SAINT PAUL
MINNESOTA

# Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA)

# Homeowner Rehab Program (HRP) Guidelines

***Revised December 2024***

EQUAL HOUSING OPPORTUNITY

## Purpose

The purpose of the Homeowner Rehab Program (the "program") is to provide affordable residential rehabilitation assistance to low- and moderate-income homeowners for the purpose of maintaining and improving their homes in Saint Paul, and to support direct descendants of property owners whose property in Rondo was taken for the construction of Interstate 94 or whose property in West Side Flats was taken for construction of an industrial park ~~West Side Flats that own homes in the City of Saint Paul.~~

## Operation

A. The City of Saint Paul ("City") operates the Program. The City provides funding for the program with CDBG ~~through the CIB process;~~ and other sources as identified through revolving loan disbursements~~.~~.
B. It is the intent of this program that repayment of loan funds will be deposited into the program account to be used again for future program expenses, including future loans.

## General Policies

These guidelines are intended to be stated in a concise manner and to be consistent, to the degree practicable, with other rehabilitation loan programs such as the Minnesota Housing Finance Agency's Home Improvement Programs.

### *Definitions*

Definitions are included in Attachment A.

### ~~*Hardship/Emergency*~~

~~An Applicant or Borrower may request a waiver from these Guidelines due to financial hardship or emergency. The request shall be submitted to the PED – Housing Director for consideration. Any requests for waivers shall be denied or granted in the sole discretion of the Director of PED.~~

~~If an Applicant has insufficient assets and has a household income of 50% AMI or less adjusted for household size, they can request all eligible fees be included in the loan without needing a waiver from the Director of PED.~~

~~Exceptions may also be made for Borrowers needing Emergency Improvements in order to expedite the emergency repair. Emergency Improvements are identified in Attachment C and include the most serious Health & Safety deficiencies such as systems or structural failures which create an immediate danger to occupants or public.~~

### *Denial of Rehabilitation Assistance*

Rehabilitation assistance ~~should be denied only~~shall be denied when:

A. The Applicant does not meet these program guidelines; or,
B. The amount of rehabilitation to be done is not sufficient to make the property safe for habitation/the structure is beyond repair, according to current housing quality standards. The City of St. Paul Code of Ordinances: Minimum Property Maintenance Standards,

Chapter 34 should be used as the reference for meeting housing quality standards.

***Fees***

Fees may be collected from the Applicant or Borrower unless prohibited by a funding source. Applicable fees are outlined in Attachment B – Fee Schedule, which is subject to change. Typical fees are related to Lead Based Paint testing and clearance; and a document recording fee charged by Ramsey County when recording a mortgage for the home rehab loan.~~Only the Lead Based Paint Risk Assessment Fee and Lead Based Paint Risk Clearance Test Fees may be included in the loan.~~

***Repeat Participation***

Borrowers are permitted to receive program assistance only once every 15 years. ~~Exceptions may be made for Borrowers needing Emergency Improvements; however, all borrowers are subject to HUD limits on lifetime maximum borrowing~~Borrowers in need of Emergency Improvements may borrow sooner than 15 years from their last loan specifically for the purposes of making the Emergency Improvement.

***Loan Security***

A Repayment Note and Mortgage Lien is required on all properties being improved. For a Borrower who is a contract-for-deed vendee, both the vendor and all contract vendees and their spouses are required to sign the mortgage.

***Deferred Loans***

No ~~If the loan is deferred, no~~ interest or periodic payments are required, but the loan must be repaid in the event the property is sold, transferred, or otherwise conveyed, or ceases to be the Borrower's Principal Residence within the loan repayment term as stated in the Repayment Note and Mortgage Lien. The loan repayment term for each Program Option is found in Attachment D.

***Prepayment Penalty***

There shall be no penalties or charges due to any prepayment of all or part of a loan.

***Sweat Equity***

Sweat equity is not allowed under the program.

## Eligibility Requirements

***Eligible Properties***

To be eligible for rehabilitation assistance, a property must:

A. Be located in the City of Saint Paul;
B. Be owner-occupied as the Principal Residence of the Applicant;
C. Contain no more than 4 residential units;
D. Conform to use under the City's Zoning Ordinance and use must be permitted under an approved District Plan, if applicable;
E. Be insurable through a public or private insurance program after rehabilitation;
F. Have its own legal description; and,
G. Meet other specific Program Option requirements. See Attachment D for current Program Options.

