

Inspiring Communities
Homeownership Development Program Manual
Housing and Redevelopment Authority of the City of Saint Paul

I. Purpose

The purpose of this Program Manual is to govern the implementation of single-family (one – four units), rehabilitation or new construction and home sales programs being carried out under Development, Loan, and Grant Agreements with the Housing and Redevelopment Authority of the City of Saint Paul (the “HRA”) or the City of Saint Paul (the “City”), or both. This Manual includes policies and procedures to be followed regarding eligible uses of HRA funds, City funds, and state and federal funds administered by the City or HRA, including rehabilitation/construction, marketing, counseling, sales, and recapture-resale control mechanisms.

II. Definitions

Affordability Period: The period during which the project must remain affordable as required by the source or sources of financing.

Agreement: The Development, Loan and Grant Agreement, Grant Agreement, or Development Agreement entered into by Authority and Developer for the purpose of carrying out eligible activities on one or more eligible properties.

Area Median Income (AMI): The median income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area as published and updated annually by HUD and adjusted for household size.

Buyer: The buyer of a rehabilitated or newly constructed property.

Community Development Block Grant (CDBG) Funds: Federal funds the City receives as recipient from HUD under the Community Development Block Grant program.

Community Homeownership Impact Fund (CHIF) Funds: State funds administered by the HRA pursuant to the Minnesota Housing Finance Agency’s Community Homeownership Impact Fund program.

Developer: The developer named in an Agreement with the City or HRA. May also be referred to as a Grantee, Subrecipient, Contractor, or Borrower.

Development, Loan, and Grant Agreement: An agreement entered into by Authority and Developer for the purpose of carrying out eligible activities on one or more eligible properties.

HRA: The Housing and Redevelopment Authority of the City of Saint Paul, 25 West Fourth Street, Suite 1100, Saint Paul, MN 55102

HUD: The U.S. Department of Housing and Urban Development.

Local Funds: Public funds received by the City or the HRA through bond, tax, and fee revenue and non-federal program income.

NSP: A funding source received through HUD's Neighborhood Stabilization Program, designed to stabilize neighborhoods whose viability has been and continues to be damaged by the economic effects of properties that have been foreclosed upon and abandoned. The funding was established by the Housing and Economic Recovery Act of 2008, the American Recovery and Reinvestment Act of 2009 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The Inspiring Communities Program (Program): The activity authorized by the Housing and Redevelopment Authority of the City of Saint Paul through the approval of the Disposition Work Plan and Budget (Resolution 13-1097) and through the approval of the Inspiring Communities Homeowner Program Manual and Rental Program Manual (Resolution 13-1592).

Project Budget: A development and operating budget that includes acquisition, rehab/construction and soft costs for a particular property that Developer must submit to Authority prior to committing to purchase any property for use in the program (see Appendix A).

Project Funding: Any and all governmental and private funds, including Developer's cash, used to pay for the costs to carry out the redevelopment of a property.

Property: A one-to-four unit structure that will be rehabilitated or newly constructed in cooperation with the Authority and occupied by a Buyer.

Value Gap financing: The amount awarded to Developer through the RFP process intended to bridge development feasibility for a given property.

III. Key Terms of Authority Financing

Developer's expenditures for program delivery will be limited as follows:

A. Approval and Funding of Demolition Costs

Primary structures on properties acquired may not be demolished unless they are: 1) declared as blighted in a written notice provided by Authority or 2) determined and agreed to by Authority not to be economically feasible to rehabilitate to a condition in which the property is marketable.

B. Maximum Development Subsidy Per Unit

The development subsidy per dwelling unit payable to Developer may not exceed \$175,000, defined as the amount of investment in excess of the market value that does not have to be recaptured from Developer or the Buyer. Total project subsidy equals the total development costs less the sale price to the Buyer and includes eligible expenses of appraised property value, demolition, hard costs, and soft costs. Subsidy requests in excess of \$175,000 will require a waiver from Authority's Board.

C. Developer Fee

Developer fee per project is not to exceed 10% of total development costs less the acquisition purchase price.

D. General Contractor Fee

If Developer is acting as general contractor and thus hiring and managing subcontractors, Developer may charge an additional fee in the form of a 6% general contractor fee of net construction costs and 2% mark up for overhead based on net construction costs. However, such markup may not be applied to non-construction costs such as taxes, insurance, security, general requirements, or working capital costs. No such fees will be paid to Developer for any property that is rehabilitated or built by a third-party general contractor.

