



## 2007 Housing Development, Rehabilitation and Ownership Resource Guide



## Cover Images

### Top

Project: Greenleaf Lofts  
Address: 2000 Nicollet Ave  
Developer: Master Civil and  
Construction Engineering  
Architect: BKV Group

### Middle

Project: Many Rivers West  
Address: 1400 East Franklin Ave  
Developer: American Indian  
Community Development  
Corporation (AICDC)  
Architect: DJR Architecture, Inc.

### Bottom

Project: Heritage Housing  
Address: 1110 Howell Drive  
Developer: Sienna Corporation & NRRC  
(Northside Residents  
Redevelopment Council)  
Architect: LHB + Madson

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# Multifamily Housing Development Programs

[http://www.ci.minneapolis.mn.us/cped/multifamily\\_home.asp](http://www.ci.minneapolis.mn.us/cped/multifamily_home.asp)

## Introduction

The Multifamily Housing Development section of CPED administers financing programs to develop and preserve affordable housing throughout Minneapolis. The programs focus on mixed-income multifamily rental housing and ownership housing projects with 10 or more units.

The City of Minneapolis Unified Housing Policy requires that all projects of 10 or more units receiving assistance under any of these programs set aside 20 % of the units as “affordable.” “Affordable” is defined as housing costs (rent or mortgage payment), which are less than or equal to one-third (30 %) of the gross income of households earning less than 50 % of the metropolitan median income (MMI).

Important note: numerous City and federal funding requirements will apply to the multifamily financing programs. Program applicants will find more detailed information on funding requirements in the respective request for proposals (RFP) and program documents.

## Affordable Housing Trust Fund Program (AHTF)

*Purpose: “...to finance the production and preservation/stabilization of affordable and mixed-income rental housing projects in Minneapolis.”*

## Quick Facts

- **Who is Eligible:** Nonprofit and for-profit developers
- **2007 Budget:** Approximately \$8 million to \$10 million
- **Application Procedure:** Annual competitive request for proposal process
- **Contact Person:** Donna Wiemann, 612-673-5257, [Donna.Wiemann@ci.minneapolis.mn.us](mailto:Donna.Wiemann@ci.minneapolis.mn.us), CPED Multifamily Housing section

## Program Summary

The AHTF Program provides gap financing (the difference between conventional financing and project costs) for affordable and mixed-income rental housing production and preservation projects. Program funds include HOME, Community Development Block Grant (CDBG) and other sources. Minneapolis neighborhoods may elect to dedicate their Phase II Neighborhood Revitalization Program (NRP) funds to the new “Affordable Housing Investment Fund,” which is administered under the CPED AHTF program. CPED makes these funds available through a periodic competitive RFP process that is generally coordinated with Minnesota Housing Finance Agency RFPs. The purpose of this program is to finance the production and preservation/stabilization of affordable and mixed-income rental housing projects in Minneapolis. Program funds are targeted to housing for large families, supportive housing for homeless adults and families, and senior/elderly populations.



# Affordable Ownership Housing Development Program

*Purpose: "...to assist developers in the rehabilitation and construction of new single family, duplex or multi-unit housing for owner occupancy with long-term or perpetual affordability mechanisms, including limited equity cooperatives."*



## Quick Facts

- **Who is Eligible:** Nonprofit developers, for-profit developers, and low- to moderate-income households
- **2007 Budget:** Approximately \$1,000,000
- **Application Procedure:** Competitive request for proposals process
- **Contact Person:** Cherré Palenius, 612-673-5241, [Cherre.Palenius@ci.minneapolis.mn.us](mailto:Cherre.Palenius@ci.minneapolis.mn.us), CPED Multifamily Housing section and/or Earl Pettiford, 612-673-5231, [Earl.Pettiford@ci.minneapolis.mn.us](mailto:Earl.Pettiford@ci.minneapolis.mn.us), CPED Single Family Housing section

## Program Summary

This program is a joint effort between the Single Family and Multifamily Housing sections to create affordable single family, duplex, and multifamily ownership units in Minneapolis. Program funds are available to developers to cover construction gap – the difference between total development costs and the sales price of a completed unit/ home (appraised value) – or affordability gap. Developers must provide documentation that the project will remain affordable to the same income group for more than 30 years. Cooperative funds generally will be structured as long-term, low-interest deferred loans, either as a blanket loans to the cooperative or as individual share loans.