The ~~A~~property must also undergo an environmental review – including historic preservation review – when federal funds are used. ~~Currently federal funds are the sole source of funding for this program.~~ The environmental review must be completed, and a determination made before any funds are fully committed to an Applicant by way of a rehabilitation assistance closing or execution of Work Contract. An environmental or historical review will be initiated by PED staff and may require professional review of the property, publication of findings, public hearing, and/or review by outside authorities. Said review can take weeks or even months, though PED staff will make every reasonable attempt to expedite reviews in emergency rehab situations. ~~Additional information about this requirement can be found in Attachment F.~~

***Eligible Improvements***

All improvements must be ~~General Improvements, Emergency Improvements, or Accessibility Improvements that are:~~

A. Permanent; and,
B. Made in compliance with all applicable code requirements.

Eligible improvements include:

- Basic improvements that directly affect health, safety and livability of the home. Many of these are described in attachment C "Health and Safety Standards."
- Energy efficiency
- Foundation or structural repairs
- HVAC repairs or upgrades
- Addressing lead paint hazards
- Electrical wiring
- Furnace/boiler repair or replacement
- Plumbing repairs
- Well and septic repair or replacement
- Other hazard mitigation such as
  - Radon mitigation
  - Mold remediation
  - Lead abatement/management of lead paint
- Windows
- Exterior repairs, such as siding or exterior paint
- Accessibility modifications to the interior or exterior of the home
- Roof repair or replacement

Inheritance Fund recipients may be able to pursue additional improvements to their home beyond the list above, provided that their larger scope already addresses all health and safety related issues within their home. Inheritance Fund recipients should discuss their goals for their home repair or renovation project with staff such as the Home Rehab Advisor and Loan Specialists.

No portion of the proceeds will be used for swimming pools, tennis courts, saunas, or other recreation or entertainment facilities.

Properties may be improved to meet code requirements; however, no application shall be denied solely because the improvements will not place such housing in full compliance with all codes and standards. As detailed above, applications shall be denied if the improvements will not be sufficient to make the property safe or the structure is beyond repair.

A list of Health & Safety deficiencies and whether they are eligible for the emergency rehab program are included in Attachment C.[1] In all cases, the most serious Health & Safety deficiencies must be corrected prior to utilization of funds for other deficiencies.

~~Applications for Emergency Improvements and Accessibility Improvements should NOT be put on the waiting list but should be processed immediately.~~

Expenses for improvements started before the issuance of a Proceed to Work Notice are ineligible.

***Property Ownership Requirements***

Applicants must have owned and occupied the property for 6 months prior to application – this requirement is waived in cases where the Scope of Work is comprised of work items accomplishing Emergency Improvements only.

Applicants must individually, or in aggregate, have a qualifying interest in the property, consisting of at least one of the following:

A. A valid life estate. Such life estate must be recorded and must appear in the records of the County Recorder's and/or Registrar's Office;
B. A minimum 1/3 interest in the fee title. Such interest may be subject to a mortgage;
C. A minimum 1/3 interest as a purchaser in a contract for deed with respect to the structure being improved. Such contract for deed must be recorded and must appear in the records of the County Recorder's and/or Registrar's Office.
D. All individuals occupying the property to be improved as their Principal Residence and having an ownership interest in the property, must join in the application.

***Title Verification***

The following information from the County Recorder or Register of Titles regarding each property must be obtained:

A. The full names of all owners of record, including first name, last name, middle name or initial and any additional names which may appear in the records, such as maiden names;
B. A determination of the system under which the property is recorded, either Torrens or Abstract;
C. The complete Legal Description of the property to be improved;
D. The document number, book, and pages of the recorded deed;
E. The current estimated market value of the property to be improved as determined by the

[1] This list is not considered exhaustive and should be considered a guide for informing Emergency Improvement determinations.

county assessor; and,

F. The amount and status of property taxes and assessments due.
G. Mortgage, contract for deed and real estate tax documentation must not be older than 120 days from the date of the Conditional Approval Letter.

***Income Determination***

Gross Annual Income of all Residents of the Dwelling Unit age 18 and over, from all sources and before taxes and withholding, which is anticipated to be received during the 12 months following the date of application, must be disclosed. For federally funded rehabilitation assistance, income verifications must not be older than 6 months from the date of the Conditional Approval Letter or Loan Closing, as applicable. Income calculations will be done in accordance with 24 CFR 5.609.[2] 1 Gross Annual Income Limits vary by Program Option. Income limits for each Program Option is found in Attachment D.

Where spouses are legally separated, the income of the non-resident spouse must be included in the calculation of Gross Annual Income unless a separate maintenance agreement is in force. In such cases, the separate maintenance agreement shall be counted as income, and then the income of the non-resident spouse may be excluded.

Where households include full-time students over the age of 18, the first $480 of the student's income must be included in the calculation of Gross Annual Income.

Where households include Residents with no income, files must be documented with a Zero Income Statement signed by the Resident stating they have no income.

***Asset Limits***

The sum of the cash value of all Assets of all Residents of the household cannot exceed the applicable limits outlined in Attachment D – Program Options.~~$25,000~~. Assets shall include the following:

A. Cash on hand or in checking accounts;
B. Cash in savings accounts, including accounts held in trust;
C. The cash value of securities or U.S. Savings Bonds;
D. The net proceeds of any real estate interests other than the property to be improved. Included in this determination is any land in which any Resident of the household holds title and is selling on contract- for-deed. The value of a contract-for-deed property shall be determined using 100% of the outstanding principal balance on the contract.
E. All other personal property, exclusive of household furnishings, clothing, and one automobile per licensed driver. This includes, but is not limited to: farm equipment, golf carts, boats, snowmobiles, motorcycles, business machinery, business inventory, farm stock, and additional vehicles.

