



## 2019 Single Family Gap Financing Program Guide

The Greater Minnesota Housing Fund (GMHF) is a 501(c)3 non-profit organization founded in 1996 and Minnesota's largest affordable housing Community Development Finance Institution (CDFI), certified by the United States Department of Treasury in 2004. Since its inception, GMHF has provided more than \$270 million in financing to affordable housing projects and created or preserved more than 14,600 homes for low and moderate income Minnesotans. GMHF combines its affordable housing loan products with equity investments (offered through its two wholly owned subsidiaries Minnesota Equity Fund and NOAH Impact Fund) to create and preserve affordable housing statewide. Our mission is to support the creation of strong communities and affordable homes through making strategic investments and forming effective partnerships.

### **GMHF Single Family Gap Financing Program Overview**

GMHF's Single Family Gap Financing Program provides funding for need-based deferred subordinate mortgage financing to qualified homebuyers for a qualified home purchase. The financing provided is designed to fill the gap between what a homebuyer can afford based on their income and the cost to acquire a home to be used as their principal residence. GMHF delivers its financing through qualified local Administrators in Greater Minnesota who have been awarded funds by GMHF to make qualifying secondary loans to homebuyers. GMHF makes resources available for its Single Family Gap Financing Program on an annual basis as a co-funder with Minnesota Housing in its consolidated Request for Proposals (RFP) funding application process published each spring.

### **Eligible Applicants**

- ✓ Cities
- ✓ Housing and Redevelopment Authorities
- ✓ For-profit and nonprofit organizations
- ✓ Indian tribes or tribal housing corporations
- ✓ Public Housing Agencies
- ✓ Joint powers boards

### **Income Limits**

Household income cannot exceed 80% of greater of state or area median.

### **Eligible Use of Funds**

All projects must support owner-occupied, single-family housing and comply with Green Communities Criteria.

Eligible uses include:

- ✓ Down Payment & Closing Cost Assistance for Qualified Home Purchase
- ✓ Gap Financing for Owner-Occupied Rehabilitation

### **Type of Funds Available**

- ✓ **Deferred Loans:** Interest-free deferred loan financing is available to help eligible home buyers and homeowners bridge affordability gaps not covered by first-mortgage or other funding sources.

### **Selection Criteria and Funding Priorities**

## Threshold Criteria

1. **Project Feasibility:** The proposed activity is efficient, cost effective and economically viable given market conditions and the experience of the applicant.
2. **Community need:** The project aligns with a well-defined community need for the housing activity in the Target Area based on local demographic, workforce, and economic factors.
3. **Organization capacity:** The applicant and its partners' related housing experience and track record demonstrates sufficient organizational capacity to undertake and complete the proposed activity.

## Funding Priorities

Preference will be given to projects which meet one or more of the following GMHF priorities:

- ✦ Leverage other financial and in-kind investments, including employer contributions
- ✦ Targets funding to underserved populations
- ✦ Expands homeownership opportunities in underserved communities
- ✦ Meets critical unmet workforce housing needs
- ✦ Provides housing investments in areas in need of community recovery

## Single Family Gap Financing Program Contact Information

For more information on GMHF's lending products and technical assistance, contact:

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