In no case shall CPED assistance exceed \$45,000 per unit for units affordable to households earning 50% or below of the metropolitan median income (MMI) and \$30,000 per unit for units affordable to households earning 60% or below of MMI. For all projects with 10+ units, at least 20% of the units must be affordable to and occupied by households earning 50% or below of MMI. Land trust models or limited equity cooperatives are encouraged to apply.

# Emergency Shelter Grant (ESG) Program

*Purpose: "...to renovate, rehabilitate, and convert buildings for use as emergency shelters or transitional housing for homeless people."*



## Quick Facts

- **Who is Eligible:** Nonprofit and for-profit developers
- **2007 Budget:** \$550,000
- **Application Procedure:** Periodic competitive request for proposal process
- **Contact Person:** Donna Wiemann, 612-673-5257, [Donna.Wiemann@ci.minneapolis.mn.us](mailto:Donna.Wiemann@ci.minneapolis.mn.us), CPED Multifamily Housing section

## Program Summary

Emergency Shelter Grant Program (ESG) funds may be used to renovate, rehabilitate, and convert buildings for use as emergency shelters or transitional housing for homeless people. The properties may be located either in the City of Minneapolis or in an adjacent Hennepin County suburb. These ESG funds, provided to the City by the U.S. Department of Housing and Urban Development (HUD), may not be used for new construction. ESG program funds may be used for furniture, security, and equipment (up to a certain maximum amount) in a new construction project.

## Higher Density Corridor Housing Program

*Purpose: "...CPED acquisition of property for the development of new mixed-income rental and ownership multifamily housing along transit and commercial corridors."*



### Quick Facts

- **Who is Eligible:** Site nominations accepted from neighborhood organizations, nonprofit and for-profit developers, CPED staff and other interested parties. Public (CPED) acquisition required.
- **2007 Budget:** \$943,000
- **Application Procedure:** Site nominations from neighborhood organizations and developers solicited year-round. CPED staff nominations considered year-round.
- **Contact Person:** Kevin Dockry, 612-673-5075, [Kevin.Dockry@ci.minneapolis.mn.us](mailto:Kevin.Dockry@ci.minneapolis.mn.us), CPED Multifamily Housing section

### Program Summary

The program provides a new funding source for public (CPED) acquisition of sites for multifamily housing development on or near community, commercial and transit corridors (defined in *The Minneapolis Plan*). Funds will be used to assemble larger sites for new mixed-income rental and ownership multifamily housing development. CPED solicits site-specific suggestions in the spring via a site nomination form. Leverage/matching acquisition funds encouraged.

## Low-Income Housing Tax Credits (LIHTC)

*Purpose: "...to facilitate the acquisition and rehabilitation or new construction of multifamily rental units for people with low incomes."*



### Quick Facts

- **Who is Eligible:** Nonprofit and for-profit developers
- **2007 Budget:** Allocation of \$1,109,037
- **Application Procedure:** An annual request for proposals (RFP), reflecting designations made in the City's Qualified Allocation Plan (QAP). A non-refundable application fee is required with each application. The fee for for-profit developers is based on the total number of units, with a maximum fee of \$2,000. Nonprofit developers pay an application fee of \$700. Request a LIHTC manual for more details.
- **Contact Person:** Dollie Crowther, 612-673-5263, [Dollie.Crowther@ci.minneapolis.mn.us](mailto:Dollie.Crowther@ci.minneapolis.mn.us), CPED Multifamily Housing section

### Program Summary

CPED is a "suballocator" of Low-Income Housing Tax Credits (LIHTC) for the state. The program offers a reduction in the owners and investors' tax liability for eligible new construction, rehabilitation and/or acquisition of existing rental buildings that offer housing affordable to people earning 60% or below of the metropolitan median income (MMI).

