



# Board of County Commissioners Agenda Request

6A  
Agenda Item #

**Requested Meeting Date:** June 14, 2016

**Title of Item:** Central Minnesota Housing RRDL Program Renewal Request

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	<b>Action Requested:</b> <input type="checkbox"/> Approve/Deny Motion <input checked="" type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
<b>Submitted by:</b> Ross Wagner		<b>Department:</b> Economic Development & Forest Ind
<b>Presenter (Name and Title):</b> Ross Wagner, Economic Development & Forest Industry Coordinator		<b>Estimated Time Needed:</b> 5 minutes
<b>Summary of Issue:</b> <p>Central Minnesota Housing Partnership (CMHP) was awarded funding from the Minnesota Housing Finance agency to be the program administrator for the Rental Rehabilitation Deferred Loan Program (RRDL) in Aitkin County for 2015-2016. The Aitkin County Board previously approved Central Minnesota Housing Partnership as the administrator for the RRDL program.</p> <p>At this time all participating RRDL administrators are being required by the MN Housing Finance agency to receive renewed approval from each county that would continue to offer this program. This renewal approval would be provided through the attached resolution which would allow CMHP to continue to provide 0% deferred loans to owners of affordable rental properties to be used to complete needed repairs to their property in Aitkin County. Please use the following link to the CMHP website for additional program details.</p> <p><a href="http://www.cmhp.net/index.php/our-services/rehabilitation-programs/rental-rehabilitation-deferred-loan-program">http://www.cmhp.net/index.php/our-services/rehabilitation-programs/rental-rehabilitation-deferred-loan-program</a></p> <p>Attached is the a copy of the previous resolution passed by the county board, Program Document and the rent guidelines per county, along with the proposed new resolution.</p>		
<b>Alternatives, Options, Effects on Others/Comments:</b>		
<b>Recommended Action/Motion:</b> Adopt resolution.		
<b>Financial Impact:</b> Is there a cost associated with this request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No      Please Explain:		

CERTIFIED COPY OF RESOLUTION OF COUNTY BOARD OF AITKIN COUNTY, MINNESOTA

ADOPTED February 11, 2014

By Commissioner: Napstad

021114-014

Central Minnesota Housing Partnership

WHEREAS, Aitkin County has made significant progress in meeting the need for housing rehabilitation in the cities and rural areas of the county, and

WHEREAS, an unmet need remains for the repair and rehabilitation of rental housing units, and

WHEREAS, the Rental Rehabilitation Deferred Loan program sponsored by Minnesota Housing (MHFA) may provide a means for rehabilitating rental housing units in Aitkin County.

NOW THEREFORE BE IT RESOLVED, that the Central Minnesota Housing Partnership is hereby authorized to submit an "Application for Administrative Authority" to MHFA for participation in the Rental Rehabilitation Deferred Loan program, and the Central Minnesota Housing Partnership is designated as the administrative body for implementing this program in Aitkin County.

Commissioner Niemi moved the adoption of the resolution and it was declared adopted upon the following vote

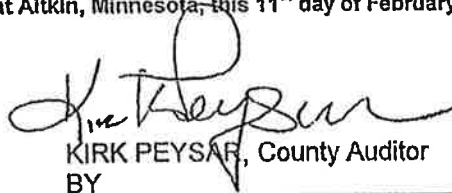
FIVE MEMBERS PRESENT

All Members Voting Yes

STATE OF MINNESOTA)  
County of Aitkin ) ss.  
Office of County Auditor,)

I, Kirk Peysar, Auditor, of the County of Aitkin, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 11<sup>th</sup> day of February A.D., 2014, and that the same is a true and correct copy of the whole thereof.

WITNESS MY HAND AND SEAL OF OFFICE at Aitkin, Minnesota, this 11<sup>th</sup> day of February A.D., 2014

  
KIRK PEYSAR, County Auditor

BY \_\_\_\_\_, Deputy

**CERTIFIED COPY OF RESOLUTION OF COUNTY BOARD OF AITKIN COUNTY, MINNESOTA**

ADOPTED June 14, 2016

By Commissioner: xx

**20160614-0xx**

**Central Minnesota Housing Partnership**

**WHEREAS**, Aitkin County has made significant progress in meeting the need for housing rehabilitation in the cities and rural areas of the county, and

**WHEREAS**, an unmet need remains for the repair and rehabilitation of rental housing units, and

**WHEREAS**, the Rental Rehabilitation Deferred Loan program sponsored by Minnesota Housing (MHFA) may provide a means for rehabilitating rental housing units in Aitkin County.

