



CITY OF WHITEWATER DEVELOPER ASSISTANCE LOAN PROGRAM

(Draft for Common Council and CDA Discussion)

Owner: Economic Development Director (Community Development Department)

Approving Body: Community Development Authority (CDA) / Common Council

Related Policies: Affordable Housing Fund Policy 602.01 (Rev. 02-15-2024); Home
Renewal Program Policy (2025)

Initial Allocation (proposed): \$480,000.00 from the Affordable Housing Extension

1. Purpose & Objectives

The Developer Assistance Loan Program (DALP) provides targeted financial incentives to encourage the construction of new single-family owner-occupied homes within the City of Whitewater. This program is designed to increase the supply of both affordable and market-rate homes while maintaining the City's long-term housing affordability and owner-occupancy objectives.

The DALP complements the City's Affordable Housing Extension (AHE) initiative by leveraging developer incentives to stimulate mixed-income residential development. Assistance is provided as a loan paid to developers upon the sale of qualifying homes, ensuring that public funds directly support the delivery of income-appropriate, owner-occupied housing units.

2. Program Budget & Caps

Maximum Assistance Levels per Unit:

- Affordable Units: Up to \$25,000 per dwelling unit sold to a buyer with income $\leq 150\%$ of the HUD county median income limit.
- Market-Rate Units: Up to \$15,000 per dwelling unit for homes sold to buyers above the affordability definition in Section III(B)(1) of the Affordable Housing Fund Policy.
- Accessibility Bonus: An additional \$5,000 per unit may be awarded for homes that are fully accessible and meet ADA or comparable standards.
- Maximum Assistance per Developer: \$240,000 per developer or development entity.
- Payment Terms: Incentives will be disbursed as homes are sold to qualified buyers. Verification of sale and income eligibility will be required prior to disbursement.

3. Eligible Projects & Developers

Developer Eligibility:

- Private, nonprofit, or mixed-use developers in good standing with the City of Whitewater and with no outstanding code, tax, or performance violations.

Eligible Developments:

- New single-family homes (detached or attached units such as duplexes or townhomes) designed for owner occupancy.
- Located within City of Whitewater limits.
- Compliant with local zoning, subdivision, and building codes.

Target Outcomes:

- Increased owner-occupied housing stock within the City of Whitewater.
- Expanded supply of homes affordable to households earning $\leq 150\%$ of county median income.
- Incentivized inclusion of accessible design features for families, seniors, and residents with disabilities.

4. Eligible Use of Funds

Funds may be used for:

- Gap financing to reduce sales price to income-qualified levels.

- Infrastructure costs (streets, utilities, sidewalks) directly attributable to the eligible units.
- Site preparation, grading, and foundation work.
- Costs directly related to creating accessible housing features.

Ineligible Uses:

- Acquisition costs, off-site improvements, developer fees, marketing, or luxury upgrades.
- Units intended for rental or speculative investment.

5. Financial Terms

Form: Deferred, zero-interest loan provided to the developer, secured by a development agreement or promissory note.

- Repayment/Compliance Terms:
 - Assistance is forgiven upon sale to an eligible owner-occupant meeting affordability and occupancy requirements.
 - If any unit is converted to a rental within 10 years, the loan assistance for that unit must be repaid in full plus a \$5,000 penalty per unit.
 - CDA may approve a hardship waiver consistent with Policy 602.01, following a formal written letter submitted to the CDA Executive Director.
- Disbursement: Upon verified sale and closing to an income-qualified owner-occupant. Developer must submit HUD-compliant income documentation for each buyer.

6. Affordability Standards

- Income Threshold: Buyers earning $\leq 150\%$ of the HUD county median income are considered income-qualified for the affordable incentive level.
- Market-Rate Sales: Up to 25% of DALP funds may be allocated for homes sold to buyers above this threshold.
- Home Price: Must reflect market conditions and be substantiated by comparable sales or appraisal.
- Owner-Occupancy Requirement: Each assisted home must be owner-occupied as a primary residence for at least 10 years.

7. Accessibility Incentive

Projects that include fully accessible units (e.g., zero-step entry, accessible bathroom, first-floor bedroom) may qualify for an additional \$5,000 per unit incentive. Accessibility features must meet applicable ADA or UDC accessibility standards.

8. Application & Approval Process

Application Submission

- Developers shall submit application including:
 - Project description and site plan.
 - Anticipated sale prices and affordability targets.
 - Estimated public assistance requested.
 - Developer qualifications and experience.
 - Construction timeline and phasing schedule.

Review & Approval

- Community Development Department staff will review for eligibility, financial need, and compliance with policy goals. CDA approval is required prior to loan commitment.

Agreement Execution

- Upon approval, a Development Agreement will be executed outlining performance benchmarks, reporting, disbursement schedule, and deed restriction compliance.

9. Compliance, Monitoring, and Enforcement

- Deed Restriction: Each unit assisted under DALP must include a 10-year deed restriction prohibiting rental conversion.
- Repayment Trigger: Conversion to rental or failure to maintain owner occupancy will trigger immediate repayment of the assistance amount plus \$5,000 penalty.
- Monitoring: Annual verification of owner occupancy and insurance.
- Record Retention: The City will maintain developer and unit compliance records for not less than seven years after repayment or closeout.

