

AFFORDABLE SPEC HOME BUILDER INTEREST INCENTIVES APPLICATION

PART I

(To be Completed at Time of Building Permit Application)

Date: _____

Applicant: _____

Address: _____

City: _____ State: _____ Zip: _____

Location of New Home: _____
(Address) (Subdivision)

Anticipated Asking Price for Home: \$ _____

PART II

(To be Completed Upon Closing of Home Sale)

Completion Date of Spec House (Date of Certificate of Occupancy) _____

Date Incentive Begins (60 days from Certificate of Occupancy) _____

Retail Asking Price of House \$ _____

Interest Rate on Construction Loan (Construction Loan Document Rate) _____ %

Date of Closing on Sale of House (Date of Sales Closing Document) _____

Program Guidelines

To encourage builders to construct spec houses in the affordable housing range the City of Hesston will pay up to \$3,000 of interest on construction financing that accumulates after 60 days from final inspection of a single-family residence. The following guidelines should be adhered to be eligible for the program:

1. A building permit must be purchased and issued to the contractor/builder.
2. All construction shall be performed by contractors licensed by the City of Hesston.
3. Periodic inspections* must be performed as required by City Code for a building permit.
4. A Certificate of Occupancy must be issued by the building inspector certifying that all inspections were satisfactorily made per City Code.
5. Part I of the application must be completed upon purchase of the building permit.
6. At the time of request for payment Part II of the application must be completed and the following documents must be attached: a.) a copy the Certificate of Occupancy; b.) a copy of the loan document setting out the interest rate on the construction financing and the amount of construction financing; and c.) a copy of the sales closing document on the spec home.

7. Self-Financed Construction Loan - At the time of request for payment Part II of the application must be completed and the following documents must be attached: a.) a copy the Certificate of Occupancy; b.) two quotes from area banks to set interest rate on construction loan type financing. The city will pay at the lesser rate. c.) proof of the amount of construction costs; and d.) a copy of the sales closing document on the spec home.
8. Once Parts I and II of the application are completed and the appropriate documents are attached, a check in the amount of interest incurred from 60 days after the issuance of the Certificate of Occupancy to the sales closing date will be issued, in an amount not to exceed \$3,000.

*Inspections are scheduled by calling the City offices at (620) 327-4412.

I have read and understand all of the information set out on the front page of this application.

Signature of Builder

Date

Signature of City Clerk

Date