

Community Homeownership Impact Fund

Learn how the Community Homeownership Impact Fund (Impact Fund) can help create and reinvest in affordable owner-occupied homes in your community!

The Impact Fund provides funding for developers and administrators of single-family, owner-occupied affordable and workforce housing activity in communities across Minnesota. Resources are available through a competitive Request for Proposal published each spring.

Eligible Applicants

- Cities
- Housing and Redevelopment Authorities
- For-profit and nonprofit organizations
- Indian tribes or tribal housing corporations
- Public Housing Agencies
- Joint powers boards

Income Limits

Household income cannot exceed 115% of greater of state or area median.

Eligible Use of Funds

All projects must supply or improve owner-occupied, single-family housing and comply with Green Communities Criteria. Eligible uses are:

- Acquisition, rehabilitation and resale of existing housing
- Owner-occupied rehabilitation
- New construction, including demolition or removal of existing structures with rebuild
- Reducing interest rates on Minnesota Housing home improvement loans through a Community Fix Up Initiative

Types of Funds Available

- **Interim Financing:** A short-term, low-interest bearing loan made to assist an administrator with acquiring, demolishing, rehabilitating or constructing owner-occupied housing.
- **Deferred Loans:** Interest-free deferred loan financing is available to help eligible homeowners bridge affordability gaps not covered by first-mortgage or other funding sources.
- **Grants:** Provided on a limited basis to bridge value gaps between a project's total development cost and its fair market value or for other eligible activities where recapture of loan funds proves infeasible or unaffordable.

General Selection Standards and Funding Priorities

- **Project feasibility:** The cost of developing or rehabilitating the proposed housing must be reasonable and economically viable given market conditions.
- **Community need:** The extent to which there is a well-defined community need for the housing activity in the Target Area based on local demographic, workforce, and economic factors.
- **Organization capacity:** The applicant's and applicant's partners' related housing experience is evaluated for capacity to undertake and complete the proposal.
- **Additional funding priorities** include:
 - Leverage for other financial and in-kind investments, including employer contributions;
 - Cost containment;
 - Non-duplication of an existing program or service;
 - Providing long-term housing affordability and housing affordable to the local workforce;
 - Addressing the housing needs of underserved populations;
 - Providing housing proximate to jobs, transportation, schools and services;
 - Providing housing investments in areas in need of community recovery.

Leveraging Minnesota Housing Home Improvement Programs

Make the most of the Impact Fund by leveraging our home improvement programs with your application. For more information, visit www.mnhousing.gov > Lenders & Homeownership Partners > Home Improvement Partners.

- **Fix Up Loans:** Minnesota Housing provides affordable home improvement loans through a statewide network of participating lenders that include banks, credit unions, and nonprofit organizations. Fix Up provides:
 - Loans for most basic remodeling, repairs and upgrades.
 - Loan options for homeowners with limited equity, including an unsecured loan option.
 - A lower interest rate and no income limit for basic energy conservation and accessibility improvements.
- **Community Fix Up Initiative:** A community partner joins with an approved lender to provide services and funds at a lower interest rate.
 - The approved lender originates these loans and sells them to Minnesota Housing.
 - Targeted to specific community needs
 - The Impact Fund or other leveraged resources supplied by the community partner can be used to write down the Community Fix Up interest rate.

Interested?

The Impact Fund can help create and reinvest in affordable owner-occupied homes in your community! To learn more about the program, visit www.mnhousing.gov > Lenders & Homeownership Partners > Community Development > Impact Fund, or contact a member of the Impact Fund Team:

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