

About the Dakota County CDA

.....

The Dakota County Community Development Agency (CDA) was established in 1971 and has grown into one of the largest local providers of housing and community development programs in Minnesota. The CDA currently administers over 30 programs that are guided by the agency's mission to improve the lives of Dakota County residents through affordable housing and community development.

The CDA serves the communities and residents of Dakota County. Located south of Minneapolis and St. Paul, Dakota County includes first, second and third ring suburbs and is one of the fastest growing counties in Minnesota.

This brochure highlights the Rental Rehabilitation Loan Program. This program was created in 2006 to encourage the rehabilitation of rental housing in Dakota County and to preserve or create new affordable housing for low- to moderate-income households.

For more information about the CDA, visit our website at www.dakotacda.org.

Rental Rehabilitation Loan Program

Revised Dec. 2007

CDA
Dakota County
Community Development Agency
.....
1228 Town Centre Drive
Eagan, MN 55123

Rental Rehabilitation Loan Program

.....

A program created to encourage the rehabilitation of rental housing in Dakota County.

The program provides financial resources to create and preserve affordable rental housing.

.....
**Dakota County
CDA**

Rental Rehabilitation Loan Program

The Rental Rehabilitation Loan Program was created to provide an additional financial tool for owners of affordable rental housing in Dakota County to improve the safety, integrity, accessibility and curbside appeal of their property. By upgrading existing rental housing, the program will stimulate further reinvestment in the surrounding neighborhoods.

Eligible Rehabilitation Improvements

Loan funds are to be used to finance improvements to the property that encourage health and safety as well as aesthetic improvements.

Eligible Improvements Include:

- Compliance with state, county, or municipal health, housing, building, fire and housing maintenance codes and quality standards.
- Curbside appeal and property livability.
- Garage and parking facilities.
- Accessibility improvements.
- Professional services and fees related to improvements (not exceeding 5% of loan amount).

The CDA reserves the right to deny the use of certain fixtures or types of materials if it is determined another suitable fixture or material is more cost effective.

Availability of Funds

Funding available to projects will not exceed \$20,000 per designated Assisted Dwelling Unit or a maximum of \$500,000 per project. The minimum loan amount is \$50,000.

Funding awarded from the program will be in the form of a zero-interest, deferred loan. Repayment will be required upon sale or other transfer, refinancing, or the end of the Affordability Period (minimum of 15 years). The CDA retains the right to reject in whole or in part any application for any reason.

Summary of Eligibility Requirements

Private, public and non-profit rental housing owners are eligible to apply.

Funding awards will be based on:

- Organizational Capacity
- Site Control and Ownership
- Relocation Plan, if applicable
- Borrower Contribution
- Participation in Section 8 Program
- Financial Health
- Creditworthiness of Borrower
- Economic Feasibility

Property Eligibility

- Must have four or more units.
- Must be in need of rehabilitation improvements, be structurally sound and also be in compliance with local ordinances and codes.
- Property insurance, taxes, assessments and any other liens must be current.
- 20% of Dwelling Units must have rent and occupancy restrictions for the entire Affordability Period.
- Rents must be restricted to the most current HUD rent schedule for 50% of AMI (less applicable utility allowance) and units must be occupied by households with incomes below 50% of AMI.
- Applications must demonstrate a minimum owner contribution of one-third the rehab cost.

For more information contact:

Mark Hanson,
CDA Rehab Loan Specialist
(651) 675-4469
mhanson@dakotacda.state.mn.us

Applications available online at
www.dakotacda.org