

**CITY OF INDEPENDENCE, IOWA**

**TAX INCREMENT FINANCING (TIF)  
LOW-AND-MODERATE INCOME SET-ASIDE ADMINISTRATIVE PLAN**

**Adopted by the Independence City Council on: November 13<sup>th</sup>, 2017**

**Amended by the Independence City Council on: March 28<sup>th</sup>, 2022**

**Amended by the Independence City Council on: May 28<sup>th</sup>, 2024**

Prepared by the  
Iowa Northland Regional Council of Governments

**RESOLUTION NO. 2022-70**

**A RESOLUTION AUTHORIZING THE MAYOR TO SIGN, AND THE CITY CLERK TO ATTEST TO, A TAX INCREMENT FINANCING (TIF) LOW-AND-MODERATE INCOME (LMI) SET-ASIDE ADMINISTRATIVE PLAN TO BE UTILIZED WITHIN THE INDEPENDENCE CORPORATE LIMITS LOCATED IN BUCHANAN COUNTY; WITHIN THE CITY OF INDEPENDENCE, BUCHANAN COUNTY, IOWA.**

**WHEREAS**, the City of Independence has accumulated TIF set-aside housing funds that must be proposed for expenditures and projects that benefit Low-and-Moderate income families, as required under Chapter 403 of the Iowa Code (2017); and

**WHEREAS**, A local government is authorized under Section 403.22(2)(c) of the Code of Iowa to provide grants, credits or other direct assistance to low-and-moderate income families living within or outside the urban renewal area, but within the area of operation of the municipality; and

**WHEREAS**, the City of Independence finds it advantageous to offer grant awards to individual homeowners for the purpose of improving and maintaining the availability of affordable housing stock within the community; and

**WHEREAS**, the City of Independence developed a TIF Low-and-Moderate Income Set-Aside Administrative Plan to manage the program outlined in the Plan and govern distribution of said accumulated funds.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Independence hereby adopts the Independence TIF LMI Set-Aside Administrative Plan.

**Resolution No. 2022-70** was passed and approved by a majority vote of the City Council of Independence, Iowa, on the 28<sup>th</sup> day of March 2022.

Record of Voting:

Ayes: Callahan, Huston, Hanna, Kurtz, Prusator, O'Loughlin, and Jensen.

Nays:

Absent:

**Resolution No. 2022-70** declared passed and adopted by the Mayor on this 28<sup>th</sup> day of March 2022.

Robert Hill, Mayor of the City of Independence, Iowa

ATTEST:

Susi Lampe, IaCMC, IaCFO, City Clerk/Treasurer of the City of Independence, Iowa

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## **OVERVIEW AND PURPOSE OF THE PLAN**

The City of Independence (hereinafter referred to as the City or Municipality) has adopted Tax Increment Financing (TIF) as a municipal funding mechanism. Historically, the City has used TIF for commercial and industrial development, as well as for supporting the development of owner-occupied, single-family, units within the corporate limits of the Municipality. Within state statute, this Administrative Plan (also referred to as the Plan) is to serve as a policy and program for the proper expenditure of housing funds set aside for use on projects that benefit Low and Moderate Income (LMI) families and households. The program that is outlined in the Plan is intended to be used for grants authorized under Chapter 403 of the Iowa Code (2017). More specifically, this Plan seeks to implement Section 22 of Chapter 403 of the Code, as is provided in Appendix 1.

As noted above, the primary source of funding for this program is the monies set aside from completed housing TIF projects that have assisted market-rate housing. By law, the City must place funds equivalent to the County's current LMI percentage into a separate fund to be used on projects that assist LMI households. Accordingly, the fund may be used to support four (4) general purposes including:

1. Lots for LMI Housing within or outside the urban renewal area;
2. Construction of LMI housing within or outside the urban renewal area;
3. Grants, credits, or other direct assistance to LMI families living within or outside the urban renewal area, but within the area of operation of the Municipality; and/or
4. Payments to an LMI housing fund established by the Municipality to be expended for one or more of the above purposes, including matching funds for any state or federal monies used for such purposes.

For the immediate purposes of this program, the City will focus its efforts on implementing purpose #3 above through the creation of two grant application opportunities, one for homeowner repairs and one for down-payment assistance. The City may also elect to pursue the development of other allowable programs and initiatives.

In addition, the City may utilize the following sources of funding to support its LMI family housing assistance program:

1. Proceeds from loans, advances, bonds, or indebtedness incurred;
2. Annual distributions from the division of revenues related to the urban renewal area;
3. Lump sum or periodic direct payments from developers or other private parties under an agreement for development or redevelopment between the Municipality and a developer; and/or
4. Any other sources which are legally available for this purpose.

The goal of this Plan, and the program it outlines, is to make possible and maintain affordable housing throughout the entire community. This will be accomplished through the awarding of available Tax Increment Financing (TIF) set-aside funds to qualified single-family owner-occupied households for use in eligible projects.

