



COUNCIL OF NEIGHBORHOODS

January 31, 2023



Agenda

- **Welcome and Introductions**
- **Housing Rehabilitation Loan Program**
- **Lead Hazard Reduction & Health Homes Program**
- **Closing Remarks**
- **Questions**



Single Family Rehab Loan Programs



Olmsted County Housing Rehab Program

1. The OCHRA rehab program was created in 2015
2. Funding for the program comes from County Levy Dollars (excluding the City of Stewartville)
3. The goal is to assist homeowner with improvements to their home, we focus on health and safety, energy efficiency, accessibility and providing assistance for emergency situations.
4. The rehab loans are 30-year term loans with 2% interest accruing for the first 15 years. Max dollar amount for loans is \$25,000.
5. Accessibility loans are 0% interest 7 year term, loans forgiven after the 7th year. Max loan amount of \$5,000
6. Rehab Loans are deferred for the term of the loan, they are paid back when the home sells, transfers ownership (estate transfers) or at the end of the 30 year term.
7. Homeowners must live in the home for 6 months to qualify and total household income cannot exceed HUD Section 8 income guidelines of 80% AMI. Total monetary household assets cannot exceed \$25,000 in saving/checking, CD's, or Money Market accounts.



OCHRA Rehab Projects

- ❑ Completed approximately 150 projects
- ❑ Average per property = \$16,000 per project
- ❑ \$1.5 Million in rehab projects



City's Program

Created in 1983

Funding from Community Development Block Grant

City has adopted policy guidelines for the rehab loan program

0% Interest Loan

All Loans must meet HUD rehabilitation requirements

- ❑ Income verification (can not exceed 80% of AMI)
- ❑ Lead paint clearance
- ❑ Environmental review

Goal:

- *to provide low - moderate income families with decent, safe,*
- *and sanitary housing to help stabilize neighborhoods*



City's Program

Property taxes and city utility bills must be current at the time of application

Maximum loan amount is \$24,999 (certain situations the max amount is \$35k)

Terms. The Deferred Loan is due and payable to the City of Rochester within thirty (30) days according to the following terms:

- If the property is sold, transferred, or otherwise conveyed (whether by deed, contract for deed, or otherwise); and whether voluntary or involuntary, either while the applicant(s) is/are living or by reason of death of the applicant(s), excluding the transfer of said property by operation of law or devised to a surviving applicant, joint tenant or former tenant-in-common, for so long as said surviving applicant, joint tenant, devise or owner occupies said property as his/her principle place of residence; or
- If the rehabilitated property ceases for any reason to be the applicant's principal place of residence
- At the end of the 30 year loan term



Rehab Projects

- ❑ 488 properties
- ❑ Average per property = \$16,820.38
- ❑ Total amount of loans = \$8,208,348.33

❑ For more information:

[Community Development Block Grant \(CDBG\) Application | Topic List |](#)

[Rochester, MN \(rochestermn.gov\)](http://rochestermn.gov)

Year	Number of Households	Amount Spent
2013	16	\$353,456.95
2014	14	\$279,201.90
2015	22	\$360,117.00
2016	31	\$547,447.00
2017	27	\$416,607.88
2018	19	\$290,602.05
2019	18	\$370,837.00
2020	9	\$228,808.00
2021	16	\$393,452.00
2022	12	\$299,885.00



Outcomes



**Vicki and Ules Hampton Rehab
Project- Before and After Pictures**



Neighborhood Advantages of Rehab Loan Programs

- ❑ Well maintained homeowner and renter residences are a benefit to the neighborhood
- ❑ “Halo Effect” of Rehabilitation – Property improvements are more likely on nearby properties in neighborhoods where rehabilitation is initiated
- ❑ The halo effect is difficult to measure, but the halo effect plus the investment of non-CDBG funds represents true leveraging





LEAD HAZARD REDUCTION GRANT



Lead Hazard Reduction Grant

- Average grant of \$21,500 per unit for qualifying lead hazard and healthy home improvements such as:
- Window replacement
- Painting
- Window sill covering
- Exterior siding repair/replacement
- Radon mitigation
- Install/replace handrails on stairs
- Gutter downspout installation



Eligibility

- Home built before 1978
- Owner Occupied: income qualify and include presence of children under the age of six
- Renter Occupied: income qualify residents and agree to fair market rents for three years.
- Households must have one or more children under the age of six either living or visiting the property regularly or have a pregnant household member (rental properties are exempt from this requirement)
- Household income must be 80% or less of the Area Median Income by household size established by HUD Guidelines

1-person household	2-person household	3-person household	4-person household	5-person household	6-person household	7-person household	8-person household
\$62,450	\$71,400	\$80,300	\$89,200	\$96,350	\$103,500	\$110,650	\$117,750





Where to Apply

HTTPS://WWW.ROCHESTERMN.GOV/HOME/COMPONENTS/TOPIC/TOPIC/11726/



Lead Hazard Reduction & Healthy Homes Program

[GO BACK TO PREVIOUS PAGE](#)

Lead Hazard Reduction & Healthy Home Grants are available for qualifying home and rental owners of properties built before 1978. Occupants of the property must meet income qualifications based on the number of units and area median income. Funds are used to review and complete lead hazard reduction in homes. The program sets out to maximize the number of children under the age of six years protected from lead poisoning by delivering services to identify and control lead-based paint hazards in eligible residences.

Visit the [EPA website](#) to learn more about lead.

Click on the section headers below to expand or minimize each section.

Applications

- [Homeowner Application](#)
- [Rental Owner Application](#)
- [Rental Occupant Application](#)

For more information, please contact [Adam Froke](#).

Funding Sources

The City of Rochester is a recipient of the Lead Hazard Reduction and Healthy Homes Program funds on behalf of the Minnesota Department of Health. The funds are distributed through the United States Department of Housing and Urban Development (HUD) to the Minnesota Department of Health.

[GO BACK TO PREVIOUS PAGE](#)

Subscribe Today!

Enter e-mail

SUBSCRIBE TO TOPIC

[Create an Account](#)

Timeline

✓ Upcoming

2 Currently Open

You can now engage with this topic.

3 Closed

Topic Host

CD Community Development Rental Services Division

[Send a Message](#)

Tagged in:

Questions or Comments?