

Tatum Housing Incentive Guidelines

Section 1 – New Housing Construction on Private Lots

1-1. The Town is seeking a home builder or provider to construct homes in Tatum on lots provided by the developer that would be for sale to families meeting the workforce housing income limits of Lea County, which are 120% of the Lea County Area Median Income (AMI).

1-2. The families seeking to purchase these homes must acquire their own home purchase financing and provide the down payment amount required by the proposed mortgage loan (e.g., FHA – 3.5%). Home purchasers must provide income documents to verify this information to the Town to begin the eligibility process and provide loan documents to verify the loan information prior to the loan closing date.

1-3. To address the potential gap in the home sale cost and the appraisal value, the town is offering up to \$25,000 down payment assistance to the homebuyer at the time of closing. If the final sale cost is greater than \$25,000 above the appraisal amount, the home builder will agree to reduce the sale price to the appraisal price plus the incentive amount.

1-4. The homes would need to be three bedroom and two bath homes with a minimum width of 28 feet and a minimum square footage of 1,450 SF. The home builder must obtain the building permit and must meet the appropriate new home construction building codes applicable for Tatum. Mobile homes will not be allowed.

1-5. Manufactured housing on permanent HUD Foundations will be acceptable. The home builder can provide information on several size and configuration homes, if desired, provided they are still affordable to families with workforce housing family incomes. Any surveying or plat work required is the responsibility of the home builder.

1-6. The builder would not be required to construct curb and gutter or sidewalk on adjacent streets. However, an all-weather driveway will be required for each home and homes must be constructed with frontage on paved streets.

1-7. The builder must provide all utility connections and be responsible for all costs to construct the connections and connect the homes to the utilities, being a minimum of water, sewer and electricity. If manufactured homes are constructed and follow the manufactured home code, no EV Charging equipment will be required.

1-8. Home must be begun and completed in within one year of the home application being approved by the Town.

1-9. To be considered for participation in this program, builders must submit the following information to the Tatum Town Clerk in an envelope labeled **"WORKFORCE HOUSING CONSTRUCTION"**. Builders will be allowed to continue to submit proposals until the incentive funding is depleted.

- a. Company name, address, contact name and information.

b. Potential home types (Manuf./site built), sizes (SF), floor plans, proposed sale cost and estimated appraisal costs. Submit documents for each requested item.

c. Number of homes proposed to be built.

d. Potential amenities that could be offered for the homes along with costs for each amenity (Fence, Conc. Driveway, Carport, porch, covered porch, etc.)

e. Information regarding how long the company has been in business, how many homes have been constructed in Lea County, and housing quality references from previous home purchasers, etc.

1-10. After the home builder is approved to participate in the program, the home builder will submit the following items to the Town Clerk to provide the necessary information for preparation of the incentive agreement between the Town and the Builder. The information to be submitted will include the following:

a. Name of proposed purchaser, income information, home mortgage qualification information, closing company to be used (with contact information). Submit documents for each requested item.

b. Address of proposed home, type of home, square footage, floor plan, proposed sale cost and estimated appraisal costs. Submit documents for each requested item.

c. Amenities that will be included with the home construction sale price (Fence, Conc. Driveway, Carport, porch, covered porch, etc.)

d. Proposed schedule for home construction start and completion.

1-11. After the submittal information is received and reviewed by the Town. The Builder will then be contacted to sign an agreement with the Town listing the home and amenities to be constructed and the conditions that will need to be met for the Town to provide the subsidy amount at time of closing.

1-12. After the agreement is signed, the home builder shall submit a copy of the building permit to the town within three weeks. The homeowner shall notify the Town of the proposed home purchase closing date and provide a copy of the preliminary closing price breakdown document a minimum of two weeks prior to the proposed closing date.

1-13. After the home construction is completed, the home builder shall provide a copy of the certificate of occupancy to the Town Clerk.

1-14. When the Town Clerk has verified that the purchasing family meets the income requirements, the home builder has set the home sale price at no more than \$25,000 above the appraisal amount, the home builder provides a certificate of occupancy to the town, and the home buyer has signed the closing documents to complete the sale, the town will provide the \$25,000 incentive check to the closing company or home builder, as applicable.

Section 2 – New Housing Construction on City Owned Lots

2-1. The Town also has five 28' by 140 city lots being lots 18-22 in the Wagner Redivision of the Town of Tatum. These lots have adjacent curb and gutter with roadway on the west side of the lots and roadway only on the south side of the lots. The lots have sewerline in the alleys running along the north and east side of the lots. There is a waterline in the roadway adjacent the west side of the lots. Wired utilities are available in the alley on the north side of the lots.

2-2. The Town is seeking a home builder or provider to construct three homes on these lots provided by the Town that would be for sale to families meeting the workforce housing income limits of Lea County, which are 120% of the Lea County Area Median Income (AMI). Any surveying or plat work required is the responsibility of the home builder.

2-3. The families seeking to purchase these homes must acquire their own home purchase financing and provide the down payment amount required by the proposed mortgage loan (e.g., FHA – 3.5%). Home purchasers must provide income documents to verify this information to the Town to begin the eligibility process and provide loan documents to verify the loan information prior to the loan closing date. Since the lots are being donated for this program, the value of the lot must not be included in the proposed home purchase cost.

2-4. To address the potential gap in the home sale cost and the appraisal value, the town is offering up to \$15,000 down payment assistance to the homebuyer at the time of closing. If the final sale cost is greater than \$15,000 above the appraisal amount, the home builder will agree to reduce the sale price to the appraisal price plus the appropriate incentive amount.

2-5. The homes would need to be three bedroom and two bath homes with a minimum width of 28 feet and a minimum square footage of 1,450 SF. The home builder must obtain the building permit and must meet new home construction building codes applicable for Tatum. Mobile homes will not be allowed.