## **PROGRAM GUIDELINES**

### **PARTICIPANT ELIGIBILITY REQUIREMENTS**

Participation in the programs outlined in this Plan is limited, based upon funds available, and is voluntary. The amount available per person, family, or project is subject to any rules, regulations, or stipulations that are placed upon it from the source of funding and the rules established herein.

The City will approve individual homeowner and/or agency participation in this program provided the following requirements are achieved:

1. Low and Moderate Income (LMI) standards for households or families are met;
2. The owner or agency is current on all taxes for the property in question; and
3. The owner or agency is current on all city utility billings for the property in question.

Household income must be at, or below, the current, or most recent, eighty percent (80%) of the median family income figure for Buchanan County. The limits are set based on the size of the household in question and are established annually by the Iowa Economic Development Authority (IEDA) and the U.S. Department of Housing and Urban Development (HUD), as provided in Appendix 2.

Prior to grant application review by the City, household income will be verified by the City. The City may elect to conduct the verification on its own or use an independent means to do so. All information obtained in the income verification process will be kept strictly confidential. Nevertheless, the City shall utilize the forms provided in Appendix 2 of this Plan during the application process. The anonymity of applicants will also be a priority of the City, and every attempt will be made by the City to maintain the privacy of applicants.

### **PROGRAMS**

As noted above, the City is offering two distinct programs under this Plan, the Homeowner Repair Program and the Homebuyer Assistance Program. Each has its own requirements, guidelines, and application processes, the details of which follow.

#### **A. Homeowner Repair Program (Single-Family Owner-Occupied Units and Housing Agencies Only)**

Eligible projects under the repair program may include the following:

1. Roof repair or replacement
2. Furnace replacement
3. Water heater replacement
4. Plumbing
5. Electrical
6. Water line repairs
7. Ramp accessibility
8. Siding
9. Windows
10. Doors
11. Insulation

Approved projects shall have a minimum cost estimate of one thousand dollars (\$1,000.00), but no project shall receive more than ten thousand dollars (\$10,000) for a single owner or for a housing agency, from the City.

Ineligible projects, under this program, shall include:

1. Cabinets
2. Shutters
3. Flooring
4. Appliances
5. Air Conditioning, unless it is medically necessary
6. Concrete work, unless it is necessary to provide accessibility
7. Repairs to accessory or ancillary structures
8. Multiple family or renter-occupied units

### **Project Scope of Work**

Utilizing the Housing Quality Standards (HQS) for guidance, the homeowner will provide an accurate description of the work to be completed on each home or project with their program application and three cost estimates for said work. The application will be reviewed for completeness and income verification. If qualified and authorized by INRCOG, the cost estimates will be reviewed by City Staff. All work must adhere to state and city codes regarding building, plumbing, mechanical, and electrical standards.

### **Contractor Selection**

The sole determining criteria for selecting a contractor for a project or work shall be the lowest, responsible contractor. City Staff will make a formal recommendation to the City Council regarding each project. The City Council shall then consider the recommendation and proceed to review each project, and if approved, do so by resolution (Appendix 3). If approved, the City will enter into an agreement with both the selected contractor and homeowner for completion of the project.

### **Contractor Clearance**

Upon identifying the selected or successful bid for work allowed under this program, the City shall vet each contractor chosen to perform work. Specifically, the City will check for proof of state licensure(s), adequate insurance, and other sources indicating the contractor is not barred from working in Iowa. Note the City reserves the right to decline to offer work to a contractor, provided there is/are substantive reasons or history to do so (i.e. poor workmanship, quality, timeliness, etc.).

Upon award from the City Council, the City staff will work with each homeowner or agency and selected contractor(s) to accomplish the repair work associated with each project, which will be defined as the work specified for completion at each individual address or location.

### **Notice to Proceed**

After contract execution, the City shall notify the homeowner or agency of the bid award as well as issue a Notice to Proceed for the selected contractor. The Notice will allow the contractor to begin

construction and incur necessary expenses related to the project. No expenses incurred prior to the date on the Notice to Proceed will be allowed or reimbursed by the City. Further, any cost overruns or expenses above the City's award are the responsibility of the homeowner or agency and shall be paid by such before work acceptance is completed.

### **Change Orders**

Additional project costs or change orders will not be allowed funding from the City. Any additional expenses shall be the responsibility of the homeowner or agency.

### **Work Acceptance**

At the conclusion of the project, the work of the contractor must be formally accepted in writing by the property owner, City, and contractor. A form for this purpose is provided in Appendix 2 of this Plan.

### **Inspection**

The City shall provide only a cursory inspection of the work provided at the conclusion of the project.

### **Payment**

Payment to the contractor will only occur when the project is successfully completed and accepted by all the parties. The City will be responsible for making payment on reasonable, justified expenses related to the specified project up to, but not exceeding the grant award amount. Payments made by the homeowner toward their project must be made and documented at this time as well.

