



**FUND INVESTMENT PLAN**  
**For**  
**DAVID CITY DEVELOPMENT CORPORATION**  
**RURAL WORKFORCE HOUSING FUND**

**Adopted on**  
**March 17, 2023**

## TABLE OF CONTENTS

A.	PURPOSE .....	3
B.	SOURCE OF FUNDS.....	4
C.	GEOGRAPHIC SERVICE AREA .....	4
D.	ELIGIBLE ACTIVITIES .....	4
E.	QUALIFIED ACTIVITIES.....	5
F.	INELIGIBLE ACTIVITIES.....	5
G.	ELIGIBLE APPLICANT ENTITIES.....	6
H.	TYPE, AMOUNTS AND TERMS OF ASSISTANCE .....	6
	1. Interest Rate.....	6
	2. Loan Amount.....	6
	a. Housing Development .....	6
	b. Down Payment Assistance .....	7
	3. Loan Term .....	7
	4. Security .....	8
	5. Development Performance.....	8
I.	FEES AND CHARGES .....	8
	1. Application Fee.....	8
	2. Closing Fees.....	8
J.	APPLICATION PROCESS .....	9
K.	APPROVAL PROCESS.....	10
	1. For Approval.....	10
	2. For Review and Comment .....	10
	3. Scoring/Selection Criteria.....	11
L.	ADMINISTRATION OF FUND.....	11
	1. Loan Review Process and Procedures .....	11
	2. Loan Closing Process and Procedures .....	12
	3. Subordination.....	12
	4. Loan Servicing .....	12
	a. File Management.....	12
	b. Loan Payments .....	13
	c. Late Payments .....	13
	5. Extending, Modifying and Forgiving Loan; Foreclosure .....	13
	a. Loan Extensions.....	13
	b. Loan Modification.....	14
	c. Loan Forgiveness .....	14
	d. Foreclosure/Deed of Trust, Trustee Power of Sale.....	14
	6. Monitoring .....	15
	7. Program Compliance.....	15
M.	RISK MITIGATION .....	16
	1. Fund Level .....	16
	2. Project Level.....	16
	3. Insurance.....	17
N.	CONFLICT OF INTEREST .....	18
O.	FUTURE USE PLAN.....	18
P.	AMENDMENTS TO THE PLAN .....	18
Q.	GRIEVANCE PROCEDURES .....	18
R.	SUCCESSION OF ADMINISTRATOR .....	19
S.	CHANGE OF FUND MANAGER(S).....	19
T.	OFFICIAL CONTACT .....	19
	Glossary/Acronyms .....	20
	ATTACHMENT	
	1. Maximum Valuation Limits .....	21
	2. Financing Application .....	22
	3. Scoring Worksheet .....	35

# DAVID CITY RURAL WORKFORCE HOUSING FUND

## FUND INVESTMENT PLAN

**Administered by:**  
**David City Development Corporation**  
**A 501(c)3 Non-Profit Organization**

### **A. PURPOSE**

The Nebraska Rural Workforce Housing Fund (RWHF) Act was approved by the Governor on April 27, 2017. In 2017, the Act authorized a one-time transfer of funds from the Nebraska Affordable Housing Trust Fund to the RWHF. In 2020 the Nebraska Legislature once again approved funds. In 2022, the Nebraska legislature allocated additional funds to allow for another competitive application cycle. All cycles are administered by the Nebraska Department of Economic Development (DED). The fund is a resource to support the creation of rural workforce housing investment funds to encourage the development of workforce housing in Nebraska's rural and underserved regions.

Prioritization for the funds is based on a demonstrated and ongoing housing need, low unemployment rate, difficulty filling an employment position, demonstrated a commitment to growing housing stock, projects reasonably ready for occupancy in a period of 24 months, and the capacity to manage a workforce in rural Nebraska. The workforce housing funds are intended to revolve and allow for reinvestment in workforce housing projects into the future.

DED's role in the RWHF is as an investor and a partner. As an investor, DED would provide a grant to the David City Development Corporation (DCDC) for the creation of a David City RWHF for the City of David City to fund rural workforce housing projects that will provide the best investments of state resources to promote the development of workforce housing. As a partner, DED is interested in providing input as early as possible in fund development or project design. The department will work closely with the DCDC to address any obstacles encountered during fund development, project development, or implementation.

The DCDC is the Applicant and Administrator of the David City RWHF. The controlling body of the DCDC is the Board of Directors. The DCDC has contracted with a third party as a fund manager to the David City RWHF. Throughout this plan the term "Administrator" refers to the

DCDC, “Fund Manager” is the third party, and “Board or Board of Directors” is the oversight body of the DCDC.

**B. SOURCE OF FUNDS**

The Board of Directors of the DCDC adopted a Resolution, to be the applicant for the David City RWHF. Upon award of the grant, DCDC will be the Fund Administrator for this fund.

The City of David City has provided a cash contribution of \$500,000 to create this housing fund. The source of these funds is from David City’s General Fund.

The combined cash contribution of \$500,000 allowed a grant request of \$1,000,000 to provide resources to the David City RWHF in the amount of \$1,500,000.

**C. GEOGRAPHIC SERVICE AREA**

The geographic service area that the David City RWHF can be used is within the city limits of David City and the 1-mile jurisdiction established by the City of David City. Any developer/builder seeking RWHF outside of this area is not eligible to access the David City RWHF.

**D. ELIGIBLE ACTIVITIES**

The development of the David City RWHF is for the development of workforce housing projects in David City. The intent of the workforce housing investment funds is long range, continual investment in workforce housing projects. The funds are intended to perpetuate.

The eligible activities include:

- New construction of owner-occupied or non-owner occupied rental housing.
- Substantial repair or rehabilitation of dilapidated housing stock, for which the cost to rehabilitate exceeds fifty percent (50%) of the unit’s assessed value.
- Upper story housing development.
- Rehabilitation that includes the conversion of an existing building into housing.

Infrastructure development associated with workforce housing is an eligible use of RWHF in association with the above eligible activities, proportionate to the number of workforce housing units and subject to the RWHF price limits. The maximum value limits as set by NDED are listed in Attachment #1.

The David City RWHF housing projects may not receive National Housing Trust Funds, Federal Low-Income Housing Tax Credits, State Low-Income Housing Tax Credits, Community Development Block Grants, HOME funds or Nebraska Affordable Housing Trust Funds.