## Multifamily Housing Revenue Bond (HRB) Program

*Purpose: "...tax-exempt financing to facilitate the acquisition and rehabilitation or new construction of low- and moderate-income multifamily rental units."*



### Quick Facts

- **Who is Eligible:** Nonprofit and for-profit developers
- **2007 Allocation:** \$36,848,000
- **Application Procedure:** Applicants for Housing Revenue Bond financing should submit documents to the Project Coordinator assigned to the project. A full and complete application packet must be submitted to the Project Coordinator at least thirty (30) days before the Community Development Committee Meeting at which the project will be considered. The City charges an application review fee of \$3,000.
- **Contact Person:** Dollie Crowther, 612-673-5263, [Dollie.Crowther@ci.minneapolis.mn.us](mailto:Dollie.Crowther@ci.minneapolis.mn.us), CPED Multifamily Housing section

### Program Summary

The Multifamily section administers the City's Multifamily Housing Revenue Bond (HRB) program. Tax-exempt financing is provided for affordable and mixed-income rental housing for families and seniors. The City receives an annual entitlement allocation of Housing Revenue Bonds with automatic 4% Low-Income Housing Tax Credits. The Multifamily section also administers ongoing requests for nonprofit 501(c)(3) and refunding bonds.

## Nonprofit Development Assistance Program

*Purpose: "...to encourage the development of affordable multifamily housing."*



### Quick Facts

- **Who is Eligible:** Nonprofit developers
- **2007 Budget:** Approximately \$213,327
- **Contact Person:** Cherré Palenius, 612-673-5241, [Cherre.Palenius@ci.minneapolis.mn.us](mailto:Cherre.Palenius@ci.minneapolis.mn.us), CPED Multifamily Housing section

### Program Summary

This program provides funding to offset nonprofit housing developers' administrative costs when developing affordable multifamily rental, ownership and cooperative housing projects. Up to \$30,000 is awarded per project, depending on the number of proposed units.

# Tax Increment Financing (TIF)

*Purpose: "...to help finance the development of new affordable rental and ownership housing projects."*

## Quick Facts

- **Who is Eligible:** Nonprofit and for-profit developers with affordable and mixed-income multifamily housing and mixed-use projects
- **2007 Budget:** Project-driven
- **Application Procedure:** Applications for Tax Increment Financing can be submitted at any time. The City charges an initial application review fee of \$3,000 that is due at the time the application is submitted. A staff team will be assigned to review and analyze the application. The team will normally consist of a Project Coordinator, a Development Finance Analyst and an attorney. It may also include other CPED and City of Minneapolis staff.
- **Contact Person:** Kevin Walker 612-673-5236, [Kevin.Walker@ci.minneapolis.mn.us](mailto:Kevin.Walker@ci.minneapolis.mn.us), CPED Multifamily Housing section

## Program Summary

Tax Increment Financing (TIF) assists the development of new affordable rental and ownership housing projects. Projects must comply with all requirements of the Minnesota Tax Increment Financing Act, as amended. See TIF policy and TIF application at the links below.

CPED TIF policy: [www.ci.minneapolis.mn.us/cped/tax\\_increment\\_policy.asp](http://www.ci.minneapolis.mn.us/cped/tax_increment_policy.asp)

TIF application: [www.ci.minneapolis.mn.us/cped/docs/tif\\_application.pdf](http://www.ci.minneapolis.mn.us/cped/docs/tif_application.pdf)



# Joint Multifamily Housing & Business Development Program

## Capital Acquisition Revolving Fund (CARF)

*Purpose: "...acquisition funding for housing and economic development."*

### Quick Facts

- **Who is Eligible:** Nonprofit and for-profit developers for commercial and mixed-use development
- **2007 Budget:** \$1,000,000
- **Application Procedure:** Open nomination process via a site nomination form
- **Contact Person:** Kristin Guild, 612-673-5168  
[Kristin.Guild@ci.minneapolis.mn.us](mailto:Kristin.Guild@ci.minneapolis.mn.us), CPED Business Development section

### Program Summary

Loans to finance property acquisition for redevelopment of sites located on commercial and transit corridors and at commercial nodes (designated in *The Minneapolis Plan*) for mixed commercial and residential use. Funds will be used to assemble or aid in assembly of larger sites for new mixed-use and mixed-income rental and ownership multifamily housing and commercial development. At least 20% of the housing units must be affordable at or below 50% of the metropolitan median income (MMI). Loan repayment proceeds and interest will return to the fund.