[2] Current guidance for Part 5 income calculations is provided by HUD's Technical Guide for Determining Income and Allowances for the HOME Program and HUD Handbook 4350.3 (specifically Chapter 5 and Appendix 3), as applicable to homeowner funded activities.

For federally funded rehabilitation assistance, asset verifications must not be older than 6 months from the date of the Conditional Approval Letter or Loan Closing, as applicable. Asset Limits for each Program Option are found in Attachment D.

***Credit Reports***

The credit information must demonstrate that the Applicant has a good payment history regarding the Applicant's mortgage or contract-for-deed payments on the subject property, as well as any previous city loans. Real Estate Taxes and assessments on the subject property must be current.

All judgments and liens must be satisfied. In addition, Applicants in bankruptcy or with bankruptcies on their record, must demonstrate:

A. Chapter 7 Bankruptcy – Discharge of bankruptcy and one (1) year of on-time housing and utility payments good credit history from date of discharge; or,
B. Chapter 13 Bankruptcy – Two (2) years of good bankruptcy payment history accompanied by letter from bankruptcy trustee stating the Applicant is allowed to enter into a mortgage.

No credit information shall be older than 6 months on the day of loan closing.

The Fair Credit Reporting Act provides that Consumer Credit Reports shall only be obtained for permissible purposes. Credit Reports are to be kept strictly confidential and only authorized City of Saint Paul staff who have executed an Authorized Access Agreement can request and receive credit reports. ~~See Attachment E for Authorized Access Agreement.~~

## Eligible Contractors

***General Requirements***

Contractors are eligible to enter into a Work Contract if they meet the following requirements:

A. Have an identified Lead Supervisor, certified by the Minnesota Department of Health, if projects disturb painted surfaces above HUD's de minimis levels or involving lead based paint hazard reduction or abatement when Federal funds are the funding source;[3]
B. Have the appropriate contractor license from the Minnesota Department of Labor & Industry; and,
C. Have demonstrated their ability to meet the minimum insurance requirements required by the City for commercial general liability insurance and worker's compensation insurance.

In addition, when Federal funds are the funding source ~~, and the rehabilitation assistance is not solely for Emergency Improvements:~~contractors should

A. Have a federal Unique Entity ID number (fka DUNs number); and,
B. Are not on the Federal government's debarred, suspended or disqualified list.

[3] Applies only to Eligible Properties built before January 1, 1978.

***Business Certification***

The Central Certification (CERT) Program certifies small businesses, including small Minority-Owned Business Enterprises (MBE), small Women-Owned Business Enterprises (WBE), Small Business Enterprises (SBE), or other similar certification program offered by the City of Saint Paul's Human Rights & Equal Economic Opportunity office. Contractors that are in the CERT program are encouraged and will be identified as such on the Contractor list.

***Contractor List***

Staff from PED – Housing Division may maintain a Contractor List of the names of Contractors who meet the General Requirements outlined above. Staff should never:

A. Refer a Contractor to an Applicant or Borrower; or,
B. Select a Contractor for an Applicant or Borrower.

Staff can provide an Applicant or Borrower with the Contractor List. If the Contractor List is provided, the Applicant or Borrower must sign a liability disclaimer.

General Requirements and CERT status for each Contractor are to be reviewed and updated at least annually.

***Scope of Work***

The Scope of Work outlines the work items necessary to accomplish Eligible Improvements. The Scope of Work becomes the basis for which Contractors bid. Applicants must sign off on the Scope of Work indicating they have reviewed and accepted the work items listed before the bidding process begins.

During the bid period, the Applicant may request an Addendum to be issued to change or clarify the Scope of Work. The Rehab Advisor may deny the request for Addendum if it is determined the request does not include Eligible Improvements. When allowable, an Addendum must be prepared and issued to all Contractors.

If the awarded bid exceeds the maximum loan amount, Staff and the Applicant will work to identify changes to the Scope of Work to meet program loan limits. Changes to the Scope of Work must be outlined in the Post Bid Addendum. Eliminating lead-based paint work is not permitted. After the bid has been awarded, changes to the Scope of Work should be minimized to the greatest extent practicable. Changes to the Scope of Work must be outlined in a Change Order. A Change Order should be limited to unforeseen issues and not the direct result of Contractor errors or omissions.

***Bidding***

The Applicant must select three (3) Contractors to bid on the Scope of Work. At least one (1) of the ~~Selected Contractors~~bidders must be certified in at least one (1) of the CERT categories. The ~~Rental~~ Rehab Advisor is~~are~~ responsible for sending the Scope of Work to ~~selected Contractors~~bidders.