E. Design and Construction Management Fee

Developer may pay no more than 6% of hard costs for architectural services and construction management services payable to a third party.

F. Contingency

Developer may designate a construction contingency not to exceed 10% of hard costs for rehabilitation projects and 5% of hard costs for new construction projects.

G. Marketing Costs

Developer may pay no more than 6% of the sale price as a commission to a licensed third-party real estate broker. If Developer sells the home without a broker's assistance, Developer may earn a fee in the same amount as a broker with written approval of fair marketing program from the Authority. Additionally, Developer may expend up to \$500 per property for marketing costs such as advertisements and flyers. If marketing is funded for multiple properties, the costs of such marketing must be allocated to each property.

H. Homeowner Financial Assistance Per Household

All Buyers are eligible for financial assistance. Financial assistance per household will vary depending on income and conform to the terms described in Section XIV of this Manual.

I. Repayment of Net Proceeds of Sale

Upon sale of a property to a Buyer, Developer will transmit the net proceeds of sale to Authority. Net proceeds of sale are defined as follows:

1. Original value gap approved by the Authority
2. Less actual value gap required based on project costs
3. Equals Net Proceeds of Sale

If the Developer has pledged additional sources to pay for a project's value gap, such as in kind donation of land, volunteer labor, or other sources of value gap financing, those amounts may not be reduced on the final project budget in order to demonstrate a higher value gap need from the Authority. Any costs in excess of the Project Budget as submitted in response to the RFP are the sole responsibility of the Developer except as otherwise indicated in this Manual.

J. Reuse of Net Proceeds of Sale

Net Proceeds of Sale, if any, shall be divided equally by the Authority and the Developer, up to a cap of \$10,000 payable to the Developer. Once the cap is reached all remaining Net Proceeds of Sale will be returned to the Authority and reallocated at its sole discretion.

K. Form of Value Gap Assistance

Value Gap assistance provided by the Authority shall be secured with a note and mortgage. Value Gap funds shall be at 0% interest and forgivable upon sale to a Buyer.

IV. Property Acquisition

Eligible Properties have already been acquired and identified by the Authority.

V. Rehabilitation, New Construction and Redevelopment

A. General Responsibilities

Respective responsibilities of Developer and Authority are as follows:

1. Developer shall be responsible for preparing plans and specifications that conform to the Inspiring Communities Rehabilitation Development Standards (see Appendix C), estimating rehab/construction costs, managing contract awards, and managing the construction process. Developer assumes all risks of cost overruns in excess of the construction and contingency budget line item in the approved Project Budget, unless Authority approves a revised Project Budget.
2. Authority is responsible for approval of project, providing and interpreting Rehabilitation Development Standards; approving plans, specifications and estimates for projects; monitoring the work; and approving draw requests.

B. Plans and Specifications

Plans/specifications will include the following:

1. General requirements for which the builder is responsible (permits, fees, mobilization, site utilities, site security, builder's risk insurance, etc.);
2. Site plans showing fencing, landscaping or other site improvements as proposed;

3. Working drawings and materials specifications, for any new construction or substantial rehabilitation;
4. Rehab specifications that show quantity, size, and materials specification for each item to enable Developer to create accurate cost estimates;
5. Plans and specifications must address remediation of any lead paint or other environmental hazards. See the Rehabilitation Development Standards for required methods of inspection, testing and abatement.

C. Cost Estimates

Developer is responsible for producing cost estimates including builder overhead and profit in a form approved by Authority, as follows:

1. Rehab cost estimates will be completed in a line-item, sworn construction statement with one work item per line unless an alternative form of estimate is approved in writing by Authority;
2. Cost estimates for construction of new structures and substantial rehabilitation will be based on take-offs from the working drawings of the quantities of materials and labor required or compilations of costs for similar and recently-built or renovated structures;
3. Site improvement cost estimates will be completed for each improvement and based on take-offs of quantities of materials and labor required;
4. Construction work must be competitively bid. The cost estimate will be used to determine the cost reasonableness of bids;
5. Work to be completed by Developer acting as general contractor. The cost estimate for each project must be reviewed by Authority to determine cost-reasonableness and approved by Authority. When approved, the cost estimate becomes a schedule of values which is used by Authority's project manager to determine the value of work completed for the purpose of approving draw requests.
6. Likewise, if a contractor has been simply designated and not selected through a competitive bidding process, the price proposal of such contractor must be reviewed by Authority to determine cost-reasonableness and approved by Authority. When approved (and possibly amended by Authority), the price proposal becomes a schedule of values which is used by Authority's project manager to determine the value of work completed for the purpose of approving draw requests.

