

URBAN HOMESTEADING PROGRAM



Pride
Progress
Potential



URBAN HOMESTEADING PROGRAM

OVERVIEW

The CITY OF HENDERSON, NC is pleased to introduce to you its' Urban Homesteading Program (Program). The Program is designed to promote home ownership in our metro area by recycling selected properties the City (and County) has acquired. The basic requirement for eligibility is the willingness and ability of the Applicant to make the chosen property their principal residence for a period of not less than 3 years. The Applicant may choose from a program eligible list of real properties and in return for pledging improvements to that chosen property, the City will deed its' ownership interest to the Applicant. Both existing houses and vacant lots are eligible for inclusion in the program. An updated list of the available properties can be provided to you on request. There is no minimum (or maximum) income requirement to be eligible for this program. However, the City provides the chosen property in "As-Is" condition and it is strictly up to the Applicant to determine if they have the necessary resources and/or skills to restore the property to an agreed upon level within a specified period of time. Failure to attain that level of restoration within the time period allotted will cause title to the property to revert back to the City (and County); and the Applicant would then lose the value of any labor and materials they may have expended in the effort. The City will subordinate its interest in the property to any security interest granted by the Grantee (Applicant) to a lender of funds used for the purpose of purchase, new construction and/or rehabilitation of the property.

The City recognizes that unforeseen circumstances can enter into anyone's life path and so has built into the program a generous two ½-year period (30 months) for overall completion of restoration or new construction. There is also provision for an additional half-year (6 months) extension under extenuating circumstances. And in the extreme event of serious disability or death of the Grantee (Applicant), program requirements can be waived.

The 2 ½ year period for restoration or new construction begins after the Applicant receives title to the property. The 3 year term of occupancy does not begin until the property has been fully restored to the agreed upon level. Hence the Applicant could be enrolled in the program for as long as 6 years (if the allowable extension were also granted).

Once the Applicant has chosen a property, the City will provide a list of items, if any, that must be completed prior to occupying an existing structure or beginning new construction. This is called a *clear and present danger list*. The list will be available in advance of the Applicant taking title to the property. As part of the consideration for the City entering into the transaction, the Applicant must provide a mutually agreeable plan for rehabilitation of the property and a time line for those improvements. Closing costs, building permits, insurance, cost of utilities and real estate taxes are, and remain, the responsibility of the Applicant. Once closing has occurred, and minimum housing requirements are present, the Grantee (Applicant) may occupy the residence while other renovations or new construction is taking place.

In an effort to encourage low and moderate income participants, it is possible to reserve a property for up to 3 years. The intent is to allow the Applicant time to accumulate funds and make plans for entering

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the Program. If you believe the Urban Homesteading Program is something for which you would be qualified, we encourage you to read the remainder of this reference and schedule an appointment to discuss. The contact information is in the footnote, below. Ask for the Urban Homesteading Program Administrator.

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ELIGIBILITY

1. The Applicant must be an individual or individuals, all of which are either 18 years of age or older; or have been emancipated per North Carolina Article 35 §7B-3500 et seq. Under emancipation it is possible for a juvenile who is 16 years of age or older, to participate in the Program. Any application which does not meet eligibility requirements will be declined. (Please note that limited liability corporations or charities are not eligible.)
2. The Applicant must be willing to occupy the chosen property as their principal residence for a period of not less than 3 years after the existing structure has been renovated, and/or new construction completed.
3. The Applicant cannot be delinquent on any City or County real estate taxes at the time Application is made under the Program.
4. The Applicant must be willing to provide the City a general waiver of liability as part of the consideration for admittance to the Program and receiving title to any real estate property.
5. Should the Applicant withdraw from the Program prior to taking title to the property, they may reapply at a later date, but no sooner than 90 calendar days from the date of withdrawal. An Applicant that takes title to a chosen property is not eligible to reenter the Program, either singly or in a group regardless of whether or not they have successfully completed the original effort.
6. Recommendations and comments:
 - It is solely the Applicant's responsibility to determine if they have access to the necessary resources and/or skills to restore the chosen property.
 - It is recommended that the Applicant be gainfully employed.
 - Consider carefully the cost to build new, or renovate existing structures. Hidden defects are to be expected in older buildings; seek experienced opinions and/or multiple contractor proposals.
 - Do not enter the Program expecting to make a quick profit.
 - The City will subordinate any reversionary interest it has in the property to a lender of funds used for the purpose of purchase, new construction and/or rehabilitation of the property.
 - Do not expect to occupy an existing structure immediately. It will be necessary to first obtain title to the property and if applicable, remedy any defect the City provides under a "clear and present danger" list.