#### **E. QUALIFIED ACTIVITIES**

David City RWHF qualifies activities to include, but not limited to:

- Purchase and rental guarantees
- Loan guarantees
- Loan participations
- Other credit enhancements or any form of assistance designed to reduce the cost of workforce housing related to the eligible activities of the non-profit development organization
- Forgivable loans and grants are allowed with RWHF; however, financing structures that provide RWHF to revolve in the rural workforce investment funds are preferred
- Down Payment Assistance (DPA)

#### **F. INELIGIBLE ACTIVITIES**

Any activity not specifically authorized under Eligible & Qualified Activities is ineligible to be carried out with the David City RWHF funds.

This section further identifies ineligible activities:

- Furnishings and personal property not an integral structural fixture including the 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 of two or more units, separately towable but designed to be joined into one integral unit*
- Housing that receives National Housing Trust Funds, Federal Low-Income Housing Tax Credits, Nebraska Affordable Housing Tax Credits, Community Development Block Grants, HOME Investment Partnerships Program (HOME) funds or funds from the Nebraska Affordable Housing Trust Funds
- Housing Administration costs
- Grant Administration costs

Grant Administration and Housing Administration costs for the David City RWHF at the project level can be supported with local matching funds, fees, loan repayments, interest, and other funds, or as a last resort these costs may be paid from the local cash match portion of the David City RWHF.

## **G. ELIGIBLE APPLICANT ENTITIES**

There are a variety of entities that can apply and obtain funding from the David City RWHF.

The eligible entities are:

- Individual(s) for Down Payment Assistance
- Sole Proprietorship
- “S” Corporation
- “C” Corporation
- General Partnership
- Limited Partnership
- Limited Liability Company

## **H. TYPES, AMOUNTS AND TERMS OF ASSISTANCE**

The right is reserved to negotiate the terms and conditions of the financial assistance with each applicant. Terms and conditions may vary from applicant to applicant.

### **1. Interest Rate:**

Interest rates for the term of the loan will be fixed at the time of loan closing.

The interest rate on new loans will be adjusted to market conditions over the life of the David City RWHF.

### **2. Loan Amount:**

#### **a. Housing Development:**

- i. Minimum suggested loan for Developers/Builders is \$50,000.
- ii. Maximum loan amounts to be determined based on the percentage of the total project. Therefore, loan applications will need to include a project budget which includes all costs of the project.
- iii. Each loan requires the borrower to provide their own equity into the housing project. At least 20% of the project will require private or outside sources. The applicant’s equity in the project can be cash or the value of the land in which the project will be located. Value of the land will be equal to the purchase price of land if acquired less than 3 years from the application date. If the land purchase was greater than 3 years from the

application date; then the value of the land will be based on the county assessed value or an appraised value required by the Lender.

- iv. The Combined Loan to Value (CLTV) including the David City RWHF loan cannot exceed 80% of all total costs of the housing project.

**b. Down Payment Assistance:**

- i. Minimum loan for Down Payment Assistance is \$5,000.
- ii. Maximum loan amounts to be determined based on the percentage of the total project. Maximum suggested loan for Down Payment Assistance is \$20,000 and a suggested maximum of \$100,000 in RWHF to be outstanding for DPA Loans at any given time.
- iii. Each loan requires the borrower to provide their own equity into the housing project.
- iv. The Combined Loan to Value (CLTV) including the David City RWHF loan cannot exceed 105% of all total CLTV of the purchase or appraisal value, whichever is less.

**3. Loan Term**

Loan terms vary according to the type of housing development. The preferred terms for financing are listed below. However, additional or different loan terms can be negotiated by Applicant and DCDC Board of Directors based on the size of the project and other conditions.

- a. Multi-Family Rental Development  
Up to twenty-four (24) months
- b. Single-Family, Owner Occupied and Rental Development  
Up to twenty-four (24) months
- c. Substantial Repair or Rehabilitation of Dilapidated Housing Stock  
Up to twenty-four (24) months
- d. Upper Story Housing Development  
Up to twenty-four (24) months

- e. Rehabilitation, Converting Existing Building into Housing  
Up to twenty-four (24) months
- f. Down Payment Assistance loans  
Are due in-full upon the sale or transfer of ownership of the property.

**4. Security**

Security for loans may include, but not limited to, Promissory Notes, a Deed of Trust, Performance Bonds, UCC filings and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the primary commercial lender.

**5. Development Performance**

Upon disbursement of the initial funds, housing projects must be reasonably ready for occupancy in a period of 24 months from the date of loan closing.

Failure to obtain reasonably ready for occupancy as indicated in the Loan Agreement at the time of the loan closing shall result in the immediate repayment of the entire David City RWHF loan according to the terms in the Promissory Note.

The guideline for a housing project being reasonably ready for occupancy varies depending on the type of project. Information will be obtained from the applicant during the application process for the initial use of the David City RWHF. At the time of loan approval, the Fund Administrator will determine what the level of reasonably ready for occupancy is expected and discussed based upon the scope and magnitude of the project.

**I. FEES AND CHARGES**

Modest application fees and closing cost fees will be charged to the applicant of the David City RWHF.

**1. Application Fee**

The applicant agrees to pay a non-refundable Application Fee of \$250.00 to cover the cost of out-of-pocket expenses incurred in researching, preparing, and submitting the loan application for review and approval. This fee is due and payable to the Fund Administrator at the time of submitting the application. There will be no application fee for Down Payment Assistance Applicants.

## **2. Closing Fees**

The borrower agrees to pay a Closing Fee of 1% of the loan amount, not to exceed \$1,000.00 to cover costs of closing the loan and preparing loan closing documents. The borrower agrees to pay in addition to the Closing Fee, all related transaction fees, including, but not limited to, all cost of title insurance, recording fees, survey costs, inspections, environmental assessment, 3<sup>rd</sup> party loan document preparation fees, and legal fees.

Down Payment Assistance Closing Fee to be \$150.00 to cover costs of closing the loan and preparing loan closing documents. The borrower agrees to pay in addition to the Closing Fee, all related transaction fees, including, but not limited to, all cost of title insurance, recording fees, survey costs, inspections, environmental assessment, 3<sup>rd</sup> party loan document preparation fees, and legal fees.

## **J. APPLICATION PROCESS**

Once the David City RWHF is established a Public Notice will be posted in the David City, City offices. A timeline identifying the dates applications will be accepted will be included in the notices.

The applicant must complete the application forms included in the application packet and submit a complete packet.

