

# Homeowner's Down Payment Assistance Program

## **Intent**

It is the intent of the Community Redevelopment Area (CRA) Advisory Board, under Chapter 163, Part III of the Florida Statutes, to provide financial assistance to prospective homesteaders who are seeking to purchase homes located within the boundaries of the Midtown CRA. It is further the intent of this program to encourage the redevelopment of vacant home sites and/or the renovation of neglected properties both of which constitute a blight to residential neighborhoods within the Midtown CRA.

## **Eligibility**

Homeowner's Down Payment Assistance Grants are available to homebuyers who purchase a *homestead* (defined as the permanent residence of the buyer and satisfying eligibility for the Homestead Exemption per the State of Florida) within the Midtown Community Redevelopment Area (Exhibit A) and remain in the home for five years. Governmental entities and not-for-profit entities are not eligible. Grants are intended for purchase only. The First Mortgage must be at a fixed rate; ARM mortgages will not qualify for the grant monies. New construction, existing structures, and homes requiring renovation are all eligible. This program cannot be combined with any other programs providing second mortgage, soft financing, or down payment grant funding. In no event will the First Mortgage and Homeowner's Down Payment Assistance Grant together exceed the purchase price (or purchase price and construction costs in the case of construction or rehabilitation) and closing costs of the transaction.

## **Program**

Homeowner's Down Payment Assistance Grant is limited to 20% of the purchase price of an improved property. If the Applicant is purchasing a lot on which to build a new home or a home which will require rehabilitation, the grant will be funded upon completion of the building or renovation of the home. The grant funds may be used to pay closing costs. Applicant must purchase a three-year home owner warranty policy at closing.

## **Financing**

The CRA has established relationships with several banks which will work with Applicants to evaluate financial ability to purchase and qualify Applicants for a maximum purchase price.

## **Eligible Improvements**

Eligible homes must be consistent with all City of Lakeland's Land Development Regulations and Building Codes.

As a condition of approval, Applicants will agree to occupy the house as their permanent residence for five (5) years. If the Grantee sells or leases the home within five (5) years of Grant funding, the Grantee must repay a pro rata portion of the grant proceeds invested in the property for the number of months remaining.

## **Process**

Qualified Applicants must schedule an appointment with the CRA prior to preparing an application for submittal. The CRA office is located in the Community Development Department on the second floor of City Hall at 228 South Massachusetts Avenue, Lakeland, Florida 33801. Appointments may be made by calling (863) 834-6011. Applications will be accepted on a rolling basis and grants will be awarded on a first-come, first-served basis.

Within ten (10) business days of application submittal, the CRA will review the application for completeness. A post-application submittal conference will be held with the Applicant to discuss any deficiencies or issues with the application. At this time, the CRA may request that the Applicant provide additional information.

Within thirty (30) days of application submittal, the CRA Staff will notify Applicant of their eligibility to receive the grant. The Applicant will be notified in writing of the decision; and in the event of a denial, the Applicant can appeal the decision to the CRA Advisory Board at the next regularly scheduled Advisory Board meeting.

### **Available Assistance**

The CRA Advisory Board will set the amount of assistance available for the fiscal year in its Annual Budget. The standard maximum grant contribution per application is set at 20% of the total property (land plus improvement) purchase price. The CRA Advisory Board may raise or lower this amount at any time upon a majority vote of its members. Grants will be awarded on a first-come first-served basis.

### **Disbursement of Funds**

Funds will be disbursed at closing of the property. If the Applicant has purchased a lot and is building a home, disbursement will occur at the closing of the permanent loan on the completion of the project. If the Applicant is purchasing a home that requires rehabilitation, disbursement will occur at the closing of the permanent loan on the finished project.

The Applicant must provide the following information prior to disbursement:

1. A copy of the Contract to Purchase, Loan Commitment, and Agreement with Builder if applicable.
2. Written notification from the Applicant that the closing is scheduled (at least seven days in advance).
3. A HUD -1 Settlement Statement at least (at least seven days in advance).

