



CITY OF SPRING VALLEY, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY

NEWLY CONSTRUCTED HOME BUYER INCENTIVE PACKAGE

PURPOSE:

The purpose of this program is to act as a catalyst for new construction of market rate single family homes within the corporate city limits of Spring Valley. The Economic Development Authority is committed to satisfying the housing needs of Spring Valley. The Economic Development Authority realizes that adequate housing is a necessary tool to help foster a successful and growing community.

ELIGIBLE APPLICANTS

Eligible applicants include any individual or family who constructs a new home within the corporate limits of Spring Valley for the purposes of making it their primary residence. For the purposes of this program, “new home” means any single-family dwelling, including townhomes, (not including mobile homes) built after the date of adoption of this program. “Spec” homes which have not yet been lived in or homesteaded may be included as an eligible site in this program.

PROGRAM DESCRIPTION

1. Interested parties shall obtain an application form from City Hall, 201 South Broadway, Spring Valley, MN 55975, complete it, and return it to the same address.
2. ***All applicants shall have control of the subject property (i.e. a signed purchase agreement or deed) prior to submitting an application.***
3. All applicants shall submit detailed construction drawings of the proposed home with their application. All construction shall require a building permit from the city and be completed in compliance with local zoning and the State Building Code.
4. New houses must be a minimum of 1,200 square feet of livable space in size. Garages are optional and may be attached or detached.
5. Applications must specify the estimated cost of construction.
6. Once the house is completed, the transaction has been closed, and it has been verified that the applicant has indeed made the new home his or her primary residence, the Spring Valley Economic Development Authority shall issue the incentive to the homeowner.
7. ***Upon special request, the EDA may release the incentive on the date the applicant closes on the property. However, such request must be made at the time of the submission of the application. The EDA reserves the right to reject any and all special requests.***
8. The Spring Valley EDA reserves the right to reject any and all applications ***for any reason, specified or unspecified.***

DEFAULT

If an applicant should default on any of the following restrictions, all incentive money received shall immediately be returned to the Spring Valley EDA unless otherwise approved by the Spring Valley EDA.

1. Failure to reside in the new home as a primary residence for a period of at least thirty-six months.
2. Constructing a home that was not properly represented in the application package.
3. Using an unlicensed contractor for the construction of the new home.
4. Attempting to sell the new home before residing in the home as a primary residence for a period of at least thirty-six months.

APPEAL

If an applicant should default on any of the aforementioned restrictions, all incentive money shall immediately be paid back to the Spring Valley EDA. However, an applicant may appeal to the Spring Valley EDA. The Spring Valley EDA, on a case-by-case basis, shall determine if the incentive shall be paid back in full, a prorated amount of the incentive is to be paid back, or if the incentive is to be forgiven completely. All decisions of the Spring Valley EDA are final.

PROGRAM INCENTIVE

1. Applicants shall receive at least \$3,000 in incentive for newly constructed homes.
2. Incentive funds will be distributed after closing occurs unless funds are requested to be used for closing costs, in which case a check will be made to the bank handling the closing.

PROGRAM STRATEGY

1. The Spring Valley EDA will set aside \$1,500 towards the financial incentive package for each newly constructed home within the guidelines of its operating budget.
2. The Spring Valley Public Utilities Commission will set aside \$1,500 towards the financial incentive package for each newly constructed home within the guidelines of its operating budget.

**CITY OF SPRING VALLEY ECONOMIC DEVELOPMENT AUTHORITY
NEWLY CONSTRUCTED HOME BUYER
INCENTIVE PACKAGE APPLICATION FORM**

Name of Applicant: _____

Current Address: _____

Current Phone #: _____

Address of New Home: _____

Tax Parcel ID #: _____

Short Legal Description: _____

Square Footage of New Home: _____ Cost Estimate: _____

Name of Contractor: _____ License No.: _____

Address of Contractor: _____

Phone # of Contractor: _____

Type of Home (Check One):

_____ Traditional "Stick-Built" _____ Modular

_____ Prefabricated

_____ Other (Specify) _____

Application Check List:

_____ Proposed home is at least 1,200 livable square feet in size (mobile homes not allowed under this program)

_____ Building Permit has been acquired or applied for (construction may not begin until Building Permit has been approved and paid for)

_____ Two (2) copies of the construction plans have been submitted as part of this application

_____ Application form has been filled out in its entirety

I, _____, the undersigned, do hereby certify that I understand and agree to the all the terms and conditions of the Housing Incentive Program set fort herein. I further certify that I understand that the Spring Valley Economic Development Authority has the right to reject any and all applications at their discretion and all such decisions are final.

Signature

Date