

MUNICIPAL ORDER 22-2019

A MUNICIPAL ORDER DECLARING THE PROPERTY LOCATED AT 1504 HATHAWAY STREET AS SURPLUS PROPERTY; AND FURTHER AUTHORIZING THE MAYOR TO EXECUTE A DEED TRANSFERRING THE PROPERTY FOR PURPOSES OF ECONOMIC DEVELOPMENT.

WHEREAS, the property located at 1504 Hathaway Street in Owensboro, Kentucky was previously obtained with City funds for purposes of compliance with national Housing and Urban Development objectives of removing blighted properties; and

WHEREAS, the City now desires to declare this property to be surplus property, so that it can be transferred or sold in accordance with KRS 82.083.

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF OWENSBORO, KENTUCKY, AS FOLLOWS:

Section 1. In accordance with KRS 82.083(3), the Board of Commissioners makes the following determination:

- (1) The surplus real property owned by the City of Owensboro is located at 1504 Hathaway Street, Owensboro, Kentucky.
- (2) The intended use for the property listed above was for purpose of compliance with national Housing and Urban Development objectives of removing blighted properties, which includes, but is not limited to real property transfers for the elimination of blight.
- (3) It is in the public interest to dispose of the property listed above in order that interested parties can purchase and develop or utilize the property in a positive manner for the benefit of the community.

(4) The property listed in Section 1(1) above shall be conveyed to Habitat for Humanity to develop a new single family home which will be sold to a low-to-moderate income family.

Section 2. By and through the Board of Commissioners, the property listed in Section 1(1) above is hereby declared surplus property which may be transferred, sold, or otherwise conveyed in accordance with the provisions of KRS 82.083.

Section 3. By and through the Board of Commissioners, the Mayor is hereby authorized to negotiate and execute a HOME Partnership Program Funding Agreement or as otherwise memorialized, whereby the Surplus Property may be conveyed, sold, transferred and/or deeded away.

Section 4. The Board of Commissioners authorizes the Community Development Department to utilize federal HOME grant funds in the amount of Twenty-Five Thousand Dollars (\$25,000) to assist Habitat for Humanity of Owensboro-Daviess County, Inc., construct one (1) single-family home for purposes of providing decent, low cost housing to eligible citizens.

Section 5. The Board of Commissioners hereby authorizes the Mayor and other appropriate city staff to execute the deed, consolidation plat, agreement and all other documents which are deemed necessary to meet the requirements of this order including the payment of funds and other actions as required under the Agreement as approved herein.

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the 20th day of August, 2019.

Thomas H. Watson, Mayor

ATTEST:

Beth Cecil, City Clerk

**HOME PARTNERSHIP PROGRAM FUNDING AGREEMENT
BETWEEN THE CITY OF OWENSBORO AND
HABITAT FOR HUMANITY OF OWENSBORO-DAVIESS COUNTY, INC.**

THIS HOME PARTNERSHIP PROGRAM FUNDING AGREEMENT is entered into this the _____ day of _____ 2019, by and between the **CITY OF OWENSBORO**, a municipal corporation of the Home Rule Class, 101 East Fourth Street, P.O. Box 10003, Owensboro, Kentucky 42302-9003, hereinafter referred to as "**City**," and **HABITAT FOR HUMANITY OF OWENSBORO-DAVIESS COUNTY, INC.**, 1702 Moseley Street, Owensboro, Kentucky, 42303, hereafter referred to as "**Developer**". City and Developer may be referred to, collectively, as "**Parties**" throughout this Agreement.

WHEREAS, Developer is a non-profit, non-stock charitable organization, organized under Section 501(c)(3) of the Internal Revenue Code for purposes of rehabilitating, building, and selling housing in the Owensboro area in order to provide decent, low cost housing to eligible and worthy citizens who would otherwise have no opportunity to own their own homes; and

WHEREAS, the City through its Community Development Department seeks to enter into a partnership with Developer for purposes of providing decent, low cost housing to its eligible and worthy citizens.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the Parties agree as follows:

Section 1. Subject Properties and Funding Amount. The City agrees to provide Twenty-five Thousand Dollars (\$25,000.00) to the Developer, who shall construct one (1) single-family home for income-eligible owners-occupants buyers at the following address located in the City of Owensboro,

Kentucky located at 1504 Hathaway Street.

A copy of the Developer's deed evidencing ownership is attached hereto as Exhibit "A" and incorporated by reference.

Section 2. Term; Affordable Housing Program. In return for the Twenty-five Thousand Dollars (\$25,000.00) remuneration stated herein, the Developer agrees to undertake an affordable housing program, which shall result in the redevelopment of the address listed above. Housing constructed/developed under this Agreement shall be constructed on or before (9) nine months after the Notice to Proceed is executed for the property and sold to an owner-occupant buyer that meets the qualifications in 24 CFR 92.254 Qualification as Affordable Housing, Homeownership. The City shall hold the deed restrictions for the HOME funding mentioned above. The Developer represents and agrees that all undertakings pursuant to this Agreement are, and shall be, for the purpose of redevelopment of such properties and not for speculation.

