



Community Planning and Economic Development Department

# News Release

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*Minneapolis City Goals: A Safe Place to Call Home ▫ Jobs & Economic Vitality ▫ Eco-Focused ▫ Livable Communities, Healthy Lives ▫ Many People, One Minneapolis ▫ A City That Works*

## City Launches Rehab Loan Program for Buyers and Homeowners in Foreclosure Impacted Neighborhoods

**Around 50 loans available through pilot to help complete improvements**

April 19, 2011 (MINNEAPOLIS) – Beginning April 25, applications will be available for the City’s Rehab Support Program, which provides \$750,000 in financing to homeowners and buyers to complete improvements, potentially increasing their home’s market value. The pilot program offers loans of up to \$20,000 at zero-percent interest. Funding the City received from the Minnesota Housing Finance Agency will be matched dollar for dollar by the homeowner from any other source they choose; around 50 loans are available.

The program is available to qualified homeowners and buyers in neighborhoods where 10 percent of the housing stock is in foreclosure. Eligible neighborhoods are: Shingle Creek, Lind-Bohanon, Webber-Camden, Cleveland, Folwell, McKinley, Jordan, Hawthorne, Willard-Hay, Harrison and Near North on the city’s northside and Central and Bryant neighborhoods on the southside.

“We’re pleased to be able to offer this new tool to help people stay in their homes, which it will help not only the people who use it, but all Minneapolis residents,” said **Mayor R.T. Rybak**. When people are able to stay in their homes, their neighborhoods stay stable, and stable neighborhoods keep the tax base up, which helps keep property taxes down for everyone.”

“We want to keep residents in their homes,” said **Barbara A. Johnson** (Ward 4), City Council President. “This financial assistance enables necessary repairs and improvements that can add value to your home, and therefore, for other homes in the area, too.”

### **Eligible Improvements**

- Outstanding code orders and health and safety hazards
- Floor covering or refinishing
- Kitchen remodeling
- Bathroom remodeling
- New siding
- New or expanded garage, not to exceed 24 ft. x 24 ft.
- Permanent functional landscaping
- Replacement of doors and windows
- Insulation and weather stripping
- Addition to home
- Central air conditioning
- Finishing an unfinished basement or attic
- Replacing a furnace
- Repair or replacement of a deck or patio
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“Many homeowners have a critical need to improve their home and lack access to credit,” said **Tom Streitz**, Director of Housing at the City’s Department of Community Planning and Economic Development. “These resources will help those homeowners by providing the needed financing, and the city will benefit by improving housing values during a time when our housing values have declined, he added.”

### **Loan Guidelines**

- Purchasers must have an income of less than 115% of the area median income (\$96,600) and the property must be the owner’s or purchaser’s primary place of residence.
- A maximum loan of \$20,000 at zero-percent interest.

- For every dollar put into the project by the homeowner or purchaser, the City will match with one dollar of funding.
- Improvements must be made to a single family dwelling or a duplex within an eligible neighborhood.
- New construction properties are not eligible.
- The loan is repaid when the buyer sells, ceases to occupy the home, or in 30 years, whichever comes first.

Information can be found online at [www.ci.minneapolis.mn.us/cped/docs/2011\\_RSP\\_Guidelines.pdf](http://www.ci.minneapolis.mn.us/cped/docs/2011_RSP_Guidelines.pdf) or call the Greater Metropolitan Housing Corporation, program administrator, at (612) 588-3033.

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