Program Summary:
The HOME Homebuyer Program provides grants to the City of Owensboro owned uninhabited single-family housing or vacant properties to offset development costs making homeownership affordable for very low and low-to moderate-income families. The program increases homeownership rates in the redevelopment area helping to stabilize the designated neighborhood. The maximum grant amount will be determined by the Community Development Director. HOME Recapture provisions will require homeowner to utilize the new home as their principal residence and a lien will be secured on the property for a period of five years for the difference between the original purchase price and the appraisal amount (based on the difference between the appraisal and sale price does not exceed $15,000). During affordability period, if the homeowner is no longer the principal resident of the home, the secured amount becomes due and payable to the City.

Eligibility Requirements
- Subject property shall be located in a low to moderate income census tract or block group.
- Existing structure to be demolished shall be vacant prior to purchase by the owner/developer.
- City must have fee-simple title to property prior to construction.
- The appraised value of the property after construction cannot exceed 95% of the median purchase price for a single-family property in Daviess County.
- The homebuyer’s total household income cannot exceed 80% of Daviess County’s Median Family Income Limits.
- The homebuyer will meet with CD staff to provide financial homeownership counseling. From this meeting CD Staff will determine the need for additional counseling. If additional counseling is determined to be needed, the City will cover the cost of the counseling for the homebuyer.

Garages
The City of Owensboro will try to include the construction of garages where possible.

Increased Grant Determination
The City of Owensboro Community Development Director reserves the right to determine, at his discretion, the “best purchase” arrangement for homes sold through the program considering the following criteria:
- Funding availability of allotted Community Development funds. If available, additional funds may be allotted for Homebuyer Program projects.
- Maximum approved loan amount of potential homebuyer. CD Director may choose to approve additional grant amount if potential homebuyer’s approved loan does not meet the owner/developer’s purchase price.
- Length of time that the home has been on the market. Discretion will dictate additional assistance to a home that has been for sale for a length of time. A chronically unsold home is a safety issue and deters the redevelopment process.
- Economic conditions that directly affect the purchase of the home. Slow economy may dictate an increased grant amount to assist with approved purchases.
Eligible Property (Lot Size)
The City of Owensboro Community Development Department reserves the right to determine which properties will be eligible for construction projects. Although the minimum lot building size is defined by OMPC regulations, each potential project will be reviewed by Community Development to ensure that the property is utilized in a productive manner.

Priority:
1. All properties located in a Neighborhood with an approved Neighborhood Redevelopment Plan will have priority over other areas.

Eligible Expenditures:
Existing structures must be demolished and new construction from approved plans be used in its place. The new structure shall be in “turn-key” condition when completed. New construction on vacant lots, approved by the CD Staff, are also eligible expenditures.

Time of Completion:
Project shall be completed within 9 months of the “Notice to Proceed”.

Inspections:
CD Staff shall inspect periodically to ensure work performed is in accordance with specifications. Inspection dates and progress shall be recorded in the Inspection Log file cover sheet by CD Staff. In addition, all applicable inspections (building, electrical, plumbing) shall be required. Building permits shall be submitted to CD Staff.

Homebuyer Income Verification:
Any potential homebuyer shall be income-certified by CD Staff to ensure the homebuyer is 80% or below of Daviess County’s Median Family Income adjusted for family size. The homebuyer shall provide the following for income verification:
- Proof of all household income (including wages, SSI, SS, alimony, child support, KTAP, etc)
- Most recent bank statement (checking, savings, IRA, etc)
All income will utilize information that will be projected 12 months forward to determine annual income. All income verifications shall remain valid for 6 months from the date of income determination. If the 6 month time-frame expires, then income verification must be updated with new information if changes have occurred.

Homebuyer Financing:
The homebuyer must be able to secure permanent financing at a lending institution. CONTRACT BOND FOR DEEDS OR DEVELOPER FINANCED MORTGAGES SHALL NOT BE PERMITTED.

Appraisal:
The appraisal shall be a minimum of $1,000 over the sales price but the sales price shall not exceed $14,000 under the appraisal. The difference between sales price and appraisal shall be secured in a mortgage for the appropriate affordability period.
HOMEBUYER PROGRAM
BASIC CONSTRUCTION GUIDELINES

All homes constructed through this program shall meet these basic construction guidelines. The purpose of these guidelines is to construct a home that is affordable, energy efficient, attractive and an asset to the neighborhood.