2-6. Manufactured housing on permanent HUD Foundations will be acceptable. The home builder can provide information on several size and configuration homes, if desired, provided they are still affordable to families with workforce housing family incomes.

2-7. The builder would not be required to construct curb and gutter or sidewalk on adjacent streets. However, an all-weather driveway will be required for each home.

2-8. The builder must provide all utility connections and be responsible for all costs to construct the connections and connect the homes to the utilities, being a minimum of water, sewer and electricity. If manufactured homes are constructed and follow the manufactured home code, no EV Charging equipment will be required.

2-9. The home must be begun and completed in within one year of the home application being approved by the Town.

2-10. To be considered for participation in this program, builders must submit the following information to the Tatum Town Clerk in an envelope labeled **"WORKFORCE HOUSING CONSTRUCTION"**. Builders will be allowed to continue to submit proposals until the incentive funding is depleted or the lots available are fully allocated.

- a. Company name, address, contact name and information.
- b. Potential home types (Manuf./site built), sizes (SF), floor plans, proposed sale cost and estimated appraisal costs. Submit documents for each requested item.
- c. Number of homes proposed to be built.
- d. Potential amenities that could be offered for the homes along with costs for each amenity (Fence, Conc. Driveway, Carport, porch, covered porch, etc.)
- e. Information regarding how long the company has been in business, how many homes have been constructed in Lea County, and housing quality references from previous home purchasers, etc.

2-11. After the home builder is approved to participate in the program, the home builder will submit the following items to the Town Clerk to provide the necessary information for preparation of the incentive agreement between the Town and the Builder. The information to be submitted will include the following:

- a. Name of proposed purchaser, income information, home mortgage qualification information, closing company to be used (with contact information). Submit documents for each requested item.
- b. Address of proposed home, type of home, square footage, floor plan, proposed sale cost and estimated appraisal costs. Submit documents for each requested item.
- c. Amenities that will be included with the home construction sale price (Fence, Conc. Driveway, Carport, porch, covered porch, etc.)
- d. Proposed schedule for home construction start and completion.

2-12. After the submittal information is received and reviewed by the Town. The Builder will then be contacted to sign an agreement with the Town listing the home and amenities to be constructed and the conditions that will need to be met for the Town to provide the subsidy amount at time of closing.

2-13. After the agreement is signed, the home builder shall submit a copy of the building permit to the town within three weeks. The homeowner shall notify the Town of the proposed home purchase closing date and provide a copy of the preliminary closing price breakdown document a minimum of two weeks prior to the proposed closing date.

2-14. After the home construction is completed, the home builder shall provide a copy of the certificate of occupancy to the Town Clerk.

2-15. When the Town Clerk has verified that the purchasing family meets the income requirements, the home builder has set the home sale price at no more than \$15,000 above the appraisal amount, the home builder provides a certificate of occupancy to the town, and the home buyer has signed the closing documents to complete the sale, the town will provide the \$15,000 incentive check to the closing company or home builder, as applicable.

Section 3 – Housing Renovation of presently unoccupied homes

3-1. The Town is seeking home renovation providers to rehabilitate uninhabitable vacant homes in Tatum. Homes must have permanent foundations and classified as "real estate". Mobile homes without permanent foundations or RV's are not eligible for this program. Applicants can be eligible for this program if they fall under one of the below categories:

a. Home renovation providers who own an uninhabitable vacant home and desire to rehabilitate it to meet applicable code requirements themselves.

b. Owners of uninhabited vacant homes who contract with home renovation providers who are licensed contractors to provide the required rehabilitation to meet applicable code requirements for the property owner.

3-2. A maximum \$10,000 subsidy for each homeowner who completes the renovation of a 1,000 SF or more, uninhabitable vacant home and obtains a certificate of occupancy. For homes renovated less than 1,000 square feet, the subsidy could be reduced to a rate of \$10 per square foot of home rehabilitated.

3-3. The Home renovation must be begun and completed within one year of the home renovation application being approved by the Town.

3-4. To be considered for participation in this program, homeowners must submit the following information to the Tatum Town Clerk in an envelope labeled **"UNINHABITABLE HOME RENOVATION"**. Homeowners will be allowed to continue to submit proposals until the incentive funding is depleted.

- a. Homeowner name, address, and contact email and cell phone information.
- b. Size of home and home renovation items to be completed along with estimated cost for each renovation item. (If work is performed entirely by a contractor, submit a copy of the contractor's home renovation quote with work list and prices.)
- c. Present value of home as listed on the County Tax Rolls. (Can be obtained online.)
- d. Licensed contractor name, contact information and NM license number for any work requiring a licensed contractor (electrical, plumbing, roofing, etc.).

3-5. After the submittal information is received by the Town, the property will be viewed to assure the home is uninhabitable. The Homeowner will then sign a short agreement with the Town attaching the work to be performed and the conditions that will need to be met for the Town to provide the subsidy amount.

3-6. After the homeowner obtains the work building permit, completes the work, and submits the certificate of occupancy to the Town for review, the Town will provide the agreed subsidy amount to the homeowner.

Sample Newspaper ad shown below.

Sample Newspaper Advertisement in Hobbs News and local paper:

The City of Tatum will receive proposals for the \$25,000 and \$15,000 New Housing Construction Incentive Programs and the \$10,000 Uninhabitable Home Renovation Incentive Program at the office of the Tatum Town Clerk. Interested parties can contact the Tatum Town Clerk to receive a copy of the Tatum Housing Incentive Guidelines that lists the requirements for proposal submittal and the incentive program guidelines. Proposals can continue to be received and the program will continue to operate until the funding is depleted. This is anticipated to be a three-year program that may be able to be extended.