

St. James Housing Rehabilitation / Single Family Rental Repair Loans

**INFORMATIONAL SHEET**

- ✓ Do you own a single family rental property in the target area on the map below?
- ✓ Are you current on your real estate taxes?
- ✓ Do you have current hazard insurance?
- ✓ Do you agree to rent to low to moderate income tenants throughout the term of the grant?
- ✓ Do you agree to stay within the Fair Market rents?

Eligible repairs may be roofing, foundations, siding, windows, heating units, electrical, accessibility, plumbing and health & safety items.

**2018 Watonwan County**

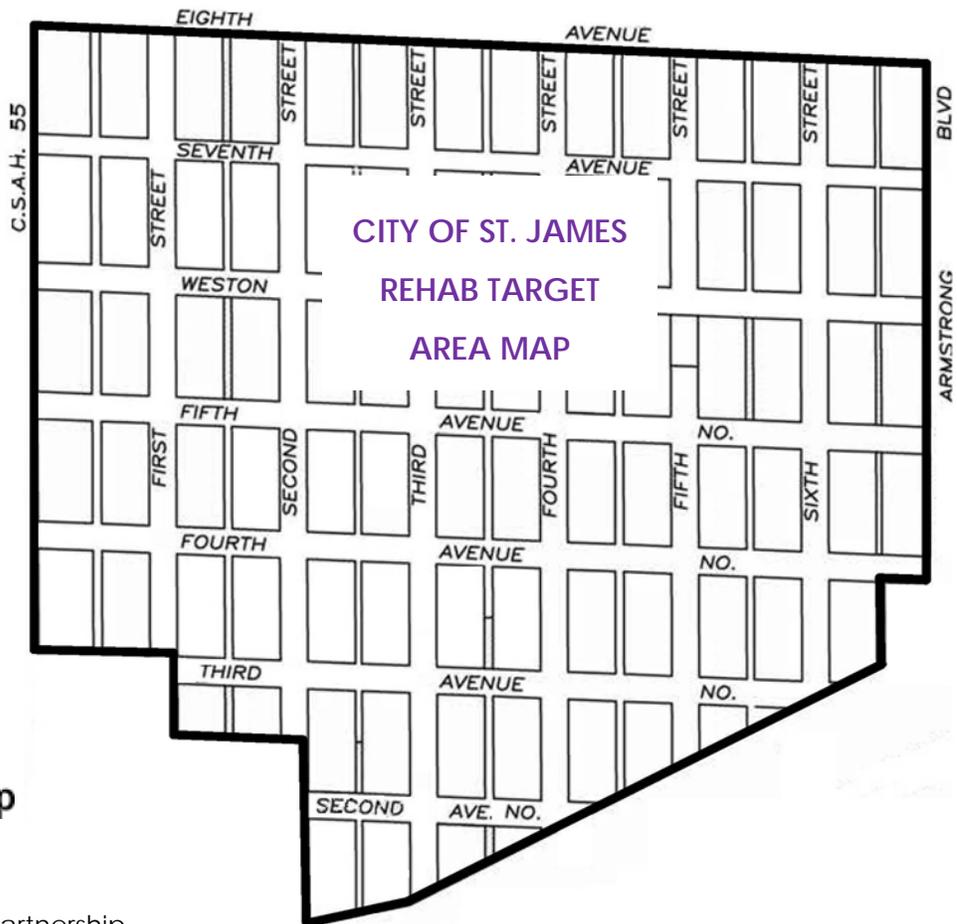
**Area Median Family Income Chart**

1 person	\$38,950
2 persons	\$44,500
3 persons	\$50,050
4 persons	\$55,600
5 persons	\$60,050
6 persons	\$64,500
7 persons	\$68,950
8 persons	\$73,400

**2018 Watonwan County**

**Fair Market Rents**

Efficiency	\$451
1 bedroom	\$607
2 bedrooms	\$697
3 bedrooms	\$946
4 bedrooms	\$949



SOUTHWEST MINNESOTA  
**Housing Partnership**

**Questions?**

Contact Mike at the  
Southwest Minnesota Housing Partnership  
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Toll Free 1-888-468-8010, ext, 1617

*(see other side for Loan Information  
& Housing Repair Process)*



## LOAN INFORMATION

The City of Saint James has received \$58,800 to provide housing repair loans to 3 single family rental unit property owners who are renting to Low to Moderate Income (LMI) households living within the City of Saint James.

**Average Loan** - The average St. James Rental Repair Loan is \$19,600 per unit. The building owner will need to furnish a match to the Saint James Rental SCDP Loan.

Total rent calculation includes rent paid by tenant plus the utility allowances for utilities paid by the tenant. This amount must be less than or equal to the Fair Market Rents.

**Loan Breakdown:** 70% of the cost, 0% deferred loan\*  
30% owner's match.

\* **Deferred Loan** - The St. James Rental Repair loans will be loaned as 0% deferred loans. A deferred loan is a loan with no monthly payment and no interest accruing which will be forgiven 20% each year or will revert into a grant if no default within five (5) years. The owner must continue to rent to low to moderate income tenants and agree to not raise the rents more than 5% per year while keeping the rents at or below the current Fair Market Rents during the terms of the Repayment Agreement.

## Rental Repair Process

The program will follow the guidelines as laid out below:

**Application Procedure** – The Applicant will need to complete a full application and provide proof of ownership of their property and other eligibility requirements. All rental properties will be served on a first come, first serve basis.

**1. Application** – An Applicant completes the SCDP St. James Rehabilitation application and provides proof of ownership of their rental property, current insurance policy, proof that the real estate taxes have been paid, and tenant income/rent verification. No SCDP funds will be allocated for an applicant.

\*If the Applicant's unit is vacant at the time of full application the City has the right to pass over the application to the next eligible applicant until the first applicant has found tenants.

**2. Preapproval** – SWMHP verifies that the Applicant's meets property requirements and that the tenant meets income requirements.

**3. Property Inspection** – SWMHP Project Manager will identify any housing problems, will inspect the property to identify health & safety, energy efficiency and building code deficiencies. SWMHP Project Manager will work with the Applicant to determine what repairs should be done. **LEAD RULES AND REGULATIONS DO APPLY.**

**4. Scope of Work** – The SWMHP Project Manager will develop a scope of work and prepare bid packets. The Applicant will receive the bid packets and solicit bids to eligible contractors. Please note, only licensed general contractors are able to provide a bid. In some instances, the contractor must have a MN Department of Health Lead Supervisor license.

**5. Bid Awards** – The Applicant solicits and accepts or rejects bids.

**6. Repayment Agreement** – The Applicant enters into an agreement with the City to accept the conditions of the loan. The repayment agreement is filed at the County Recorder's office.

**7. Proceed to Work** – The SWMHP Project Manager sends a letter notifying the contractor that work may begin at the owner's property.

**8. Payments** - Payments can be made on a partial basis when all/part of the work has been completed. In order to receive payment, the contractor must submit a lien waiver, a billing statement, a signed completion certificate (all furnished). In order to make payment, the Project Manager must inspect the property. The owner must give signed permission to pay the contractor.

**9. Project Completion** - Upon completion, a final inspection is done and the project is closed.