

# CITY OF AVOCA HOUSING PROGRAMS APPLICATION

**Applicant Information**

Date of Application	
Name of Applicant	
Indicate If Applicant is a Developer, Property Owner, or Purchaser	
Current Address	
Current City, State, Zip	
Phone Number	
Email Address	

**PROGRAM APPLYING FOR (PLACE AN 'X' IN APPROPRIATE BOX):**

New Construction Program	<input type="checkbox"/>	Existing Unit Purchase Program	<input type="checkbox"/>
Rehabilitation Loans	<input type="checkbox"/>	Dilapidated Building Program	<input type="checkbox"/>

**TYPE OF UNIT (PLACE AN 'X' IN APPROPRIATE BOX):**

Owner-Occupied	<input type="checkbox"/>	Rental	<input type="checkbox"/>
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<b>Address or Parcel # Subject to Request</b>	
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**Project Description: In 200 words or less describe your project.**

**Project Budget:**

Type	Amount
New Construction	
Purchase Price for Existing Unit	
Rehabilitation of Existing Unit	
Demolition of Dilapidated Structure	
Total	

\*Please attach any plans, drawings, building permits, zoning permits, or related items.

Lender Information (IF APPLICABLE)

For applications to the New Construction Program or Existing Unit Purchase Program, the Applicant must have as a lender either Midstates Bank or US Bank in Avoca.

**Lender Information**

Name of Lender:	
Name of Loan Officer:	

Note: Your incentive payment may result in federal income tax consequences. You should consult your own tax advisor. All or a portion of your incentive payment may constitute taxable income regardless of whether you receive a Form 1099-MISC from the City. If the amount of your incentive payment is \$600 or more, you may receive Internal Revenue Service Form 1099-MISC from the City.

**I (we), the undersigned, certify that I (we) have read and understand the entire Applicant Statement and that the information in this application is true and correct. I (we) also acknowledge that I have read and understand all aspects of this program’s guidelines as outlined in the information guide.**

\_\_\_\_\_  
*Applicant Name (printed or typed)*

\_\_\_\_\_  
*Applicant Name (printed or typed)*

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

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

**Submit your completed original (not faxed or copied) application to:**

**City of Avoca**

**Attention: Clint Fichter**

**201 N Elm Street**

**Avoca, Iowa 51521**

**Questions or help with this application can be addressed by calling 712-343-2424**

**ONLY FOR REHABILITATION LOANS**  
**CITY OF AVOCA HOUSING PROGRAM**  
**RELEASE OF INFORMATION FOR INCOME QUALIFICATION**

Certain programs have income qualification requirements. This portion of the application should be completed as soon as possible. In the case of a qualifying purchasing a new unit, this portion should be completed as soon as the purchaser has been identified.

**Table 1: List Every Member of Qualifying Household (use additional sheets if necessary)**

Number of Persons in Household	
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Each person listed in Table 1 must list all sources of income below. Examples of income sources are (but not limited to):

- Employment (including commissions, overtime, bonuses)
- Child support or Alimony
- Interest and Dividends
- Retirement Benefits and Social Security
- Other benefits such as Unemployment, Worker’s Compensation, or disability benefits.

**Table 2: Income Source**

Income from All Sources	
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Release

We, the persons listed in Table 1 above, authorize the persons or entities listed as income sources in Table 2 above to provide information to the CITY OF AVOCA AND ITS AGENTS regarding verification of income for housing program eligibility. Further, we authorize our lender and loan officer to provide information to the CITY OF AVOCA AND ITS AGENTS regarding verification of income for housing program eligibility.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## PROGRAM GUIDELINES

### Housing Programs

The following Housing Programs are offered by the City of Avoca:

1. New Construction Program
2. Existing Unit Purchase Program
3. Housing Rehabilitation Loan Program
4. Dilapidated Building Program

### Equal Opportunity and Affirmative Action

1. **Non-discrimination by City.** The City shall not deny assistance under the Housing Programs for any reason based upon race, color, creed, religion, national origin, sex, sexual orientation, marital status, age, familial, status, or disability.
2. **Non-discrimination by Other Parties.** All landlords, developers, contractors and subcontractors must agree not to discriminate in any manner against an employee or applicants because of race, color, creed, religion, sex, marital status, age, familial, status, or disability.