### **Guarantees, Warranties, and Rebates**

There shall be no required warranty or guarantee for the work provided by the contractor. However, any product warranties associated with the project must be completed and provided by the contractor to the homeowner. Any rebates associated with the installation or use of products in a project will be given to the homeowner.

### **Disputes**

Disputes regarding work or a product shall be addressed according to the signed contract or agreement between the City, homeowner, contractor, and/or agency. Specifically, any dispute must be brought to the attention of the City by any party to a dispute as quickly as possible. The City shall gather information, as possible, regarding the dispute and render a final written decision on the matter.

### **Awards**

Any awards made to a homeowner or agency under the Homeowner Repair Program will be treated as a forgivable loan, which will be repaid to the City by the owner, should the owner sell or surrender ownership of the unit in question prior to exhausting a loan period. Any repayment to the

City prior to the five-year loan period being completed shall be repaid in the following schedule. Said repayment schedule shall begin upon the date the Final Work Acceptance form is signed. The repayment schedule shall be as follows.

<b>Home Sold During Year:</b>	<b>Repayment Percentage:</b>
1	100%
2	80%
3	60%
4	40%
5	20%

Each awarded loan associated with the Repair Program will be secured by the City in a means that is acceptable to the City and their attorney, including but not limited to property liens, promissory notes, and/or second mortgages.

**B. Homebuyer Assistance Program (Single-Family Owner-Occupied Units Only)**

The City will consider funding homebuyer assistance applications, up to a total amount of \$25,000 per household. Said homebuyer loan funds must be used for closing costs, down-payment assistance, or mortgage buydown. Homebuyer assistance funds will be awarded in the form of a five-year forgivable loan, which will be repaid to the City by the owner should the owner choose to sell or surrender ownership of the housing unit in question to any other party. Said repayment schedule shall begin upon the date the Final Work Acceptance form is signed. Any repayment to the City prior to the five-year loan period being completed shall be repaid in the following schedule:

<b>Home Sold During Year:</b>	<b>Repayment Percentage:</b>
1	100%
2	80%
3	60%
4	40%
5	20%

Each awarded loan associated with the Homebuyer Assistance Program award will be secured by the City in a means that is acceptable to the City and their attorney, including but not limited to property liens, promissory notes, and/or second mortgages.



## **PROJECT MANAGEMENT AND IMPLEMENTATION**

### **APPLICATION PROCESS**

The City shall develop and utilize a written application for property owners to complete in order to request funding under this Plan. Applications will be accepted on an annual basis for the Homeowner Repair Program and on an ongoing basis for the Homebuyer Assistance Program, provided funds are available. An application deadline or due date and time will be established and advertised by the City. To raise awareness of the program, the City may utilize a number of media outlets for advertising the program, including the newspaper(s), newsletter(s), website(s), and municipal billing(s).

As noted above, the City will establish a deadline for applications to be received from prospective homeowners, housing agencies, and homebuyers. City staff will distribute and collect applications from the general public through the established deadline. Once received, applications will be reviewed by City Staff for completeness and then reviewed for income verification requirements. Upon verification, the cost estimates will be reviewed by City Staff. City Staff will make a recommendation to the City Council on which applications/projects to proceed with.

### **FUNDING LIMITATION GUIDELINE**

In the event that the City receives multiple applications whose total funding requests exceed the amount that is available in the TIF Housing Fund, the City shall note the order of complete applications received and award on a first-come, first serve basis until the funds are exhausted. In doing so, the City may award a partial project, which may be accepted at the discretion of the homeowner, housing agency, or homebuyer. Any partial or unfunded applications may, at the request of the homeowner, agency, or homebuyer, be carried over to the next funding cycle.

### **CONFLICTS OF INTEREST**

To avoid potential conflicts of interest or appearance of a conflict of interest, a project award will not be made to any City official (elected or appointed), City employee, or a member of their immediate family.

### **OTHER REQUIREMENTS**

#### **CIVIL RIGHTS (TITLE VI COMPLIANCE)**

No applicant or potential applicant will be discouraged from applying for, or denied funding on the basis of race, color, national origin, religion, sex, or disability. Furthermore, the City shall adhere to all applicable statutes, executive orders, requirements, and regulations pertaining to non-discrimination established by the federal, state, or City government.

### **INSURANCE**

Homeowners insurance shall be a requirement of the program established under this Plan, as shall floodplain insurance, as defined by the Federal Emergency Management Agency (FEMA).

### **PROJECTS IN A FLOODPLAIN**

The City will discourage funding projects under this program that are located in a floodplain, as identified in a Federal Emergency Management Agency (FEMA) Floodplain Study, Map, or Panel. If a project is approved in the floodplain, the City shall ensure compliance with its current floodplain ordinance.