# Single Family Housing Development Programs

[http://www.ci.minneapolis.mn.us/cped/singlefamily\\_home.asp](http://www.ci.minneapolis.mn.us/cped/singlefamily_home.asp)

## Introduction

The Single Family Housing Development section of CPED facilitates the elimination of blighting influences in Minneapolis through the acquisition of substandard, vacant, boarded, obsolete, or non-conforming structures. The Single Family Housing Development section provides financing and administers programs that promote and facilitate housing development, preservation and rehabilitation for projects less than 10 units.

In addition, the Single Family Housing Development section encourages private market activities through the marketing and disposition of land inventory. The section markets the available inventory through the “Lot List” on the CPED website and via monthly advertisements in the *Minneapolis Star Tribune* and *Finance & Commerce*. Copies of the “Lot List” are also available at the Single Family Housing Development section office at 105 Fifth Avenue South, Suite 450, or by calling the marketing line at 612-673-5225, or by email at [residentiallots@ci.minneapolis.mn.us](mailto:residentiallots@ci.minneapolis.mn.us)

## Century Homes Program

*Purpose: “...to rehabilitate and develop single family homes within the City of Minneapolis.”*

## Quick Facts

- **Who is Eligible:** A partnership between the City of Minneapolis and the Greater Metropolitan Housing Corporation (GMHC).
- **2007 Budget:** \$500,000
- **Estimated Annual Production:** 20 units
- **Application Procedure:** Staff from CPED and GMHC review and discuss development opportunities and select sites to pursue. Public (CPED) acquisition required.
- **Contact Person:** Earl Pettiford, 612-673-5231, [Earl.Pettiford@ci.minneapolis.mn.us](mailto:Earl.Pettiford@ci.minneapolis.mn.us), CPED Single Family Housing section

## Program Summary

The Century Homes Program is a partnership between the City of Minneapolis and GMHC. It was established in 1997 to rehabilitate and develop new homes within the City of Minneapolis. The partnership develops high quality market-rate homes for sale exclusively for owner occupancy. The homes are sold for their full fair market value. The program provides for the partners to share equally in the profits and losses.



## Distressed Properties - Vacant Housing Recycling Program

*Purpose: "...to remove and redevelop blighted properties in Minneapolis neighborhoods."*



### Quick Facts

- **Who is Eligible:** Nonprofit and for-profit developers
- **2007 Budget:** \$600,000
- **Estimated Annual Production:** 30 units
- **Application Procedure:** Developer tenders a completed "Offer to Purchase" document
- **Contact Person:** Elfric Porte, 612-673-5145, [Elfric.Porte@ci.minneapolis.mn.us](mailto:Elfric.Porte@ci.minneapolis.mn.us), CPED Single Family Housing section

### Program Summary

The Distressed Properties - Vacant Housing Recycling Program is a planning and redevelopment mechanism designed to address redevelopment needs within Minneapolis neighborhoods. The program is implemented in partnership with the neighborhood groups, the Council Members, development partners in the Northside Home Fund cluster areas and other partners. It is designed to bring together the expertise of CPED, the NRP and the neighborhood organizations to remove blight and work with the development community in redeveloping the individual properties or assembling more than one property (parcel) through neighborhood-based efforts. This program allows for a matching fund for acquisition and disposition of properties for development through the Lot Redevelopment memorandum of understanding with the neighborhood group.

## The Home Ownership Program

*Purpose: "...to provide affordable home ownership opportunities in non-impacted areas of Minneapolis."*



### Quick Facts

- **Who is Eligible:** A partnership between the City of Minneapolis and the Greater Metropolitan Housing Corporation (GMHC).
- **2007 Budget:** \$1,000,000
- **Estimated Annual Production:** 15 units
- **Application Procedure:** Staff from CPED and GMHC review and discuss development opportunities and select sites to pursue.
- **Contact Person:** Earl Pettiford, 612-673-5231, [Earl.Pettiford@ci.minneapolis.mn.us](mailto:Earl.Pettiford@ci.minneapolis.mn.us), CPED Single Family Housing section

### Program Summary

This program offers affordable home ownership opportunities in non-impacted areas of the city to buyers with incomes at or below 80% of the metropolitan median income (MMI). This program is funded using community development block grant (CDBG) funds with the entire gap covered by the City. In addition to funds available to the developer for the construction gap, the City provides up to \$30,000 per home in affordability gap financing to the homebuyer in the form of a deferred loan due and payable at the time of sale of the property.