Section 3. Commensurate Sale Price. Sale price of the home to be constructed/developed under this Agreement shall commensurate with the neighborhoods and general practices for financing homes sold by the Developer.

Section 4. Conformation with Regulations.

The Developer also agrees that the home constructed under this HOME Partnership Program Funding Agreement shall conform to the HOME Investment Partnerships Program regulation, 24 CFR Part 92, specifically the following:

- (1) 24 CFR 92.250, Maximum Per Unit Subsidy: The amount of HOME funds invested per unit may not exceed the per-unit dollar limits established under Section 221 (d)(3)(ii) of the National Housing Act (12 U.S.C.

17151(d)(3)(ii)) for elevator-type projects that apply to the City of Owensboro.

(2) 24 CFR 92.251, Property Standards: Housing constructed with HOME funds must meet all applicable local codes, ordinances and zoning ordinances at the time of project completion. Housing must be inspected upon completion and throughout construction to verify compliance.

(3) 24 CFR 92.254(a)(2)(iii), Maximum Property Value: Housing created or acquired and rehabilitated with HOME funds must be modest in nature and affordable to a low-income buyer. The maximum purchase price or value cannot exceed ninety-five percent (95%) of median purchase price for the area, as determined by HUD.

Section 5. Inspection and Warranty. Developer attests that it has inspected the property and warrants that they will transition this property into habitable housing and a complete project whereby they can be sued for their intended purposes without the need for additional funding from the City. The property will be completed and eligible for a certificate of occupancy by nine (9) months after the Notice to Proceed is executed for the property.

Section 6. Agreement with Qualified Buyers. The Developer represents and agrees that it shall remain the owner of the property until it reaches agreement with prospective buyers of the property and, by mutual agreement, the Developer shall transfer title to the prospective buyer. Prior to executing any contracts for sale of assisted properties, the Developer shall confirm that the City has certified that the applicant household meets the HOME Program income requirements and that the household's eligibility has been verified through a review of source documentation in accordance with 24 CFR 92.203.

Section 7. No Assignment. The Developer shall not assign, subcontract, or transfer any of its rights, duties, or obligations under this Funding Agreement without the prior written consent of the City.

Section 8. Insurance. The Developer shall, at all times during the term of this Funding Agreement, and at its sole expense, keep the property and all construction and improvements thereof, insured against casualty loss or damage by fire, flood, storm, and other extended coverage hazards in amounts and under terms and conditions acceptable to City, with any loss payable to City and the Developer as their interest may appear. Any loss adjustment shall require the written consent of both Parties.

Section 9. Changes or Modifications. Any changes, modifications, or waivers to this Funding Agreement shall be enforcement only if reduced to a writing executed by both Parties. This Funding Agreement contains the entire agreement of the Parties, superseding any prior written or oral agreements between them on the same subject matter.

Section 10. Miscellaneous.

(1) Notices. All notices, certificates, requests or other communications hereunder shall be in writing and deemed to be sufficiently given when mailed to the appropriate address by certified mail, return receipt requested. The Qualified Buyer or the City may designate any further or different addresses to which subsequent notice, certificates, requests or other communications shall be sent.

(2) Amendments and Supplements. This Funding Agreement may not be amended or supplemented except by an instrument in writing

executed by the City and the Qualified Buyer .

Section 11. Governing Law. This Agreement shall be made under, governed by, and construed in accordance with the laws of the Commonwealth of Kentucky. The Parties agree that the State and Federal Courts of Daviess County and the Commonwealth of Kentucky shall have exclusive jurisdiction to hear and determine any claims or disputes.

Section 12. Authority to Execute. In executing this HOME Partnership Program Funding Agreement on behalf of Habitat for Humanity of Owensboro-Daviess County, Inc., Russ Frederick, President, represent that he has the authority to do so and to legally bind the corporation and that his actions have been fully and validly authorized by all necessary corporate action.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first above written.

CITY OF OWENSBORO, KENTUCKY

Thomas H. Watson, Mayor

ATTEST:

Beth Cecil, City Clerk

HABITAT FOR HUMANITY OF OWENSBORO-DAVIESS COUNTY, INC.

By _____
Russ Frederick, President

STATE OF KENTUCKY)
COUNTY OF DAVIESS)

The foregoing instrument was acknowledged before me on this the _____ day of _____, 2019, by Thomas H. Watson, Mayor and attested by Beth Cecil, City Clerk, for and on behalf of the City of Owensboro, Kentucky.