### **INFEASIBLE PROJECTS**

The City reserves the right to refuse to perform work on a project or property for reasons where the scope, scale, or estimated cost of the project is beyond the limits of the program outlined in this Plan. Furthermore, the City may refuse or cancel a project that is deemed infeasible because of safety reasons or for constraints, limitations, or concerns caused by the homeowner or agency, including financial reasons.

### **PLAN AMENDMENT**

This Administrative Plan may be amended from time to time. To do so, the proposed amendment must be reviewed and recommended for approval by City Staff first, and then sent to the City Council for consideration. If approved by the City Council, the Plan amendment must be adopted by resolution. Any proposed amendments to the Plan must be presented in writing prior to the meeting where said amendment(s) may be considered by the City Council.

**Appendix 1: Iowa Code, Section 403.22 (2017)**

**403.22 Public improvements related to housing and residential development — low-income assistance requirements.**

1. With respect to any urban renewal area established upon the determination that the area is an economic development area, a division of revenue as provided in section 403.19 shall not be allowed for the purpose of providing or aiding in the provision of public improvements related to housing and residential development, unless the Municipality assures that the project will include assistance for low-and- moderate income family housing.

*a.* For a Municipality with a population over fifteen thousand, the amount to be provided for low and moderate income family housing for such projects shall be either equal to or greater than the percentage of the original project cost that is equal to the percentage of low and moderate income residents for the county in which the urban renewal area is located as determined by the United States department of housing and urban development using section 8 guidelines or by providing such other amount as set out in a plan adopted by the Municipality and approved by the economic development authority if the Municipality can show that it cannot undertake the project if it has to meet the low and moderate income assistance requirements. However, the amount provided for low-and-moderate income family housing for such projects shall not be less than an amount equal to ten percent of the original project cost.

*b.* For a Municipality with a population of fifteen thousand or less, the amount to be provided for low-and-moderate income family housing shall be the same as for a Municipality of over fifteen thousand in population, except that a Municipality of fifteen thousand or less in population is not subject to the requirement to provide not less than an amount equal to ten percent of the original project cost for low-and-moderate income family housing.

*c.* For a Municipality with a population of five thousand or less, the Municipality need not provide any low-and-moderate income family housing assistance if the Municipality has completed a housing needs assessment meeting the standards set out by the economic development authority, which shows no low-and-moderate income housing need, and the economic development authority agrees that no low-and-moderate income family housing assistance is needed.

2. The assistance to low-and-moderate income housing may be in, but is not limited to, any of the following forms:

*a.* Lots for low-and-moderate income housing within or outside the urban renewal area.

*b.* Construction of low-and-moderate income housing within or outside the urban renewal area.

*c.* Grants, credits or other direct assistance to low-and-moderate income families living within or outside the urban renewal area, but within the area of operation of the Municipality.

*d.* Payments to a low-and-moderate income housing fund established by the Municipality to be expended for one or more of the above purposes, including matching funds for any state or federal moneys used for such purposes.

3. Sources for low-and-moderate income family housing assistance may include the following:
  - a. Proceeds from loans, advances, bonds or indebtedness incurred.
  - b. Annual distributions from the division of revenues pursuant to section 403.19 related to the urban renewal area.
  - c. Lump sum or periodic direct payments from developers or other private parties under an agreement for development or redevelopment between the Municipality and a developer.
  - d. Any other sources which are legally available for this purpose.
4. The assistance to low-and-moderate income family housing may be expended outside the boundaries of the urban renewal area.
5. Except for a Municipality with a population under fifteen thousand, the division of the revenue under section 403.19 for each project under this section shall be limited to tax collections for ten fiscal years beginning with the second fiscal year after the year in which the Municipality first certifies to the county auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of the revenue in connection with the project. A Municipality with a population under fifteen thousand may, with the approval of the governing bodies of all other affected taxing districts, extend the division of revenue under section 403.19 for up to five years if necessary to adequately fund the project. The portion of the urban renewal area which is involved in a project under this section shall not be subject to any subsequent division of revenue under section 403.19.
6. A Municipality shall not prohibit or restrict the construction of manufactured homes in any project for which public improvements were finalized under this section. As used in this subsection, *"manufactured home"* means the same as under section 435.1, subsection 3.

## **Appendix 2: Program Administration Applications and Forms**

Application

Homeowner Repair Project Contract

Homeowner Repair Project Notice to Proceed

Homeowner Repair Project Final Acceptance

Homebuyer Assistance Project Contract

**City of Independence**  
**Homeowner Repair & Homebuyer Assistance Program Application**

**Eligible Homeowner Repair Projects (Single-Family Owner-Occupied or Housing Agency Units Only)**

Eligible repairs under the Repair program may include the following types of projects:

1. Roof repair or replacement
2. Furnace replacement
3. Water heater replacement
4. Plumbing
5. Electrical
6. Water line repairs
7. Ramp accessibility
8. Siding
9. Windows
10. Doors
11. Insulation

Approved repair projects shall have a minimum cost estimate of one thousand dollars (\$1,000.00), but no project shall receive more than ten thousand dollars (\$10,000) ten thousand dollars (\$10,000) for a single owner or for a housing agency, from the City. Approved projects will include only immediate safety and health concerns.

