



Arts District CARD Homeowner Loan Program

PROGRAM GUIDELINES

I. PROGRAM SUMMARY

The **Arts District CARD Homeowner Loan Program** is administered by the City of Covington's Housing Development Department. Under this program, residential or mixed use structures used as the owners' primary residence who meet the requirements below are eligible for a cash incentive of *up to* \$6,000. This incentive is available only in the CARD (Covington Artist Residential District) Loan Zone (map attached).

II. REQUIREMENTS

1. **Income:** No restrictions.
2. **Financing:** Applicants provide evidence of sufficient financial resources i.e.: private bank financing, or owner investment sufficient to complete the rehabilitation project.
3. **Ownership Status:** The borrower must have fee simple title to the property. (Homes purchased on private contracts usually do not meet this requirement.)
4. **Program requirements:**
 - a. **For individuals who will rehabilitate and occupy the structure:**
 - 1) **Education:** Prior to the completion of the rehabilitation project, the borrower is encouraged to attend the "Yes You Can Own A Home" Education Program, or equivalent.
 - 2) **Dwelling units:** Structures having one to two units are eligible.
 - 3) **Term:** The home must be, and remain for the term of the incentive agreement (5 years), the principal residence of the borrower.
 - 4) **Disbursement:** Upon issue of certificate of occupancy by Building Inspector and occupancy by owner within 18 months of issue of building permit and approval of application to participate in the program.
 - b. **For individuals or entities that will rehabilitate but not occupy the structure:**
 - 1) **Owner-occupied:** Program only available to owner/occupant of property that will be rehabilitated by developer and then sold to third parties who will own the structure/unit. The program may be used as down payment assistance to buyer(s) of a structure/unit(s) developed under this program.
 - 2) **Term:** The structure/unit must be owner occupied for the term of the incentive agreement (5 years).
 - 3) **Disbursement:** Upon transfer to and occupancy by owner-occupant.
5. **Location:** This incentive is provided only in the CARD loan zone area (see map).
6. **Property Standards:** At the completion of the rehabilitation, the property must be in compliance with applicable Housing, Building, Property Maintenance and Nuisance Codes as adopted by City of Covington.
7. **Zoning:** The home must be in compliance with applicable zoning regulations. Non-conforming uses will be considered on a case-by-case basis. The Zoning code explicitly discourages non-conforming uses and prohibits their expansion.

8. **Exceptions:** For the condominium project being developed on the east side of Banklick Street between Eighth and Ninth streets, the program benefits will be available only to the first 10 units sold to parties other than the developer, its principals, its employees, or related or affiliated parties.

III. INCENTIVE

- **Purchase + Rehab:** 5% of after rehab appraisal up to \$6,000 per unit; will be disbursed upon issue of a Certificate of Occupancy or completion of rehab. Loan will be forgiven on a prorated basis for each consecutive year it is owner-occupied over a five year period.

IV. PROCEDURES

Prospective participants begin by filling out an Arts District CARD Homeowner Loan Program application and returning it to the Housing Development Department along with verification of ownership and primary financing. Requests will be processed first come, first served, and based upon the availability of funding.

The Housing Development Department stands ready to provide participants with technical assistance in developing a description of work, cost estimates, bidding, and the construction process.

For further information on the Arts District CARD Homeowner Loan Program, call or write:

**City of Covington
Housing Development Department
638 Madison Avenue
Covington, KY 41011
(859) 292-2188
TDD (859) 292-2333**





Arts District CARD Homeowner Loan Program

APPLICATION

APPLICANT INFORMATION

Applicant Name: _____

Property Address: _____ Zip Code: _____

Home Telephone #: _____ Other Telephone #: _____

Mailing Address: _____

Employer: _____

Employer Address: _____

How did you hear about the program?

<input type="checkbox"/> Agency	<input type="checkbox"/> Associate/Friend/Relative
<input type="checkbox"/> City office	<input type="checkbox"/> Flyer/Mailing
<input type="checkbox"/> Magazine/Newspaper	<input type="checkbox"/> Radio
<input type="checkbox"/> Television	<input type="checkbox"/> Website (city)
<input type="checkbox"/> Website (other)	<input type="checkbox"/> Other _____

The information provided within this application is true and complete to the best of my knowledge and belief. I consent to the disclosure of such information for purposes of verification related to my application for financial assistance. I understand that any willful misstatements will be grounds for disqualification. I hereby acknowledge receipt of the Arts District CARD Homeowner Loan Program Guidelines and agree to comply with procedures and requirements specified therein.

Applicant signature

Date

Required Documents (do not send originals):

- State or Federal photo identification
- Homeowner’s Insurance Binder/Declaration page
- Certificate of Occupancy
- “Yes You Can Own A Home” Certificate of Completion or equivalent
- Warranty Deed (recorded)
- After Rehab Appraisal
- Evidence of Financing



**“GOOD STANDING” CERTIFICATION FOR APPLICATIONS
TO PARTICIPATE IN CITY PROGRAMS**

Pursuant to Order/Resolution O/R 0-11-06, applicants and affiliated persons and/or entities for this program must not have made or filed pending adverse claims against the City in the form of settlement demands and/or lawsuits; nor shall they be delinquent in their obligations to pay loans, fines, liens, or other obligations owed to the City of Covington (“the City”). No person or entity will be denied federal public or assisted housing agency benefits or programs administered by the City as a result of this policy.

Any appeal of decision to reject an application because the applicant is not in “good standing” may be made to the City of Covington Board of City Commissioners (“the City Commission”) within 30 days of the final action of city staff to deny the application. The applicant may appeal the City Commission’s decision to the Kenton District Court within 30 days of the final action of City Commission.

I have read this statement and acknowledge that I am currently in good standing with the City and I further acknowledge that the City may disallow or discontinue my participation in the _____ should I violate the requirements of Order/Resolution O/R 0-11-06.

Signature _____ Date _____

Witness _____ Date _____

Signature _____ Date _____

Witness _____ Date _____

Signature _____ Date _____

Witness _____ Date _____