SITE REQUIREMENTS:
The job site shall be maintained in a clean, orderly manner while construction is in progress. This will include, but not be limited to:
1. Maintaining grass at a reasonable height (10” per ordinance)
2. Erosion control, where needed, with silt fencing
3. Once under roof, the structure should be tightly secured to prevent after hours entry.
4. Keep construction waste picked up.

ELECTRIC:
• A 200 amp service panel (minimum) shall be installed.
• Electric service shall be placed underground, when utility access is from the rear of the property. This will give the home owner more efficient use of the rear yard when overhead service wire is not there (i.e. kid friendly, more opportunities for pools, trampolines and other activities).
• All bedrooms and living room shall be equipped with a high quality ceiling fan with light.
• All bedrooms and living room must be wired to accommodate a switch that allows the light and ceiling fan to operate independently.

FOUNDATION:
• Use concrete foundation blocks with brick or stone veneer or cut face foundation blocks. The Community Development Department will make the final determination of foundation material to be used. A minimum of sixteen (16") must be revealed along the front and sides of the foundation. This dimension is measured from the finished grade.

PARKING PAD:
• If alley access is available, parking spaces should be provided from it. This will consist of a 20 ft. by 20 ft. concrete pad with a minimum 2'-6" concrete apron between the pad and the alley surface. No gravel will be allowed between the pad and the alley.
• If street access is the only option then a 10 ft. by 40 ft. drive should be constructed beyond the back edge of the sidewalk. No gravel will be allowed between the drive and the street.

INSULATION & EXTERIOR WALLS:
• 2x6 construction is mandatory on all exterior wall construction.
• All homes must have a sidewall insulation rating of R-19.
• Both attic space and crawl space (if used) must have a minimum insulation rating of R-30.
• All homes must have all exterior walls covered with 1/2" CDX plywood.

HOUSE (EXTERIOR APPEARANCE):
• All roofing shall be 30 year dimensional shingles.
• Shutter sets shall be on all windows. This will give the house a finished appearance.
• All porch railing and posts must be vinyl or fiberglass.
• The vinyl siding shall be insulated. Use Certainteed “Cedar Boards” or approved equal.
• All windows units must have the ENERGY STAR certification for energy efficiency. Metal hardware and double locking devices are required. (Example: Pella Pro-line Series)
• CD staff will have final approval over all siding, trim and roof colors as well as other decisions. If the house is pre-sold or sold before these decisions are made, CD will work with the home owner to ensure that they are comfortable with the selections.
• All gable ends must have a minimum 6” overhang.
• $500 minimum cost for decorative front door and must have the ENERGY STAR certification for energy efficiency.

LANDSCAPING:
• One (1) deciduous tree must be planted in the front yard unless circumstances dictate otherwise. All trees must be approximately 6 feet in height and healthy.
• Install landscape area along front foundation of house and extending a minimum of 3 feet from foundation. Include a minimum of 6 shrubs (minimum 1 ft. wide each).
• Landscape beds shall be mulched to protect plants and improve appearance.

HOUSE (INTERIOR):
• Contractor shall use factory hung 1-3/8”, six panel molded door. No luan or hollow-core doors will be accepted.
• Carpet (min. $20/S.Y.), vinyl (min. $20/S.Y.), engineered hardwood and ceramic flooring must be of high grade quality (min. $5/S.F incl. installation).
• Use a continuous drywall soffit above all kitchen wall cabinets.
• Use recessed lighting fixtures in all kitchen work areas.
• Kitchen sink shall be stainless steel and 8” deep.
• Heat / AC systems must have the ENERGY STAR certification for energy efficiency.
• Water heaters must have the ENERGY STAR certification for energy efficiency.
• Phone jacks and cable TV outlets must be installed in all bedrooms, living room and kitchen.
• Dishwasher, refrigerator, stove and vented microwave unit are required. Must have the ENERGY STAR certification for energy efficiency.

BUYER INFORMATION:
• The developer / contractor shall provide a copy of the signed contract between them and the buyer to CD.
• The developer / contractor shall provide a copy of the receipt for down payment from the buyer.
• Each developer will be responsible for a 1 year limited warranty to cover construction items.