



Enclosed is an application for the **McGregor Area** Small Cities Development Program for a residential rental unit rehabilitation loan/grant. Enclosed with this letter you will find: a Fact Sheet, *What to Expect from the Rehabilitation Program* information sheet, an application, a Privacy Notice, a Borrower's Certification for Release of Information form, a Lead Based Paint Hazard pamphlet and a Fair Housing pamphlet.

Mail your application and supporting forms to Lakes & Pines at the address below along with the following information:

- A copy of your recorded Warranty Deed or recorded Contract for Deed (can get at your county recorder's office)- this MUST have a legal description on it, or attached to it, and also list all owners of the property;
- A copy of your most recent property tax statement;
- A copy of your Declaration's page of your property insurance.

Please note, your eligibility for this program will be determined by your tenant's income. 51% of the tenants in the building you wish to rehabilitate must have income that meets HUD's low-to-moderate income standards. In your application please clearly identify the name, address and phone numbers of ALL tenants in the building, so we can contact them with supplemental information. You may want to contact your tenants, notifying them about this program and that Lakes & Pines will be contacting them soon. If your tenants refuse to return the information requested of them, unfortunately your application will be denied.

We look forward to working with you in the weeks ahead. Please feel free to call us if you have questions. You can contact me at (320) 679-1800 ext 123.

Sincerely,

A handwritten signature in black ink, appearing to read "Lezlie Ballis".

Lezlie Ballis  
Project Manager

1700 Maple Avenue East • Mora, MN 55051-1227  
Office 320/679-1800 or 800-832-6082 • FAX 320/679-4139  
Special accommodations for people with disabilities upon request.

**McGregor Area**  
**Small Cities Development Program 2009-2011**  
**Residential Rental Rehabilitation Fact Sheet**

The City of McGregor & Jevne Township received grant funds for property owners interested in improving their rental units from the Minnesota Department of Employment and Economic Development Small Cities Development Program (SCDP).

- This assistance to property owners is in the form of a deferred 10-year loan which must be matched with other funds to complete the project. The match of funds must be 1/3 (33%) of the total cost of improvements, SCDP funds will only pay for 2/3 (67%) of the total cost of improvements.
- The maximum available through the SCDP is \$12,500 per unit in a two-unit or larger building, or \$25,000 per unit for a single family home.
- The SCDP loan is repaid to the city if the property is sold; title is transferred, or conveyed within 10 years of the loan closing. The obligation to repay is reduced by one-tenth of the original loan amount after each of the years. If after 10 years the property is still owned by the borrower, the loan is forgiven.

To qualify -

- Building must be in the City of McGregor, Jevne Township or McGregor Township
- You must be an owner of the rental unit, either free of debt, through a mortgage or recorded Contract for Deed. \*If you are buying the property on a Contract for Deed, the holder of the contract must sign off on the loan. Taxes must be current and proof of property insurance is required to be approved.
- 51% of the units must be occupied by persons with income below the following limits:

<b>Family Size</b>	<b>1 person</b>	<b>2 persons</b>	<b>3 persons</b>	<b>4 persons</b>
<b>Income</b>	\$32,950	\$37,700	\$42,400	\$47,100

- Rents, including utility costs, shall not exceed the area fair market rents, established by HUD.

<b>2008</b>	<b>Efficiency</b>	<b>One-Bedroom</b>	<b>Two-Bedroom</b>	<b>Three-Bedroom</b>
<b>Fair Market Rent</b>	\$416	\$489	\$642	\$801

- No economic displacement is allowed. Economic displacement occurs as a result of rent increases causing the tenant to move because they can no longer afford to rent the unit. Building owners must ensure that for 10 years, at least 51% of the rental units will be occupied by low to moderate-income households at fair market rents.

Repairs that make the property more livable, energy efficient, safe and accessible for handicapped occupants, qualify under SCDP. These may include replacing or repairing:

- Interior improvements such as common areas in the residential unit (ceiling, wall, floor, window and door repair/replacement)
- Energy improvements
- Electrical & plumbing improvements

If you are interested in applying or have questions, call or write:

**Lakes & Pines Community Action Council, Inc.**  
320-679-1800 or 1-800-832-6082      1700 Maple Ave E, Mora, MN 55051  
[www.lakesandpines.org](http://www.lakesandpines.org)

<p style="text-align: center;"><b>WHAT TO EXPECT, AND WHAT <u>NOT</u> TO EXPECT FROM THE REHABILITATION PROGRAM</b></p>
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The rehabilitation program staff will help applicants during the rehabilitation process, but applicants are responsible for making the choices and doing the following items:

- Applicants must provide the program staff with necessary information promptly.
- Applicants -not the program staff, choose contractors to submit bids.
- Applicants -not the program staff, select the contractor to do the work.
- Applicants sign Warranty Contracts with the selected contractor.
- Applicants work with the contractors to settle disagreements during the job.
- Applicants AND the program staff must be satisfied with the work performed by the contractor.
- Applicants must contact contractors to ask them to correct problems covered by the Warranty Contract after work has been completed.

Items to think about before participating in the rehabilitation program:

- Not all the work that owners want done can always be done.
- Repairs will correct health & safety problems, but they will not solve all problems.
- Do not expect the property to be completely new after work is done.
- Do not expect all floors, walls, ceilings, doors, windows, etc. to be completely plumb, level and square when work is done.
- It can be stressful living in a home while a contractor is performing repairs.
- Very few times in life is anyone completely satisfied with things they buy or have repaired, having a property repaired is no different.
- Buildings and homes always need improvements. It would be a good idea to save \$25 a month to help cover the cost of future repairs and maintenance.
- The program staff is NOT the contractor and CAN NOT guarantee that the applicant will be satisfied with the work done by the contractor.



