



Multifamily Flood Recovery Program - September 2012

Help for Northeast Minnesota Rental Property Owners affected by June 2012 Flooding - Application deadline is December 17, 2012

The Minnesota State Legislature approved \$12.2 million as part of a disaster relief package for the areas in northeastern Minnesota and a few southeastern counties affected by June 2012 flood event. The Multifamily Flood Recovery Program provides assistance of last resort to return permanent rental housing property with five or more units back to its pre-disaster condition. To qualify, the owner must first apply for hazard insurance and federal disaster funding and utilize any funds available from those sources before they may apply for Multifamily Flood Recovery funds.

- Eligible Properties:** Residential rental property with at least 5 units where at least 51% of the space is utilized for rental housing.
- Rehab Standards:** Rehabilitation performed must repair flood related damage only. Completed work must conform to the Rehabilitation Emergency Accelerated Process (REAP) which is designed specifically to provide a quick response to the disaster related repairs.
- Funds Available:** Approximately \$1.8 million.
- Loan Terms:** The funding is offered as an interest free deferred loan with principal forgiven in full at the end of the loan term.
- The loan amount per unit is generally \$15,000.
 - The loan may be structured as either an end loan or construction loan.
 - The loan term is 10 years. Minnesota Housing may adjust the loan term based on requirements and conditions of other funding sources related to loan term.
- Rent Limits:** Rent Limits based upon the 2011 MN Department of Employment and Economic Development (DEED) wage data and 2012 HUD incomes. The affordable rent is the *lesser* of rents based on 30 percent of wage data and rents based on affordability at 80 percent Area Median Income (AMI) and are identical to the Quick Start rent limits in the counties and tribal lands impacted by the flood.
- [Multifamily Flood Recovery rent limits](http://www.mnhousing.gov/idc/groups/homes/documents/document/mhfa_013098.pdf) identical to those of the Minnesota Housing Quick Start and Rental Rehabilitation Deferred Loan Program and is available on the Minnesota Housing Web site.
http://www.mnhousing.gov/idc/groups/homes/documents/document/mhfa_013098.pdf
- Income Limits:** No income limits. Households will be asked to self report incomes when the repairs are completed.
- Minnesota Housing Contact:** Susan Haugen or Lori Speckmeier 1-800-657-3647

Access to Funds:

Owners of rental property affected by the June 2012 flood must first apply to SBA for a physical disaster loan by contacting SBA's Disaster Assistance Customer Service Center at 800.659.2955, or apply online at <https://disasterloan.sba.gov/ela>. **The SBA application deadline is October 15, 2012.**

Multifamily Flood Recovery applications will be accepted on a **first-come first-served basis until December 17, 2012**, unless this deadline is extended by Minnesota Housing. The flood related rehabilitation funded with the proceeds of Multifamily Flood Recovery loan must be completed by June 30, 2013.

Application Materials: http://www.mnhousing.gov/resources/apply/rehabilitation/MHFA_013147.aspx

Properties with 5 -20 units – Owners may contact the local administrator designated for the affected flood area to complete the Multifamily Flood Recovery applications. Rental property owners needing assistance may contact administrators in the following counties:

Arrowhead Economic Development Agency—AEOA:

702 South 3rd Ave, Virginia, MN 55792

800-662-5711, Ext. 288 or 218-749-2912, Ext. 288

Counties/tribal lands served: Cook, Lake, St. Louis, Itasca, Cass, the Fond du Lac and Grand Portage Bands of Lake Superior Chippewa and the Mille Lacs Band of Ojibwe

Lakes and Pines Community Action Council:

1700 Maple Street E., Mora, MN 55051

800-832-6082 or 320-679-1800, Ext. 119

Counties/tribal lands served: Aitkin, Carlton, Crow Wing, Pine, the Fond du Lac and Grand Portage Bands of Lake Superior Chippewa and the Mille Lacs Band of Ojibwe

One Roof Community Housing:

12 East 4th Street, Duluth, MN 55805

Duluth, MN 55805

218-727-5372 Ext. 200

Area served: City of Duluth

Southwest Minnesota Housing Partnership

2401 Broadway Avenue, Suite 4, Slayton, MN 56172

(507) 836-1614

Counties served: Meeker, Rice, and Sibley

Properties with more than 20 units- An owner may apply to the local administrators above or directly to Minnesota Housing for funding.

Properties outside SBA service area - Owners of flood damaged rental property in counties and tribal lands where SBA assistance is not available, may apply directly to the designated local administrator for Multifamily Flood Recovery assistance. This includes properties located in the following counties and tribal lands: Cass, Cook, Crow Wing, Meeker, Rice, Sibley and Grand Portage Band of Lake Superior Chippewa, and Mille Lacs Band of Ojibwe.

Properties outside SBA and a designated administrator's service area: Owners of rental property damaged by the flood in counties without SBA assistance and outside of designated Flood Recovery administrator's service area may apply directly to Minnesota Housing for assistance. These counties include: Dakota, Goodhue, and Kandiyohi.

Funding for repairs to single family homes and properties with up to 4 residential rental units is available under similar terms and conditions through the Minnesota Housing Quick Start Program.

http://www.mnhousing.gov/consumers/home-owners/MHFA_012990.aspx