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- Budget so as to abate the *clear and present danger list* within 6 months of receiving title to the property. Also include provision for closing costs, building permits and inspection fees, insurance, cost of utilities and real estate taxes from the time of closing forward. The Grantee (Applicant) does not pay rent on the chosen property.

APPLICATION PROCESS

7. The Program application is attached in the Appendix. Properties eligible for the Program are available to Applicants on a *first come basis* as measured by date and time of receipt of a completed application by the designated Urban Homesteading Program Administrator. An exception occurs when a property comes into City/County possession lawfully occupied by a tenant and that tenant requests that the property be included in the Program. If the structure and/or lot are deemed suitable for the Program, then the tenant would have a first come position for that property, provided they make prompt application.
8. Once a completed application is received, the Administrator will schedule a day and time to meet with the Applicant(s). This meeting is mandatory and is intended to collect proof of identification (please bring photo identification to the meeting) and age of all participants. The meeting will also provide opportunity for the Applicant to ask questions and to discuss the list of available properties and their known condition, including *clear and present danger* issues, if any as noted by a City or consultant inspection. The Applicant(s) will be required to sign a general waiver of liability prior to entering onto any properties.
9. From the date of the completed mandatory meeting, the Applicant will have 14 calendar days to notify the Administrator of their first property of interest from the eligible list and a second choice. The Administrator will then confirm with the City Clerk that the property of interest has no offer pending under City Resolution 16-44. If the Clerk confirms such an offer does not exist, then the property will be reserved to the Applicant under the Program and the City Clerk notified that the property is no longer available for public sale. If such an offer does exist, the property will be withdrawn from Program eligibility and the Applicant may either proceed with their second choice or withdraw their application. In the unlikely event the second choice is also subject to an offer, the Applicant may request up to seven (7) calendar days to provide alternate primary and secondary selections. This process continues until a property is reserved for the Applicant.
10. Once the chosen property is reserved and the Applicant notified, there will be a 60 calendar day period for the Applicant to assess the detailed condition of the property and submit a proposed plan of renovation and/or new construction to the Administrator. The Applicant should consult the *Minimum Housing Requirements* and *Proposed Plan of Renovation and/or New Construction* sections of this manual. There is also an example plan for reference in the appendix. The chosen property is provided to the Grantee (Applicant) in strictly “As-Is” condition.

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11. It is the Applicant's responsibility to keep the Administrator informed of any change in contact information. Failure to meet time commitments, including appointments, prior to the Applicant taking title to the chosen property can result in involuntary withdrawal of the application, at the discretion of the Urban Homesteading Program Administrator in which case *provision 5 of Eligibility* shall apply. Knowingly giving false information on the Application is grounds for the Administrator to decline the Application. Acceptance of any subsequent Application is then at the discretion of the Administrator; however, *provision 5* shall otherwise apply.
12. Recommendations and comments:
 - Unless the Applicant possesses significant building experience, it is recommended they include in the property selection process, those who do. Inclusion by the City of any property in the Urban Homesteading Program does not imply suitability for any individual Applicant.
 - It is recommended that you have a commitment from those who will help you in the selection process, prior to the mandatory meeting with the Administrator; this will maximize your time efficiency in the selection process, and the subsequent *proposed plan of renovation and/or new construction*.
 - Prioritizing the properties for your first and second choices may seem to be an overwhelming task. It is suggested you not try and look at every property on the list; rather consider sorting on overall characteristics such as geographical area, square footage of the residence, relative tax values; etc. Narrow the list to a few choices and then have a builder/consultant assist you with the final two (2) selections.
 - Inspection of any property is strictly at your own risk. (Do not bring children onto the premises.) Most of the structures offered will require at least some remediation to be habitable. Be alert to possible conditions that may not be safe and expect to encounter the unexpected.
 - The larger the structure, generally the more expensive the cost to build or renovate.
 - If at any time prior to receiving title to the chosen property, the Applicant decides it is prudent to withdraw from the Program for any reason, they may do so – subject only to *provision 5 of Eligibility*. However, any expenses incurred by the Applicant will not be reimbursed by the City. The City requests that you give formal written notice of a withdrawal.

