



INFRASTRUCTURE ACCESS LOAN

Developer Term Sheet

Purpose: Subordinate financing for the installation, replacement, upgrade, or improvement of the infrastructure (streets, sidewalks, water lines, street lights, etc.) portion of a workforce housing development, per competitive process.

Funding Source: Act 14 Residential Housing Infrastructure Revolving Loan Fund

Eligible Borrowers: Multifamily and single-family developers that construct or create residential housing. Cities, villages, towns, counties and federally recognized American Indian tribes are not eligible (see Government term sheet).

ELIGIBLE PROJECTS

New single-family or multifamily housing for rent or sale that satisfies all the following:

- Any applicable sewer or water service area plan has been amended if necessary.
- Has not claimed state or federal historic rehab tax credits or received assistance due to active TID.
- Developer has secured necessary finances for total housing development costs not covered by WHEDA loan.
- All permits and approvals secured.
- Relevant city, village, town or county has reduced the cost of the eligible project by voluntarily revising ordinances or regulations applicable to the project on or after January 1, 2023.
- Relevant political subdivision has updated the housing element of its comprehensive plan within the 5 years immediately preceding the date of application and is in compliance with relevant comprehensive housing plan rules.
- Relevant political subdivision is in compliance with Wisconsin Statutes ss. 66.1001, 66.10013, 66.10014 regarding the creation, content and amending of its comprehensive plan.

INFRASTRUCTURE ACCESS LOAN - DEVELOPERS

ELIGIBLE USES

To cover the costs of installation, replacement, upgrade, or improvement of the below infrastructure related to an eligible project. The infrastructure must be or will be owned, maintained, or provided to/or by a governmental unit, or private infrastructure in rural areas if transferred to public use, as determined by the authority, that relates to an eligible project.

1. A water distribution system.
2. A water treatment plant.
3. A wastewater treatment plant.
4. A sanitary sewer system.
5. A storm sewer system.
6. A stormwater retention pond.
7. A lift or pump station.
8. A street, road, alley, or bridge.
9. A curb, gutter, or sidewalk.
10. A traffic device.
11. A street light.
12. An electric or gas distribution line.

MULTIFAMILY AFFORDABILITY REQUIREMENTS

For housing intended to be rented, the estimated annual housing costs, as defined under s. 16.301 (3), do not exceed, or are not expected to exceed, 30 percent of 100 percent of the area median income, with family size determined using the federal imputed income limitation, as defined in 26 USC 42 (g) (2) (C), and the utility-related costs if not included in the rent equal the utility allowance determined by the federal department of housing and urban development.

For housing intended to be rented, the housing is for occupancy by individuals whose annual household income does not exceed 100 percent of the area median income.

Affordability must be maintained for the greater of 10 years after initial occupancy or full repayment of the loan.

SINGLE FAMILY AFFORDABILITY REQUIREMENTS

For housing intended to be occupied by the owner, the estimated annual housing costs, as defined under s. 16.301 (3), do not exceed, or are not expected to exceed, 30 percent of 140 percent of the area median income, with family size determined using the federal imputed income limitation, as defined in 26 USC 42 (g) (2) (C).

For housing intended to be occupied by the owner, the housing is for purchase by individuals whose annual household income is not more than 140 percent of the area median income.

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<p>SINGLE FAMILY AFFORDABILITY REQUIREMENTS (CONT'D)</p>	<p>For owner-occupied housing, for the 10-year period commencing immediately after the developer closes on the sale of the housing to the initial owner-occupier, the housing shall remain owner-occupied and may not be sold for a price that exceeds the price charged by the developer to the initial owner, adjusted annually by the average compounded annual percentage increase in the sale price of all residential housing in the county it is located.</p>
<p>MINIMUM SET-ASIDE UNITS/LOTS</p>	<p>All units constructed must meet affordability requirements.</p>
<p>LOAN AMOUNT</p>	<p>The lesser of total infrastructure costs or 20% of the total cost of development of the residential housing, including land costs, supported by the eligible project.</p>
<p>RATE</p>	<p>3%, 1% in municipalities with less than 10,000 population, 1% for senior housing. *Rate determined per application round</p>
<p>TERM</p>	<p>Matching senior lender(s).</p>
<p>AMORTIZATION</p>	<p>Rental - Matching amortization senior lender(s). Single Family - no amortization expected with principal repayment with sales.</p>
<p>LOAN-TO-VALUE RATIO (LTV)</p>	<p>100% LTV</p>
<p>DEBT COVERAGE RATIO (DCR)</p>	<p>Rental: Utilizing senior debt DCR plus WHEDA subordinate financing added = 1.0</p>
<p>CREDIT ENHANCEMENTS</p>	<p>Unlimited personal guarantee required on loan unless no personal guarantee provided on the first mortgage and total debt is less than 75% of total value.</p>
<p>PREPAYMENT PROVISION</p>	<p>Prepayment allowed, without penalty at any time. Affordability requirements will remain if payoff occurs within the 10-year affordability requirement.</p>
<p>ESCROWS</p>	<p>N/A</p>
<p>ENVIRONMENTAL REVIEWS</p>	<p>N/A</p>

INFRASTRUCTURE ACCESS LOAN - DEVELOPERS

CAPITAL NEEDS ASSESSMENT (CNA)	N/A
ORIGINATION FEE	0%
LOAN STRUCTURING FEE (NON-REFUNDABLE)	0%
APPLICATION FEE	0%



WHEDA

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