



HOUSING FINANCIAL ASSISTANCE Available Local, State, Regional and Federal Financial Assistance Programs

A wide range of financial assistance programs exist for residential development and rehabilitation projects

**For more information, please contact:
Jim Thares, Monticello Economic Development Manager
Phone: 763-271-3254
E-mail: jim.thares@ci.monticello.mn.us**

CITY EDA

1. Tax Increment Financing (TIF):

The City of Monticello EDA offers Tax Increment Financing (TIF) assistance to development projects for the purpose of creating new housing units and eliminating blighted and substandard structures. Affordability is a key criteria for a significant portion of owner-occupied units and typically 20 to 40 % of rental units are required to meet affordability requirements. The assistance requires proof that the development would not otherwise occur without TIF. It can be used for land write downs and/or site improvements as mutually agreed by the EDA and the developer.

MN-DEED

2. Minnesota Small Cities Development Program (SCDP):

This is a MN-DEED financing program for rehabilitation of existing residential property with a goal of eliminating slum and blight conditions or benefiting low and moderate income individuals. Grants are competitive and are submitted on an annual cycle. Eligible activities include property acquisition, installation of streets and utilities, site prep, new construction and rehabilitation of existing units for owner occupied and/or rental units. Funds are awarded to local units of government who in turn provide them to qualified individual applicants and/or developers through low interest loans, forgive-able loans or possible grants as gap funding to complete the specific project or scope of work. Interest rates are typically negotiated with terms matching the useful life of the asset being financed. Loans require appropriate collateral and/or personal guarantees. The maximum grant award to a municipality for single purpose project is \$500,000, with comprehensive projects topping out at \$750,000. The MN-DEED website is: www.mndeed.state.mn.us.

MN HOUSING FINANCE AGENCY (MHFA)

3. Impact Fund Program

Impact Fund dollars can be used to help create new and reinvest in existing affordable owner-occupied housing. Eligible activities include: land acquisition, new construction, demolition or removal of existing structures with rebuild, owner-occupied rehabilitation, acquisition and rehabilitation of existing housing. Household income cannot exceed 115% of greater of state or area median income. Eligible applicants include Cities, For-profit and Non-profit corporations, Housing & Redevelopment Authorities (HRAs). To learn more about the program, visit the Minnesota Housing website at www.mnhousing.gov.

REGIONAL ASSISTANCE

4. Midwest Minnesota Community Development Corporation (MMCDC):

The MMCDC offers loans ranging from \$5,000 to \$20,000,000 for community needs and solutions including the development of apartment buildings, homes with affordable payments and new subdivisions. For more information, check out their website at www.mmcdc.com.

FEDERAL ASSISTANCE

5. USDA-Rural Development – Multi-Family Housing Loan Guarantee Program:

The USDA-Rural Development Multi-Family Housing Loan Guarantee Program works with qualified private sector lenders to provide financing to qualified borrowers to increase the supply of affordable rental housing for low and moderate income individuals and families in eligible rural areas (population of less than 35,000). Activities include new construction, improvement and purchase of multi-family rental housing for low to moderate income families and individuals, buying and improving land and providing necessary infrastructure. USDA will guarantee up to 90 percent of the loan. Interest rates are typically negotiated between the lender and the borrower and fixed for the life of the loan. Eligible applicants include: For-profit entities, Non-profit organizations and State and local governmental entities. Rents must be capped at 30 % of 115 % of the area median income. The USDA website is www.rd.usda.gov/programs-services

Questions?

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