A detailed Financing Application document will be separate from this Fund Investment Plan.

The applicant must submit all items requested in the Financing Application, such items as listed below, but not limited to:

- Project Summary
- Sources and Uses of Funds
- Proforma – projection of cash flow for the project
- List of what funds are going to be used
- Personal tax returns of the applicant (20% or more ownership) for the past two years
- Business tax returns for the past three years, profit/loss statements/balance sheet of the business (if existing)
- Bank Pre-Approval Letter
- Letters of commitment from other funding sources
- Credit Report from a Credit Reporting Agency
- Site plan of housing development

- Housing plans of proposed housing project
- Environmental information as required by each funding source
- Attestation Form
- Credit History Authorization

The Fund Administrator and/or Fund Manager will be responsible for coordinating meetings, communicating with the applicant/borrower about projects and the overall management of the fund in terms of applications, closings, and project management as it relates to the David City RWHF.

DCDC Board of Directors and Fund Manager shall keep confidential all information that is provided to them that is reasonably clear to be confidential or sensitive in nature even when the information affects an activity of the DCDC Board of Directors.

#### **K. APPROVAL PROCESS**

The DCDC Board of Directors will be responsible for reviewing loan request, approving, or denying requests.

At least one of the DCDC Board of Directors shall have commercial lending or financing experience. The remaining members can be housing advocates in the city of David City. A Fund Manager representative may be in attendance of all meetings for record keeping purposes.

The structure of the DCDC Board of Directors and their attendance at the meetings are critical to the success of the David City RWHF. The DCDC Board of Directors will meet on an “as needed” basis. The DCDC Board of Directors may conduct its review during a face-to-face meeting, by mail, e-mail or using a telephone conference call. A quorum of the DCDC Board of Directors members is required to meet and approve/deny loan requests. Also, a simple majority of the entire DCDC Board of Directors is needed to make a recommendation. A loan will not be recommended without the commercial lender or financing experience members’ input.

The DCDC Board of Directors shall perform the following functions:

##### **1. For Approval:**

- Assess and analyze, recommend approval or denial of loan requests or foreclosure proceedings (in the event of default) brought to the DCDC Board of Directors
- Assess and approve or deny loan extensions and modification requests
- Assist in the refinement of loan underwriting and portfolio management policies

## **2. For Review and Comment:**

- Review portfolio compliance with exposure limits, actions taken on loans with significant delinquencies, loan maturities, and actions taken on watch list loans
- Review additional reports as provided
- Initiate discussions on new loan products needed or other new opportunities
- Undertake other related activities as the DCDC Board of Directors may request

It is not the intent of the fund to compete with traditional lenders, but rather partner with them whenever possible. Therefore, the DCDC Board of Directors will rely on the participating Lender's expertise and experience to determine the amount of funding needed to fill "the gap". A letter of intent of financing for the housing project from a lender is required to be included in an application under this fund.

## **3. Scoring/Selection Criteria**

The DCDC Board of Directors shall score each application according to the following criteria, but not limited to:

- Eligibility under the David City RWHF
- Housing project's beneficial impact to the City of David City
- Soundness and creditability of the housing proposal
- Eligible activities of the project to be funded
- Track record, credibility, and credit worthiness of applicant
- Ability to leverage private financing

A detailed Project Selection Scoring Worksheet and Review Criteria document will be separate from this Fund Investment Plan.

## **L. ADMINISTRATION OF FUND**

### **1. Loan Review Process and Procedures**

Upon submission, the application will be reviewed for technical adherence to the guidelines of the David City RWHF. Should the application be deficient the applicant will be contacted for additional information. Additional information must be obtained within 30 days of the request. If not received within 30 days of the request, the application will be put into the "Incomplete Applications" file. Once it has been determined the application is complete, a loan write up will be prepared and submitted to the DCDC Board of Directors for review and funding recommendation or denial, utilizing the Project Selection Scoring Worksheet and Review Criteria. It is the intent of the DCDC Board of Directors to review all applications within 30 days of the application determined to be completed. Rate, terms and collateral and equity requirements will be finalized as negotiated between the applicant and the DCDC Board of Directors.

After approval or denial by the DCDC Board of Directors, the applicant will be immediately notified by phone, email or in writing.

## **2. Loan Closing Process and Procedures**

The Fund Administrator or the Fund Manager will prepare all necessary documents to complete the approved funding request. Standard loan closing documents may include, but not limited to:

- Promissory Note
- Loan Agreement
- Security Agreement
- Deed of Trust
- Financing Statement
- Personal Guaranty
- Automated Clearing Housing (ACH) Form
- Title/Lien Search
- Mechanic's Lien Protection
- Notice of Commencement

Loan Proceeds will be disbursed to the borrower in accordance with the Fund Administrator's standard practices and after construction progress inspections. Projects authorized for pre-construction costs may receive disbursement in advance of any construction activities. The Fund Administrator or the Fund Manager will be responsible for timely construction inspections and will provide copies of the inspections to the borrower upon request.

Closing fees will be applicable as identified in Section I.

Title Companies may be used to pay out loan proceeds based upon inspections and collect lien waivers.

## **3. Subordination**

Some projects require special financing techniques to meet a borrower's needs. Recognizing that, a subordinate position to other lenders of record at the time of the project may be taken. If a subordinate position is required, additional considerations will be taken so as not to jeopardize the loan portfolio. All fees associated with subordination will be the borrower's responsibility. Other special financing techniques may include quarterly or semiannual payments, interest only payments during a designated time, or some other method agreed upon by the DCDC Board of Directors.

#### **4. Loan Servicing**

##### **a. File Management**

A separate file will be maintained for each loan applicant and borrower. Each file will contain all documents and correspondence and be kept in a filing cabinet. In addition to an electronic file will be maintained. The file will include all application documents, insurance forms, general correspondence, financial statements, site visit reports and other documents related to the application and loan.

##### **b. Loan Payments**

A loan repayment schedule providing for monthly, quarterly, semi-annual, or annual payments will be provided in conjunction with project approval. Repayments shall be deposited in the David City RWHF program for future projects as approved.

Fund Administrator and/or the Fund Manager will monitor each loan by requiring periodic reports/updates, conducting regular site visits to the project site. If evidence of requested updates and/or documents are not received within 60 days as requested by written communication, a monthly assessment of no less than \$50.00 will be assessed to the borrower.