**SMALL CITIES DEVELOPMENT PROGRAM  
RESIDENTIAL RENTAL UNIT REHABILITATION APPLICATION**

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I (we) the undersigned, certify subject to penalty under law, that by signing this application, the information above is true and correct to best of my (our) knowledge. I (we) realize that giving false information will result in disqualifying from the program, and/or I (we) may be subject to a fine or imprisonment, or both, under provisions of the Minnesota Criminal Code, and/or I (we) may be required to return all or part of the rehabilitation funds to the entity in which they were borrowed from. I (we) hereby authorize Lakes & Pines Community Action Council, Inc. staff to enter my (our) property to identify work items necessary for the rehabilitation of my (our) building, to take photographs and to inspect work in progress while construction is occurring, during regular business hours. NOTE: The information requested in this application is legally required to determine if you qualify for participation in this rehabilitation program. A portion of the data is classified as "private data on individuals" under Minnesota Statutes 462.065. Use of data obtained is limited to the United States Department of Housing and Urban Development.

Your name, address and amount of assistance you receive is considered public data under the Minnesota Data Practices Act. The disclosure of your Social Security Number or Minnesota Tax Identification Number is mandatory for participation in this program, by virtue of the Minnesota Revenue Recapture Act of 1980 (Sections 270A.01-270A.12 of MN Statutes), as well as Section 270.66 of said Statutes. Supplying these numbers could result in the application of state tax refunds to the payment of any delinquent indebtedness to the entity lending the funds to us, resulting from this or other Small Cities Development Programs. These numbers may be made available to state tax authorities and state personnel involved in the collection of state obligations.

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APPLICANT'S SIGNATURE

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DATE

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CO-APPLICANT'S SIGNATURE

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DATE

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I/WE CERTIFY THAT I/WE HAVE RECEIVED INFORMATION ON THE FAIR HOUSING ACT AND THAT I/WE HAVE READ AND UNDERSTAND THE INFORMATION.

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APPLICANT'S SIGNATURE

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DATE

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CO-APPLICANT'S SIGNATURE

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DATE

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I/WE CERTIFY THAT I/WE HAVE RECEIVED THE PUBLICATION "RENOVATE RIGHT: IMPORTANT LEAD HAZARD INFORMATION FOR FAMILIES, CHILD CARE PROVIDERS AND SCHOOLS" AND THAT I/WE HAVE READ AND UNDERSTAND THE POTENTIAL RISK OF LEAD HAZARD EXPOSURE FROM RENOVATION ACTIVITIES PERFORMED IN MY/OUR DWELLING AS PART OF THIS PROGRAM. I/WE RECEIVED THIS BEFORE WORK BEGAN.

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APPLICANT'S SIGNATURE

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DATE

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CO-APPLICANT'S SIGNATURE

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DATE

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I/WE AUTHORIZE THE PHOTOGRAPHING OF MY PROPERTY. I UNDERSTAND THAT THE PHOTOGRAPHS WILL BE USED BY LAKES & PINES CAC, INC. OR ITS REPRESENTATIVE AS DOCUMENTATION OF PROPERTY CONDITIONS BEFORE REHABILITATION AND AFTER REHABILITATION. THE PHOTOGRAPHS MAY ALSO BWE USED IN PRESENTATIONS OR IN OTHER MANNER FOR DEMONSTRATING VARIOUS STYLES AND SERVICES.

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APPLICANT'S SIGNATURE

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DATE

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CO-APPLICANT'S SIGNATURE

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DATE



## Small Cities Development Program

### **IMPORTANT PRIVACY NOTICE READ THIS BEFORE FILLING OUT THE APPLICATION**

We are asking that you provide the information on the application form to determine if you are eligible to participate in the rehabilitation program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the housing rehabilitation program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration
- Local loan committee members who approve applications
- Auditors Who perform required audits of this program
- Authorized personnel from the Minnesota Department of Employment and Economic Development or other local, state and federal agencies providing funding assistance for your loan
- Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project's policy and procedural manual)
- Those persons who you authorize to see it
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order and in addition, your private data must be released if required by law that authorizes or requires such release of data.

Signature of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Co-Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Minnesota Law gives you important rights in regard to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you
- Be told the contents and meaning of the data
- Challenge the accuracy and completeness of the data

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*Serving the counties of Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs, and Pine  
An Equal Opportunity Employer/Contractor*



Borrower's Certification and Authorization

**The undersigned certify the following:**

I/We have applied for a mortgage loan funded by the Department of Employment and Economic Development (DEED). In applying for the loan, I/We completed a loan application containing a variety of information on the purpose of the loan, the amount and source of the down payment, employment and income verification, and asset and liability verification.

**Authorization to Release Information:**

To Whom It May Concern:

1. I/We have applied for mortgage loan from **the City of McGregor** through DEED funding. As part of the application process, **the City of McGregor** and it's administer of the loan, Lakes & Pines CAC, Inc. may verify information contained in my/our loan application and in other documents required in connection with the loan, before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide **the City of McGregor/Lakes & Pines CAC, Inc.** any and all information they request. Such information may include, but is not limited to, employment income, bank money market, and similar account balance and copies of income tax returns.
3. **The City of McGregor/Lakes & Pines CAC, Inc.** may address this authorization to any party named in the loan application.
4. A copy of this authorization may be accepted as an original.

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Borrower's Signature	Date	Social Security Number
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Borrower's Signature	Date	Social Security Number
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\* This release will expire 60 days from the date of signature.

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