

# Community Homeownership Impact Fund

Learn how the Community Homeownership Impact Fund can help create and reinvest in affordable owner-occupied homes in your community!



The Community Homeownership Impact Fund (Impact Fund) provides funding for developers and administrators of single-family, owner-occupied affordable and workforce housing activity in communities across Minnesota. Resources are available through a competitive Request for Proposal published each spring.

## Eligible Applicants

- Cities
- American Indian tribes or subdivisions, or tribal housing corporations
- Housing and Redevelopment Authorities
- Private developers
- Nonprofit organizations
- School districts, cooperative units, or charter schools

## Income Limits

Household income cannot exceed 115% of greater of state or area median.

## Eligible Use of Funds

All projects must supply or improve owner-occupied, single-family housing and comply with Green Communities Criteria. Eligible uses are:

- Acquisition, rehabilitation and resale of existing housing
- New construction, including demolition or removal of existing structures with rebuild
- Owner-occupied rehabilitation
- Affordability gap subsidy for downpayment and closing cost assistance

## Types of Funds Available

- **Interim Financing:** A short-term, low-interest bearing loan made to assist an administrator with acquiring, demolishing, rehabilitating or constructing owner-occupied housing.
- **Deferred Forgivable Loans:** Interest-free deferred loan financing is available to help eligible homeowners bridge affordability gaps not covered by first-mortgage or other funding sources.
- **Grants:** Provided to bridge value gaps between a project's total development cost and its fair market value or for other eligible activities where recapture of loan funds proves infeasible or unaffordable.

## General Selection Standards and Funding Priorities

- **Organizational capacity:** The applicant's and applicant's partners' related housing experience and financial stability is evaluated for capacity to undertake and complete the proposed project.
- **Project feasibility:** The cost of developing or rehabilitating the proposed housing must be reasonable and economically viable given market conditions.
- **Community need:** The extent to which there is a well-defined community need for the housing activity in the Target Area based on local demographic, workforce, and economic factors.
- **Additional funding priorities** include:
  - Leverage for other financial and in-kind investments;
  - Cost containment;
  - Non-duplication of an existing program or service;
  - Providing long-term housing affordability and housing affordable to the local workforce;
  - Addressing the housing needs of underserved populations;
  - Providing housing proximate to jobs, transportation, schools and services;
  - Providing housing investments in areas in need of community recovery.

## Leveraging Minnesota Housing Home Improvement Programs

Make the most of the Impact Fund by leveraging our home improvement programs with your application. For more information, visit [www.mnhousing.gov](http://www.mnhousing.gov) > Homeownership > Improve Your Home.

- **Fix Up Loans:** Minnesota Housing provides affordable home improvement loans through a statewide network of participating lenders that include banks, credit unions, and nonprofit organizations. Fix Up provides:
  - Loans for most basic remodeling, repairs and upgrades.
  - Loan options for homeowners with limited equity, including an unsecured loan option.
  - A lower interest rate and no income limit for basic energy conservation and accessibility improvements.
- **Community Fix Up Initiative:** A community partner joins with an approved lender to provide services and funds at a lower interest rate.
  - The approved lender originates these loans and sells them to Minnesota Housing.
  - Targeted to specific community needs
  - The Impact Fund or other leveraged resources supplied by the community partner can be used to write down the Community Fix Up interest rate.

## Interested?

The Impact Fund can help create and reinvest in affordable owner-occupied homes in your community! To learn more about the program, visit [www.mnhousing.gov](http://www.mnhousing.gov) > Community Initiatives Programs > Impact Fund, or contact a member of the Impact Fund Team:

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