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MINIMUM HOUSING REQUIREMENTS

13. The minimum housing requirements that must be present to occupy an existing dwelling while under renovation:
- Posted address visible from the public right-of-way
 - Roof, windows, doors and walls sufficient to keep the interior dry
 - Adequate egress from the building; this includes the requirement for an operable window in each bedroom
 - Electric power connected to the dwelling; if power has been disconnected from the structure for more than a year, an electrical inspection and correction of inspection deficiency is required before reconnection
 - Potable water connected to the dwelling
 - Water closet, lavatory and shower (and/or bathtub) in good working order and connected to public sewer or approved septic system
 - A primary heat source, this cannot be wall mounted or free standing type space heaters
 - Chimneys and stairs that are not in danger of collapse or otherwise seriously defective
 - A working smoke detector in each bedroom and adjacent hallway(s)
 - Presence of approved garbage containers
 - Absence of rodent or insect infestation
14. To occupy an existing dwelling while under renovation and/or to begin new construction, it is required that all items have been abated for the property as may be noted on a City “*clear and present danger list*” for that subject property. This list and an asbestos/lead paint report will be provided to you as early in the process as can be arranged under available City resources, but in any event will be available before the Proposed Plan of Renovation and/or New Construction is subject to submittal.
15. Recommendations and comments:
- *Reserved for future use*

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PROPOSED PLAN OF RENOVATION AND/OR NEW CONSTRUCTION

16. The Urban Homesteading Program Administrator may designate the level of detail needed for the *proposed plan of renovation and/or new construction*; taking into account the condition of the property, if it is to be occupied prior to completion of the plan, the stated experience of the Applicant, and the Applicant's intended scope of work. (An example of a proposed plan is included in the Appendix but it is only a guide; the Administrator may deviate as believed prudent for the circumstances.)
17. The proposed plan should include either renovation or demolition of any existing ancillary structures on the property, such as detached garages or storage buildings if on a permanent foundation.
18. The proposed plan must have a clear time schedule. The schedule should have realistic and progressive phasing with specific periods for completion. It should address remediation of any *clear and present danger list* within 6 months, and overall renovation and/or new construction completion within 30 months, of the Applicant receiving title to the property.
19. The property is subject to announced progress inspections up to three times per calendar year. Those progress inspections may be fewer in number at the discretion of the Administrator, but should generally coincide with expected completion of significant phases of the project. The dates of inspection will be prearranged with the Applicant during the review period of the proposed plan.
20. The City, through appropriate consultants, will conduct both lead and asbestos testing for an existing structure. A copy of that test will be made available to the Applicant as early as City resources will allow, but in any event before the Proposed Plan of Renovation is due. If results are positive for the contaminant(s), it is the Applicant's responsibility to seek competent advice and determine the best course of remediation. The chosen method should be included in the *proposed plan of renovation*.
21. Before plan approval, the Administrator may require changes to the proposed plan if reasonably believed that successful completion is doubtful and/or additional information, where needed to reach clarity as to the Applicant's intentions. The Administrator may impose a reasonable time limit for plan resubmittal.
22. The approved plan for an existing structure must also include aesthetic exterior renovation to a level that will enhance the streetscape of the neighborhood, and it must include at least one significant exterior architectural improvement that either did not previously exist or was earlier removed. This is a part of the consideration for the City providing the property under this Program.

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23. Should new water and/or sewer service laterals be necessary under the proposed plan, the City will consider a request to waive any applicable tap fees.

24. *Reserved for future use*

25. Recommendations and comments:

- Under promise and over deliver. We want you to be successful. Progress is being measured by what you have pledged to do. Even though you may intend to do more extensive renovations to an existing building, only pledge to do what is necessary to bring the building into compliance with local building safety and fire codes, remediation of the *clear and present danger list*; and required exterior renovation.
- The Program expects progress to be slow but steady. The inspections are intended only to confirm that progress is being made, and they do not take the place of those that may be required by the County Building Inspections department; they are reviewing safety issues.
- You are encouraged to complete the approved plan as quickly as your time and resources will allow. Remember- the three year principal residence requirement does not begin until the Proposed Plan of Renovation and/or New Construction has been completed. Renovations over and above the approved Plan may run concurrently with the three year residency requirement, provided you continue occupation in good faith.
- If you propose new construction on either a vacant lot or to follow demolition of an existing building, then the necessary exhibits for the County building permit will probably suffice for the Urban Homesteading Program. If your project scope is renovation or predominantly that, then the appendix example is a good starting point.
- *Reserved for future use*

