

St. James Housing Rehabilitation / Commercial Repair Loans

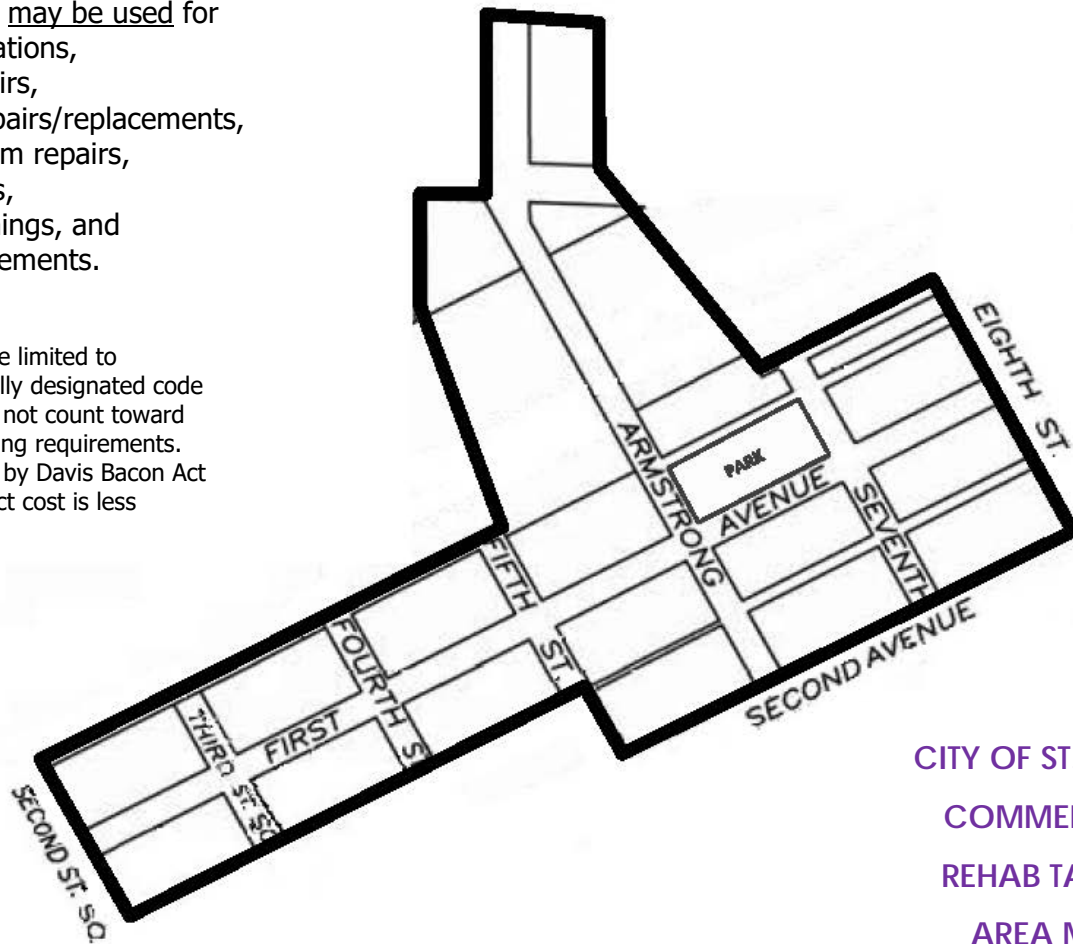
**INFORMATIONAL SHEET**

- ✓ Do you own a commercial property in the target area on the map below?
- ✓ Is the property occupied by a business?
- ✓ Are you current on your real estate taxes?
- ✓ Do you have current property insurance?

Eligible repairs must be used for Fire, National Electrical, Uniform Plumbing & Mechanical Code violations affecting health & safety; elimination of lead-based paint & asbestos; ADA modifications to make the building handicapped accessible, MN Historical Society (MHS) renovations (this is a priority if applicable).

Eligible repairs may be used for exterior renovations, structural repairs, mechanical repairs/replacements, electrical system repairs, windows/doors, signage & awnings, and energy improvements.

Note:  
 Interior repairs are limited to ADA and specifically designated code Violations, but do not count toward Mandatory matching requirements. Work is governed by Davis Bacon Act Unless total project cost is less Than \$2,000.



CITY OF ST. JAMES  
 COMMERCIAL  
 REHAB TARGET  
 AREA MAP



SOUTHWEST MINNESOTA  
**Housing Partnership**

**Questions?**  
 Contact Mike at the  
 Southwest Minnesota Housing Partnership  
 2401 Broadway Avenue, Slayton, MN 56172

[MichaelZ@swmhp.org](mailto:MichaelZ@swmhp.org)  
 Toll Free 1-888-468-8010, ext, 1617



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

## LOAN INFORMATION

The City of Saint James has received \$224,000 to provide commercial repair loans to 8 commercial property owners within the target area of the City of Saint James.

**Average Loan** - The average St. James Commercial Repair Loan is \$28,000 per building. 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:** 80% - Up to \$40,000  
(40% is a 0% deferred loan\* for 5 years / 40% is a 2% low interest loan payable monthly for 10 years)  
20% owner's match.

\* **Deferred Loan** - The St. James Commercial 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 the property does not change ownership within five (5) years.

## Commercial 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 commercial 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 commercial property, current insurance policy, proof that the real estate taxes have been paid, and verification of match funds. No SCDP funds will be allocated for an applicant.

**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 building 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** – After the Pre-construction meeting is held with all parties to discuss federal requirements and Davis Bacon paperwork is completed, 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), as well as weekly payroll reports. 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.