**Ineligible Repair Projects**

Ineligible projects, under this program, shall include:

1. Cabinets
2. Shutters
3. Flooring
4. Appliances
5. Air Conditioning, unless it is medically necessary
6. Concrete work, unless it is necessary to provide accessibility
7. Repairs to accessory or ancillary structures
8. Multiple family or renter occupied units

**Property Requirements:**

- Under either Program, the house must be located within the incorporated City limits of Independence.
- For the Homeowner Repair Program, the home must be reasonably clean and sanitary; free of garbage, debris, and refuse; uncluttered and in such a state that permits reasonable access by the contractor and program administrator, if necessary.

**Income Requirements:**

Homeowners or homebuyers applying for funding this Plan must have household gross income less than the amount listed as a Low-to-Moderate Income Household to be eligible.

**Buchanan County (2024, or using the most recent income figures, as they are annually updated)**

	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	\$51,650	\$59,000	\$66,400	\$73,750	\$79,650	\$85,550	\$91,450	\$97,350

**City of Independence**  
**Homeowner Repair & Homebuyer Down-Payment Program Application**

**I. APPLICANT INFORMATION**

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Applicant Name: \_\_\_\_\_ SS#: \_\_\_\_\_  
Address: \_\_\_\_\_ Age: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ ZIP Code: \_\_\_\_\_  
County: \_\_\_\_\_  
Best phone #: \_\_\_\_\_

Names and ages of **ALL** other household members (use back of this form if more space is needed)

<u>Names</u>	<u>Age</u>	<u>Social Security Number</u>	<u>Relationship</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**II. EMPLOYMENT AND INCOME INFORMATION**

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Gross Income on most recent Federal income tax return: \_\_\_\_\_ Tax year: \_\_\_\_\_

***(You MUST enclose a copy of your latest Federal Income Tax return with W-2's and 1099's (owners who are self-employed must enclose a copy of their last two years of Federal Tax returns including Schedule C), a copy of any Social Security Benefits and/or child support payments received by ALL household members)***

Applicant's Employer: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Monthly Income before Taxes: \_\_\_\_\_

Name of other adult household member: \_\_\_\_\_  
☐ Check here if this person is also a full time student  
Employer: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Monthly Income before Taxes: \_\_\_\_\_

Name of other adult household member: \_\_\_\_\_  
☐ Check here if this person is also a full time student  
Employer: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Monthly Income before Taxes: \_\_\_\_\_



All other sources of income, please fill in the information below for all that apply **AND enclose proof of dollar amounts received (for example, include a copy of the Social Security Benefits card)**

<u>Source</u>	<u>Monthly Amount Received</u> (you must include documentation)				
Social Security	_____	___ Applicant	___ Spouse	___ Other	
Social Security Disability	_____	___ Applicant	___ Spouse	___ Other	
Pension/Retirement	_____	___ Applicant	___ Spouse	___ Other	
Child Support	_____	___ Applicant	___ Spouse	___ Other	
Rental Property Income	_____	___ Applicant	___ Spouse	___ Other	
Interest/Annuity/IRA Income	_____	___ Applicant	___ Spouse	___ Other	
FIP/TANF	_____	___ Applicant	___ Spouse	___ Other	
Other: _____	_____	___ Applicant	___ Spouse	___ Other	

### III. ASSET INFORMATION FOR ALL ADULT HOUSEHOLD MEMBERS (use back if more space is needed)

	<u>Account</u> <u>Holders Name</u>	<u>Bank or company</u> <u>Name and FULL mailing</u> <u>address</u>	<u>Approximate</u> <u>Balance or</u> <u>Monthly</u> <u>Income</u>
Checking	_____	_____	_____
Checking	_____	_____	_____
Savings	_____	_____	_____
Savings	_____	_____	_____
Annuity	_____	_____	_____
Pension/retirement	_____	_____	_____
Cash	_____	_____	_____
Investment/IRA's	_____	_____	_____
Cash Value-Life Insurance	_____	_____	_____
Real Estate, other than home	_____	_____	_____
Other (specify)	_____	_____	_____

### IV. INCOME DOCUMENTATION

This program is reserved for low to moderate income homeowners; therefore, any documentation that you can include regarding household incomes will assist in qualifying your application. The City will contact employers and financial institutions to obtain this information, but certain agencies will not provide this information to the City and must be submitted to City directly from the applicant. At this time applicants must provide the City with incomes and or account balances from Social Security, Child Support, FIP/TANF, and any bank accounts.