10. Program Administration

The Community Development Department, in coordination with the CDA, will Manage applications and agreements. The Economic Development Coordinator will handle intake and tracking of applications, under supervision of the Economic Development Director.

- Verify income eligibility and occupancy compliance.
- Oversee monitoring and enforcement.
- Report annually to the Common Council on DALP outcomes and performance.

11. Program Workflow (Summary)

- Developer Application → Eligibility review.
- CDA approval → Development Agreement executed.
- Construction → Monitoring for code compliance.
- Home Sale → Verification of buyer income and owner-occupancy intent.
- Disbursement → Loan forgiveness for qualifying units.
- Annual Monitoring → Owner-occupancy certification.
- Enforcement → Repayment upon violation of terms.

12. Communications and Branding

All public materials shall use “Developer Assistance Loan Program (DALP)” branding and emphasize the City’s commitment to expanding Whitewater’s supply of affordable, accessible, owner-occupied homes.

CITY OF WHITEWATER

DEVELOPER ASSISTANCE LOAN PROGRAM (DALP) APPLICATION

(Draft for CDA and Common Council review)

Office Use Only:

Application Number _____

Date Received _____

All information contained in this application is for internal use only. Please complete all pages.

SECTION 1 – APPLICANT INFORMATION

Developer / Organization Name _____

Contact Person _____ Title _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone: Office _____ Mobile _____ Email _____

Entity Type (check one): ☐ Private Developer ☐ Nonprofit ☐ Mixed-Use Developer

Federal EIN / Tax ID _____

SECTION 2 – PROJECT INFORMATION

Project Name _____

Project Address / Location _____

Parcel ID(s) _____

Current Zoning District _____

Current Future Land Use _____

Single-Family Project Type (check one): ☐ Detached ☐ Duplex ☐ Townhome

Number of Units _____ Estimated Total Project Cost \$ _____

Requested DALP Assistance \$ _____

Anticipated Start Date _____ Anticipated Completion Date _____

SECTION 3 – AFFORDABILITY AND ACCESSIBILITY

Affordable Units ($\leq 150\%$ HUD Median): _____ units @ \$_____ each

Market-Rate Units: _____ units @ \$_____ each

Accessible Units: _____ units @ \$_____ each (+\$5,000 per qualifying unit)

Note: Assistance levels are capped at \$25,000 per affordable unit, \$15,000 per market-rate unit, and an additional \$5,000 per accessible unit. Maximum total assistance per developer is \$240,000.

SECTION 4 – USE OF FUNDS

Check all that apply:

- ☐ Gap financing to reduce sale prices to income-qualified levels
- ☐ On-site infrastructure (streets, utilities, sidewalks)
- ☐ Site preparation / grading / foundation work
- ☐ Accessible design features (e.g., zero-step entry, ADA-compliant bathroom)

Ineligible uses include: acquisition costs, off-site improvements, developer fees, realtor fees, marketing, or luxury upgrades.

SECTION 5 – DEVELOPER QUALIFICATIONS

Provide a summary of relevant experience and recent comparable projects:

Project Name _____ Location _____ Year Completed _____ # of Units
_____ Project Type _____

Project Name _____ Location _____ Year Completed _____ # of Units
_____ Project Type _____

Attach additional pages or documentation as needed.

SECTION 6 – REQUIRED ATTACHMENTS

- ☐ Project description and narrative
- ☐ Concept site plan

- ☐ Phasing and construction schedule
- ☐ Pro forma or financial summary
- ☐ Anticipated sale prices and affordability documentation
- ☐ List of development partners (resumes/bios may be included)
- ☐ Proof of good standing with City (no outstanding violations or taxes)

SECTION 7 – PROGRAM AGREEMENTS (Read and Initial)

____ I understand DALP funds are offered as a deferred, zero-interest loan, secured by a development agreement or promissory note, disbursed upon sale to an income-qualified buyer.

____ I understand that assisted homes must remain owner-occupied for 10 years; conversion to rental requires repayment plus \$5,000 penalty per unit unless waived by CDA.

____ I understand that all sales must be verified for income eligibility and owner-occupancy intent before loan disbursement.

____ I will provide required documentation of buyer eligibility and sales verification for each assisted unit.

____ I authorize the City of Whitewater to verify all information provided and perform compliance reviews.

SECTION 8 – CONFLICT OF INTEREST

Do you have family or business ties to City of Whitewater staff or CDA members? Yes / No

If yes, disclose: _____

SECTION 9 – SIGNATURES

I/We certify that all information provided is true and complete to the best of my/our knowledge. False information may result in disqualification.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____

SECTION 10 – CITY USE ONLY

Reviewed By _____ Date _____

Notes

CDA Approval Date _____

Common Council Approval _____

Development Agreement Executed _____

Submit completed application and attachments to:

City of Whitewater – Community Development Department

Attn: Economic Development Coordinator

312 W. Whitewater Street, Whitewater, WI 53190

Email: mbecker@whitewater-wi.gov | Phone: (262) 473-0148