D. Bid Packages

Developer will prepare bid packages with the following components for all work being performed by third-party firms and ensure that two bids are received, as required by the Authority's Two Bid Policy:

1. A request for proposals narrative that includes a general description of the processes for bidding, awards, construction monitoring, lien waivers, and construction draws. The narrative will include the method of submitting proposals, a due date, and criteria for selection;
2. Plans and specifications including general requirements, site plans, materials specifications;
3. A form for describing the bidder's experience and licenses;
4. Evidence of required insurance;
5. A price proposal form;
6. Applicable compliance must be included in bidding packages. They may include:
 - Section 3
 - Affirmative Action
 - SBE/WBE/MBE Vendor Outreach/B2GNow
 - Vicinity Hiring
 - Limited English Proficiency
 - Saint Paul Sustainable Building Policy
 - Two Bid PolicySee Appendix D

E. Bid Solicitation

Bid packages must be sent to at least three qualified general contractors and bids must be received from at least two such contractors. Developer shall notify the Section 3 administrator with the City of Saint Paul about the bid advertisement date at least one week prior to advertising.

F. Contract Awards and Contracts

Construction contracts will be awarded by Developer. Copies of all proposals received and the executed contract will be submitted to Authority electronically prior to closing.

G. Construction Monitoring Inspections

Authority's and Developer's roles and responsibilities are as follows:

1. Developer is responsible for monitoring the quality, completeness and conformity to specifications of all work performed by third-party contractors,

and-if Developer is also the general contractor-all work performed by Developer's personnel or subcontractors;

2. Authority shall assign a project manager to accompany Developer or their designated representative in construction meetings, construction draw inspections, and the punch list inspection as needed. Authority may approve draw requests or deny all or a portion of a draw request for cause.

H. Construction Draws

Draw requests during construction will be presented to Authority along with lien waivers and any other required attachments described on that form or in the Agreement. Construction draw requests may include requests for reimbursement of soft costs in the approved Project Budget, up to the aggregate total amount of the line item budget amounts for construction and soft costs. See Section VI for additional requirements for draws of Authority funds. Authority is responsible for reviewing, approving and processing draw requests in a timely manner.

I. Change Orders

Developer may approve change orders up to a combined amount equal to the contingency budget line item. Developer is responsible for all costs exceeding the contingency budget amount, unless Authority at its sole discretion approves a revised Project Budget and reviews and approves a change order for additional improvements in excess of the total Project Budget.

J. Punch List, Final Inspection and Final Draw

Upon satisfactory completion of punch list items, and receipt of all applicable closeout paperwork, Developer will issue a notice of final completion to Authority—see the form in Appendix E. The final draw will include the payment of any remaining eligible construction costs, applicable soft costs and the portion of the developer fee payable upon completion of construction.

VI. Eligible Use of Authority Funds

Authority funds are available for funding the construction work and soft costs that are indicated in the Project Budget, up to the funding amounts stated in the Project Budget. Developer is responsible for obtaining other funding indicated in the Project Budget and any additional funding required in the event that costs exceed the total amount of the Project Budget. Developer will follow these procedures with draws of Authority funds:

A. Fees and Interest Payments

Fees and interest payments for lines of credit and construction loans are not eligible costs for reimbursement by Authority but must be counted toward the total cost basis of the redevelopment of the property.

B. Construction Costs

Construction costs will be funded by Authority as follows:

1. Disbursement of Authority funds will be on a reimbursement basis. Eligible costs can be reimbursed on a per property basis according to the following schedule:
 - **First disbursement:** at the time the property is sold to the Developer, Developer may finance up to the full amount of the Authority's sale price, and be reimbursed for eligible expenses.
 - **Interim disbursement (during construction):** up to ½ of remaining Value Gap financing, if any, may be drawn upon sufficient expenditures to justify reimbursement.
 - **Final disbursement:** remaining Value Gap financing may be drawn upon sale to a Buyer.
2. Requests for funding of soft costs must be accompanied by invoices or other documents from subcontractors or other third parties indicating payment of eligible rehab/construction and soft costs as indicated by the line items in the Project Budget.
3. Developer Fees will be paid upon sale of the property to a Buyer. Fee will be paid to Developer from the proceeds of the sale following the closing and receipt by the Authority of all required documentation regarding the project, the Buyer's eligibility and the sale.
4. Authority funding will be secured with a note and mortgage, to be forgiven upon sale to an eligible Buyer.