## V. USE OF REQUESTED FUNDS

---

**For a HOMEOWNER REPAIR PROJECT:** Please check the box before the repair(s) requested for your home.

- Check the most needed repairs: ☐ Plumbing Repair ☐ Furnace/Heat Source Replacement  
☐ Water Heater Replacement ☐ Electrical work/upgrade ☐ Roof Repair or Replacement  
☐ Water Line Repair or Replacement ☐ Access or Ramp Improvements ☐ Siding  
☐ Window Repair or Replacement ☐ Door Repair or Replacement ☐ Insulation

If not listed above, please provide an itemized list of repairs requested/needed (use back page if more space is needed):

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- ☐ Attach project description and three cost estimates.

**For a HOMEBUYER ASSISTANCE PROJECT:** Please indicate the use of the requested funds.

- ☐ Closing Costs ☐ Down-payment Assistance ☐ Mortgage Buydown

If not listed above, please provide a description of the requested homebuyer funds, (use back page if more space is needed):

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## VI. DECLARATION OF APPLICANTS

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I (We), agree to abide by all of the rules and regulations established for this program, including; I (We), hereby authorize the City to have access to all necessary information concerning my (our) financial condition, including but not limited to, matters such as income, employment, bank accounts, and other assets. I (We), also understand (1) that receipt of this application by the City in no way implies approval of the application or acceptance of the applicant for assistance; and (2) that approval of the application will depend upon eligibility requirements and the availability of program funds.

## VII. SIGNATURES

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I (We), hereby verify that the information submitted in the application is true and accurate to the best of my (our) knowledge and that I (We), have truly and accurately declared all my (our) income and resources available to me (us). I (We), do also give the USDA, Northeast Iowa Community Action Corporation, North Iowa Community Action Organization, Operation Threshold, Northeast Iowa Area on Aging, and financial institutions, as well as current and/or past employers permission to supply the City with any and all information necessary to verify whether I (We) have applied to any of their programs and am eligible for additional assistance from them.

In the event that any of the foregoing information is untrue or incomplete, this application shall be rendered null and void.

**NOTE: All Applicants and ALL adult household members must sign this authorization page for the City to verify this application.**

\_\_\_\_\_  
Applicants Authorization Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorization Signature

\_\_\_\_\_  
Authorization Signature

\_\_\_\_\_  
Authorization Signature

**Return completed application to:  
City of Independence  
Attn: City Clerk  
331 First Street, East  
Independence, Iowa 50644**

**ANY MISSING INFORMATION NOT INCLUDED WITH THIS APPLICATION COULD CAUSE SIGNIFICANT DELAYS IN PROCESSING YOUR REQUEST FOR ASSISTANCE AND/OR RESULT IN POSSIBLE DISQUALIFICATION OF THE PROGRAM.**

**INDEPENDENCE HOMEOWNER/AGENCY REPAIR PROGRAM  
CONTRACT**

**Address of Project # \_\_\_\_\_: \_\_\_\_\_, Independence**

**Amount of Contract: \_\_\_\_\_**

**NOTICE TO PROCEED**

The Contractor shall not proceed with or begin any work on this project until such time as a Notice to Proceed form has been signed by all parties.

**WORK SPECIFICATION**

The only work to be completed is what is outlined in the attached bid specification. Any additional work that is completed will be the sole responsibility of the Contractor and the Homeowner and will not be reimbursed by the City.

**PAYMENT**

The Contractor agrees that payment for work shall not be due until all the work is completed and the "Final Acceptance and Completion Form" has been signed by all parties to this contract. The City may need three additional weeks upon receipt of the form to process the check.

**PERMITS & LICENSING**

The Contractor shall obtain and pay for all permits and licenses necessary for the execution of the work to be performed and meet all State and local licensing requirements.

**CLEAN PREMISES AND COOPERATION**

The Contractor shall keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that are removed and replaced as part of the work shall belong to the Contractor, unless other arrangements are made at the time this Contract is signed. In addition, since the premises will be occupied during the course of the project, the Homeowner will cooperate with the Contractor by ensuring that the Contractor has adequate access to the work area.

**MODIFICATIONS AND SUB-CONTRACTORS**

The Contractor shall not assign or modify this Contract. If a Sub-Contractor is going to be utilized, the Sub-Contractor must also be a signing party to this Contract and it shall be the sole responsibility of the Primary Contractor to ensure that the Sub Contractor is paid. Change Orders to this Contract will not be allowed.

**MANUFACTURER & SUPPLIER GUARANTEES**

There is no guarantee on the work that is completed. Upon the signing of the "Final Acceptance and Completion Form" the work shall be considered to be accepted and completed "as is". The Contractor shall furnish the Homeowner all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under this Contract.

**SAFETY & UTILITIES**

By executing this Contract, the Contractor is stating that he has or shall identify any hazards or special conditions that might arise during the course of the work. Water and electricity will be connected to the premises during the course of the project and the Homeowner shall permit the Contractor to use those services, within reason and without charge, to facilitate the performance of the work.

