

Single Family Development



Single Family Programs

Nira Ly | Community Lending Team Supervisor

Community Homeownership Impact Fund

Funding for single-family, owner-occupied affordable housing activity throughout Minnesota

- New construction, including demolition or removal of existing structures with rebuild
- Acquisition, rehabilitation and resale of existing housing
- Construction financing and gap financing
- Lending products for individuals
- Email: [Email impact.fund.mhfa@state.mn.us](mailto:Email%20impact.fund.mhfa@state.mn.us)

[Learn more at Impact Fund webpage](#)

Case Study: Cass Clay Community Land Trust

Project: Affordable Housing Initiative

Developer: Cass Clay CLT in partnership with Lake Agassiz Habitat for Humanity

What It Funds: New Construction and Affordability Gap/Downpayment & Closing Costs Assistance

Who It Serves: Moderate income homebuyers making up to \$80,000



Impact Fund: Fund Types

- Interim construction financing
 - Provided to developers
 - Short-term, low-interest bearing
 - Assist with acquiring, demolishing, rehabilitating or constructing owner-occupied housing
- Deferred forgivable loans
 - Provided to homebuyers and homeowners
 - Interest-free, deferred, forgivable
 - Help homebuyers bridge affordability gaps or fund homeowners' rehabilitation costs
- Grants
 - Bridge value gaps between project's total development costs and fair market value
 - For other eligible activities where recapture of funds is infeasible or unaffordable

Total Unit Subsidy Scenario



Total Development
Cost:

\$325,000

Value Gap:

\$75,000

Fair Market
Sale Price:

\$250,000

**Affordability
Gap:**

\$50,000

Buyer's first
mortgage:

\$200,000

Value Gap subsidy **\$75,000**

Affordability Gap subsidy (+) \$50,000

Total Unit Subsidy \$125,000

Community Partnerships

- Partnerships establish connection to community
- Partners can include local government, lenders, contractors, homebuyer educators, realtors, etc.
- Strengthens organizational capacity
- Demonstrates project readiness



Case Study: One Roof Community Housing

Homeownership Capacity: Financial Coaching

HECAT: Homebuyer Education & Counseling

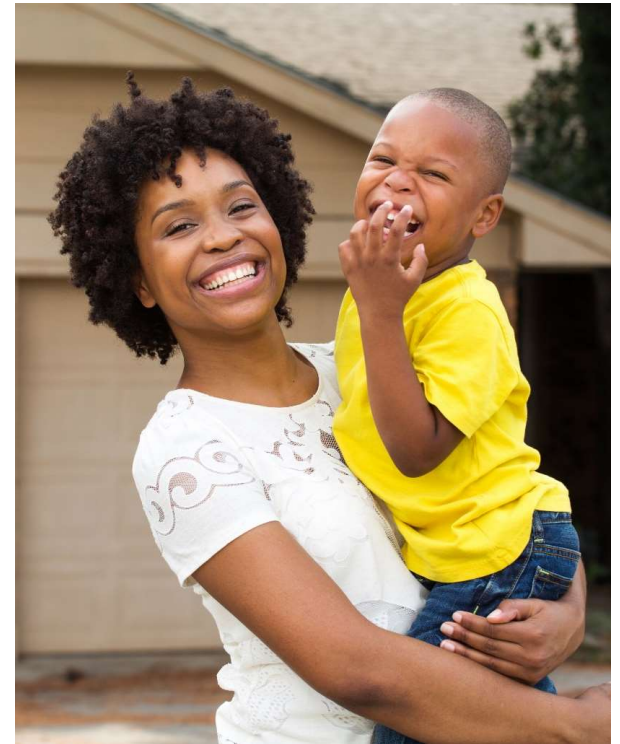
Impact Funds: Acquisition/Rehabilitation and Affordability Gap

Who It Served: Single mom who had been renting for 19 years



A Continuum of Programs

- **Homeownership Capacity:** Help families improve their financial position
- **HECAT:** Educate families about the homebuying process and homeownership
- **Downpayment & Closing Costs Loans** for income-eligible homebuyers.
- **Impact Funds:** Help developers construct homes for families to purchase
- **Impact Funds:** Provides affordability gap for families to purchase homes
- **Impact Funds:** Provides rehabilitation dollars for existing homeowners to fix their homes



Homeownership Counseling and Financial Education

Homeownership Education Counseling And Training (HECAT) Fund and Homeownership Capacity

- **Funding Type:** Grants
- **Process:** Biannual Request for Proposals, next anticipated RFP release: 2025
- **Eligible Uses**
 - **HECAT:** Homebuyer Education Classes, One-on-One Homebuyer Education Services, Foreclosure Prevention Counseling and Home Equity Conversion Counseling
 - **Homeownership Capacity:** Financial Education, Financial Coaching and Post-Program Completion Services
- **Eligible Applicants:** Nonprofit Organizations, Local Units of Government and Tribes or Tribal Entities
- **Questions?** Contact Abigail Behl at Abigail.Behl@state.mn.us

Manufactured Home Community Redevelopment

Manufactured Home Community Redevelopment Program

- **Funding Type:** Grants
- **Next Funding Availability:** Summer 2025
- **Eligible Uses**
 - Infrastructure improvements such as sewer systems, storm shelters, street improvements, electrical upgrades
 - Acquisition of manufactured home parks
- **Eligible Applicants – Manufactured home communities owned by:**
 - Indigenous Tribes or Tribal Entities such as Tribal Housing Redevelopment Authorities
 - Cooperatively Owned, Nonprofit Intermediaries, Individuals, Corporate Entities
- **Questions?** Contact Monica Tucker at monica.tucker@state.mn.us