Potential contractors must agree to not withdraw their bids for a period of 60 days from the Bid Due Date.

The initial Bid Due Date is set for between 14 and 21 days from the date on which Contractors are sent the Bid Package. Extensions to the Bid Due Date may be given to:

A. Increase the total number of bids received; or
B. To ensure at least one (1) CERT-certified Contractor bid is received.

If no Contractors bid on the Bid Package, the process may repeat.[4]

Staff records the results of the bidding on the Bid Tabulation sheet. The lowest bid from a responsible bidder (as defined and generally referred to by the HUD CDBG program) must be awarded. The Awarded Contractor will execute a Work Contract in conjunction with the Applicant's rehabilitation assistance closing. The Awarded Contractor will be provided a Proceed to Work Notice after the expiration of the 3-day Right of Rescission waiting period after closing.

***Emergency Scope of Work and Bidding***

The Scope of Work and Bidding sections above may be modified in cases where the Scope of Work is comprised of Emergency Improvements only. The Applicant sign off on the Scope of Work can be done concurrently with a pre-determined Contractor.

For such Emergency Improvements, a Contractor may be pre-determined in a variety of ways.

If the Applicant is already working with a reputable, price-reasonable Contractor (e.g., furnace, water heater replacements), that contractor may be selected. Alternatively, if either:

A. The Applicant is already working with a Contractor, but that Contractor doesn't meet program requirements (e.g., no license, not a general contractor, Contractor refuses to accept terms in Work Contract, etc.); or
~~B.~~ The Applicant is not already working with a Contractor,

~~C.~~B. ~~then~~ Staff from PED – Housing Division may provide the Applicant a copy of the Contractor List. At that time, the Applicant and Staff may call Contractors from the Contractor List to inquire about immediate availability. ~~Bidding requirements are waived.~~

Once a contractor has been selected, the Applicant, staff from PED – Housing Division, and the pre-determined Contractor work closely and expediently to draft Scope of Work that fully addresses immediate Health & Safety issues and, to the greatest extent practicable, ensure these issues do not arise again in the immediate future.

***Construction Escrow Set Up and Disbursements***

A construction escrow account will be setup and administered by Accounting. Disbursement requests are made by Contractors to a PED Rehab Advisor. The Rehab Advisor works with a PED Loan Specialist to verify disbursement requests before processing a payment request to Accounting.

Staff will review the Scope of Work items for which a Contractor payment is being requested.

[4] Since Contractors can withdraw their Bids after 60 days, extensions granted beyond 50 days from the initial Bid Due Date run the risk of Contractors withdrawing their bids and should be avoided.

Items found to be incomplete or deficient shall not be included in the payment request. Staff may withhold a final payment to the Contractor until the project is completed, lead paint final clearance has been made, etc.

Disbursements are limited to no more than one partial payment and the final payment, subject to 5% retainage.[5] A subsequent retainage draw may be necessary if the permit issued for the work has not been closed[6] at time of final payment request.

Lien waivers must accompany each payment request. A full and final lien waiver from the Awarded Contractor and a successful Lead Clearance Test is required for final payment.

## Grievance Procedure

A procedure exists for settling all individual complaints, disputes or grievances arising from the administration of application of the program, including complaints, disputes or grievance against the City of Saint Paul, contractors or subcontractors performing rehabilitation work.

To initiate a grievance, the aggrieved party must send the grievance in writing to the attention of the Director of PED, no later than 90 calendar days after the date on which the grievance occurred or was discovered.

Within 15 days after filing of the grievance, a conciliation meeting will be held between all interested parties for the purpose of finding an equitable solution. Within 7 days after this meeting, staff from PED – Housing Division will provide the grievant and other interested parties with a memorandum outlining the results of the meeting.

If the aggrieved party is still aggrieved, they would be encouraged to go to arbitration as outlined in the Work Contract.

If the aggrieved party is still aggrieved and the result is based upon an issue with the building contractor, they would be informed of their right to file a complaint with the Department of Labor and Industry (DOLI). DOLI has a Contractor Recovery Fund, which may provide relief to an aggrieved Borrower.

## Program Subject to Alteration, Suspension and Discontinuation

The City reserves the right to alter these Guidelines and to suspend or discontinue the program at any time.

Income limits for all layers of funding will be updated annually to reflect HUD income limits. These updates do not require City Council/HRA Action. Other changes to the terms of these guidelines that may be changed administratively and without City Council/HRA approval include:

[5] Exceptions are allowed for larger projects.

[6] A closed permit is verification the Eligible Improvements were done according to applicable codes.

A. Procedural changes that update, improve or streamline the application process
B. Procedural changes that update, improve or streamline the loan servicing process
C. Other non-substantive changes that do not increase or decrease award maximums, income limits, loan terms, or other financial policies

Changes to this document that do require City Council/HRA approval include but are not limited to:

A. Changes to total or individual layer award maximums
B. Changes to eligibility criteria for the overall program or within individual layers of the program, with the exception of updating HUD income limits.