**INSPECTIONS**

The City reserves the right to inspect the work at any time during the course of the project, including entering the property. Generally, the only scheduled inspection will be at the end of the project to ensure that the work has been completed in accordance with the bid specification and to generate a signed "Final Acceptance and Completion Form".

**DAMAGE CLAIMS**

The Contractor will defend, indemnify and hold harmless the Homeowner and the City and its officers, commissioners and employees from liability and claims for damages because of bodily injury, death, property damage, sickness, disease or loss and expense arising from any of the Contractor's actions under this Contract. This includes any claims for unpaid work, labor or materials.

**DISPUTES**

A dispute arising between the Homeowner, Agency, and the Contractor will be brought to the attention of the City and the City shall gather the facts concerning the situation and make a written decision.

**AWARD STIPULATIONS**

The award made shall be in the form of a five-year forgivable loan, which will be repaid to the City by the homeowner should the buyer choose to sell or surrender ownership of the housing unit in question. Repayment to the City prior to the five-year loan period being completed shall be repaid in the following schedule:

Home Sold During Year:	Repayment Percentage:
1	100%
2	80%
3	60%
4	40%
5	20%

This loan will be secured by the City in a means that is acceptable to the City and their attorney, including but not limited to property liens, promissory notes, and/or second mortgages.

**CONTRACT TERMINATION**

If the Contractor defaults or neglects to carry out the work in accordance with this Contract, or fails to perform any provision of this Contract, the City may, after seven (7) days written notice to the Contractor and without prejudice to any other remedy it may have, make good such deficiencies by reassigning the work to a different Contractor and deduct the cost thereof from the payment due to the original Contractor.

In addition, the City reserves the right to terminate this Contract for reasonable cause. Reasonable cause shall be generally defined as any action that demonstrates an unwillingness on the part of the Contractor or the homeowner to carry out the provisions of this Contract in a timely and professional manner with a minimum of inconvenience to the other party.

The City shall be the interpreter of the conditions of termination of this Contract and the sole judge of its performance.

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Contractor Signature

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Date

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Homeowner/Agency Signature

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Date

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City Signature

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Date

**INDEPENDENCE HOMEOWNER/AGENCY REPAIR PROGRAM  
NOTICE TO PROCEED**

This is notice that work may now proceed on the repair of property located at \_\_\_\_\_  
Independence, Iowa. This work will commence immediately upon the contractor's receipt of this notice to  
proceed. The work shall be satisfactorily completed within \_\_\_\_\_ calendar days thereafter, on or before  
\_\_\_\_\_.

\_\_\_\_\_  
Homeowner/Agency

\_\_\_\_\_  
City Representative

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Date

**Note:** Any bids or cost overruns exceeding the amount of the award made by the City to a homeowner shall be the responsibility of the homeowner. Payment of which shall occur concurrently with the City's payment to the contractor upon Final Acceptance of the improvement(s).

**INDEPENDENCE HOMEOWNER/AGENCY REPAIR PROGRAM  
FINAL ACCEPTANCE OF COMPLETED PROJECT**

HOMEOWNER NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

THE REPAIR WORK HAS BEEN SATISFACTORILY COMPLETED. ALL WORK AND MATERIALS USED TO COMPLETE THE REPAIR MEET MY APPROVAL AND ARE SATISFACTORY. I/WE AUTHORIZE PAYMENT TO BE MADE TO THE CONTRACTOR. I/WE ACKNOWLEDGE THAT THIS DATE, \_\_\_\_\_, IS THE DATE OF FINAL COMPLETION AND ACCEPTANCE OF THE WORK PERFORMED UNDER THE REPAIR PROGRAM.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
OWNER/AGENCY

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CONTRACTOR

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CITY OF INDEPENDENCE

**INDEPENDENCE HOMEBUYER ASSISTANCE PROGRAM  
CONTRACT**

**Address of Project # \_\_\_\_\_: \_\_\_\_\_, Independence**

**Amount of Contract: \_\_\_\_\_**

**OVERVIEW**

The applicant is purchasing the above-noted single-unit owner-occupied dwelling noted above, and the City has awarded purchasing assistance to said homebuyer.

**ELIGIBLE USE OF FUNDS**

Said homebuyer grant funds will be used for closing costs, down-payment assistance, or for mortgage buydown. In this case, the awarded funds will specifically be used for: \_\_\_\_\_.

**AWARD STIPULATIONS**

The award made shall be in the form of a five-year forgivable loan, which will be repaid to the City by the homebuyer should the buyer choose to sell or surrender ownership of the housing unit in question. Repayment to the City prior to the five-year loan period being completed shall be repaid in the following schedule:

<b>Home Sold During Year:</b>	<b>Repayment Percentage:</b>
1	100%
2	80%
3	60%
4	40%
5	20%

This loan will be secured by the City in a means that is acceptable to the City and their attorney, including but not limited to property liens, promissory notes, and/or second mortgages.

