

To: Homeowners with Housing Repair Needs

From: City of Ada

The City of Ada has been invited to apply for funding to help homeowners with financing needs to rehabilitate their houses . As part of this process the City needs to be able to show that homeowners are interested in participating in this program. This interest letter, when completed, should be mailed to the City Administrators Office for the City of Ada.

The following is the Interest Statement which the City will use to gauge homeowner interest. The following sections further describes the proposed program. If you might be interested in participating in the proposed program please complete the bottom of this form and mail to:

Ada City Administrator
Attention: Ashley Larson
Ada City Hall
15 4th Avenue East
Ada, MN 56510

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Owner-occupied Rehab Program Participation Interest Statement

Name/Street Address _____

Phone: _____

This letter shows my intent to participate in the City of Ada’s owner-occupied housing rehabilitation program, as outlined below, and as discussed at informational meetings and/or a public hearing.

I understand that:

- participants in the program must be income-qualified. Please refer to income limits below.
- homes must have needs that go beyond basic maintenance.
- the work that can be done under this program is generally limited to repairs or replacement of existing, deteriorated features, such as windows, doors, furnaces, plumbing, electrical repairs, roofs, siding, foundation repairs etc. **I understand general “remodeling” can not be done and that funds must be used to address existing building deficiencies.** I have identified the following work that needs to be done on my house that seems to meet these requirements

Eligible applicants must have **gross household** incomes which do not exceed the following limits based on the size of your household:

Family Size							
1	2	3	4	5	6	7	8
\$41,750	\$47,700	\$53,650	\$59,600	\$64,400	\$69,150	\$73,950	\$78,700

The average total project cost to rehabilitate a house under this project is estimated to be between \$20,000 - \$24,000. Financial assistance in the form of deferred (forgivable) loans not to exceed \$25,000 will be available to qualifying households. The amount of deferred loan funding which is provided will vary based loan affordability considerations.

Possible Funding Example's include:

Example #1: A 1 person household with an income of \$24,450 or less and housing rehabilitation costs of \$24,000 would fall into the very low income category and would be likely be eligible to receive a deferred (forgivable) loan in the amount of \$24,000.

Example #2: A 1 person household with an income of \$32,000 and housing rehabilitation costs of \$20,000 would likely fall into the moderate income category and would likely be eligible to receive a deferred (forgivable) loan in an amount up to \$14,000 with the owner being required to contribute \$6,000. The owners share could come from a bank loan, a cash contribution from the owner, or a low interest loan from the Small Cities Program.

Other Program Requirements

- the owner's share of the financing (if one is required) must be secured and deposited in an escrow account before the project can proceed.
- the deferred loan will be secured with a repayment agreement which will be placed upon my home for the amount of the SCDP funding, for 7 years. *If the home is sold or changes owners in that time, the full amount/ or a portion of the SCDP loan must be repaid to the City.*
- the rehabilitation will be coordinated through the program administrator (Northwest MN Multi-County HRA), and competitive bids must be obtained for the work. Any work done before coordinating with the program administrator will not be eligible for SCDP funding.

After reviewing the above, including the programs income limits, eligible types of repairs and the requirement for leverage funds, I believe that I would meet the program qualifications and I am interested in participating in this program.

Owner Signature

Date