## Attachment A – Definitions

Accessibility Improvements: An interior or exterior improvement or modification to a residential property which is necessary to enable a person with a disability to function in their residential property.

Applicant: One who makes application for rehabilitation assistance.

Assets: The cash value of assets exclusive of the structure to be improved, held by all Residents of the household. The cash value is defined as the current market value of the item minus the existing indebtedness on that item.

Awarded Contractor: Contractor selected by the Applicant to execute a Work Contract and undertake the rehabilitation.

Bid Package: Document given to Contractors containing the approved Scope of Work and accompanying Bid Form.

Borrower: One or more persons who apply for and receive rehabilitation assistance in conformance with the requirements of these guidelines.

Contractor: A general contractors and their subcontractors used to execute the Scope of Work.

Debts: All fixed personal obligations which the Applicant has assumed, including the loan payment to which the application is being made. These obligations include mortgage or contract-for-deed payments, property taxes, homeowner's insurance, personal loans and revolving charge accounts. Any final payment installment obligation with three or less monthly installments remaining need not be included.

Dwelling Unit: A housing unit that includes self-contained cooking, sleeping and bathroom facilities.

Eligible Improvements: Repairs, rehabilitation, reconstruction, conversions, modernization, replacement, remodeling, alterations or improvements to eligible properties as set forth in the "Eligible Improvements" section of these guidelines.

Emergency Improvement: The most serious Health & Safety deficiencies identified in Attachment C.

General Improvements: Additions, alterations, renovations, or repairs upon or in connection with existing structures which materially preserve or improve the basic livability, safety or utility of the property. Improvements shall not include materials, fixtures or landscaping of a type or quality not exceeding that customarily used in the locality for properties of the same general type as the property to be improved.

Grievance Procedure: The method an Applicant or Borrower has to appeal decisions on or administration of their application for rehabilitation assistance, including complaints, disputes or grievances against the City of Saint Paul, contractors, or subcontractors performing rehabilitation work.

Gross Annual Income: The income from all sources and before taxes and withholding of all Residents of the household, age 18 and over, that is anticipated to be received during the 12 months following the date of application for rehabilitation assistance. Extraordinary medical expenses may be deducted from Gross Annual Income as determined by the Supervisor of Rehabilitation.

Health and Safety Hazards: Those violations of applicable codes which materially and immediately endanger the health and safety of occupants of the building or the public involved. See Attachment C.

MHFA: Minnesota Housing Finance Agency.

Owner-Occupant: The persons or families who are the fee owners or contract for deed vendees of eligible properties and who occupy and homestead such property.

PED: The Planning and Economic Development Department of the City of Saint Paul.

Principal Residence: The property which the Borrower regularly occupies as a residence for at least nine months of the year and in which the Applicant resides at the time of application for rehabilitation assistance (except where extraordinary circumstances have made the property temporarily uninhabitable).

Program Option: One of the several different rehabilitation assistance options an Applicant may apply for and a Borrower may receive to maintain or improve their homes. Different Program Options have varying requirements (e.g., income limits, asset limits, credit history, etc.) See Attachment D for current Program Options.

Renter: A bona fide tenant who would not normally be allowed to reside in the dwelling without paying rent.

Resident: A person, other than a renter, living in the household for at least nine months of the year, or a person who is claimed as a dependent for income tax purposes.

~~Selected Contractors~~Bidders: Contractors selected by the Applicant to send Bid Packages.
Work Contract: A Work Contract includes the Scope of Work and the Agreement Between the Owner and Contractor.

## Attachment B – Fee Schedule

| *Fee* | *Amount* | *Financeable* |
|---|---|---|
| Recording Fee* | $46 per document | ~~No~~Yes |
| Lead Based Paint Risk Assessment Fee | $435 per unit | Yes |
| Lead Based Paint Clearance Fee | $205 per unit | Yes |

Fees last updated in October 2024. Refer to Ramsey County's fee schedule for the most up to date lead based paint related costs.

*~~If an Applicant has insufficient assets and has a household income of 50% AMI or less adjusted for household size, they~~Applicants can request fees be included in the loan.