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DEED COVENANTS AND CLOSING

26. The City will transfer title to the chosen property by way of a Quitclaim Deed with the stipulation that the property is transferred in "As-is" condition.
27. The Grantee(s) will be exactly as shown on the original application. If more than one Grantee they will be treated as tenants-in-common or if applicable, tenants-by-the-entirety. Only the original Applicant(s) may request a change of Grantee prior to closing and at least one original Applicant must remain as the Grantee. Requests for change must be in writing, signed by the original Applicant(s). All such requests are granted at the discretion of the Administrator who may require changes to the *proposed plan of renovation and/or new construction* if believed the change in Program participants will decrease/increase the likelihood of successful plan completion.
28. The Grantee (Applicant) is expected to pay all closing costs of the transaction including the cost of deed preparation and reimbursement of the asbestos/lead paint report cost.
29. The Grantee (Applicant) must consent to a general waiver of any City liability with regard to the chosen property.
30. Title to the property will be conditioned upon compliance with the terms of the Program including requirements for executing the approved Plan of rehabilitation and/or new construction, and subsequent three-year occupancy as a principal residence.
31. The Grantee (Applicant) must agree to announced progress inspections of the property by the City or its designated agents, up to three times per calendar year for the duration of the Program.
32. Failure to comply with the required terms of rehabilitation and occupancy shall cause title in the property to revert to the City and County in proportion to their original ownership. Reversion shall occur only after a thirty day written notice to cure. During those thirty days the Grantee (Applicant) may present evidence to the City Manager that demonstrates compliance; make objections to the grounds for reversion, or plead extenuating circumstances – in which case the City Manager may grant on behalf of the City a one-time extension of up to six months, if real estate taxes are current.
33. The City will subordinate its reversionary contingent interest in the property to any security interest granted by the Grantee to a lender of funds for the purpose of purchase, new construction and/or rehabilitation of the property.
34. The Grantee (Applicant) must provide a \$500 refundable security deposit for the City's use in offsetting any costs in the event reversion shall occur. The deposit shall be refunded only upon successful completion of the Program including the three year requirement of principal residency. The Grantee must request the refund in writing.
35. In the event of death or severe disability of the Grantee (or last remaining Grantee if the conveyance involved multiple Grantees), the City Manager may grant relief he believes appropriate, up to and including lifting of all Program covenants of title provided the *clear and present danger list* has been abated.
36. The Grantee (Applicant) is expected to pay all City and County real estate taxes and inspection fees assessed in the year of closing, forward.

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37. *Reserved for future use.*

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EXTENUATING CIRCUMSTANCES

The City recognizes that unforeseen circumstances can enter into anyone's life path and so has built into the Program a generous 2 ½ year (30 months) period for overall completion of restoration or new construction. There is also provision for an additional half-year (6 months) extension under extenuating circumstances. In the extreme event of serious disability or death of the Grantee (Applicant), Program requirements can be waived.

Each situation will have unique circumstances and will be evaluated accordingly. If the Grantee (Applicant) believes they have an extenuating circumstance(s) that has or may handicap their ability to meet the time constraints of the Program, then they are encouraged to write the Urban Homesteading Program Administrator and request consideration.

38. These examples of extenuating circumstances are not intended to be exhaustive but rather for illustration:

- Extended loss of employment, including that of a spouse
- Relocation as a condition of employment
- *Acts of God*, such as storms, as they may relate to the property
- Extraordinary family medical expenses and/or hospitalization
- Significant cost from hidden property defects

39. The Administrator may grant additional time for progress within the Program's two and one-half year (2 ½) window and may request documentation of the Grantee in support of that decision. The additional half-year (6 months) extension or the waiver of Program requirements, must be granted by the City Manager.