VII. Pricing of Property and Development Subsidies

A. After-construction/rehab appraisal

For any property that will be developed and sold to owner-occupants, Developer will obtain an after-rehab or after-construction appraisal or Broker's opinion of value. This value will be used to establish the sales price of the home and may be completed at any time prior to the home being offered for sale.

B. Pricing of Homes with NSP Funding

If the value obtained in Section A is higher than the estimated total development cost of the home, the price shall not exceed the total development cost. For the purpose of this requirement, total development cost includes:

- Acquisition cost
- Construction costs
- Soft costs including the developer fee
- Costs of providing Buyer financial assistance (Section XIV)

These costs must be accounted for regardless of the source of funds used to pay the costs.

NSP regulations do not allow the following to be considered as total development cost when determining sale price:

- Boarding up of vacant homes
- Lawn mowing
- Maintaining the property in a static condition
- The cost of completing a sales transaction or other disposition if the redevelopment or rehabilitation costs were not NSP funded

For purposes of compliance with NSP regulations, any such reduced prices shall be considered to be the current market value of the home, regardless of the value determined by any prior appraisal. Note that, per regulation, no NSP funded home can be sold for more than the total development cost.

C. Accounting for Expenditures on NSP Funded homes

At the time of the sale of an NSP-funded (in whole or in part) home, Developer will provide Authority with a complete accounting of NSP eligible expenditures and non-NSP eligible expenditures, if any, for the home, (see Section VII.B). The separate accounting of NSP and other funds used is required for establishing the maximum allowable sale price and will provide necessary financial data on NSP-funded expenditures in the event of a HUD audit of program activities.

D. Possible Adjustments in Price at Time of Sale

If the value of the first mortgage lender's appraisal is less than the contract sales price, the contract price must be reduced to equal the lender's appraised value.

VIII. Marketing and Sales of Property

A. Responsibility for Marketing and Sales

Developer is responsible for marketing property and selling to qualified buyers. If a property does not sell in accordance with the anticipated sales timeline, resulting in cost overruns that cannot be paid out of contingency funds, Developer will be responsible for the additional costs.

B. Marketing Plan and Budget

Homes must be marketed according to the Authority-approved plan submitted with the RFP response. For each property, copies of marketing materials, property listings and information on methods of outreach used shall be provided to the Authority prior to closing with a Buyer. The marketing plan must include the following elements:

1. Methods of affirmative outreach to residents within the immediate area;

2. Other means of advertising homes for sale, including flyers, mailings/postcards, advertisements at local or strategic venues, etc. Printed materials and advertisements must include equal opportunity language;
3. Language for use in flyers, advertising and listings regarding income qualifications of buyers and any assistance being offered to buyers;
4. Method for managing a list of potential buyers or interested parties;
5. Sample disclosure statements to be given and explained to Buyer prior to signing purchase agreements and at closing (see IX.E)

C. Length of MLS Exposure

In the interest of promoting a fair and open sales process where all buyers and agents have adequate time to react to new listing information, all homes sold through the program will be required to be publicly listed for sale on the Multiple Listing Service (MLS) for a period of 7 days before an offer is accepted.

D. Communication with Homeownership Education Providers

Prior to listing a property that has been redeveloped through the Program on the MLS, the developer is required to communicate about the availability of the property and the MLS posting with three (3) or more organizations that offer certified homeowner training programs in the State of Minnesota. A list of organizations that offer such trainings is included below:

- PRG
- NeighborWorks Home Partners
- AEDS
- Model Cities, Inc.
- ADC
- Community Action Partners of Hennepin County
- MN Home Ownership Center?

IX. Homebuyer Requirements

A. Income Eligibility

Developer must sell to a household whose gross annual income meets the respective funding program requirements (see Appendix B) for the property as defined in the Agreement. Developer must provide prospective buyers with the Buyer Information Packet (see Appendix F) and request a completed packet along with a purchase offer. Income will be verified by the Authority according to the Income Verification and Documentation Policy.

B. Homebuyer Counseling Requirement

Prospective buyers must attend Neighborhood Stabilization Program-approved homebuyer counseling and provide Authority with a copy of the certificate of completion. All borrowers listed on the purchase agreement and mortgage must attend. Certificates may not be more than 12 months old at the time of closing.

C. Residency Requirement

Buyer must homestead the property as their principal residence during the affordability period per funding received.