## Attachment C – Health and Safety Standards

| Heating System Issues | "Maintenance" or "Rehabilitation" as defined by HUD | Immediate Health and Safety* (Qualifies as Emergency) |
|---|---|---|
| Burned out or rusted heat exchanger | Maintenance | Y |
| Burned out or plugged flue | Maintenance | Y |
| Not vented | Maintenance | Y |
| Improperly vented | Rehabilitation | Y |
| Connected with unsafe gas supplies | Case By Case | Y |
| Gas or oil-fired systems that aren't burning property (color of flame will be a clue) | Rehabilitation | N |
| All gas oil burners more than ten years old will require a service call for cleaning, adjustment, and control check. | Rehabilitation | N |

| Water Heater Issues | "Maintenance" or "Rehabilitation" as defined by HUD | Immediate Health and Safety* (Qualifies as Emergency) |
|---|---|---|
| Burned out or rusted out heat exchangers (fire box) | Maintenance | Y |
| Burned out, rusted out heat exchangers (fire box) | Maintenance | Y |
| Unvented | Case by case | Y |
| Connected with unsafe gas supplies | Case by case | Y |
| Lack of temperature and pressure relief valves | Maintenance | Y |
| Spillage of products of combustion at diverter | Rehabilitation | N |
| Deteriorated vent piping | Rehabilitation | N |
| Back pitched vent piping | Rehabilitation | N |
| Undersized vent (either smaller than diverter outlet or because of excessive length) | Rehabilitation | N |
| Plugged flue passages through heaters | Rehabilitation | N |
| Unapproved temperature pressure relief valve | Rehabilitation | N |
| Over firing | Rehabilitation | N |

| Electrical System Issues | "Maintenance" or "Rehabilitation" as defined by HUD | Immediate Health and Safety* (Qualifies as Emergency) |
|---|---|---|
| Dangerous overloading | Case by case | Y |
| Damaged or deteriorated equipment | Rehabilitation | N |
| Improperly tapped or spliced wiring | Rehabilitation | N |
| Exposed uninsulated wires | Case by case | Y |
| Distribution systems of extension cords or other temporary methods | Rehabilitation | N |
| Ungrounded systems | Rehabilitation | N |
| Ungrounded appliances in contact with earth | Rehabilitation | N |
| All obviously hazardous, improper and/or illegal wiring shall be removed | Rehabilitation | N |
| Over fused distribution circuits | Maintenance | Y |

| | | |
|---|---|---|
| Overloaded services | Maintenance | Y |

| Plumbing System Issues | | "Maintenance" or "Rehabilitation" as defined by HUD | Immediate Health and Safety* (Qualifies as Emergency) |
|---|---|---|---|
| Leaking waste systems, fixtures and traps; siphoning traps | | Maintenance | Y |
| Cross connection of pure water supply with fixtures or sewage lines | | Maintenance | Y |
| Water service (street to house) will need repair if pipe and fittings at or leading to meter connection are badly deteriorated or leaking | | Case by case | Y |
| Laundry trays connected to water source will need a properly installed waste, trap, and vent | | Rehabilitation | N |
| Bathroom ventilation from a window or mechanical ventilation must be provided | | Maintenance | Y |
| Water distribution (within house): | A. Badly deteriorated or leaking piping | Maintenance | Y |
| | B. Cross connection exists | Rehabilitation | N |
| Waste and vent: | A. Open hubs or fittings (includes hubs or fittings plugged with concrete, etc.) | Maintenance | Y |
| | B. Broken or rotted waste or vent pipes | Maintenance | Y |
| | C. Plugged or nonfunctioning waste system | Maintenance | Y |
| Gas piping: | A. illegal piping which could be dangerous (copper with compression fittings, copper with soft solder joints, unapproved plastics, cast iron fittings on steel pipe, concealed unions, copper joints) | Maintenance | Y |
| | B. unsupported or sagging piping | Rehabilitation | N |
| | C. lacking a level handle valve installed between house pipe and flexible connector | Rehabilitation | N |
| Floor drains: | A. missing or broken strainers | Rehabilitation | N |
| | B. missing clean-out plugs | Maintenance | Y |
| Clean-outs: | A. at least one accessible clean-out for building drain | Rehabilitation | N |
| | B. clean-out plugs intact and tight | Maintenance | Y |
| Water closets *(i.e., toilets)*: | A. bowl is loose on floor | Rehabilitation | N |
| | B. cracked or excessive limed | Maintenance | Y |

| | | | |
|---|---|---|---|
| | bowl | | |
| | C. unvented in places where this may cause problems when other fixtures are used | Rehabilitation | N |
| Bathtubs: | A. trap is leaking or taped | Rehabilitation | N |
| | B. waste and overflow leaking, taped or parts missing | Rehabilitation | N |
| | C. fixture deteriorated or chipped to a degree of becoming unsanitary or exposing sharp edges | Rehabilitation | N |
| | D. trap not vented | Rehabilitation | N |
| Sink and lavatory: | A. fixture is deteriorated or chipped to a point of becoming unsanitary and dangerous | Rehabilitation | N |
| | B. trap and exposed pipe and tubing taped or leaking | Rehabilitation | N |
| | C. crown vent disconnected or abandoned | Maintenance | Y |
| | D. traps siphoning for lack of vent | Rehabilitation | Y |

| **Structural System Issues** | **"Maintenance" or "Rehabilitation" as defined by HUD** | **Immediate Health and Safety* (Qualifies as Emergency)** |
|---|---|---|
| Walls; retaining walls; chimneys; roofs; foundations; ceilings and floor systems that will not safely carry imposed loads (ie. Removed posts, deteriorated loose post base, overspanned members) | Rehabilitation | Y |

| **Sanitary Issues** | **"Maintenance" or "Rehabilitation" as defined by HUD** | **Immediate Health and Safety* (Qualifies as Emergency)** |
|---|---|---|
| Refuse; garbage; human waste; decaying vermin or other dead animals; animal waste; other materials rendering home unsanitary for human occupancy | Rehabilitation | Y |

