

ADMINISTRATIVE PLAN FOR THE
CITY OF CARSON

ACQUISITION, DEMOLITION, SITE CLEARANCE
PROGRAM

REVISED 2012

ACQUISITION, DEMOLITION AND SITE CLEARANCE PROGRAM CITY OF CARSON

1.0 PROGRAM OBJECTIVES

The overall objective of the Acquisition, Demolition and Site Clearance Program is to provide an incentive for persons to acquire and clear deterioration and/or abandoned housing sites for the purpose of constructing new, single family, owner-occupied housing that is affordable to moderate income households. This will be accomplished by providing the developer of the site with a small grant that can be used to acquire, demolish, and prepare an existing residential site for a new single-family detached housing unit. Eligible participants are public and private developers who are willing to construct affordable housing on the site once it is cleared. A developer is defined as a person, purchaser, contractor, real estate developer, non-profit housing organization or public entity. This program is consistent with the State of Iowa's Department of Economic Development in that State and/or City funds will be used to assist moderate-income households who otherwise are financially unable to purchase a home. Moderate incomes are defined to be at or below 110% of the area median income. The cost or sale price of the new home shall not exceed 95% of the most current FHA 203(b) mortgage limits.

1.1 COMMUNITY-WIDE BENEFITS

The benefits from this program are two-fold: the program will clear slum and blighted housing; the program will add much needed housing to the Southwest Iowa housing stock for persons of moderate income. As homeowners move into the new housing this will, in turn, free up lower priced owner-occupied or tenant-occupied housing. There is a well-documented need for new moderately priced housing in the region. This program will help keep the costs of housing low by providing the costs of site clearance, utilizing existing infrastructure and providing cities with an alternative to typically confrontational abatement activities.

1.2 PROGRAM DESCRIPTION

An eligible applicant will make an application to City Council for an identified project. The application will be based on the number of house units that will be constructed at the site. No more than 75% of the cost to acquire, demolish or clear the site of an appropriate residential site, or \$5,000 per buildable residential site, whichever is less, will be provided to any one applicant. An applicant will be anyone capable of completing a single-family detached, owner-occupied housing structure at the eligible project site. The applicant will be given 60 days to start the demolition process, and the applicant will be given one-year to acquire, demolish and substantially complete a new housing unit at the site, before the money will be funded to owner. The new home must be owned and occupied by a household with a median income below 110% of the median income of the area. The eventual purchase of the home does not have to occur in the one-year period given for construction, but should occur in as short a period of time thereafter as possible. The applicant will provide a verifiable local match of 25% of the forgivable loan provided to the approved project. The local match may be in case or in-kind.

1.3 REVIEW PANELS

City Council: The City council is comprised of (5) member representing the City of Carson. This Council has the final approval for all applications and will resolve all program conflicts. The Council acts on the recommendation of the City of Carson Housing Committee and City Staff.

Housing Committee: See Section 4.1.

City Clerk: The Carson City Clerk will be responsible for the day-to-day administration of the program, including, reviewing applications, verifying local match, following up on construction, assuring all LHAP criteria are met, writing quarterly reports, and making recommendations to the committee and City Council.

Applicant/Recipient: Public or private developer who agrees to construct modestly priced housing on the cleared site within a given period of time.

2.0 APPLICATION PROCESS

The application will be available through the City Clerk's Office (484-3636). The application will provide enough information to determine the eligibility of the site, a preliminary cost estimate of the proposed structure, the commitment of local match, a commitment from a lender or bank of the applicant's ability to complete the project, and assurances that new construction will begin and be substantially completed within one year of the award. The City Clerk will review the application for site eligibility, source of local match, and proof of financial ability. The City clerk will be available to answer applicant's questions and assist them in the application process if needed. The City Clerk will present the application to the Housing committee for a determination whether the application is suitable for the program and will recommend action on the application to the City Council. The Council will either approve or deny the application. The City Clerk will notify all applicants in writing of the Council's decision. If the project is denied, a statement explaining the reasons for such denial will be made to the applicant.

Funding for the Site Clearance Program will be based on a first-come-first-served basis subject to the availability of funds. All funding will be provided in the form of a 1-year forgivable loan. Upon completion of the housing structure, the loan will be forgiven and the lien will be released.

2.1 ELIGIBLE APPLICATIONS

- A. The property must be located within the Carson City Limits.
- B. The property must be on a site that complies with the City's zoning and subdivision regulations and is suitable for new residential construction.
- C. Demolition and site clearance must abide by state and local codes. The applicant must substantially construct a new single family home at the site within one year of award.
- D. Assistance for the acquisition, demolition, and site preparation will not exceed \$5,000.

2.2 APPLICANT REQUIREMENTS

- A. The applicants must assure that new housing will be constructed on the site within one year of the grant award.
- B. The applicant will provide a source of local match of either cash or in-kind equaling at least 25% of the grant amount.

- C. The applicant will provide the city clerk with assurance of financial feasibility.
- D. The applicant must assure that the new housing will be sold to a household with an income less than 110% of area median income.
- E. The cost of the housing unit to the ultimate purchaser will not exceed the limits set forth in section 4.4 and Attachment A.