40. Recommendations and comments:

- Expect to provide documentation to support the extenuating circumstance request, such as an employer's letter of fact; photographs of storm damage or property defects; doctor's letter of disability
- Keep real estate taxes current. Taxes must be paid to avoid Program default and to allow relief under this extenuating circumstances provision
- The City wants you to be successful in this Program and will make every effort to make reasonable accommodation.
- The City will not reimburse unexpected costs for any reason; however, it is recognized that budget overruns can require additional time to either arrange the financial resources or find alternative solutions; petition the Administrator as soon as possible, if you feel the approved Plan must be significantly altered either in scope of work and/or in allotted time to complete.

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EVIDENCE OF PRINCIPAL RESIDENCE AND LETTER OF COMPLETION

The Grantee (Applicant) must use the property as their principal residence for a period of three years from the time of completion of the *proposed plan of renovation and/or new construction*. Just moving furniture and personal belongings into a residence does not qualify as principal residence use. The Grantee(s) must physically occupy the dwelling for at least 183 days (and nights) of each calendar year to qualify the chosen property as a principal residence under this Program.

41. The Grantee must keep their driver's license address current so it matches the principal residence. You are required by North Carolina law to change the address on your license and vehicle registrations within 60 days of a move.
42. Update voter registration to reflect the address of the principal residence.
43. Report the home address on tax returns. Under Treasury Regulation 1.121-1(b) (2), the address used on federal and state tax returns are used as a factor to determine principal residency for tax purposes.
44. Keep utility accounts in the Grantee's name. Utility bills, such as electric, water, gas, and cable are evidence you live in the home. Metered services should show consumption.
45. The Urban Homesteading Program Administrator may request one or more of the foregoing documentations at any time during the course of the Program.
46. Upon completion of the three year principal residence requirement, the Grantee may request an official letter of program completion from the City, suitable for recordation in the chain of title. Recordation and any associated expense is the responsibility of the Grantee.

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ADOPT-A-PROPERTY PROVISION

In an effort to encourage low and moderate-income participants in the Urban Homesteading Program, there is provision to *Adopt-a-Property*. This election must be made at the beginning of the application process.

47. Once the Applicant has a chosen property reserved under paragraphs 1 – 9, the Program is suspended with the intent to allow the Applicant time to accumulate funds and make plans for Program completion. The reservation is for a one year interval and the Applicant may request in writing up to two renewals for a total of three years under this provision. The City Manager may grant renewals beyond two if extenuating circumstances are present.
48. Title to the chosen property remains with the City/County; however, as a consideration for the reservation, the Applicant must obtain and keep in force a general liability policy naming the City as *additional insured and certificate holder*; and the Applicant must keep the grass cut as required by City ordinance.
49. The Applicant may establish a personal or community garden on the property but may not occupy any structure.
50. Should the Urban Homesteading Program have a significant waiting list, then new reservations under this *Adopt-a-Property* provision would be curtailed but reservation renewals would continue.
51. Failure of the Applicant to adhere to these provision requirements is a default and the Administrator may terminate the property reservation and application, in which case paragraph 5 shall apply.

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APPLICATION*

(Please use a separate sheet for each applicant and attach together)

Name: _____ Date of Birth: _____

Address: _____
(Street) (City) (Zip)

Phone #: _____ Cell #: _____ E-Mail: _____

Do you own or rent your current address (please circle): Own Rent

Name of employer:

Company Name	Contact Person	Contact Number

Driver's license no. and State of issue: _____

Do you have ownership of any real estate in the City of Henderson or in Vance County, NC? Yes No

If yes, please provide address: _____

Do you have any experience in the real estate or construction industries for either yourself or others? If "yes" please explain:

If awarded a property under this program, how would you intend to finance any renovation or new construction? Please be as specific as you can, attach a separate sheet if needed:

Please list all members of your immediate family (and their ages) whom you intend would reside with you at an awarded property: (Attach a separate sheet if needed)

Name	Relationship	Age

Signature

Date

* Knowingly giving false information is grounds for the City to decline this Application.