***Indicates most serious Health & Safety Hazards, these items may require immediate correction pending review of the issue and an onsite inspection by PED staff. This information is informational and is intended as a general guide only.***

## Attachment D – Program Options

### *Eligibility Requirements*

| | ***Rehab*** | ***Emergency Rehab*** | ***Inheritance Fund – Generational Wealth*** | ***Inheritance Fund – Generational & Community Wealth*** |
|---|---|---|---|---|
| ***Property Taxes*** | Must be current | None | None | None |
| ***Visual Assessment Standard*** | City Ordinance Chap 34 (HQS) | HUD Health and Safety Analysis | City Ordinance Chap 34 (HQS) | City Ordinance Chap 34 (HQS) |
| ***Asset Limit*** | $25,000 | $25,000 | None | None |
| ***Credit History*** | Mortgage must be current and demonstrate 12 months of on time mortgage payments * | None | None | None |
| ***Eligible Property Location*** | City of Saint Paul | City of Saint Paul | City of Saint Paul | Within historic Rondo or West Side Planning District, as shown in Attachment E~~I~~. |
| ***Income Limit*** | 80% AMI for all loan types | | | |
| ***Method of Income Calculation*** | Part 5 | | | |
| ***Debt-to-Income Ratio*** | None | | | |
| ***LTV (Equity) Requirements*** | 125% | | | |
| ***Appraisal*** | None | | | |
| ***Sweat Equity/Handyman Help*** | No other work should be done by homeowner or non-~~Selected~~ Awarded Contractor while loan is in process. | | | |
| ***Title Verification Required*** | Yes | | | |
| ***Homeowners Insurance*** | Yes | | | |

## *Loan Terms*

| | ***Rehab (Typical)*** | ***Emergency Rehab*** | ***Inheritance Fund – Generational Wealth*** | ***Inheritance Fund – Generational & Community Wealth*** |
|---|---|---|---|---|
| ***Minimum Loan Amount*** | ~~$1,000~~$5,000 | | | |
| ***Maximum Loan Amount*** | $40,000 | $40,000 | $15,000 | $25,000 |
| ***Interest Rate*** | 0% (zero percent) | | | |
| ***Loan Type*** | Deferred | | | |
| ***Loan Repayment Period (Years)*** | 15 years | | | |
| ***Forgivable*** | ~~Yes. Loans made will be for a 15-year term, with 1/15 of the principal forgiven annually as long as the Borrower continues to reside in the home as their primary residence.~~ Yes. In years 1-5, there won't be any loan forgiveness. In years 6-15, loan will be forgiven at an amortized rate of 1/10th so long as the Borrower continues to reside in their home as their primary residence. | | | |
| ***Prepayment Penalty*** | No | | | |
| ***Title Insurance Required*** | No | | | |

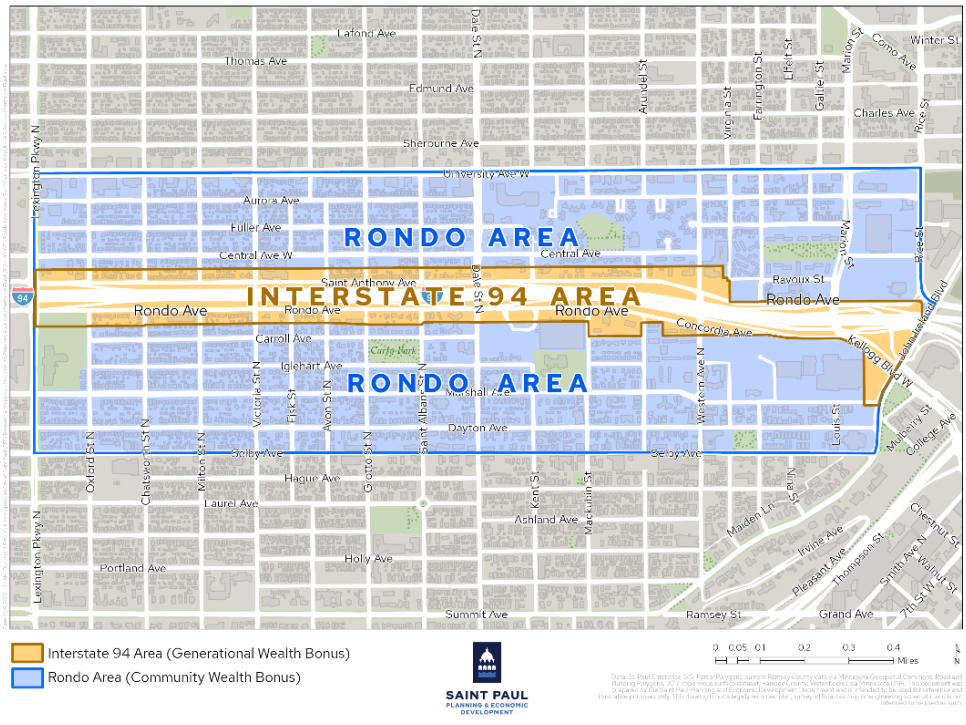
## Attachment E – Inheritance Fund Community Wealth