2.3 SATISFYING GRANT AGREEMENT

Applicants that fail to meet the grant agreement, as stated above, will not be funded. The applicant may request additional time due to extenuating circumstances. Any extension will be approved by the City Council. A lien will be filed on the property and will be redeemed in the event that the applicant fails to meet the criteria of the forgivable loan. City of Carson reserves the right to waive the lien or allow for extensions on the one-year construction criteria's on the case-by-case basis.

Requests for waiver of the lien, or for an extension should be made in writing to the City of Carson-City Clerk.

2.4 APPROVAL OF APPLICATION

The City Clerk reviews each application with, and makes a recommendation to the City Council regarding the application for final approval. Applications will be gathered and reviewed at least one each month, normally on the 2nd Monday of every month.

3.0 NEW CONSTRUCTION GUIDELINES

Plans for a new house must be reviewed by the City Clerk to determine the cost estimate is reasonable and within the perimeters of the program. The structure must meet all local building codes, zoning, and subdivision provisions, and must not be located in a 100-year designated flood plain.

4.0 PROGRAM ADMINISTRATION

Overall administrative authority of the Acquisition, Demolition, and Site Clearance Program rests with City Council, although the City Clerk will assume responsibility of the day-to-day operation of the program. State regulations require that uniform and accurate financial records be maintained the accounting function will be incorporated with the standard procedure used by the City of Carson.

4.1 HOUSING COMMITTEE

In the event it is necessary to have a housing committee the Planning & Zoning Committee will fill this function. The City Clerk will staff the committee. If necessary a housing Committee will be comprised of (5) members who have been appointed by the Mayor of Carson and approved by the City Council. All applications will be received, reviewed and recommended to the City Council by the Committee. The Housing Committee acts on recommendation of the City Staff.

4.2 COMMITTEE MEETINGS

All committee meetings will be open to the public. Applicants and/or affected parties to each project will be sent an invitation to attend the committee meeting their project will be reviewed at, but their

attendance is not mandatory. The City Clerk will present each project file. The chairman will allow representatives of each project time to present evidence or comment concerning their case, if they so choose. Public comment will be allowed concerning each case, or on a separate item of the agenda.

4.3 ADMINISTRATIVE ADJUSTMENTS

To efficiently carry out the objectives of the program, the City Clerk will need sufficient administrative latitude to adjust program requirements from time to time. Such amendments shall be presented to the Housing Committee for approval and recommendation to the City Council.

4.4 INCOME AND MAXIMUM MORTGAGE LIMITS

Attachment A to this plan contains the most current income limits for program eligibility, as well as the most current FHA mortgage limits and program mortgage limits. Due to the fact that these figures change annually, this attachment will be updated as needed without the need to amend the entire Plan.

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CITY OF CARSON

APPLICATION
(PAGE 1)

APPLICANT: _____
CONTACT PERSON(S): _____
CONTACT HOME PHONE: _____ CELL PHONE: _____
CONTACT EMAIL: _____
MAILING ADDRESS: _____

SITE ADDRESS: _____

1. Does applicant own the property to be cleared? ___Yes ___No
If yes, provide copy of title to property.
If no, who is the owner (include phone)? _____

2. Will applicant be the developer of the new housing? ___Yes ___No
If yes, provide a statement of the local share, a cost estimate, a set of plans and the name of the contractor. _____
If no, who will develop the new house(s)? _____

3. Is financing secured for new construction? ___Yes ___No
If yes, provide verification (attach letter from lender or copy of personal financial sheet).
If no, this this element must be secured before the project will be approved.

4. Description of project (attach photograph(s) of the existing site):

5. Description of single family housing unit (attach drawings or floor plans).

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APPLICATION
(PAGE 2)

6. Intended sale price or final project costs: \$ _____
7. Acquisition Costs: \$ _____
 Demolition Costs: \$ _____
 Site Preparation Costs: \$ _____
 Total Site Costs: \$ _____
8. Amount of Grant Requested \$ _____
 Amount of Local Match \$ _____
 Source of Local Cash Match _____

 Source of In-Kind Match

PLEASE ATTACH COPY OF 1040 WITH APPLICATION.

In Witness Whereof, the applicants named herein attest to the accuracy of the information contained in this application and hereby assure the above-mentioned local match will be provided.

 Name Address Phone Date

 Name Address Phone Date

City Hall Office Use

Date Application Received _____ By _____

- Checklist: Copy of Title of Property Attached? Copy of most recent 1040 Attached?
 Verification of Financing Attached: Lender Letter Personal Finance Sheet
 Photograph of Site Attached?
 Floor plans/drawings Attached?

(Circle) Application Approved or Denied Date _____

Other comments: _____

ATTACHMENT A
Current Program Income and Mortgage Guidelines
2012

PROGRAM INCOME LIMITS FOR CITY OF CARSON AND POTTAWATTAMIE COUNTY, IOWA

Number of Persons in Household

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------|----------|----------|----------|----------|----------|----------|----------|
| \$50,100 | \$57,200 | \$64,400 | \$71,500 | \$77,300 | \$83,000 | \$88,700 | \$94,400 |

FHA MAXIMUM MORTGAGE LIMITS FOR CITY OF CARSON AND POTTAWATTAMIE COUNTY, IOWA

***As of January 1, 2012, the FHA mortgage limit for a single-family home is **\$271,050**. Therefore at **95%** of the FHA limit, the maximum mortgage value for the program is **\$257,497.50**.