If payments are not honored by a financial institution due to Non-Sufficient Funds or Stop Payment, Fund Administrator and/or the Fund Manager will document the contact made with the borrower (either by phone or letter) – notifying the borrower of the NSF charge and payment must be to the fund administrators office within 10 business days. A \$50.00 NSF charge will be assessed to the borrower.

##### **c. Late Payments**

In the event of a late payment on loans over 60 days in arrears, Fund Administrators, Fund Managers and/or legal counsel will attempt to establish a workout arrangement with the borrower. Every effort will be made to assist the borrower while protecting the David City RWHF as well. All action taken on any given loan will be documented in the regular reports DCDC Board of Directors.

The terms and procedures in the event payments are not made by the due date are detailed in the Promissory Note and Deed of Trust.

Write-offs or charge-offs do not release borrowers from their obligations under the terms of the project's loan documents. Borrowers are expected to pay the full amount of principal, interest, late fees, and collection costs to which the Fund Administrator is entitled, adjusted in accordance with any loan modification, restructurings or forgiveness which are recommended and approved by the DCDC Board of Directors.

## **5. Extending, Modifying, and Forgiving Loans; Foreclosure**

### **a. Loan Extensions**

An extension is defined as a change ONLY to the maturity date of a loan, when:

- a repayment source is identified and likely but not yet committed or received
- or when the project timeline is extended but the development plan, process, and budget remain the same

Loan Extension shall require approval of the DCDC Board of Directors

### **b. Loan Modification**

Complete underwriting of the loan must be performed, if:

- A project requires additional extensions beyond 12 months
- The development plan has changed substantially
- The development budget has changed substantially
- The repayment source has change substantially
- The loan requires a reduction in rate and/or payment, or
- There has been a substantial change in the organizational financial conditions, status, or leadership

Modification of loans shall require approval of the DCDC Board of Directors.

### **c. Loan Forgiveness**

Partial or full loan forgiveness shall require the approval of the DCDC Board of Directors.

### **d. Foreclosure/Deed of Trust, Trustee Power of Sale**

Foreclosure/Deed of Trust, Trustee Power of Sale Proceeding is the last option to collect defaulted secured loans. However, it may be the only option to remedy a deteriorating situation and/or recover a portion, if not all, of a loan repayment. It will be pursued only after the DCDC Board of Directors has exhausted all other reasonable remedies.

Foreclosure/Deed of Trust, Trustee Power of Sale can only take place upon the decision of the DCDC Board of Directors.

If Foreclosure/Deed of Trust, Trustee Power of Sale happens, the proceeds will be disbursed in accordance with applicable laws and preferably as follows:

- Collection costs (including, but not limited to, appraisals, legal costs, expenses for stabilizing the property)
- Loan amounts owed to senior lenders if any
- Principal owed to the Fund Administrator

- Interest owed to the Fund Administrator
- Fund Administrator staff time and costs including travel and consultants
- If proceeds are more than costs listed above they are paid to the Borrower.

## **6. Monitoring**

The monitoring of all outstanding loans of the David City RWHF will be conducted in various ways. Detailed reports will be prepared to include current RWHF balance as well as outstanding loans.

Periodic reports will be prepared for the David City RWHF. These reports will identify each borrower, the status of payments, outstanding loan balance, the maturity date of the loan, applications in the pipeline as well as any funds on hand. The reports will be presented to the DCDC Board of Directors. If payments are not received by the due date, the DCDC Board of Directors will be informed. The financial data will be tracked using an accounting software as well as Excel spreadsheets.

In addition, a report will be prepared of any potential applicants on a pending application list if funds are not available to fulfill additional loan requests. This will keep the local members of the DCDC Board of Directors informed of all aspects of the RWHF.

## **7. Program Compliance**

The DCDC Board of Directors will submit an annual report to DED, to be included as part of the DED's annual status report required under section 81-1201.11. The report shall certify that the Fund Applicant meets the requirement of the Rural Workforce Housing Investment Act and will include a breakdown of funded program activities.

The annual report to DED shall include, but not limited to:

- The name, location, and geographical region served by the Fund Administrator
- The number, amount, and type of David City RWHF invested in qualified activities
- The number, geographical location, type and amount of investments made
- A summary of matching funds and where such matching funds were generated; and
- The results of the required annual review of all financial records by an independent CPA

If the Fund Administrator ceases administration of the David City RWHF, it shall file a report with DED in a form and manner required by the DED Director. The City of David City can appoint a new Fund Administrator that meets the requirements of the David City RWHF.

If no new Fund Administrator is determined and the David City RWHF ceases administration the following actions must take place:

- Before July 1,2027 any unallocated grant funds shall be returned to DED for credit to the RWHF
- On and after July 1, 2027, any unallocated grant funds shall be returned to DED for credit to the General Fund
- If the David City RWHF ceases, any unallocated grant funds are returned to DED, and cash match funds are returned to the City of David City it will be their discretion as to where the funds are used from that point forward

#### **M. RISK MITIGATION**

The Fund Administrator will take many precautions to minimize risk not only on the fund level but on the Project level as well, so the funds can continue to revolve and ultimately continue to add workforce housing in the city of David City. The David City RWHF will be administered in compliance with this Fund Investment Plan. An experienced and diverse DCDC Board of Directors consisting of City leadership, lending/realtor/developers' individuals have been established to assist in the oversight of the David City RWHF. As identified earlier in this plan, the application process will involve packaging, then review by the DCDC Board of Directors, who will ultimately provide either approval or denial. DCDC Board of Directors shall conduct a complete review of all outstanding loans at least annually.

##### **1. Fund Level**

The Fund Administrator has procedures that provide guidance to the Fund Manager as well as the Board of Directors. Many practices in managing the David City RWHF are already in place.

- The Fund Administrator will deposit the David City RWHF proceeds in local financial institutions ensuring that the totals funds on deposit at each institution do not exceed the FDIC limits of insurance.
- Liens and Security Instruments common in lending practices always be utilized
- The Fund Administrator will secure an independent CPA to review all financial records annually

##### **2. Project Level**

Risk mitigation will also be a high priority of the Fund Administrator on the project level.

