

McKenzie County Job Development Authority
Housing Development Subsidy Agreement

RECITALS

WHEREAS the McKenzie County Job Development Authority (hereinafter "JDA") has determined that there is an excess of unfilled jobs in McKenzie County and the number of unfilled jobs in McKenzie County can be partially and directly related to the lack of suitable, reasonably-priced housing options in McKenzie County;

WHEREAS the JDA has determined that a means to encourage and assist in the development of employment within McKenzie County is to encourage the construction of suitable, reasonably-priced housing in McKenzie County to increase the available workforce;

WHEREAS the JDA has determined that one of the biggest barriers to the construction of suitable, reasonably-priced housing in McKenzie County is the significant infrastructure costs per lot;

WHEREAS the JDA, under the powers granted by N.D.C.C. 11-11.1-03, has the ability to convey funds for such purposes;

WHEREAS the JDA has determined a set of requirements necessary to receive such Housing Development Subsidies (hereinafter "Development Subsidy") and that those requirements will encourage meeting the need of suitable, reasonably-priced housing while not unfairly favoring the Seller over others; and

WHEREAS the JDA has determined through an application process that _____ (hereinafter "Seller") has qualified to participate in the Development Subsidy program, and if Seller successfully completes the requirements stated herein, the home shall qualify for the Development Subsidy.

AGREEMENT

The JDA shall provide the Development Subsidy up to fifty thousand dollars (\$50,000) upon the closing of the sale from the Seller to the Purchaser of the property legally described as:

if the following conditions are met:

1. Seller will build/ set a house in McKenzie County, ND on a
 - a. **City lot** that meets the minimum requirement of 7,200 square feet on an R-1 lot or 5,000 square feet on any other residentially zoned lot and has a maximum lot size of 1 gross acre (43,560 sq. ft.) The house must be served by or readily available to be served by municipal water and municipal sanitary sewer; meets building codes of the jurisdiction it is located in and is annexed to a city or is readily available to be annexed by a city; or
 - b. **County-approved, platted residential subdivision lots** not to exceed 87,120 square feet zoned R1. Installed with approved septic and serviced by McKenzie County water district or state-approved well, and subject to a Home Owners Association (HOA).
2. Further, the house consists of at least three bedrooms, two bathrooms, and an attached two-stall garage (hereinafter "Qualifying House"). If space in basement is being used to meet the three bedroom/two bathroom requirement, ingress/egress to basement must be finished to nearest facing bathroom/bedroom wall with all other unfinished space accessible through interior door.
3. The Qualifying House will appraise for a value of at least the current-at-the-time-of-closing one-family FHA Mortgage Limit for McKenzie County, ND.
4. The Purchaser will use the property as his or her primary residence. The Purchaser shall sign the Declaration of Lien Interest attached at the closing of the sale between Seller and Purchaser.
5. In order for the Seller to qualify for the subsidy the Purchaser must sign and acknowledge the Declaration of Lien Interest attached at the closing of the sale between Seller and Purchaser.
6. The purchase price for the Qualifying House from the Seller to the Purchaser will be no more than five thousand dollars (\$5,000) over appraised value, and the purchase price shall not be adjusted to a higher amount after receipt of the appraisal by the Purchaser. In no event will a homebuyer's loan amount higher than fifty thousand dollars (\$50,000) plus the current-at-the-

time-of-closing one-family FHA Mortgage Limit for McKenzie County, ND be eligible for any grant amount. If there are special assessments on the property those special assessments must be made known to the Purchaser in the purchase agreement, including the estimated annual cost and the estimated one-time payoff amount. The amount of the Development Subsidy will be the difference between the purchase price and the current-at-the-time-of-closing one-family FHA Mortgage Limit for McKenzie County, ND. Payment of the Development Subsidy by the JDA shall occur at the closing of the sale between the Seller and the Purchaser.

Up to \$50,000 would be available for those homes that have complete infrastructure, and up to \$25,000 would be available for those homes that have limited infrastructure as described:

Complete: Municipal water and municipal sanitary sewer, curb, gutter, sidewalk, and pavement

Limited: Municipal water and municipal sanitary sewer; or in a county residential subdivision that has improved gravel road and septic

7. The Seller shall have all local and state fees, mortgages, and other consensual or nonconsensual liens on this property paid prior to or contemporaneous with closing of the sale of the Qualifying House to Purchaser. If there is a breach in this agreement by the Seller, the Seller will pay the JDA's legal fees.
8. The Seller shall not be in violation of any zoning or other ordinances relating to the property. The Seller shall be in good standing with any agreements between it and McKenzie County or any of the Cities or Townships located in McKenzie County related to this or any other property owned by the Seller.
9. This Agreement, along with the attached application by Seller, and the Purchase Agreement between Seller and Buyer shall constitute the entire agreement among the parties. Any modifications to the agreement must be in signed and in writing. A failure by the JDA to enforce any provision of the Agreement shall not act as a waiver for the JDA to enforce any other provision of it. Strict adherence to the application by Seller, the purchase agreement between Seller and Buyer, and this Agreement is required in order to be eligible for the Development Subsidy. The JDA shall be the sole determiner as to eligibility and adherence.

This Agreement shall be governed by the laws of North Dakota.

This agreement shall supersede all previous agreements or contracts, either oral or written, between the parties with the respect to the subject matter thereof. If any

