$500,000 will be set aside initially for down payment assistance to home buyers who income-qualify, earning 80% or less of the County Median Income.
- Income-qualified homebuyers could receive a 0% interest loan for \$25,000 to be put toward the down payment on a home.
- Loan payments would be deferred until the borrowers sell the home at a point in the future.

1.3 Developer Incentives – for development of single-family homes

- A maximum of \$25,000 per dwelling unit created for households whose income is at or below 60% of the County Median Income (CMI)
- A maximum of \$10,000 per market rate unit created where at least 75% of the units in the project have an average income at or below 60% of CMI

- An additional \$5,000 per unit may be considered when necessary for projects providing fully accessible units.
- Maximum amount per project: \$500,000.
- Incentive would be paid out to the developer as homes are sold if they are priced to income-qualify.

1.4 Capital contribution to Homeowner Rehab Revolving Loan Fund

- A one-time contribution to the Homeowner Rehab Revolving Loan Fund to replenish funds for repairs in the amount of \$200,000.

Affordability Definition

2.1 Affordability

The maximum program mortgage payments will not exceed 30% of the household's gross income. Buyers must be qualified upon initial offer to purchase the unit by the developer or the assigned realtor.

Eligibility and Application

3.1 Applicant Eligibility - Developers

- Projects must be located in the City of Whitewater
- Projects must meet the affordability definition in section 2.1 of this document
- Projects where the developer owns the land in fee simple or has the land under a binding offer to purchase and plans have been submitted to Planning Department for review/approval

3.2 Applicant Eligibility – Down payment Assistance for Homebuyers

- Applicants must have combined household income of 80% or less than County Median Household Income
- Buyers must be prequalified by a bank for housing with consideration for the down payment assistance.
- Buyers must have an accepted offer to purchase contingent on financing

3.3 Application Process - Developers

- The Developer must meet with the Community Development Authority Office and the Neighborhood Services Department to determine eligibility
- Staff will review the application for eligibility and against the criteria outlined in this policy
- Prior to approval by CDA and City Council, staff will collect the following documents from the developer:
 - Evidence of all secured financing, including all terms and conditions
 - Copy of a partnership agreement or operating agreement if

the applicant is a partnership or limited liability corporation.

- Statement of cash contributions of any partner or LLC members
- Copy of construction cost estimates, construction contract, and preliminary bids
- Applicants will present their project to CDA and City Council for approval
- The City of Whitewater Economic Development Office will receive draw requests and process grant disbursements

3.4 Application Process – Home Buyers

- Homebuyers must meet with Neighborhood Services Office with accepted offer, to determine eligibility.
- Staff will review the application for eligibility and against the criteria outlined in this policy
- Staff reports internally reviewed applications to CDA for approval

3.5 Application

To apply for the Affordable Housing Fund, applicants should complete the Affordable Housing Fund application. The application will allow the developer to describe the proposed development concept and their experience developing and operating multi-family, affordable housing projects.

Project Summary -Describe basic information on project sponsors and project ownership.

Project Description- Include the following:

- Project narrative - Describe how the proposed project meets the City's goals
- Design and Quality - Describe the construction of the units and the materials used
- Units by Bedroom Count and Income Levels
- Project Schedule
- A concept plan and site plan - Submit both plan view and elevations
- Location of the site regarding proximity to schools, shopping, employment, recreational activities, and public transportation

Development Budget

- Sources and uses budget

Financing Sources

- Financing narrative

Project Operations

- Operating narrative
- Proposed sale prices detailed by unit size and income level
- Marketing plan for sale of homes

Organizational Capacity

- General Ownership experience
- Personnel
- References
- Resume of Lead Project Manager
- Corporate philosophy on affordable housing, fair housing, and diversity, equality, and inclusion

Evaluation of Application

4.1 Project Description and Technical Approach

Evaluation of the organization's approach to the project, proposed design quality, and success in understanding and meeting the city's goals and visions for single-family development. Should conform with adopted plans.

4.2 Development Concept, Site Design, and Proposed Location

Strength of design concept, sensitivity to neighborhood context, readiness to proceed. Demonstrated commitment to energy efficiency and sustainable design. Proximity of proposed site to public transit, schools, employment opportunities, and shopping districts. Project amenities.

4.3 Financial Soundness and Capacity to Obtain Funding for the Project

Evaluation of the financial soundness of the proposed funding plan and the capacity of the developer to successfully obtain the funding necessary for the project, including operating subsidies.

4.4 Organizational Capacity

The city is seeking to invest in a developer that represents a sound, long-term investment in scarce housing resources. The city will evaluate whether all involved parties have demonstrated the experience necessary to execute the project within budget, secure funding and operate the development over the long term. The city will also determine if the mission, vision, and values of the applicant aligns with those of the City of Whitewater.