Notary Public, State – At- Large
My commission expires: _____
Notary ID # _____

STATE OF KENTUCKY)
COUNTY OF DAVIESS)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2019, by Russ Frederick, as President, for and on behalf of Habitat for Humanity of Owensboro-Daviess County, Inc.

Notary Public, State-At-Large
My commission expires: _____
Notary ID # _____

THIS INSTRUMENT PREPARED BY:

Stephen D. Lynn
City Attorney
City of Owensboro
101 East Fourth Street
P. O. Box 10003
Owensboro, Kentucky 42302-9003
(270) 687-8556

EXHIBIT 'A'

SPECIAL WARRANTY DEED

THIS DEED made and entered into on this the _____ day of August, 2019, by and between THE CITY OF OWENSBORO, KENTUCKY, a municipal corporation of the home rule class, 101 East Fourth Street, P. O. Box 10003, Owensboro, Kentucky 42302-9003, Grantor, and HABITAT FOR HUMANITY OF OWENSBORO-DAVIESS COUNTY, INC., a Kentucky corporation, 1702 Moseley Street, Owensboro, Kentucky 42303, Grantee.

WITNESSETH: That for and in consideration of the sum of One and 00/100 Dollar (\$1.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantor has granted, bargained and sold and does by these presents grant, bargain, sell and convey unto the Grantee, its successors and assigns forever, the real property located at 1504 Hathaway Street, Owensboro, Daviess County, Kentucky, and more particularly described as follows:

1504 Hathaway Street, Owensboro, KY
Parcel No. 2-6-6-2

Lot No. 69 as shown on the revised plat of Lots 67, 68 and 69 of the Jacob Smith's Addition to the City of Owensboro recorded in Plat Book 13, at page 187, in the Office of the Daviess County Court Clerk, to which plat reference is made for a more particular description of said lot.

AND BEING the same property conveyed to The City of Owensboro, Kentucky, by Master Commissioner's Deed recorded October 17, 2018, Deed Book 1002, page 921, in the Office of the Clerk of the Daviess County Court.

TO HAVE AND TO HOLD the above described real estate, together with all the rights, privileges and appurtenances thereunto belonging or in anywise appertaining

unto Grantee, its successors and assigns forever, with Covenant of SPECIAL WARRANTY.

This conveyance is made subject to any and all legal and existing easements, restrictions of record, right-of-ways, highways, applicable ordinances and regulations of the Owensboro Metropolitan Planning Commission.

CONSIDERATION CERTIFICATE: Grantor and Grantee certify that the consideration reflected in this deed is the full consideration paid by Grantee to Grantor for the above-described real estate. Grantee and Grantor hereby affirm, under penalty of perjury, that the foregoing transfer of real property is made by gift or nominal consideration and the fair cash value for the interest in property hereby transferred is Five Thousand Dollars (\$5,000).

The undersigned person executing this instrument on behalf of Grantor represents and certifies that he is the duly elected Mayor of Grantor, the City of Owensboro, and was fully empowered by proper action of the governing authority to execute and deliver this instrument, and that all necessary requirements and resolutions for the making of this conveyance have been completed.

In compliance with KRS 132.480, the in-care-of address to which the property tax bill for the year in which the Fee Property is transferred may be sent is the HABITAT FOR HUMANITY OF OWENSBORO-DAVIESS COUNTY, INC., a Kentucky corporation, P. O. Box 2042, Owensboro, Kentucky 42302-2042.

IN TESTIMONY WHEREOF, Witness the signatures of Grantor and Grantee on this the day and date first hereinabove written.

GRANTOR:

CITY OF OWENSBORO, KENTUCKY

By _____
Thomas H. Watson, Mayor

ATTEST:

Beth Cecil, City Clerk

GRANTEE:

HABITAT FOR HUMANITY OF
OWENSBORO-DAVIESS COUNTY, INC., a
Kentucky Corporation

Russ Fredrick, President

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

The foregoing Deed and Consideration Certificate was acknowledged, subscribed, and sworn to before me by Thomas H. Watson, Mayor, and attested by Beth Cecil, City Clerk, and duly executed by them for and on behalf of the City of Owensboro, Kentucky, Grantor herein, on this the _____ day of _____, 2019.

Notary Public, State of Kentucky at Large
My Commission Expires: _____
Notary ID # _____

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

The foregoing Deed and Consideration Certificate was acknowledged, subscribed, and sworn to before me by Russ Fredrick, President, for and on behalf of Habitat for Humanity Owensboro-Daviess County, Inc., a Kentucky Corporation, Grantee herein, and duly executed on this the _____ day of _____, 2019.

Notary Public, State of Kentucky at Large
My Commission Expires: _____
Notary ID # _____

THIS INSTRUMENT PREPARED BY:

Stephen D. Lynn
Owensboro City Attorney
101 East Fourth Street
P. O. Box 10003
Owensboro, Kentucky 42302-9003
Telephone: (270) 687-8556