D. Minimum Investment Requirement

The minimum homebuyer investment is 1% of the purchase price. These funds must come from the Buyer and may not otherwise be gifted or loaned. This is a program requirement, it is not intended to alter or replace any requirements that exist as a result of the Buyer's mortgage loan program.

E. Disclosures at Time of Property Listing

At the time of listing, Developer must make certain information available to prospective buyers. This information shall include (as applicable):

1. A lead hazard risk assessment completed by a certified lead hazard risk assessor for any home built prior to 1978;
2. A lead clean to clearance report indicating that the property has "passed" the post-rehab lead testing for any home built prior to 1978;
3. Radon test reports either indicating acceptable levels of radon or that no radon is present;
4. A Certificate of Occupancy, Code Compliance or Truth in Housing report;
5. The final Home Performance with ENERGY STAR Inspection Form and Energy Rating, and a final Home Energy Rating (HERs) Certificate from the third party energy auditor;
6. Any remaining work to be completed on the property (outstanding items may only be due to weather);
7. A Buyer Information Packet (see Appendix F), including: Authorization to Release Information, Income and Asset Worksheet, Demographic Affidavit, Privacy Notice, Household Demographic/Project Consent Forms and Tennessean Warning;
8. Copies of the assistance mortgage and note (Appendix G);
9. A copy of the deed with all encumbrances listed.

F. Confidentiality of Client Data

Developer will observe all Privacy Act requirements and keep client data in locked file cabinets or password-protected electronic files.

XI. Executing Sales Agreements with Buyers

A. Requirement for Using Approved Sales Agreement

Developer will use only a standard State of Minnesota residential purchase agreement or a form of sales agreement approved by Authority. The sale of the home will be conditional upon the Buyer obtaining a first mortgage loan from a conventional or government-insured fixed-rate home purchase loan from a third party lender.

B. Closing Responsibilities

Developer will retain a closing agent and an attorney for Developer's own legal review of closing documents.

XII. Management of Excess Revenue and Resale Controls

A. Net Proceeds of Sale

The requirements for disposition of net proceeds of sale are described in Section III.

B. Management of Resale Controls

Authority will be solely responsible for enforcing the provisions of restrictive covenants regarding resale controls for the purpose of maintaining long-term affordability, to the extent that these covenants are imposed on Buyers.

XIII. Reporting and Recordkeeping Requirements

Developer will be required to establish and maintain accurate and complete books, accounts and records pertaining to each Property. Specific recordkeeping and reporting requirements may vary by Project Funding source and will be described in the Agreement. The Authority and their representatives will have the right, but not the obligation, at all reasonable times to inspect, examine and copy all books and records of Developer relating to each Property. Developer shall establish a method for obtaining and tracking Buyer data related to household income and demographics as required by the Agreement.

XIV. Affordability Gap Assistance and Homebuyer Down Payment Assistance (Recapture Method)

A. Type of Homebuyer Assistance

Authority will provide Buyers with direct assistance for the purpose of reducing the amount of the first mortgage. The assistance will be displayed on the settlement statement as "Homebuyer Assistance" as a lump sum. It can be combined with other assistance programs (e.g. MHFA or LIFT).

The amount of assistance will be based on the Buyer's gross annual household income.

Household Income

Assistance Amount

At or below 80% AMI	\$5,000
81% to 120% AMI	\$2,500

B. Form of Homebuyer Assistance and Recapture Lien Documents

The assistance is structured as a 0% interest loan secured with a note and mortgage and subordinate to first mortgage financing. One fifth of the original loan amount will be forgiven each year for a five year affordability period. If the buyer sells or no longer occupies the property during the affordability period, the remaining balance becomes due and payable. See Homebuyer Assistance Incentive Program Guidelines attached as Appendix H.

C. Commitment letter for Assistance

Once a purchase agreement is executed, the Buyer's household income has been verified and all required documents have been received and verified, Authority will issue a commitment letter for the amount of assistance that Buyer will be provided at the time the sale is completed. The commitment letter will be conditional upon no substantial changes occurring in the Buyer's employment or financial status prior to closing.

D. Homeowner Insurance

When assistance is provided, the Buyer is responsible for ensuring that the Authority is listed as an additional insured on the homeowner insurance binder.

E. Repayment of Assistance

According to the terms of this Manual, all liens will be in the name of Authority. Authority will be solely responsible for managing liens resulting from home sales by Developers, including but not limited to managing receivables, accounting for payments, approving subordinations (if allowed), and issuing lien releases.

