

Housing Rehab Supplemental

WSP Housing Rehab Background Data

The CDA program uses federal CDBG dollars and supplements with other CDA funds. Between 2014 and 2017, the CDA averaged investments in WSP of about \$175,000/year with an average loan of just under \$20,000. Loans were granted to an average of nine homeowners per year throughout the community. The loan minimums are \$15,000 with maximums of \$25,000 at 0% interest and no monthly payments. Loans are repayable if the property is refinanced or sold. Eligible households are below 80% AMI. For a family of four income must be below \$75,500. Income caps range from \$52,850 for a single person household up to \$99,700 for a household of eight. Borrowers must have a credit score of 580 or above, a 110% Debt to income cap and a cap of \$60,000 in assets. There is generally a 6-8 month waiting list for this program.

NeighborWorks Income Qualification

In order to qualify for MHFA supplemental funding which could increase the funding pool a similar household size adjustment would be necessary. Hence, that is what is proposed here with income caps for each strata at 120% rather than the 80% used by the CDA. Hence, household maximum income limits would be approximately:

Household Size	Income Limit
1	\$ 79,000
2	\$ 90,000
3	\$101,000
4	\$113,000
5	\$122,000
6	\$131,000
7	\$140,000
8	\$149,000

Other lender requirements:

Loan to Value limit: 100%

Debt to Income limit: 50%

Credit Score Minimum: 580

Other: Current on mortgage, property tax, consumer credit

Other: Subordinate to First Mortgage, which must be A rated fixed rate loan

Other: loan secured by mortgage in favor of West St. Paul EDA

Other: Standard underwriting will apply

Marketing

NeighborWorks has a basic toolkit that they create for each municipal partner. This would include such things as the guidelines in a PDF, application packet, and custom webpage on their website, language to include on our website, flyer/door hanger design, and social media material. They would also always market the program during their regular marketing efforts, which include regular newsletters, tabling at external events, presentations to various groups and regular communication with other partners. They reach many folks through these channels. They do not

do individualized marketing campaigns per se but instead work with municipalities to help implement them. For instance, they helped Shoreview create an ad, which they ran in their paper. In North St. Paul, they created a third pager that the City included in their monthly utility mailings. NeighborWorks does not pay for individualized ads or brochures beyond their generalized marketing documents and other materials.

We would use our customary channels including newsletters, social media, and press releases, presentations to Council and at community events.