**PAYMENT**

The City will provide the funds to the homebuyer within three weeks of the City's approval of applicant's request.

**INSPECTIONS**

The City reserves the right to inspect the work at any time during the course of the project, including entering the property.

**CONTRACT TERMINATION**

If the Homebuyer does not close on purchase of the property purchase identified in this agreement, the City may, after seven (7) days written notice to the Homebuyer and without prejudice to any other remedy it may have, request repayment of any or all funds awarded under the homebuyer down-payment assistance program.

In addition, the City reserves the right to terminate this Contract for reasonable cause. Reasonable cause shall be generally defined as any action that demonstrates an unwillingness on the part of the homebuyer to carry out the provisions of this Contract in a timely and professional manner with a minimum of inconvenience to the other parties.

The City shall be the interpreter of the conditions of termination of this Contract and the sole judge of its performance.



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Homebuyer Signature

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Date

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City Signature

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Date

### **Appendix 3: Project Approval Resolution Examples**

Homeowner/Agency Repair Project Approval Resolution  
Homebuyer Assistance Project Approval Resolution

**CITY OF INDEPENDENCE, IOWA  
RESOLUTION \_\_\_\_\_**

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN, AND THE CITY CLERK TO ATTEST TO, A HOMEOWNER/AGENCY REPAIR PROGRAM PROJECT APPROVED ACCORDING TO THE INDEPENDENCE TAX INCREMENT FINANCING (TIF) LOW-AND-MODERATE INCOME (LMI) SET-ASIDE ADMINISTRATIVE PLAN.

WHEREAS, the City of Independence has accumulated TIF set-aside housing funds that must be purposed for expenditures and projects that benefit Low-and-Moderate Income families, as required under Chapter 403 of the Iowa Code (2017); and

WHEREAS, A local government is authorized under Section 403.22 (2)(c) of the Code of Iowa to provide grants, credits or other direct assistance to low-and-moderate income families living within or outside the urban renewal area, but within the area of operation of the Municipality; and

WHEREAS, the City of Independence finds it advantageous to offer grant awards to individual homeowners for the purpose of improving and maintaining the affordable housing stock within the community; and

WHEREAS, the City of Independence has developed a TIF Low-and-Moderate Income Set-Aside Administrative Plan to manage the program outlined in the Plan and govern distribution of said accumulated funds; and

WHEREAS, the City of Independence finds that the project(s) identified below adhere to the City's TIF Low-and-Moderate Income Set-Aside Administrative Plan and the Iowa Code, as amended; and

WHEREAS, the following funds are proposed for a particular Homeowner Repair Program Project in the following amount; and

Project Description: \_\_\_\_\_

Project Award: \$\_\_\_\_\_

Vendor: \_\_\_\_\_

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Independence hereby approved the above identified project(s) under the authority of the Independence TIF LMI Set-Aside Administrative Plan and Iowa Code.

Passed and approved this \_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**CITY OF INDEPENDENCE, IOWA**  
**RESOLUTION \_\_\_\_\_**

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN, AND THE CITY CLERK TO ATTEST TO, A HOME BUYER ASSISTANCE PROGRAM PROJECT APPROVED ACCORDING TO THE INDEPENDENCE TAX INCREMENT FINANCING (TIF) LOW-AND-MODERATE INCOME (LMI) SET-ASIDE ADMINISTRATIVE PLAN.

WHEREAS, the City of Independence has accumulated TIF set-aside housing funds that must be purposed for expenditures and projects that benefit Low-and-Moderate Income families, as required under Chapter 403 of the Iowa Code (2017); and

WHEREAS, A local government is authorized under Section 403.22 (2)(c) of the Code of Iowa to provide grants, credits or other direct assistance to low-and-moderate income families living within or outside the urban renewal area, but within the area of operation of the Municipality; and

WHEREAS, the City of Independence finds it advantageous to offer grant awards to individual homebuyers for the purpose of acquiring or constructing an affordable home in the community; and

WHEREAS, the City of Independence has developed a TIF Low-and-Moderate Income Set-Aside Administrative Plan to manage the program outlined in the Plan and govern distribution of said accumulated funds; and

WHEREAS, the City of Independence finds that the project(s) identified below adhere to the City's TIF Low-and-Moderate Income Set-Aside Administrative Plan and the Iowa Code, as amended; and

WHEREAS, the following funds are proposed for a particular Homebuyer Assistance Program Project in the following amount; and

Project Description: \_\_\_\_\_

Project Award: \$\_\_\_\_\_

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Independence hereby approved the above identified project(s) under the authority of the Independence TIF LMI Set-Aside Administrative Plan and Iowa Code.

Passed and approved this \_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk