

CDBG-DR 0025
APPLICANT HANDOUT DISCUSSING
RECONSTRUCTION ON CITY OWNED PROPERTY PROGRAM (RCOP)

THE RCOP PROGRAM PLACES RESTRICTIVE COVENANTS ON THE PROPERTY THAT MAY LIMIT THE FUTURE SALE OF THE PROPERTY. THE APPLICANT SHOULD DISCUSS WITH LEGAL COUNSEL PRIOR TO PARTICIPATING IN THE PROGRAM.

The RCOP provides an opportunity for Applicants that would otherwise not be eligible for the CDBG-DR program to receive benefits in the form of a no cost to Applicant City Owned Residential Lot and a CDBG-DR financed stick built home.

To participate in the RCOP Program, the Applicant must surrender all rights in the ineligible property and all improvements thereon or in the case of a Manufactured Housing Unit (MHU) transfer ownership of the MHU to the City for demolition.

Key Terms to Understand

- The Applicant will surrender all rights to existing property
- The Applicant will be required to sign a deferred forgivable loan for a period of 30 years
- The applicant will be required to sign a Land Use Restriction Agreement that generally will:
 - Provide a First Right of Refusal to the City if Owner desires to sell for 30 years
 - Limit the sale of the Property to Low-to-Moderate Income Households for 30 years and get approval of sale by the City
 - Require a payback to the City for any years where a Low-Moderate Income Household does not occupy the home
 - Establishes a mechanism for approving the sale price of the Property
- Require that insurance and taxes remain current on the Property
- Require that the Owner provide proof that they not only own but also occupy the Property

Do not agree to participate in the RCOP Program unless you fully understand the documents you are required to sign