- Title insurance will be provided to determine legal descriptions, outstanding liens, current taxes, etc.
- Traditional lending documents will be used be ensure there is adequate security for the loan, this will be done by filing liens on the property, deed restrictions and other legal documents applicable to each loan and project

- Periodic inspections of the housing projects will be completed and documentation of the findings will be noted in each borrower's file
- The Real Estate Property taxes must be made current prior to the release of the David City RWHF loan proceeds
- Borrowers must not be debarred, suspended, proposed for debarment, placed in ineligibility status, or voluntarily excluded from covered transactions by HUD or any other federal agency under the provisions of Executive Order 12549 "Debarment and Suspension" and 24 C.F.R. Part 24 (government debarment and suspension regulations)
- All borrowers must be authorized to transact business in the State of Nebraska. All borrowers are expected to comply with all Nebraska Secretary of State and Department of Revenue registration requirements, including any registration requirements pertaining to types of business entities (e.g., person, partnership, foreign/domestic limited liability company, association, or foreign/domestic corporation). Borrowers are expected to meet all applicable requirements of the Nebraska Contractor Registration Act. Upon request, the Borrower must submit copies of written agreements to the Fund Administrator
- Project development can take place within the Flood Plain of David City, providing the following criteria is met:
  - Flood Insurance available and obtained to insure the dwelling(s)
  - Permanent financing available from traditional lenders, and
  - Property is developed to an elevation to meet local code enforcement
  - If flood plain determination changes while loan is outstanding, appropriate flood insurance will be required or can be released, depending on situation

### **3. Insurance**

For all loans, the borrower shall be required to carry liability insurance with coverage of no less than \$2 million aggregate/\$1 million per occurrence. Builder's risk insurance coverage is based on the total development budget or in case of casualty insurance, based on replacement cost. Borrower shall further be required to have the Fund Administrator named as loss payee or as an additional insured on all policies and current copies shall be submitted to the Fund Administrator throughout the loan term.

Performance Bonds may be required on most transactions, depending on the size and scope of the housing project. This will be negotiated between the Fund Administrator and borrower.

For Down Payment Assistance loans, the borrower shall be required to carry hazard or property insurance against loss by fire, hazards included with the term "extended coverage" and any other hazards including floods or flooding, for a minimum amount of at least the cumulative debt amount on the property. Borrower shall further be required

to have the Fund Administrator named as loss payee or as an additional insured on all policies and current copies shall be submitted to the Fund Administrator throughout the loan term.

**N. CONFLICT OF INTEREST**

No officer, employee or agent of the Fund Administrator who will participate in the selection, the award, or the administration of these funds may obtain a personal or financial interest or benefit from the activity or have an interest in any loan with respect thereto, or the proceeds thereunder either for themselves or those with whom they have family or business ties. Exceptions may be granted on a case-by-case basis when it is determined that such an exception will serve the purposes of the David City RWHF and the effective and efficient administration of this fund.

**O. FUTURE USE PLAN**

Borrowers will make payments in accordance with the loan agreement and promissory note, executed at loan closing.

Principal portion of the payments received by the Fund Administrator will be held in financial institutions insured by FDIC until loaned to subsequent applicants using the same criteria as outlined in this Fund Investment Plan.

**P. AMENDMENTS TO PLAN**

In an ongoing effort to improve the quality of the David City RWHF Fund Investment Plan, the DCDC Board of Directors will accept suggestions from the public, program participants and the Fund Manager. All suggestions received will be taken to the DCDC Board of Directors to review consideration to amend the Fund Investment Plan. Upon approval and adoption by the DCDC Board of Directors, the amendment(s) will be included in the David City RWHF Fund Investment Plan. Changes to the attachments do not require DCDC Board approval.

**Q. GRIEVANCE PROCEDURES**

If any applicant feels he or she has been unfairly treated or discriminated against during the loan application process or within any other segment of the David City RWHF, he or she may appeal the decision to the DCDC Board of Directors for their consideration. The appeal must be submitted in writing to the President and postmarked within 14 days of the decision. The DCDC Board of Directors will act upon the appeal within 60 days of the receipt of the appeal. The Board of Directors will have final authority in the decision.

DED will be contacted in the case that any grievance issues cannot be resolved through DCDC Board of Directors normal grievance procedures.

**R. SUCCESSION OF ADMINISTRATOR**

If DCDC Board of Directors decides to cease to be the Administrator of the David City RWHF, a 90-day written notice will be provided to DED and the City of David City. The Nebraska Department of Economic Development and the City of David City will determine a process at that time to search for a new David City RWHF Administrator.

**S. CHANGE OF FUND MANAGER(S)**

If the DCDC Board of Directors is not pleased with the results of the Fund Managers efforts of performing the duties as Fund Managers of the David City RWHF, written notice will be provided to the Fund Manager. At that time negotiations will take place to either make changes or end Fund Management Contract.

**T. OFFICIAL CONTACT**

The place of contact for this Rural Workforce Housing Fund shall be the office of the David City Development Corporation 490 E Street, David City, NE 68632. Any grievances, suggestions, requests for applications and information should be directed to this office.

This David City Rural Workforce Housing Fund Investment Plan was hereby amended by the action of the DCDC Board of Directors on this 17<sup>th</sup> day of March 2023.

  
\_\_\_\_\_  
President

# Glossary/Acronyms

**Applicant** – Eligible entity that is seeking loan proceeds from the David City RWHF.

**Application** – Document that is used by the Applicant to submit the required information when requesting funds.

**Borrower** –Entity that is approved to receive funding from the David City RWHF.

**DCDC Board of Directors** – members of the David City Development Corporation of Board of Directors.

**DED/NDED** – Nebraska Department of Economic Development.

**DPA** – Down Payment Assistance Loan.

**Fund Administrator** – David City Board of Directors is responsible for overall management of the daily operations of the RWHF for David City.

**Fund Manager** – Third Party contracted to assist in the management of the DCDC RWHF.

**Grant Administration/Housing Management** – Fees typically paid from grant proceeds, however, the David City RWHF does not allow this, so these fees must be paid to the Fund Administrator from another source.

**Lender** – Conventional financial institution that is providing loan proceeds for the financing of a housing project.

**Review Criteria** – Document used by DCDC Board of Directors for loan application for review.

**RWHF** – Rural Workforce Housing Fund.

**Scoring Sheet** – Document used by DCDC Board of Directors to rank/rate applications.

# **ATTACHMENT #1**

## **Nebraska Department of Economic Development Maximum Valuations**

The maximum valuations of housing units that are developed with the use of the David City Rural Workforce Housing Fund are to be adhered to, they are established by the Nebraska Department of Economic Development. Valuation maximums at the time of loan originations will be applicable.