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EXAMPLE PLANS OF RENOVATION AND/OR NEW CONSTRUCTION



THE BEST OF MY KNOWLEDGE THERE IS NOT A STATE GRID STATION
N.W. 2000 FEET OF SUBJECT PROPERTY.
COORDINATE METHOD WAS USED TO COMPUTE THE AREA(S) SHOWN ON THIS PLAT

I HEREBY CERTIFY THAT ALL STREETS AND OTHER IMPROVEMENTS EXISTING ON THIS PLAT HAVE BEEN INSTALLED OR COMPLETED UP TO THE METEELATION OR COMPLETION HAS BEEN ENSURED BY THE POSTING OF A PERFORMANCE BOND OR OTHER SUFFICIENT PLAN

Grace D. Smith, Planning Director
8/26/04

 = Current Price
 = Stop
 = Uncovered Loss
 = Real Top
 = Do a check

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CITY OF HENDERSON, NORTH CAROLINA HOMESTEAD PROGRAM AGREEMENT

PREAMBLE

This agreement is made pursuant to and in accordance with the City of Henderson, North Carolina (City) Homestead Program (Program) and the Program's published guidelines. Under the Program, a participant (Participant) may obtain ownership of a City-owned property on the condition:

- The residential dwelling located on the property is brought into conformance with applicable housing codes.
- If no residential dwelling is on the property, a house meeting applicable housing codes is erected.
- The Participant resides in the residential dwelling for three years following completion of renovation and approval by the City of the renovation.

PARTIES

The parties to this agreement are the City and (Name of Participant)(Participant).

PROPERTY

The Property being conveyed is located in the City at _____. This property is more fully described in Deed Book _____, Page _____, Vance County, North Carolina (County).

QUALIFICATION FOR PROGRAM

The Participant certifies:

- He is at least eighteen years old or if not, has been formally emancipated under the laws of North Carolina.
- He is not delinquent in payment of City utilities or City and County property taxes.
- He has not been sentenced or imprisoned within the preceeding year for a felony, is not on probation or parole for a felony or has not been convicted for a criminal sexual conduct offense.

ADHERENCE TO PROGRAM REQUIREMENTS

Participant certifies he has read the City Urban Homesteading Program Guidelines (Guidelines) and agrees to follow and meet the requirements of the Guidelines and any amendments thereto. The Participant, by signing this agreement, agrees the Guidelines, which are attached, are incorporated by reference, to include later amendments, are made a part of the agreement and must be adhered to by the Participant.

CONDITION OF THE PROPERTY

The Property is sold "as is", with the City providing no warranties as to fitness or inhabitability.

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LIABILITY

The City is not responsible for any injuries caused by Participant's inspection, use, or the use by other persons invited by or visiting on behalf and on request of the Participant, of the Property at any time, including before, during and after residency of the Property. The Participant agrees to release the City and its employees, agents and assigns, from any and all liability associated with use of the Property, including, but not limited to environmental issues, such as the presence of asbestos, affecting the Property.

PROPERTY TITLE

Title to a Property shall be made by a quitclaim deed to the Participant written by the City Attorney. Participant agrees to pay all preparation and recording costs prior to execution of the deed and to reimburse the City for all costs it incurred in conjunction with any tests or inspections performed by the City. The deed may not be executed until such time the Property is in the agreed upon condition for occupancy.

GRANTEES

Multiple grantees are permitted in accordance with the Guidelines. Married couples receive the Property as tenants by the entirety. Other multiple owners will receive the Property as tenants in common.

INSURANCE

Until such time as the Participant has resided on the Property for three years, he shall maintain insurance on the Property that provides full replacement value for damage or destruction to the Property.

CITY AND COUNTY CHARGES AND TAXES

Participant agrees to pay all City utility charges and City and County property taxes by dates due. If Participant fails to pay these amounts by the due dates, Participant will have thirty days to make full payments. If not made within thirty days, the Property will revert to the City and in accordance with the Guidelines. Participant also agrees he and his family will voluntarily vacate the Property and he will sign a deed formally transferring title to the City.

RENOVATION OF PROPERTY

Participant agrees to remodel and renovate the Property in accord with the plan approved by the City. Participant is to complete any remodel or renovation within thirty months following the date of initial transfer to the Property to the Participant to the extent it is inhabitable, as determined by the City.

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INSPECTION

The City may inspect the Property, in its discretion, to determine compliance with this agreement and the plan approved by the City. Participant agrees to allow such inspections on the date and time selected by the City. All inspections are to occur on weekdays between the hours of 9:00 a.m. and 4:00 p.m.

OCCUPANCY OF PROPERTY

Participant agrees no one may occupy the Property until the Guidelines minimum housing requirements are met and all items on the “clear and present danger list”, provided by the City to the Participant, are corrected.