# Home Ownership Works (HOW) Program

*Purpose: "...to provide affordable home ownership opportunities to first-time homebuyers."*



## Quick Facts

- **Who is Eligible:**
  - **Development funds:** CPED contracts with nonprofit developers to oversee construction and market the completed projects.
  - **HOW homes:** Moderate and low-income first-time homebuyers
- **2007 Budget:** \$600,000
- **Estimated Annual Production:** 15 units
- **Application Procedure:**
  - **Developers:** CPED is the developer. CPED selects eligible properties with input from neighborhood groups and nonprofit developers.
  - **Potential homebuyers:** Contact the HOW marketing representative who will show available homes and explain the HOW program requirements.
- **Contact Person:**
  - **Developers:** Edie Oliveto-Oates, 612-673-5229, [Edythe.Oliveto-Oates@ci.minneapolis.mn.us](mailto:Edythe.Oliveto-Oates@ci.minneapolis.mn.us), CPED Single Family Housing section
  - **Potential Homebuyers:** Erin Green, HOW marketing representative, 612-721-7556 x12

## Program Summary

Using federal funds, CPED buys older homes in Minneapolis that need moderate to substantial rehabilitation. In 2006, a new construction component of the program was introduced. CPED contracts with nonprofit developers for the construction and rehabilitation of the projects. The homes are then sold to first-time homebuyers with income at or below 80% of the metropolitan median income (MMI). Homebuyers have the luxury of moving into a home that offers the convenience of a newer home

# Housing Replacement Tax Increment Districts

*Purpose: "...a financing tool that allows the City of Minneapolis to be reimbursed for eligible costs incurred in acquiring and preparing blighted properties for redevelopment."*



## Quick Facts

- **Who is Eligible:** Development partners of the Northside Home Fund Clusters
- **Funding:** Tax-generated reimbursements
- **Estimated Annual Production:** 20 units
- **Application Procedure:** The developer notifies CPED of potential acquisition and CPED program manager seeks authorization from the City Council for inclusion in the District.
- **Contact Person:** Edith Johnson, 612-673-5262, [Edith.Johnson@ci.minneapolis.mn.us](mailto:Edith.Johnson@ci.minneapolis.mn.us), CPED Single Family Housing section

## Program Summary

The Housing Replacement Tax Increment Finance (TIF) District is a tool that allows the City of Minneapolis to be reimbursed for costs incurred in acquiring blighted properties and preparing them for redevelopment. Parcels/sites will be redeveloped as market-rate single family housing. Unlike other tax increment districts, the Housing Replacement District's geographic boundary is citywide and allows for the inclusion of properties throughout the city (non-contiguous parcels known as "scattered sites").

# Senior Housing Regeneration Program™ (SHRP)

*Purpose: "...to ensure that the Minneapolis senior population is appropriately housed."*

## Quick Facts

- **Who is Eligible:** Senior homeowners, 55+ years old, living within the City of Minneapolis, whose property is in the lower to median valued range, who are experiencing a need to transition to housing options better suited to accommodate senior living. The homes may need repairs or updates.
- **2007 Budget:** \$300,000
- **Estimated Annual Production:** 10 units
- **Application Procedure:** Staff from CPED and GHMC review and discuss potential program opportunities from referrals and select sites to pursue. The sites may be acquired by CPED or GMHC.
- **Contact Person:** Earl Pettiford, 612-673-5231  
[Earl.Pettiford@ci.minneapolis.mn.us](mailto:Earl.Pettiford@ci.minneapolis.mn.us), CPED Single Family Housing section

## Program Summary

The Senior Housing *Regeneration* Program™ is a partnership between the City of Minneapolis and the Greater Metropolitan Housing Corporation (GMHC) under the Century Homes program. GMHC created the SHRP program in 2003, and in cooperation with CPED expanded the program to Minneapolis in 2006. SHRP assists seniors in their transition to new housing options that better meet their lifestyle such as condos, town homes, or assisted living. SHRP offers to purchase the properties from the owner at fair market value and renovates the home where necessary. The property is then sold to persons earning an income at or below 115% of the metropolitan median income (MMI), adjusted for family size. The program provides for the partners to jointly make important decisions and share in the costs. This program is designed to work in conjunction with other already existing City programs.