### **April 18, 2022, Valuations**

- **\$325,000 maximum cost for owner-occupied housing units.**
- **\$250,000 maximum cost per rental unit.**



## FINANCING APPLICATION

Thank you for your interest in the David City Development Corporation (DCDC) Rural Workforce Housing Fund (RWHF). Loans will be provided to fund housing development projects. The use of the loan proceeds and how the project will generate income to repay the borrowed money will be evaluated.

The DCDC RWHF can only be used for projects within the city limits of David City as well as within the 1-mile jurisdiction area as established by the City of David City. NeighborWorks Northeast Nebraska (NWNEN) is the Fund Manager.

Financing Applications are considered on a first-ready, first-served basis.

Scoring criteria will be used to;

- (1) rate the project and financing viability, and
- (2) select applications when demand for financing exceeds available financing resources.

### Major Components of Underwriting:

**Financial Strength.** The Financial health of the applicant will be analyzed by reviewing its revenue, balance sheet make-up, real estate portfolio, cash flow forecast and financial ratios, etc.

**Repayment Plan.** The planned deployment and repayment of the loan proceeds will be considered and evaluated as to whether the proposed cycle(s) of investment is consistent with experience.

**Project Development.** The impact of the proposed housing project to the workforce housing needs of David City will be considered.

Please contact NWNEN to discuss how a DCDC RWHF loan may provide additional housing stock for the David City workforce.

Roger Nadrchal, CEO	402-379-3311	<a href="mailto:rogern@nwnen.org">rogern@nwnen.org</a>
Quelbin Izaguirre, COO	"	<a href="mailto:quelbini@nwnen.org">quelbini@nwnen.org</a>
Karen Eisenbraun, CFO	"	<a href="mailto:karene@nwnen.org">karene@nwnen.org</a>

When ready to proceed, please complete this financing application (including the compilation of required additional information and the Applicant Certification). The application materials may be submitted electronically, but the application fee should be payable to and mailed to:

NeighborWorks Northeast Nebraska  
213 South 1<sup>st</sup> Street, Norfolk, NE 68701



The DCDC RWHF reserves the right to offer financing amounts, terms, and conditions as a counter-proposal to the application request. DCDC RWHF reserves the right to deny financing based on a substantial weakness in any one scoring criteria, even if all other criterion is determined to be strong. Potential applicants are encouraged to discuss financing needs with the Fund Manager prior to completing a full application to receive assistance on (1) likely qualification as an eligible financing recipient and (2) assistance on strengthening the financing application.

**ELIGIBILITY:** *DCDC RWHF provides nontraditional financing 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. DCDC RWHF 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.*

**APPLICANT CONTACT INFORMATION**

Applicant Legal Name: \_\_\_\_\_

Contact Name 1: \_\_\_\_\_

Contact Name 2: \_\_\_\_\_

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

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

Daytime Phone No: \_\_\_\_\_

Business Organization:      \_\_\_\_\_ Individual(s)                              \_\_\_\_\_ Sole Proprietorship  
   \_\_\_\_\_ "S" Corporation                              \_\_\_\_\_ "C" Corporation  
   \_\_\_\_\_ General Partnership                              \_\_\_\_\_ Limited Partnership  
   \_\_\_\_\_ Limited Liability Co.

NOTE: \$250.00 Application Fee must be received before underwriting will begin

**APPLICANT EXPERIENCE**

Length of time in development field:

---

Number of projects developed:

---

Development history:

---

Is there any outstanding litigation against developer? If yes, explain.

---

**GUARANTOR/COLLATERAL (when applicable)**

Guarantor(s) for loan or equity investment (must be financially able to repay loan or provide return on equity, may be individual(s) and/or multiple parties):

---

Is there any outstanding litigation against the guarantor? If yes, explain.

---

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

---

**PROJECT INFORMATION**

Project Name: \_\_\_\_\_

Address of Project Street:

---

Number and values of **new construction single-family units for ownership:**

*(Values not to exceed \$325,000 per unit)*

Number of 2 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_

Number of 3 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_

Number of 4 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_

Number and values of **new construction single-family units for rental:**

*(Values not to exceed \$250,000 per unit)*

Number of 2 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 3 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 4 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of units because of **substantial repair or rehabilitation of dilapidated stock** (cost to rehabilitate must exceed 50% of unit's assessed value):

*(If Owner-Occupied: Value(s) Not to exceed \$325,000 per unit)*

*(If Rental: Value(s) Not to exceed \$250,000 per unit)*

Number of 2 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 3 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 4 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of **upper story housing units**:

*(f Owner-Occupied: Value(s) Not to exceed \$325,000 per unit)*

*(If Rental: Value(s) Not to exceed \$250,000 per unit)*

Number of 2 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 3 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 4 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of units as a result of **converting an existing building into housing**:

*(If Owner-Occupied: Value(s) Not to exceed \$325,000 per unit)*

*(If Rental: Value(s) Not to exceed \$250,000 per unit)*

Number of 2 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 3 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Number of 4 bedroom units: \_\_\_\_\_ Value: \_\_\_\_\_ Rent: \_\_\_\_\_

Owner of project during development (non-profit, LP, LLC, sole proprietorship, individual):

---

Owner of project when ready for occupancy.

---

Description of housing development project.

---

What market is the project planned to fulfill?

---

Does the community support this project?

---

What is the current status of project?

---

Site description (include current use of site).

---

What is the current ownership of the proposed site? If applicant is not the current owner of the site what is planned to obtain site control?

---

What is the current zoning of site. If zoning is not applicable to the housing project what is planned to change the zoning?

---

Has the Final Plat been approved by City leadership?

---

What utilities are available to the site?

---

Are there any Environmental issues on site? If yes, how will they be addressed?

---

What Lenders are planned to participate in financing the housing project?

---

Will there be an architect? If yes, who will be the project architect?

---

Who is anticipated to be the project General Contractor?

---

If rental project who will be the project property manager?

---

Are there other team members? If yes, who are they and what are their roles?

---

## **LOAN REQUEST**

Amount of Request. \_\_\_\_\_

---

What type of expenses (e.g. predevelopment, land, soft costs, construction costs, etc.) will be paid for with the loan proceeds?

---

Term/maturity requested.

---

What is the payment plan (e.g. monthly, quarterly, semi-annual, annual or upon completion of project).

---

**LOAN MANAGEMENT/REPAYMENT**

Are you requesting funds to be disbursed in one draw or installments? Explain.

---

Who on staff will be responsible and have oversight on how these funds will be repaid?