As described earlier in the document, Homeowner Rehab recipients are eligible for a Generational Wealth bonus if they are directly descended from a property owner from the Rondo area whose property was taken for the construction of I-94; or if they were directly descended from a property owner who was displaced for the construction of the Riverview Industrial Park as described in the "Flats to the Future" report. In both cases, descendancy must be verified by a third party community partner.

In addition, those recipients are also ~~Inheritance Fund: Community Wealth. Applicants~~ eligible for the Inheritance Fund – Generational Wealth ~~program~~layer ($15,000) may also be eligible for the Inheritance Fund – Community Wealth layer ($25,000) if the home they own and are rehabbing is within the historic boundaries of the historic Rondo neighborhood (shown below); or within the boundaries of the West Side Planning District 3 (shown on the following page). Eligibility for the Historic Rondo Community Wealth layer requires descendancy verification connected to the construction of I-94 (approximate boundary is informational only); and eligibility for the West Side Planning District Community Wealth layer requires descendancy verification connected to the West Side Flats area.

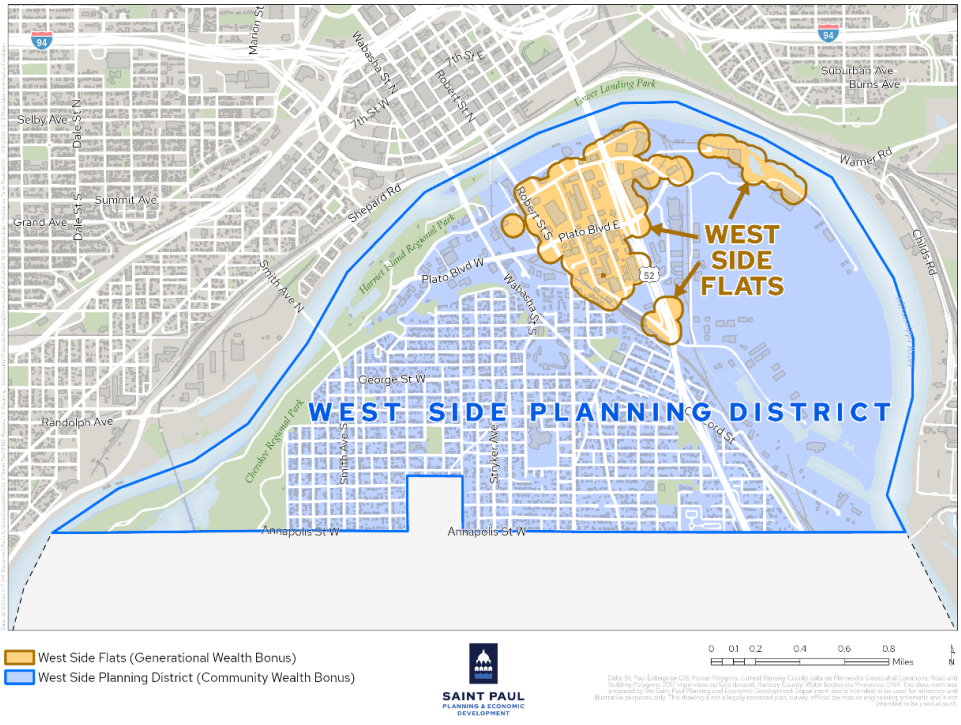
Th~~ose boundaries~~e boundaries of the Historic Rondo neighborhood are shown in the map below and are generally bounded by both sides of Selby Avenue to the south, both sides of University Avenue to the north, both sides of Lexington Avenue to the west, and both sides of John Ireland Boulevard/Rice Street to the east. PED staff will verify Inheritance Fund – Community Wealth eligible addresses.

**Rondo Inheritance Fund - Eligibility Areas**



West Side Planning District's boundaries (shown in blue) are generally the Mississippi River to the north, west, and east; the southern border generally follows the entirety of Annapolis Street W, excepting a roughly two block square at Annapolis Street W, S Charleton Street, and Sidney Street W. Approximate boundaries of the West Side Flats area (as defined in WSCO's "Flats to the Future" report) which qualifies residents for the Generational Wealth bonus are also shown for informational purposes.

**West Side Flats Inheritance Fund - Eligibility Areas**



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