USE OF THE PROPERTY

Once occupied by the Participant, the Property must be used as the Participant’s primary residence for three years from the date of the initial occupancy. Use of the Property also must conform to applicable City Code ordinances and zoning requirements.

REVERSION

If the conditions of the agreement or the Guidelines are not met within three years of date of initial occupancy, the Property reverts to the ownership of the City in accordance with the Guidelines. Participant also agrees he and his family will voluntarily vacate the Property and he will sign a deed formally transferring title to the City.

DISCRETION OF THE CITY MANAGER

In a rare circumstance, the City Manager may amend the terms of the agreement and the Guidelines if, in his opinion, an exceptional and substantial change of circumstances has occurred for the Participant that prevents compliance with or continuation of the Program.

CONTINUATION OF PROGRAM

The City reserves the right to discontinue the Program at any time. Participants waive any right to damages from the City due to the discontinuation.

Participant

Date:

City Official and Title

Date:

Add notary

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Release of Liability, Waiver of Claims, Assumption of Risks and Indemnity Agreement

I hereby state to the City of Henderson, North Carolina (City) and its respective elected officials, directors, officers, employees, agents, independent contractors, sub-contractors, representatives, successors and assigns (Releasees) that I freely accept and fully assume all such risks, dangers and hazards and the possibility of personal injury, death, property damage or loss resulting from my going onto and viewing the land and structure located at _____ (Property), which is being considered to be available under the City Urban Homesteading Program (Program).

In consideration for being permitted to go onto and view the Property, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby agree to waive any and all claims that I have or may have in the future against the Releasees from any and all liability for any loss, damage, expense or injury, including death, that I may suffer, or that my next of kin may suffer as the result of my entry on the Property and any other involvement in the Program or due to any cause whatsoever, including negligence, breach of contract of any statutory duty of care under federal or state law, including the failure on the part of the Releasees to safeguard or protect me from the risks, dangers and hazards, known and unknown.

I furthermore save and hold harmless the Releasees, and agree to defend the Releasees from all claims and legal actions related to my entrance on the Property and involvement, formal or not otherwise, with the Program.

Name: _____

Address: _____

STATE OF NORTH CAROLINA

County of _____

I, the undersigned Notary Public of the County of _____ and State aforesaid, certify that _____ personally came before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 20____.

Notary Public

Notary's Printed or Typed Name

My Commission expires: _____ (Affix Seal)

URBAN HOMESTEADING PROGRAM

ORDINANCE 17-03

ESTABLISHING AN URBAN HOMESTEADING PROGRAM AND GUIDELINES

WHEREAS, the Henderson City Council (Council) identified, or reaffirmed, eight Key Strategic Objectives (KSO) at its 2017 Strategic Planning Retreat; *and*

WHEREAS, this Ordinance addresses **KSO 3: Enhanced Economic Development** – To Create New Jobs and Investment, Expand the Tax Base and Increase the Per Capita Income; and **KSO 4: Improve Conditions of the Housing Stock** – Creating more stable neighborhoods, and increased home ownership; *and*

WHEREAS, the City wishes to establish a program pursuant to NCGS §160A-457.2 Urban homesteading program; *and*

WHEREAS, this Ordinance is intended to establish guidelines under which the City Manager, or his designees, will codify and operate such a program of urban homesteading;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL, that the City of Henderson hereby establishes an Urban Homesteading Program as authorized by NCGS §160A-457.2 and uses the following guidelines for the procedures and standards to be codified and administered by the City Manager, or his designees:

1. The City Manager, or his designees, is authorized to establish a list of City owned property that is suitable for inclusion in the Urban Homesteading Program. Properties that are lawfully occupied by a tenant(s) are not to be included unless requested by the tenant, in which case they are to receive a first come position for that property. City property not yet awarded under this program remains subject to purchase under City Resolution 16-44 *Establishing Procedure to Purchase City-Owned Lots (June 13, 2016)*.
2. The authorized properties are to be available on a first come basis to individuals over the age of 18 years (or younger if emancipated) willing to commit to the program and who are not delinquent on any City or County real estate taxes. Only one property (or if appropriate, adjacent properties) may be awarded at a time to any grantee under this program.
3. The consideration for sale of the property shall be payment of all closing costs and new construction or rehabilitation of a residence that conforms to all housing, building, safety and fire codes within a two and one-half (2 ½) year date from the date of closing; except that all conditions which present a clear and present danger to persons in or near the property shall be abated within a six month period from the date of closing. The City will provide a clear and present danger list to buyer prior to closing. Once the clear and present danger list has been abated and a confirming