---

What is the primary repayment source for the loan?

---

What is the secondary repayment source for the loan?

---

Loan Guarantee additional items to include: Lender, Amount to be guaranteed, Conditions for guarantee payment on loan.

---

**ESTIMATED DEVELOPMENT BUDGET**

**USES**

Acquisition \$ \_\_\_\_\_

Infrastructure \$ \_\_\_\_\_

Construction \$ \_\_\_\_\_

Professional Fees \$ \_\_\_\_\_

Finance Costs \$ \_\_\_\_\_

Soft Costs \$ \_\_\_\_\_

Developer Fee \$ \_\_\_\_\_

Other \$ \_\_\_\_\_ Type \_\_\_\_\_

Other \$ \_\_\_\_\_ Type \_\_\_\_\_

Other \$ \_\_\_\_\_ Type \_\_\_\_\_

**TOTAL COSTS** \$ \_\_\_\_\_

**SOURCES**

Cash on Hand \$ \_\_\_\_\_

Financing \$ \_\_\_\_\_ Source \_\_\_\_\_

\$ \_\_\_\_\_ Source \_\_\_\_\_

\$ \_\_\_\_\_ Source \_\_\_\_\_

RWHF \$ \_\_\_\_\_

Other \$ \_\_\_\_\_ Source \_\_\_\_\_

Other \$ \_\_\_\_\_ Source \_\_\_\_\_

Other \$ \_\_\_\_\_ Source \_\_\_\_\_

**TOTAL SOURCES** \$ \_\_\_\_\_

**TIMELINE OF MAJOR MILESTONE EVENTS/DATES**

Site Control: \_\_\_\_\_

Zoning Approvals: \_\_\_\_\_

Planning Commission Approvals: \_\_\_\_\_

Environmental Clearance: \_\_\_\_\_

Market Study: \_\_\_\_\_

Selection of Contractor: \_\_\_\_\_

Selection of Property Management: \_\_\_\_\_

Ownership Equity Established: \_\_\_\_\_

Appraisal: \_\_\_\_\_

Construction Financing Sources: \_\_\_\_\_

Permanent Financing Sources: \_\_\_\_\_

Start of Construction: \_\_\_\_\_

Completion of Construction: \_\_\_\_\_

Projected Date of Certificate of Occupancy: \_\_\_\_\_

If Tax Increment Financing (TIF) is planned for project, provide TIF timeline:

\_\_\_\_\_

## ADDITIONAL INFORMATION REQUIRED

Please attach the following documents to this application as applicable. Please mark each with either an "X" or "N/A".

### Project Information

- \_\_\_\_\_ 15 Year Operating Proforma – projection of cash flow for the project (If Rental Project)
- \_\_\_\_\_ Site plan of housing development
- \_\_\_\_\_ Housing plans of proposed housing project
- \_\_\_\_\_ Environmental information as required by each funding source
- \_\_\_\_\_ Project financing information including timing assumptions, development sources and uses of funds
- \_\_\_\_\_ Rehabilitation financing proforma and unit selection criteria
- \_\_\_\_\_ Development proforma
- \_\_\_\_\_ Project drawings and specifications as available
- \_\_\_\_\_ Evidence of site control
- \_\_\_\_\_ Lenders title insurance commitment if a real estate lien will be used for collateral on a loan

### Organization/Financial Information

- \_\_\_\_\_ Personal tax returns of the applicant (20% or more ownership) for the past two years
- \_\_\_\_\_ Business tax returns for the past three years, profit/loss statements/balance sheet of the business (if existing)
- \_\_\_\_\_ Bank Pre-Approval Letter
- \_\_\_\_\_ Letters of commitment from other funding sources
- \_\_\_\_\_ Credit History Authorization
- \_\_\_\_\_ Organization documents of the borrower/investee and all guarantors (formation documents such as Articles and Bylaws)
- \_\_\_\_\_ Current Certificate of Good Standing for the borrower/investee and all guarantors
- \_\_\_\_\_ Schedule of guarantees/contingent liabilities
- \_\_\_\_\_ Detail of outstanding litigation against borrower/investee, developer or any guarantor
- \_\_\_\_\_ Bios/resumes for development team
- \_\_\_\_\_ Current strategic and operations/business plan

**Notes:** Personal Financial documentation such as Tax Returns, Financial Statements will be provided to a minimum of application reviewers, contact Fund Administrator for that list of reviewers.

Additional documentation may be required for the Fund Administrator to process this application.

ONCE ALL THE ABOVE INFORMATION INCLUDING ADDITIONAL INFORMATION NOT LISTED BUT REQUESTED HAS BEEN RECEIVED, THE APPLICATION WILL BE DEEMED TO BE COMPLETE. THE COMPLETED APPLICATION WILL BE IMMEDIATELY REVIEWED AND EITHER APPROVAL OR DENIAL WILL BE COMMUNICATED TO THE BORROWER WITHIN 30 DAYS.

**DAVID CITY DEVELOPMENT CORPORATION RURAL WORKFORCE HOUSING FUND  
APPLICANT CERTIFICATION**

The undersigned hereby makes application to the David City Development Corporation (DCDC) Rural Workforce Housing Fund (RWHF), on behalf of \_\_\_\_\_ for the requested loan amount in the application. The undersigned will indemnify and hold harmless Fund Manager, David City Development Corporation and their Board of Directors, employees, and agents against all losses, costs, damages, expenses, and liabilities of whatsoever nature or kind (including, but not limited to attorney's fees, litigation and court costs) directly or indirectly resulting from, arising out of, or related to, acceptance, consideration and approval or disapproval of such application.

The undersigned acknowledges that the \$250 application fee is nonrefundable regardless of if the loan is denied, approved or closed.

The undersigned, being duly authorized, hereby represents and certifies that the foregoing information and that which might subsequently be provided in response to further questions from DCDC RWHF during the underwriting process, to the best of his/her knowledge, is true, complete and accurate.

The undersigned gives DCDC RWHF permission to obtain any other information deemed relevant by the Fund Manager, Advisory Committee and Board of Directors. The undersigned acknowledges and accepts that, if the requested loan is approved and closed, additional information may be required for reporting.

The application and its submission do not constitute a commitment or an offer to lend but represents the undersigned's interest in borrowing from DCDC RWHF. No commitment should be construed or implied herein. The application does not purport to summarize all information needed to decide on the undersigned's request for a loan and does not contain terms, conditions, representations, warranties and other provisions that may be contained in any loan documentation. Neither the application nor any oral understandings relating to a loan are binding until and unless such terms or understandings have been reduced to a written agreement executed by both the undersigned and DCDC RWHF.