### Administration

1. **Program review committee.** The Urban Renewal Agency will serve as the program review committee and will take final action on all applications.
2. **Conflict of Interest.** All city officials and employees shall comply with the applicable conflict of interest regulations set forth in the Code of Iowa and any local ordinances or resolutions.
3. **Staff responsibility.** City staff shall have the general responsibility for coordinating the application process on behalf of the City.
4. **Application process.** Every application completed under any of the Housing Programs will be evaluated according to the following process:
  - a. Staff is required to have a conference with any potential applicant seeking information about any housing program. This is encouraged to help ensure the application process proceeds smoothly.
  - b. All applicants must file a standard application form. Application forms may be obtained from the City Hall or the City website. The application form must be accompanied by other information or documents as may be required by individual programs.

- c. Staff will review each application for sufficiency and perform any required inspections or investigations. If a third-party, such as a bank, will also play a role in the application review process, staff will also coordinate with such third-parties to validate the sufficiency of the application.
- d. Upon determining the application is sufficient, staff will notify the applicant of such and inform the applicant that the application will be considered by the Urban Renewal Agency at its next meeting. Staff will inform the applicant of the date and time of the meeting. Staff will prepare a recommended disposition on the application and provide a copy of the application packet for transmittal to the Urban Renewal Agency members for consideration before the next meeting.
- e. The Urban Renewal Agency will consider each application at the appropriate meeting. The applicant is encouraged to attend the meeting. The Urban Renewal Agency may approve, disprove, or defer action on any application. The Urban Renewal Agency shall provide each applicant a determination on their application within thirty (30) days of the meeting at which the application was first considered.
- f. Staff will provide each applicant a written notification regarding the Urban Renewal Agency's determination. If the application is approved, staff will issue a conditional commitment of program benefits on behalf of the City to the applicant. The conditional commitment will require the fulfillment of all applicable program requirements prior to the release of City funds to support a project.
- g. No applications will be accepted or approved if any aspect of construction has already begun at time the Urban Renewal Agency considers the application.

### **Income Limits**

The individual program guidelines reference various income limits as a condition of program eligibility. All income limits listed refer to the limits of the most recent Median Income Levels of the Community Development Block Grant (CDBG) program, as provided by the Iowa Economic Development Authority (see attached).

### **Average Assessed Home Values**

The individual program guidelines reference the averaged assessed value for a home in Avoca. The figure is calculated based upon the most recent tax year's information as supplied by the Pottawattamie County Assessor. For 2016, this figure is \_\_\_\_\_.

**INDIVIDUAL PROGRAM GUIDELINES ARE LISTED ON THE REMAINING PAGES**

## **New Construction Program Guidelines and Requirements**

- 1. Purpose.** The purpose of the “New Construction Program” is to ensure the vitality and growth of the community by offering incentives for the construction of new owner-occupied and rental housing units.
- 2. Eligible Applicants.** Program beneficiaries are limited to the following three classes of persons:
  - a.** Households having an adjusted gross income in the tax year prior to application in an amount equal to or less than 120% of the county median income based upon family size will be eligible for the full benefits of the program and households earning more than this amount will be eligible for more limited benefits; or
  - b.** Developers pledging to construct housing that will be sold to persons earning 120% or less of the county median income based upon family size; or
  - c.** Developers pledging to construct housing rental housing.
- 3. Benefits.** Qualified applicants are eligible for the following benefits:
  - a.** Qualified households, whether constructing a new home or purchasing a new home from a developer are eligible for the following:
    - i.** Income-qualified applicants will be eligible for the full benefit of a five-year forgivable loan in an amount equal to \$12.50 per square foot of finished floor area, with the amount not to exceed \$15,000 per unit. Households whose earnings exceed 120% of the county median income based upon family size are eligible to receive a five-year forgivable loan in an amount equal to \$6.25 per square foot of finished floor area, with the amount not to exceed \$7,500 per unit. The five-year forgivable loan will be secured against the property as a mortgage, which will be executed by the applicant as a condition to releasing funds. The funds will be eligible for release upon the issuance of a Certificate of Zoning Compliance/Occupancy by the City.

