

Additional Federal Program Requirements

- ◆ Developments with 12 or more units must comply with requirements under Davis Bacon Act, applicable provisions of the Contract Work Hours and Safety Standards Act, and other applicable federal laws and regulations pertaining to Labor Standards.
- ◆ Developments are subject to an Environmental Review under provisions of the National Environmental Policy Act of 1969.
- ◆ Uniform Relocation Act requirements apply to this program. This program may not be used if it will result in the displacement of existing tenants. Relocation expenses, if any, must be paid by the owner.
- ◆ Lead-based Paint Risk Assessment must be performed, and hazards corrected as prescribed by federal regulations (24 CFR part 35.1355). Owners must maintain compliance with standards and conduct ongoing lead-based paint maintenance activities during the applicable affordability period. HUD training and additional information is available at <http://www.hud.gov/offices/lead/index.cfm>.

Obtaining Application Materials

Minnesota Housing contracts with local housing agencies such as HRAs and nonprofits to administer this program.

Contact your local administrator to apply for HOME funds. For an administrator in your area, please contact Minnesota Housing at 651-297-3294 or 1-800-657-3701 or TTY 651-297-2361 or see a list of administrators on our website at:

www.mnhousing.gov.

For more detailed information about the HOME Rental Rehabilitation Program see the Owners' Manual, available at http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_001952.pdf.

This document is available in alternative formats upon request by calling 651-297-5709 or 1-800-657-3701 or TTY 651-297-2361.

It is Minnesota Housing's policy to provide for fair housing opportunity in all its programs and administer its housing programs affirmatively so that individuals of similar income levels have equal access to Minnesota Housing programs regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to receipt of public assistance, disability, sexual orientation, or familial status.

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HOME Rental Rehabilitation Program



Equal Housing Opportunity
Equal Opportunity Employer

The HOME Rental Rehabilitation Program

- ◆ Funding for rehab of permanent rental housing that is affordable to and occupied by low-income persons and families.
- ◆ Tenant income must be less than 60% of the area median income at the time of funding commitment.
- ◆ Tenants with incomes above the program guidelines may occupy units in the building; however, program funds may be expended only on units occupied by eligible tenants.

Eligible Property Owners

- ◆ Individuals, corporations, partnerships, nonprofit organizations and HRAs
- ◆ Have documented qualifying interest (1/3 interest) in the property to be rehabilitated

Deferred Loan Financing Terms

For developments obtaining \$100,000 or more in HOME funds:

- ◆ Deferred loan is set at 0% and is coterminous with the existing first mortgage (a first mortgage is required to obtain a deferred payment loan.)
- ◆ Developments may obtain financing of eligible costs up to \$14,000 per HOME-assisted unit.
- ◆ Properties are monitored for five years to ensure compliance with occupancy, rent, and physical condition standards.
- ◆ Repayment is required upon sale, transfer, payment in full or upon maturity of the permanent senior mortgage or in the event of default of the HOME mortgage.

Forgivable Loan Financing Terms

For developments obtaining less than \$100,000 in HOME funds:

- ◆ The 0% loan is forgiven after a five-year period of compliance with affordability and property standards.
- ◆ Borrowers must provide a minimum of 25% of HOME-eligible costs.
- ◆ Repayment is required upon sale, transfer or in the event of default of the HOME Mortgage.
- ◆ Forgivable loans are end loans. No draws will be permitted until development completion. Borrowers will be required to obtain construction financing from another source.

Accepted documentation of source, terms and conditions of the property owner's 25% match:

- ◆ A commitment letter from a lending institution stating that private funds will be available to the borrower contingent upon obtaining the HOME funds;
- ◆ A commitment letter from a governmental body providing other public funds such as Community Development Block Grant funds, Minnesota Housing Rental Rehabilitation Loan Program funds, or other qualifying funds;
- ◆ For U.S. Rural Development, Section 8 and HUD 236 projects, a letter from the local Rural Development office and/or HUD stating that the borrower may use reserve funds for the 25% match.

Ineligible Properties

- ◆ Developments under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990
- ◆ Minnesota Housing financed developments that are eligible for, or actively participate in the Redefined Equity Program
- ◆ Minnesota Housing or federally financed developments that have reserves sufficient to capitalize improvements
- ◆ Developments previously funded under the HUD and/or HOME Rental Rehabilitation Program
- ◆ Minnesota Housing or other federally financed developments that have pre-paid their mortgage within the previous five years
- ◆ Emergency shelters, transitional housing, nursing homes, assisted living, public housing
- ◆ Developments where bankruptcies appear against the property and/or where there are outstanding liens or judgments filed against the property

Note: The program is not available in areas that receive their own HOME funds. If your property is in one of these areas, contact your local city or county administrator for more information:

- ◆ Cities of Minneapolis, St. Paul, or Duluth
- ◆ Counties of Anoka, Cook, Dakota, Hennepin, Itasca, Koochiching, Lake, Ramsey, St. Louis, and Washington.