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- inspection obtained, the grantee and their immediate family may occupy the dwelling provided minimum housing requirements are present.
4. The City Manager may, but is not required to, grant on behalf of the City a one-time extension of up to six months toward the time conditions of item 3, where extenuating circumstances are present and real estate taxes are current. In the event of death or severe disability of the grantee (or last remaining grantee, if the conveyance involved multiples grantees), before all requirements are fulfilled, then the City Manager may grant relief he believes appropriate, up to and including lifting all program covenants of title, provided the clear and present danger list has been abated.
 5. The grantee is required to pay all City and County real estate taxes and inspection fees assessed from the date of closing forward.
 6. Once new construction and/or rehabilitation of the residence is completed and a confirming inspection obtained, the grantee must occupy the dwelling as their principal residence for a period of not less than three (3) years, at which time all program covenants of title shall cease.
 7. Title to the property shall be conditioned upon compliance with the required terms of rehabilitation and occupancy. Failure to comply shall cause title to revert to the City and County in proportion to their original ownership. Reversion shall occur only after a thirty day written notice to cure. During those thirty days the grantee may present evidence to the City Manager that demonstrates compliance; make objections to the grounds for reversion, or plead extenuating circumstances - in which case guideline 4 shall apply. The City will subordinate this interest in the property to any security interest granted by the grantee to a lender of funds for the purpose of purchase, new construction and/or rehabilitation of the property.
 8. The property must be subject to announced progress inspections by the City or designated agents, up to three times per calendar year.
 9. As part of the consideration for the transaction, the City requires a general waiver of liability from the grantee.
 10. In an effort to encourage low and moderate income participants, the program should include provision for reservation under an Adopt-a-property provision:
 - a. The applicant would be awarded an annual property reservation, but not title to the property; provided they obtain a general liability policy naming the City as additional insured and certificate holder and keep the grass cut per City ordinance. They may also establish a personal or community garden on the property during the reservation period, but may not occupy any dwelling.
 - b. The applicant may renew the reservation twice for a total of three years under this property adoption provision. The intent is to allow the applicant time to accumulate funds and make plans for entering the Urban Homesteading Program.
 - c. The City Manager may grant renewals beyond two of the reservation period if extenuating circumstances are present.
 - d. Should the homesteading program experience a significant waiting list, then new reservations under this property adoption provision would be curtailed but renewals would not.

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The City Manager, or his designee, is authorized to interpret and expand on these guidelines as may be prudent to administer the intent of the program and its execution.

The foregoing Ordinance 17-03, upon motion of Council Member Elliott and seconded by Council Member Daeke, and having been submitted to a roll call vote and received the following votes and was **APPROVED** on this the 13th day of February 2017: YES: Rainey, Elliott, Daeke, Simmons, Daye and Coffey. NO: None. ABSTAIN: None. ABSENT: Williams and Inscoe.

Eddie Ellington, Mayor

ATTEST:

Esther J. McCrackin, City Clerk

Approved to Legal Form:

D. Rix Edwards, City Attorney

Reference: Minute Book 44, p 222; CAF 17-04

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CHECKLIST

Have you (?)

1. Read the Urban Homesteading Manual in its entirety?
2. Made application to the program Administrator?
3. Scheduled a meeting with the Administrator?
4. Signed a general waiver of liability? (necessary to review properties on-site without trespass)
5. Notified the Administrator of your first and second property choices? (this should be done within 14 days of meeting with the program Administrator)
6. Been notified of the property reservation? (a 60 day period from notification is allotted to submit a proposed plan of renovation and/or new construction to the Administrator)
7. Kept the Administrator informed of any change in contact information?
8. Carefully evaluated the cost to execute the proposed plan and its schedule?
9. Have you budgeted for closing costs, real estate taxes, insurance and immediately needed repairs?
10. Received your project inspection dates from the Administrator?
11. Set a closing date with the Administrator to receive title to the property?
12. Once the residence has been occupied, have you changed the address of your driver's license and voter registration?
13. Once the three year residency has been completed; have you requested refund of your deposit and if desired, the letter of program completion?