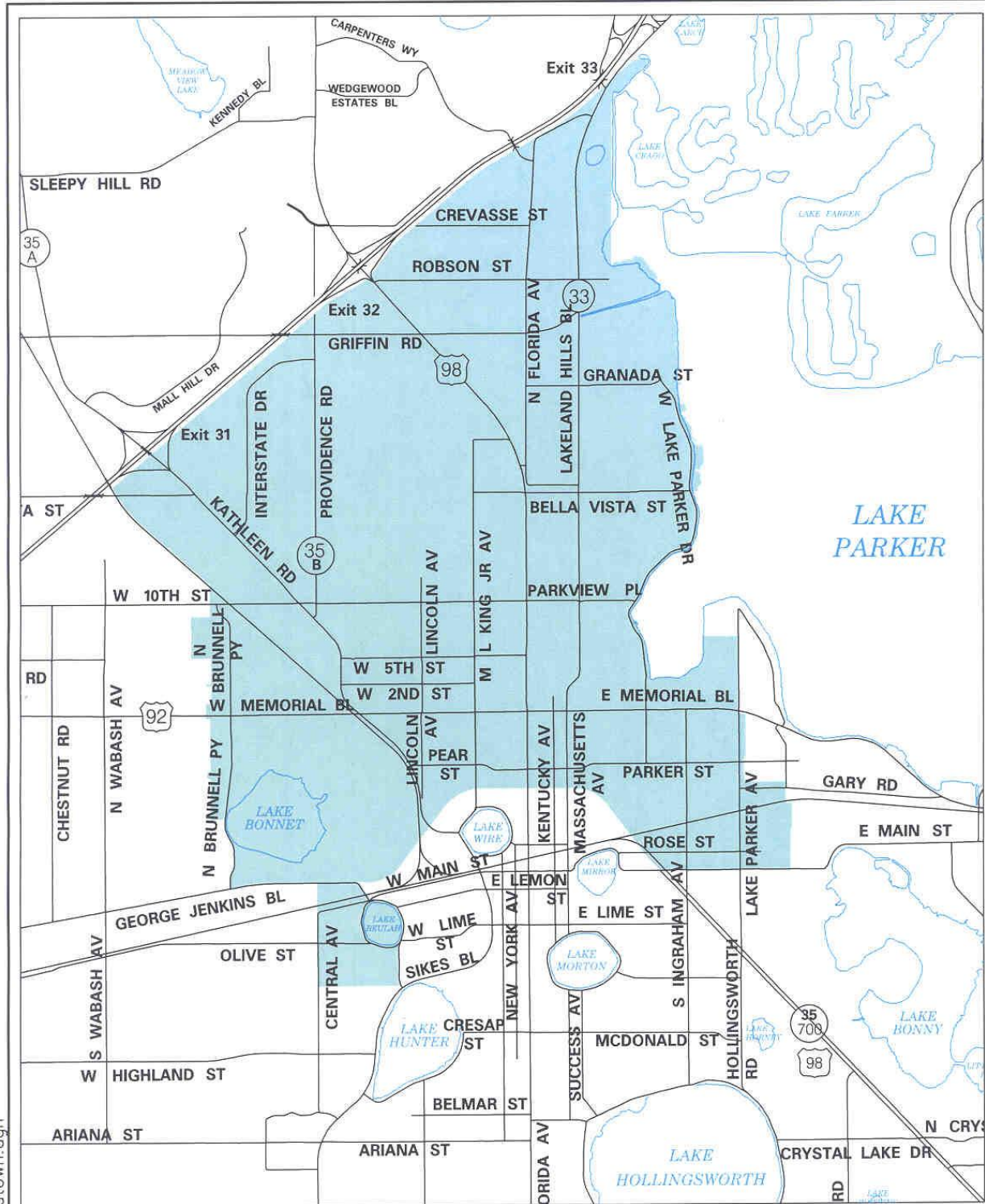
### **Expiration of Grant Award**

Applicants must complete the purchase of the home within six (6) months from the date the CRA Staff approves the grant request for an existing home or within one (1) year for the building of a new home or the funding will expire. Extensions may be granted by the CRA Advisory Board under special circumstances.

### **Application**

1. Completed application form.
2. Photographs of the existing house (if any).
3. Schematic drawings illustrating proposed new house, or pictures with project description outlined if a renovation.

**Exhibit A**



:\cd\CRA\Midtown.dgn

 **MID-TOWN COMMUNITY REDEVELOPMENT AREA**

