

2018 Preston Housing Incentive
Contact: Cathy Enerson, EDA Director

Preston, MN Economic Development
507-765-2153

New Construction -

Residential, City of Preston

Waive Building Permit Fees: per structure	Value: Up to \$60.00*
Waive Utility Hook-Up Fees: per unit	Value: Up to \$675.00*
City Utility Credit (\$75.00 per month for 5 Months): per unit	Value: \$375.00**
Free Family Pool Pass	Value: \$95.00
Preston Public Utility Energy Rebates	Value: Up to \$500.00 *
\$1,000 Preston \$'s (When construction is complete) per unit	Value: \$1,000.00**
Free 1 year family golf membership at Preston GC	Value: Up to \$600.00**

Total Value: Up to \$3,305.00 Limited to 3 applications.

*Program is available to Spec builders, however these funds are reserved for the property buyer for 1 year from the EDA board approval. The golf membership, Preston Bucks, and City Utility Credits are not intended for the spec builders use but rather the buyer of the new home.

Housing Incentive Program Details

PURPOSE:

The purpose of this program is to act as a catalyst for the purchase of new construction single-family homes within the corporate city limits of Preston. The Economic Development Authority is committed to satisfying the housing needs of Preston. The Preston EDA 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 builds a “new” home within the corporate limits of Preston for the purposes of making it their primary residence. (NEW CONSTRUCTION HOMEOWNERS CAN BE AN EXISTING RESIDENT WITHIN THE CITY LIMITS). 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. Commercial and non-profit organizations do not qualify as an individual or family.

PROGRAM DESCRIPTION

Interested parties shall obtain an application form from City Hall, 210 Fillmore Street West, Preston, MN, 55965 or on line at www.prestonmn.org. Complete the application and return it to the same address, Attention Economic Development Authority.

All applicants shall have control of the subject property (i.e. a signed purchase agreement or deed) prior to submitting an application. All applicants and their project must meet local and zoning and building codes. (Applications will not be accepted after closing for new construction)

Three (3) applications will be available in 2018 for New Construction, program and incentives expires one year after EDA approval.

All applicants:

1. The Preston EDA reserves the right to reject any and all applications *for any reason, specified or unspecified.*
2. In the case of the declaration of a natural disaster within the City of Preston, the Housing Incentive will not apply.
3. Monthly Utility Credits will be credited to the applicant’s accounts the first 5 consecutive months after closing or upon project completion has been verified with the Economic Development Authorities office.
4. Preston Bucks are to be distributed by City Hall thru the EDA office after the closing or rehab has been finalized for the subject property and verified by the Economic Development office. The EDA Director will schedule a time review the HUD statement and distribute the Preston Bucks to the Homeowner. Preston Bucks are to be picked up at City Hall after the closing or rehabilitation has been finalized and closing documents have been verified by the EDA office. The applicant will be required to sign a receipt for the “Preston Bucks”.
5. Closing document required to disperse funds include:
 - A HUD closing statement, and or Warranty DEED
 - After construction photos
6. All applicants requesting additional energy rebates are to follow PPU rebate guidelines. Rebate applications can be picked up at the Preston Public Utilities office.

For New Construction:

All applicants will need for new construction, *to apply for a building permit from the city and construction must be completed in compliance with local zoning and or the State Building Code.* Applications for newly constructed homes must specify the estimated cost of construction. Multi-family dwelling incentives are awarded per unit, permits per structure for new construction. Mobile homes are not meant to be considered for any of the housing incentives. 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 Preston Economic Development Authority shall issue the incentive to the homeowner. Applicants will be responsible to provide the Preston EDA with a copy of closing documents to show proof of ownership by supply the HUD closing statement and or WARRANTY DEED for the EDA director’s review and verification.

In the case of the declaration of a natural disaster within the City of Preston, the Housing Incentive will not apply. In the event that the new construction is a spec home the intended distribution of the City Utility Credits per month, the golf membership and the Preston bucks is for the purchaser of the new construction and not intended to be given to the builder. All other new construction incentives are available to spec builders.

DEFAULT

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

1. Failure to reside in the new home as a primary residence for a period of at least thirty-six (36) 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 (36) months.
5. Failure to start construction within 6 months voids the recipient's application and approval. Program and incentives expire 12-31-18, all rebate and incentive start dates must be activated by 12-31-18.
6. Spec homes should incentives should generally begin within 2 years of the date the incentive is approved. Appeals must be approved by the EDA board.

APPEAL

If an applicant should default on any of the aforementioned restrictions, all incentive money shall immediately be paid back to the Preston EDA. However, an applicant may appeal to the Preston EDA.

PROGRAM INCENTIVE

Applicants/buyers of new construction shall receive \$1,000 in "Preston Bucks" for new construction building a home in the City of Preston.

PROGRAM BUDGET

The Preston EDA will set aside \$4,800.00 towards the financial incentive package for the entire 2018 housing incentive project. There will be a maximum of three (3) home incentives, within the guidelines of its operating budget.

The application is found on the next page.

PRESTON HOUSING INCENTIVE PROGRAM APPLICATION
2018 New Construction Housing Incentive

Applicant Name: _____
Date application received: _____
Current or Previous Address: _____

Current Phone #: _____ Cell phone # _____
Email: _____

Address of NEW HOME: _____

Estimated Closing Date _____ Tax Parcel ID #: _____

Short Legal Description: _____

Type of Home (Check One):

- Newly Constructed Home
 Traditional "Stick-Built" Modular/Permanent Foundation
 Manufactured/Permanent Foundation Other (Specify) _____
 I am a new resident to the City of Preston
 I am moving up from rental housing or an existing home
 I am the builder, this is a spec home

Property will be titled in the name(s) of:
_____.

I will be residing at this address Circle: YES / NO

I am interest in applying for the: Check all that apply:

Golf Pass Pool Pass Energy Audit Rebate One free trees _____
(Planting requirements)

For New Homes

Name of Contractor(s): _____ License No(s): _____

Address(s) of Contractor: _____ Phone #(s) of Contractor: _____

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

Signature Date

Application Check List for New Homes:

Application form has been filled out in its entirety
 Building Permit issued/and paid for (if applicable) Date of Approval _____
 Application forwarded to Utilities, Date _____ Park Board Date _____ Tree Board Date _____ Golf Course Date _____

EDA approval Date of CC approval _____

Form updated: 2-2-09, 4-12-10, 2-7-1, 3-2012, 3-14-2013, 2-3-2014, 12-15-2014, 02-2015, 01-2016, 2017, 2018