

**APPLICATION FOR COMMUNITY DEVELOPMENT CATEGORY  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
Lexington Housing Re-Use Fund**

Application Number <b>08-HO-</b>
Date Received

**2008**

**PART I. GENERAL INFORMATION**

*TYPE OR PRINT ALL INFORMATION*

<p><b>1. APPLICANT IDENTIFICATION</b></p> <p>Applicant Name <u>City of Lexington</u></p> <p>Mailing Address <u>P. O. Box 70</u></p> <p>City, State, Zip <u>Lexington, NE 68850</u></p> <p>Local Government Contact <u>Joe Peplitsch</u></p> <p>Telephone # ( <u>308</u> ) <u>324-2341</u></p> <p>Fax Number ( <u>308</u> ) <u>324-4590</u></p> <p>Federal ID # <u>47-6006255</u></p> <p>Email Address <u>jpepp@cityoflex.com</u></p>	<p><b>2. PERSON PREPARING APPLICATION</b></p> <p>Name <u>Deb Jensen</u></p> <p>Address <u>P. O. Box 106</u></p> <p>City, State, Zip <u>Cozad, NE 69130</u></p> <p>Telephone # ( <u>308</u> ) <u>784-3902</u></p> <p>Federal ID / SS# <u>47-0726051</u></p> <p>Email Address <u>djdad@cozadtel.net</u></p> <p>Application Preparer (Check one)</p> <p><input type="checkbox"/> Local Staff                      <input type="checkbox"/> Out-of-State Consultant</p> <p><input type="checkbox"/> In-State Consultant            <input checked="" type="checkbox"/> Non-Profit Organization</p> <p><input type="checkbox"/> Economic Development District</p>
<p><b>3. COMMUNITY DEVELOPMENT CATEGORY</b></p> <p><input type="checkbox"/> WW - Water Wastewater</p> <p><input checked="" type="checkbox"/> HO - Housing</p>	<p><b>5. FUNDING SOURCES</b></p> <p>CDBG Funds Requested \$ <u>50,000</u></p> <p>Other Funds \$ <u>1,500,000</u></p> <p>Total Project Funds \$ <u>1,550,000</u></p> <p><i>(Round amounts to the nearest hundred dollars.)</i></p>
<p><b>4. APPLICATION TYPE</b></p> <p><input checked="" type="checkbox"/> Individual</p> <p><input type="checkbox"/> Joint (List other applicants in box #6)</p>	

**6. PROGRAM SUMMARY:** Brief quantitative description of the project for which CDBG funds are requested (linear or square feet of new construction or renovation, number persons to be served, frequency and duration of use(s), etc.).

The City of Lexington is requesting \$50,000 for a Spec House Building Program which will assist contractors with interest costs when building spec houses in Lexington.

**7. CERTIFYING OFFICIAL:** Chief elected officer of local government requesting CDBG funds

To the best of my knowledge and belief, data and information in this application are true and correct, including any commitment of local or other resources. This application has been duly authorized by the governing body of the applicant. This applicant will comply with all Federal and state requirements governing the use of CDBG funds.

Signature in ink \_\_\_\_\_ **John Fagot, City Council President** \_\_\_\_\_  
 Typed Name and Title Date Signed

Attest \_\_\_\_\_ **Joe Peplitsch, City Manager** \_\_\_\_\_  
 Typed Name and Title Date Signed

# **SPEC HOUSE RISK SHARING PROGRAM**

## **PROGRAM GUIDELINES**

Dawson Area Development (DAD) has developed a program to help with the risk contractors have in financing a spec house. The intent of this program is to cover some or all of the interest cost in building a spec house, including construction interest and interest accumulated while the house is on the market. Although this program is offered through DAD, individual member communities of DAD may decide to give preference to applications that improve blighted areas and address the need for moderate income housing.

### Guidelines are as follows:

- Each individual project is allowed 18 months for the contractor to construct and sell the house after contract is signed between DAD and the contractor.
- Dawson Area Development will reimburse the bank on a monthly basis for interest costs incurred during the contract period to pay for interest on a construction loan and for interest accrued while house is on the market.
- If the house sells within 12 months of signed contract, the contractor shall be required to reimburse the total interest paid to DAD at time of closing.
- From date of signed contract, interest costs from months 12 through 18 shall be paid by DAD, and the contractor will not be required to reimburse said costs.
- If after 18 months the house has not sold, the contractor shall no longer qualify for assistance, and shall not be required to repay any assistance given during the contract period.
- Plans for the house will be approved by the local building inspector in each community, follow local construction code, and zoning ordinances.
- Minimum size of house would be 1,200 livable square feet containing 2 full bathrooms, 3 bedrooms (with individual closets), and a 2-car garage. Sale price of the house shall not exceed NIFA lending limits for new construction.
- At the conclusion of construction, the house must be listed for sale by a realtor.
- Applications will be approved by DAD Housing Committee. Any house beginning construction prior to contract approval will not be accepted.

**LEXINGTON AGREEMENT**  
**DAWSON AREA DEVELOPMENT**  
**SPEC HOUSE RISK SHARING PROGRAM**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Dawson Area Development, a Nebraska Nonprofit Corporation, hereinafter referred to as "DAD" and \_\_\_\_\_, hereinafter referred to as "Contractor".

DAD and Contractor agree as follows for Spec House to be built in Lexington:

1. The single-family house will meet Section 8 Housing Quality Standards and the Uniform Housing Code at the time of occupancy.
2. The single-family house will meet Nebraska State Energy Standards and Model Energy Code and Uniform Building Code as well as any local regulations.
3. The property located at \_\_\_\_\_, Lexington, Nebraska is current on all property tax obligations.
4. House will be advertised for sale at the cost of \$\_\_\_\_\_.
5. Interim financing during construction is being provided by:  
\_\_\_\_\_ at the interest rate of \_\_\_\_%.
6. Project Timeline. State Date \_\_\_\_\_ Ending Date \_\_\_\_\_
7. Commitment letter from Financial Institution is attached. \_\_\_\_\_
8. Approved Building Permit with site plan/floor plan is attached. \_\_\_\_\_

\_\_\_\_\_  
Signature of Contractor

\_\_\_\_\_  
Printed name of contractor

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

\_\_\_\_\_  
Jennifer Wolf, DAD Executive Director

\_\_\_\_\_  
Housing Committee Approval