\*Universal Design -- For seniors, as well as others, needing special accommodations to make their homes more livable, i.e. accessible bathrooms, wider doorways, etc., free consultation and construction management assistance is available through the Greater Metropolitan Housing Corporation's three HousingResource Centers which can be reached at 612-378-7895 in Minneapolis.



# Mortgage & Home Improvement Programs

[www.ci.minneapolis.mn.us/cped/city\\_living.asp](http://www.ci.minneapolis.mn.us/cped/city_living.asp)

## Introduction

CPED offers special financing to help low and moderate income households purchase a home in the city or if they already own a home, to complete the repair of any housing maintenance code violations.

The *CityLiving* Home Program was created in partnership with the City of Saint Paul to help low and moderate income households buy a home. This innovative program typically offers an interest rate that is ½ percent or more below interest rates normally found in the marketplace. In addition, *CityLiving* provides other assistance that accompanies the primary mortgage that is used to help pay for closing costs and down payment for the home buyer.

For homeowners whose household income is within 80% of the area median, there is help with the cost of completing the repair code violations. The City has arranged for the Greater Metropolitan Housing Corporation to take applications for financing and to even guide the homeowner through the process of obtaining bids for the work to be completed.

## CityLiving - Mortgage Loans

*Purpose: "...to provide mortgage financing and assistance to help low and moderate-income buyers purchase homes."*

## Quick Facts

- **Who is Eligible:** Any homebuyers that meet the income and property sale price guidelines.
- **Application Procedure and Contact Person:** To apply for one of these loans, contact a participating lender. For a list of participating lenders and more program details, visit [www.ci.minneapolis.mn.us/cped/city\\_living.asp](http://www.ci.minneapolis.mn.us/cped/city_living.asp).

## Program Summary

*CityLiving*, a program sponsored by the cities of Minneapolis and Saint Paul, provides mortgage financing and special assistance for down payment and closing costs. *CityLiving* loans offer homebuyers an opportunity to buy Minneapolis homes at an interest rate that historically has been below market. More program details and FAQs can be found at [www.ci.minneapolis.mn.us/cped/city\\_living.asp](http://www.ci.minneapolis.mn.us/cped/city_living.asp).



## Code Abatement Loans

*Purpose: "...to maintain the quality and unique character of the City's housing stock."*



### Quick Facts

- **Who is Eligible:** Low-income owner-occupants of a home with three units or less that needs repairs ordered by the City of Minneapolis Department of Inspections. Funds may only go toward City-ordered repairs.
- **Application Procedure and Contact Person:** To apply for these loans, contact the Greater Metropolitan Housing Corporation at 612-378-7985 or [www.housingresourcecenter.org/default.htm](http://www.housingresourcecenter.org/default.htm).

### Program Summary

The City of Minneapolis offers interest-free loans to owner-occupants of properties with three units or less which have repairs ordered by the City of Minneapolis Department of Inspections. Eligible households must earn 50% or below of the metropolitan median income (MMI). The maximum loan amount is \$20,000. The loan is repaid at the time the house is sold. Loan funds may only go toward City-ordered repairs.

## Home Repair Loans

*Purpose: "...to maintain the quality and unique character of the City's housing stock."*



### Quick Facts

- **Who is Eligible:** Low- and moderate-income households.
- **Application Procedure and Contact Person:** To apply for these loans, contact the Greater Metropolitan Housing Corporation at 612-378-7985 or [www.housingresourcecenter.org/default.htm](http://www.housingresourcecenter.org/default.htm).