**NOW THEREFORE BE IT RESOLVED**, that the Central Minnesota Housing Partnership is hereby authorized to submit an "Application for Administrative Authority" to MHFA for participation in the Rental Rehabilitation Deferred Loan program, and the Central Minnesota Housing Partnership is designated as the administrative body for implementing this program in Aitkin County.

Commissioner xx moved the adoption of the resolution and it was declared adopted upon the following vote

FIVE MEMBERS PRESENT

All Members Voting Yes

STATE OF MINNESOTA}  
COUNTY OF AITKIN}

I, Nathan Burkett, County Administrator, Aitkin County, Minnesota do hereby certify that I have compared the foregoing with the original resolution filed in the Administration Office of Aitkin County in Aitkin, Minnesota as stated in the minutes of the proceedings of said Board on the 14<sup>th</sup> day of June 2016, and that the same is a true and correct copy of the whole thereof.

Witness my hand and seal this 14<sup>th</sup> day of June 2016

\_\_\_\_\_  
Nathan Burkett  
County Administrator

Central Minnesota Housing Partnership has received the 2016-2017 funding for the Rental Rehabilitation Deferred Loan Program, we will now begin accepting applications for 2016 projects. **Key Change for 2016:** program funds will be split into two funding pools; small project funding (1-4 units) and large project funding (5+ units). See below for updated loan terms.

RRDL loan funds can be used to cover the costs of eligible rehabilitation items and project soft costs. Common rehabilitation items include roofing, siding, windows, doors, insulation, floor coverings, painting, kitchen cabinets/bathroom vanities, appliances, plumbing, furnaces/boilers, electrical, code issues and health and safety items. Eligible soft costs may include administrative fee, title and recording fees, lead paint/asbestos assessment costs and architect fees.

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**Program requirements include, but are not limited to:**

- Property must meet minimum financial feasibility and selection requirements
- Documentation of positive cash flow and low vacancy rates
- At least 51% of the property must be residential space
- Project must meet tenant income and rent limits ([view current rent and income limits here](#))
- Rehabilitation must address all rehabilitation items required by program such as lead paint remediation, electrical outlet/panel upgrades, smoke detectors, etc.
- Architect involvement determined by proposed scope of work
- Owner must contribute a minimum of 3% of RRDL loan to the project
- Application fee of \$100 per unit with a \$500 minimum fee/\$3,000 maximum fee collected after initial approval

**Loan Information, Features and Benefits:**

**SMALL PROJECTS (1 - 4 UNIT):**

- Loan maximum of \$25,000 per unit or \$35,000 for single family homes/duplexes
- 0% interest construction/permanent loan
- Loan term of 10 years with deferred payments
- Up to 100% loan forgiveness for maintaining rent and income compliance requirements for full term of loan
- Non-recourse loan

**LARGE PROJECTS (5+ UNITS):**

- Up to \$25,000 per unit with maximum loan of \$300,000 per project
- 0% interest construction/permanent loan
- Loan terms of 10 - 30 years based on loan amount
- Up to 10% loan forgiveness for maintaining rent and income compliance requirements for full term of loan
- Non-recourse loan
- Loan may be extended in lieu of repayment for continued affordability

## 2015 RRDL Rent and Income Limits

Income limit is at or below 80% AMI, not adjusted for household size (gross annual household income)

RRDL household income limit: \$62,000

### Rent Limits (tenant paid utility allowance included)

County	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR
Aitkin	\$594	\$636	\$764	\$882	\$985	\$1,087
Benton	\$703	\$753	\$905	\$1,044	\$1,226	\$1,287
Carlton	\$739	\$792	\$952	\$1,098	\$1,115	\$1,353
Cass	\$513	\$549	\$660	\$762	\$851	\$939
Chisago	\$691	\$740	\$889	\$1,026	\$1,145	\$1,264
Crow Wing	\$661	\$707	\$850	\$981	\$1,095	\$1,209
Isanti	\$701	\$751	\$902	\$1,041	\$1,162	\$1,283
Kanabec	\$631	\$676	\$813	\$938	\$1,047	\$1,155
Mille Lacs	\$604	\$647	\$777	\$897	\$1,001	\$1,105
Morrison	\$608	\$651	\$783	\$903	\$1,008	\$1,113
Pine	\$531	\$569	\$684	\$789	\$881	\$972
Sherburne	\$760	\$813	\$978	\$1,128	\$1,259	\$1,390
Stearns	\$775	\$830	\$997	\$1,151	\$1,284	\$1,418
Todd	\$634	\$679	\$816	\$942	\$1,052	\$1,161
Wadena	\$672	\$719	\$865	\$998	\$1,113	\$1,229
Wright	\$721	\$772	\$928	\$1,071	\$1,196	\$1,320