



Demolition Loan Program Guidelines

PROGRAM OBJECTIVE

The City Kirksville Demolition Loan Program is designed to eliminate residential or commercial structures which are in such a state of disrepair that it constitutes a safety concern, and rehabilitation is not a viable option. This program offers most property owners who cannot afford to demolish the structure the funds to eliminate that portion, or all of the structure, which is in violation. The loan is secured by a Deed of Trust and Promissory Note with a term of based on the amount of the loan.

ELIGIBILITY CRITERIA

1. The applicant must own the property or have a written agreement to purchase the property.
2. The property may be a commercial or residential property.
3. Applicants must provide a tax statement and have a title that is free of liens and legal questions as to ownership of the property.
4. Applicants cannot owe back taxes on the property or have outstanding adverse judgments, encumbrances or liens with the City of Kirksville.
5. All City obligations in applicant's name should be current - including, but not limited to, tax liens from code violations, utility bills.
6. Applicants should have adjusted gross income at or below 80% of the area median income based on the most recent United States Department of Housing and Urban Development Income Guidelines.
7. The City will consider assisting those who do not meet the above requirements who are working to eliminate slum/blight.

LOAN CATEGORIES AND TERMS

1. The maximum loan amount is \$5,000.
2. Repayment term is based on the amount of the loan.
3. Interest rate is 1/3 of prime.
4. If the structure proposed for demolition is not condemned, the applicant will pay 20% and the City will loan 80% of demolition costs.
5. If the structure proposed for demolition is condemned, the applicant will pay 50% and the City will loan 50% of demolition costs.

APPLICATION AND SELECTION PROCESS

1. This is a voluntary program. All interested persons must submit an application before any action can take place.
2. Applicants who qualify will be taken on a first-come, first-serve basis.
3. A complete inspection will be made by the Code Enforcement Director. A cost estimate will be prepared. This estimate will be discussed with the owner and contractor before a contract is signed, and any allowable revisions may be made at that time.

4. Final approval is contingent upon the completion of a Title Search verifying ownership and the property being free of any encumbrances.
5. If City staff determines an application for a loan cannot be approved, a written statement of the reasons for the determination will be sent to the applicant.

RIGHTS RESERVED

The City of Kirksville reserves the right to reject any and all applications up to the limit of closing. The specific Program policies and procedures herein are subject to revision or amendment by the City of Kirksville. The City may discontinue this Program at any time, subject to the availability of Program funding.

ADDITIONAL INFORMATION

1. This is a reimbursement-only loan payable directly to a pre-approved contractor and for approved work only.
2. Successive owner of property will be responsible for repayment of loan upon death of applicant.
3. Default in repayments under the Demolition Loan Program subject the applicant and/or successors to payment of outstanding loan balance within 60 days of default.
4. Contractor chosen to do demolition work must be pre-approved by the Codes and Planning Division and hold a current City of Kirksville Business License as a contractor.
5. Payments will be made to contractor within 10 business days upon presentation of an invoice for services and verification of work performed.
6. Requests for payments to a non-approved contractor or for non-approved work will not be honored.

CITY OF KIRKSVILLE
DEMOLITION LOAN PROGRAM
APPLICATION FORM

Office Use Only:
Application Number: _____
Application Date: _____

NAME: _____ DATE: _____

ADDRESS OF APPLICANT: _____

CITY, STATE, ZIP: _____

HOME PHONE: _____ WORK PHONE: _____

ADDRESS OF PROPERTY TO BE DEMOLISHED:

TOTAL PROJECT COST: _____ AMOUNT REQUESTING: _____

TYPE OF PROPERTY:

COMMERCIAL _____ RESIDENTIAL _____

IS THE PROPERTY CONDEMNED?

YES _____ NO _____

DO YOU OWN THIS PROPERTY OR HAVE A WRITTEN AGREEMENT TO PURCHASE?

YES _____ NO _____

BASED ON THE INCOME GUIDELINES BELOW, DO YOU QUALIFY AS HAVING ADJUSTED GROSS INCOME AT OR BELOW 80% OF THE AREA MEDIAN INCOME? YES _____ NO _____

NOTE: Acceptance of this application is contingent upon provision of all required information and applicant's agreement to abide by all applicable procedures and policies of the Demolition Loan Program. Upon acceptance in the program, the applicant must submit a copy of the most recent Federal Income Tax Return and/or other documents that might be required to support the applicant's income.

The Applicant(s) agrees that the City of Kirksville neither assumes nor acknowledges any liability of any kind, directly or indirectly, as might be incurred from this program. Authorization is hereby granted to support and/or verify statements contained in this Application. It is agreed that this application will remain property of the City of Kirksville, once submitted.

Agreement: The undersigned applies from the loan indicated in the application to be secured by a mortgage or deed of trust on the property described herein, and represents that the property will not be used for any illegal or restricted purpose, and that all statements made in this application are true and correct to the best knowledge of the applicant. Verification may be obtained by any source named in this application.

I/We fully understand that it is a federal crime punishable by fine and/or imprisonment, to knowingly make any false statements concerning any of the above facts as applicable under provisions of Title 18, United States code, Section 1014. Also, the applicant(s) have read and understood the application and the narrative explaining the program.

Signature of Owner: _____ Date: _____

Signature of Owner: _____ Date: _____

CITY USE ONLY

Application Received by: _____ Date: _____

Verification date: _____

Eligible _____

Ineligible _____

Reason for Ineligibility: _____