### Program Summary

The City of Minneapolis offers amortizing loans for home repairs. Eligible applicants must own and live in the home, whether it is a single family home or a rental property with four units or less. The maximum loan amount is \$25,000, depending upon household affordability guidelines and amount of equity in the home. This program has an interest rate of one percent and the maximum term is 20 years. The maximum household income to qualify for these loans is 80% of the metropolitan median income (MMI). This loan can only be used to complete City-ordered repairs.

# American Dream Downpayment Initiative - Affordability Loan

*Purpose: "... to provide downpayment and closing cost assistance to help low and moderate-income first-time homebuyers, displaced homemakers and single parents purchase homes."*

## Quick Facts

- **Who is Eligible:** First-time homebuyers, displaced homemakers or single parents who earn less than Section 8 limits set by the Department of Housing and Urban Development for the Minneapolis-St. Paul Standard Metropolitan Statistical Area (SMSA). Preference given to applicants who currently reside in government subsidized public housing or who are recipients of Section 8 rental assistance.
- **2007 Budget:** \$552,158
- **Application Procedure and Contact Person:** Must be used in conjunction with a CityLiving mortgage program. To apply, contact a participating lender. For a list of participating lenders and more program details, visit [www.ci.minneapolis.mn.us/cped/city\\_living.asp](http://www.ci.minneapolis.mn.us/cped/city_living.asp).

## Program Summary

American Dream Downpayment Initiative (ADDI) assistance comes in the form of a 0% interest affordability loan with no monthly payments. The maximum loan amount is 6% of the sale price or \$10,000, whichever is greater; the minimum loan amount is \$1,000. The loan will be forgiven over a five year time period from the date of closing with forgiveness occurring at a rate of 20% each year on the anniversary of closing date. The loan is due on sale, transfer of title, or when the primary mortgage is paid off, except in the case of a refinance. The loan may be subordinated subject to the CPED Subordination Policy in effect at the time of the request for subordination.

The funds may be used towards a downpayment or normal and usual closing costs. Eligible properties are located in Minneapolis and have been constructed during or after 1978 or have been newly rehabilitated. The maximum purchase price must be at or below the following limits: \$251,750 for a single family house (including condominium or townhome). If the house is newly renovated, it must have been rehabilitated to a standard that eliminates any health and safety deficiencies and addressed lead abatement or containment according to federal regulations associated with federal funding sources. Existing structures that were not constructed during or after 1978 and have not been renovated recently (including renovation of the common areas of a townhome or condominium) are not eligible.

Applicants must complete home ownership counseling through an approved organization and must provide a certificate indicating completion of the home ownership counseling prior to closing of the loan.

The loan must be secured by a Promissory Note and a Mortgage. The loan may be secured in a lower lien position behind other program funds. No title insurance is required. No mortgagee clause is required in the owner's hazard insurance policy.



# Glossary of Terms

<b>ADDI:</b>	American Dream Downpayment Initiative
<b>Affordability Gap:</b>	The difference between the buyer's mortgage amount and the sales price of a completed unit/home.
<b>AHTF:</b>	Affordable Housing Trust fund Program
<b>CARF:</b>	Capital Acquisition Revolving Fund
<b>CDBG:</b>	Community Development Block Grant
<b>Construction gap:</b>	The difference between total development costs and the sales price of a completed unit/home (appraised value).
<b>CPED:</b>	Department of Community Planning and Economic Development
<b>ESG:</b>	Emergency Shelter Block Grant Program
<b>Gap financing:</b>	The difference between conventional financing and project costs.
<b>GMHC:</b>	Greater Metropolitan Housing Corporation
<b>HOW:</b>	Home Ownership Works Program
<b>HRB:</b>	Housing Revenue Bond
<b>HUD:</b>	US Department of Housing and Urban Development
<b>LIHTC:</b>	Low-Income Housing Tax Credits
<b>MMI:</b>	Metropolitan median income
<b>NRP:</b>	Neighborhood Revitalization Program
<b>QAP:</b>	Qualified Allocation Plan
<b>RFP:</b>	Request for proposals
<b>SHRP:</b>	Senior Housing <i>Regeneration</i> Program™
<b>TIF:</b>	Tax Increment Financing