- ii. Memberships to the municipal golf course and aquatic center for one season. If the forgivable loan portion of the incentive is completed by Memorial Day, the membership portion of the incentive will begin in the current year. If the forgivable loan portion of the incentive is completed after Memorial Day, the beneficiary may defer the membership portion of the incentive until the following year.
- b. Developers pledging to construct housing that will be sold to qualifying households described in 2(a) above will be eligible for an incentive payment of \$3,500 per unit constructed. This benefit shall be separate and distinct from the forgivable loan benefit received by the purchaser. The funds will be eligible for release upon the issuance of a Certificate of Zoning Compliance/Occupancy by the City.
- c. Developers pledging to construct rental housing will be eligible to receive a five-year forgivable loan equal to \$10 per square foot of finished floor area, with the amount not to exceed \$12,500 per unit. The five-year forgivable loan will be secured against the property as a mortgage, which will be executed by the applicant as a condition to releasing funds. The funds will be eligible for release upon the issuance of a Certificate of Zoning Compliance/Occupancy by the City and a submission of an appraisal by the applicant.

#### **4. Other Guidelines and Requirements**

- a. Each applicant must demonstrate ownership or an option to purchase the property subject to the program application.
- b. Each applicant must demonstrate proof of property insurance covering the property subject to the program application.
- c. Each property subject to the program must be in compliance with all applicable City of Avoca ordinances and plans.
- d. Each applicant must include a project budget as part of its application.
- e. Loan approval must come from Midstates Bank or US Bank in Avoca, or another approved lender.
- f. Each applicant must provide a release allowing for verification of income sources as part of the application. City staff will perform income verification if not performed by bank.
- g. The City will execute a release of the mortgage when the terms of the loan have been completely satisfied.

- h.** Satisfaction of the forgivable loan for households purchasing a property shall be made based upon the period of time for which the property is occupied as the primary dwelling of the household. The household will only be required to income qualify at the time of application and will not be required to income qualify each year in order to satisfy the forgivable loan.
- i.** Satisfaction of the forgivable loan for property owners renting a property shall be made based upon the period of time for which the property is rented to qualified persons. Each renter will only be required to income qualify at the time of application and will not be required to income qualify each year in order for the property owner to satisfy the forgivable loan.



## **Existing Unit Purchase Program**

- 1. Purpose.** The purpose of the “Existing Unit Program” is to encourage prospective buyers to purchase existing homes in Avoca.
- 2. Determination of Eligibility.** Program beneficiaries are limited to households earning 120% or less of the county median income based upon family size, provided that a household member has not owned another home within the past three years with an assessed value more than one hundred twenty percent (120%) of the average assessed value for homes in Avoca.
- 3. Benefits.** Qualified applicants will be eligible for a five-year forgivable loan of \$5,000 when purchasing an existing home in Avoca. The five-year forgivable loan will be secured against the property as a mortgage, which will be executed by the applicant as a condition to releasing funds.
- 4. Other Guidelines and Requirements**
  - a.** Each applicant must demonstrate ownership or an option to purchase the property subject to the program application.
  - b.** Each applicant must demonstrate proof of property insurance covering the property subject to the program application.
  - c.** Each property subject to the program must be in compliance with all applicable City of Avoca ordinances and plans.
  - d.** Each applicant must include a project budget as part of its application.
  - e.** Loan approval must come from Midstates Bank or US Bank in Avoca, or another approved lender.
  - f.** Each applicant must provide a release allowing for verification of income sources as part of the application. City staff will perform income verification if not performed by bank.
  - g.** The City will execute a release of the mortgage when the terms of the loan have been completely satisfied.
  - h.** Satisfaction of the forgivable loan for households purchasing a property shall be made based upon the period of time for which the property is occupied as the primary dwelling of the household. The household will only be required to income qualify at the time of application and will not be required to income qualify each year in order to satisfy the forgivable loan.