IN WITNESS WHEREOF, the Applicant has caused this document to be duly executed in its name on

\_\_\_\_\_

Date

By: \_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Applicant Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Applicant Printed Name

\_\_\_\_\_  
Title

# United States Citizenship Attestation Form

For the purpose of complying with Neb. Rev. Stat. §§ 4-108 through 4-114, I attest as follows:

I am a citizen of the United States.

— OR —

I am a qualified alien under the federal Immigration and Nationality Act, my immigration status and alien number are as follows: \_\_\_\_\_, and I agree to provide a copy of my USCIS documentation upon request.

**I hereby attest that my response and the information provided on this form and any related application for public benefits are true, complete, and accurate and I understand that this information may be used to verify my lawful presence in the United States.**

**PRINT NAME** \_\_\_\_\_  
(first, middle, last)

**SIGNATURE** \_\_\_\_\_

**DATE** \_\_\_\_\_

## CREDIT HISTORY SEARCH AUTHORIZATION

By signing this agreement, I hereby give full authorization to David City Development Corporation (Fund Administrator) & NeighborWorks Northeast Nebraska (Fund Manager), to perform a credit history search on my past and current credit history.

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

“Doing Business As”: \_\_\_\_\_

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

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

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

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

Social Security Number: \_\_\_\_\_

OR

Federal Tax I.D. Number: \_\_\_\_\_

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

Employment: \_\_\_\_\_

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

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





## PROJECT SELECTION SCORING WORKSHEET AND REVIEW CRITERIA

**Section 1: PROJECT INFORMATION**

Each loan application will be evaluated to determine: the credit worthiness of borrowers and for underwriting a loan application; the benefits to be provided to the residents of the City of David City; impact the housing project will have on the City; and compliance with federal, state and local laws, regulations and policies. The evaluation criteria include the following:

**Scoring Criteria: (5 pts. = "YES"; 0 pts. = "NO")**

<p><b>1. Project Location</b> Is the housing project within the city limits of David City? (5 points within City-Limits at time of application or funding disbursement) (1 point outside of City-Limits but within 1 mile jurisdiction)</p>						
<p><b>2. Qualified Activity</b> What type of qualified activity will loan funds be used for? (5 points - Land acquisition, infrastructure, construction) (3 points - Rehabilitation) (1 point - Loan guarantees, rent guarantees, loan participations, credit enhancements)</p>						
<p><b>3. Land/Site Ownership</b> Does Applicant own land/site of development? (5 points - Currently own) (3 points - Purchase Agreement/Option, not closed) (1 point - No land identified or under control)</p>						
<p><b>4. Housing Units</b> How many housing units will be added to the housing stock? (5 points - &gt; 50) (4 points - 26-50) (3 points - 11-25) (2 points - 5-10) (1 point - &lt; 5)</p>						
<p><b>5. Amount of RWHF Used Per Unit</b> What dollar amount of RWHF funds will be used per unit? (5 points - ≤ \$20k) (3 points - \$21k-\$50k) (1 point - &gt; \$50k)</p>						
<p><b>6. Loan Term</b> What length of loan is Applicant seeking? (5 points = 1 year) (4 points - 2 years) (3 points = 3 years) (2 points = 4 years) (1 point = 5 years) (0 point = &gt; 5 years)</p>						
<p><b>7. Loan Interest Rate</b> What loan interest rate is Applicant requesting? (5 points - ≥ 2%) (0 points &lt; 2%)</p>						
<p><b>8. Timeliness of Project Start</b> Upon receiving loan approval how soon can the project construction start? (5 pts. &lt; 6 months) (3 pts. = 7-12 months) (1 pt. &gt; 12 months)</p>						
<p><b>9. Estimated Completion of Entire Housing Project</b> Upon receipt of loan proceeds, how soon will housing project be completed? (5 pts. &lt; 12 months) (3pts. = 12-24 months)</p>						

<b>10. Application Complete</b> Has the applicant answered all questions on the application and provided all requested supporting documents? (5 pts. = "YES") (3 pts. = "Certain Data Not Available") (0 pts. = "NO")						
<b>SCORE Section 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Section 2: REVIEW CRITERIA</b>						
Each loan application will be evaluated to determine: the credit worthiness of borrowers and for underwriting a loan application; the benefits to be provided to the residents of the City of David City; impact the housing project will have on the City; and compliance with federal, state and local laws, regulations and policies. The evaluation criteria include the following:						
<b>Project Feasibility: (5 pts. = "YES"; 0 pts. = "NO")</b>						
11. Is the project economically viable?						
12. Based on realistic market projections, will cash flow be sufficient to repay the loan?						
13. Does applicant have sufficient experience in the housing field?						
14. Is collateral adequate to support the loan?						
15. In the event of default, how difficult will the foreclosure process be?						
16. Have all owners, and principals provided necessary information evidencing support of the loan? Do the guarantors have sufficient assets to pay off the loan?						
17. Do the credit reports of the applicant and owners indicate a history of prompt payment?						
18. Has an adequate business plan been prepared?						
<b>SUBTOTAL SCORE Section 2:</b>						

<b>Section 3: INFORMATIONAL</b>						
Each loan application will be evaluated to determine: the credit worthiness of borrowers and for underwriting a loan application; the benefits to be provided to the residents of the City of David City; impact the housing project will have on the City; and compliance with federal, state and local laws, regulations and policies. The evaluation criteria include the following:						
<b>Community Benefits: (5 pts. = "YES"; 0 pts. = "NO")</b>						
19. How many housing units will be added to the housing stock?						
20. What are the sales prices or monthly rents of the housing units?						
21. What will the environmental impact be if the housing project is established in the City of David City?						
22. Will the project add diversity and stability to the local economy?						
23. Is the housing project like any other housing projects currently in process or being planned?						
24. If this loan is approved, will the applicant gain an unfair advantage over local competition?						
25. Will this project provide positive "spin-off" benefits to existing businesses?						
26. Will the project necessitate the relocation of individuals or businesses?						
27. Have all owners or principals provided assurance of compliance with all laws and regulations?						
<b>SUBTOTAL SCORE Section 3:</b>						
<b>TOTAL SCORE (Add Sections 1, 2 and 3):</b>						