## **Housing Rehabilitation Loans**

- 1. Purpose.** The purpose of the “Housing Rehabilitation Loan Program” is to help maintain the community’s housing stock by providing incentives to rehabilitate existing properties in accordance with universal design standards, city building codes, or energy efficiency standards.
- 2. Determination of Eligibility.** Program beneficiaries are limited to the following two classes of persons:
  - a.** Owner-occupied households earning 100% or less of the county median income based upon family size.
  - b.** Property owners of housing that pledge to rent the subject property to persons earning 80% or less of the county median income based upon family size.
- 3. Benefits.** Qualified applicants are eligible for the following benefits:
  - a.** Owner-occupied units for households earning 100% or less of the county median income based upon family size will be eligible for a no-interest rehabilitation loan of up to \$10,000, with a maximum term of ten (10) years. Loan limits will be based upon the total project amount, with the loan requiring a twenty-percent (20%) match from the applicant. Matching funds are calculated according to cash spent on materials and services; in-kind materials and services will not be recognized. The project must rehabilitate the subject property in accordance with universal design standards, city building codes, or energy efficiency standards. Need, based upon household income, will be a determining factor in awarding loans.
  - b.** Rental units owned by property owners of housing that pledge to rent the subject property to persons earning 80% or less of the county median income based upon family size will be eligible for a no-interest rehabilitation loan of up to \$5,000, with a maximum term of five (5) years. Loan limits will be based upon the total project amount, with the loan requiring a fifty percent (50%) match from the applicant. Matching funds are calculated according to cash spent on materials and services; in-kind materials and services will not be recognized. The project must rehabilitate the subject property in accordance with universal design standards, city building codes, or energy efficiency standards.
- 4. Other Guidelines and Requirements**
  - a.** Each applicant must demonstrate ownership or an option to purchase the property subject to the program application.

- b.** Each applicant must demonstrate proof of property insurance covering the property subject to the program application.
- c.** Each property subject to the program must be in compliance with all applicable City of Avoca ordinances and plans. As part of the eligibility determination process, the city will inspect the property or building designated for improvements for compliance with the city administrative ordinances and zoning codes.
- d.** Each applicant must include a project budget as part of its application.
- e.** Loan approval must come from Midstates Bank or US Bank in Avoca, or another approved lender.
- f.** Each applicant must provide a release allowing for verification of income sources as part of the application. City staff will perform income verification if not performed by bank.
- g.** A credit check for the applicant is required for all applications.
- h.** The applicant must execute a form indicating consent to the placement of a City lien upon the subject property, to be collected in the same manner as taxes and under the same terms as the program benefit.
- i.** The City will execute a release of the lien when the terms of the loan have been completely satisfied.
- j.** For owner-occupied units, this program may be combined with the Existing Unit Purchase program.

## **Dilapidated Buildings Abatement Assistance**

- 1. Purpose.** The purpose of the “Dilapidated Building Program” is to abate dilapidated structures and to mitigate the effect of dilapidated buildings on the community.
  
- 2. Activities.** In order to accomplish the purpose of the Dilapidated Building Program, the City will undertake the following activities.
  - a.** Upon application from a property owner, the City will assist with the demolition of any dilapidated residential structure located in Avoca. Commercial, industrial, or civic structures may be eligible for demolition assistance under appropriate conditions. Assistance with demolition includes the Fire Department performing a training burn on the applicant’s property subject to demolition.
  
  - b.** The City may make grants to nonprofit organizations for the purpose of acquiring and demolishing a dilapidated structure.
  
  - c.** The City may make grants to nonprofit organizations for the purpose of acquisition and rehabilitation of dilapidated structures for rehabilitation.

### **5. Other Guidelines and Requirements**

- a.** Each applicant must demonstrate ownership or an option to purchase the property subject to the program application.
  
- b.** Each applicant must demonstrate proof of property insurance covering the property subject to the program application.
  
- c.** As part of the eligibility determination process, the city will inspect the property or building to determine if the property is suitable for rehabilitation or demolition.