Appendices

- A. Project Budget: Ownership
- B. 2021 Inspiring Communities Income Restrictions
- C. Inspiring Communities Rehabilitation Development Standards
- D. Compliance Requirements
- E. Certificate of Final Completion
- F. Buyer Information Packet, Inspiring Communities Program Income Verification and Documentation Policy, and Income Calculation Worksheet
- G. Copy of the Assistance Note and Mortgage
- H. Homebuyer Assistance Incentive Program Guidelines

ESTIMATED PROJECT BUDGET (Sources and Uses)

Project Address:

Project Description:

Sq. ft.

Beds:

Baths:

USES

ACQUISITION COSTS

Purchase Price	\$	-	Use price from HRA property listing
Closing Costs - Acquisition	\$	-	
Total Acquisition Costs	\$	-	

CONSTRUCTION COSTS (HARD COSTS)

Hard Construction Costs	\$	-	Estimated Contract Amount
Contingency	\$	-	Maximum of 10% rehab
Total Construction Costs	\$	-	$\$/Sq. ft.$ <u>#DIV/0!</u>

SOFT COSTS

Design and Construction Management	\$	-	Cap 6% of estimated hard costs
Legal Work	\$	-	
Radon/Abestos/Lead Tests	\$	-	Note: if HRA has provided tests, it is expected this estimate will be minimal
Real Estate Commission Fee	\$	-	Cap 6% of estimated sales price
Soil Tests	\$	-	
Survey	\$	-	
Marketing/Staging	\$	-	Cap \$500 marketing materials expense (staging excluded)
Seller's Closing Costs	\$	-	
After Rehab Appraisal Fee	\$	-	
Holding Costs (maintenance, utilities)	\$	-	Homes with NSP financing cannot include these in TDC calculation for sale price
Property Insurance	\$	-	
Permits	\$	-	
Other	\$	-	Specify:
Total Soft Costs	\$	-	$\#DIV/0!$ <u>Percentage of soft costs relative to TDC</u>
Developer's Fee	\$	-	Cap 10% of Total Construction + Soft Costs, (Acquisition Costs not included)
Total Soft Costs plus Developer Fee	\$	-	

TOTAL DEVELOPMENT COSTS

NSP eligible TDC	\$	-	Total of Acquisition, Construction Costs, Soft Costs, and Developer Fee
Estimated Sale Price	\$	-	TDC less holding costs (only on homes with NSP financing)
			Estimated value of home (homes with NSP financing must be below NSP eligible TDC)

PROJECTED VALUE GAP

NET SUBSIDY REQUEST TO HRA	\$	-	Total Development Costs less Sale Price to End Buyer
			Gross subsidy (Projected Value Gap) less HRA Purchase Price

SOURCES

Developer Equity	\$	-	
Construction Loan	\$	-	Terms:
HRA Net Subsidy Request	\$	-	
HRA Purchase Price	\$	-	Terms:
Other Source:	\$	-	Terms:
Other Source:	\$	-	Terms:
Total	\$	-	Source total must equal TDC

2018 Inspiring Communities Income Restrictions

All sources consider gross annual household income. Some sources make adjustments for household size, while others do not. If multiple sources are used on the same property, the most restrictive requirement will apply.

1. HUD's Neighborhood Stabilization Program (NSP)

Income limits are set at 120% of Area Median Income as adjusted for household size. HUD updates these limits on an annual basis, typically in December.

MSA Median Income = \$94,300					Effective April 8, 2018		
1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
\$79,200	\$90,550	\$101,850	\$113,150	\$122,200	\$131,250	\$140,300	\$149,350

2. Minnesota Housing Finance Agency's Community Housing Impact Fund (CHIF)

Maximum income is determined annually by Minnesota Housing. The 2018 limit is [\\$108,500](#).

3. Combined MHFA CHIF and NSP funds

MSA Median Income = \$94,300			
1 person	2 person	3 person	4 or more persons
\$79,200	\$90,550	\$101,850	\$108,500

4. Housing and Redevelopment Authority funds (HRA)

No maximum income limit.

Income limits are updated on an annual basis and are subject to change at any time prior to occupancy.

Inspiring Communities Rehabilitation Development Standards

Updated March 2018

All of the properties on the RFP list are required to achieve Enterprise Green Communities certification.

See the following link for more information about Enterprise Green Communities criteria and certification:

<http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/criteria>

Design Preference	
Visitability	<ul style="list-style-type: none">▪ Prefer one no-step entrance▪ Prefer 32-inch doorway openings throughout the unit (does not include closet doors)▪ Prefer at least one half bathroom on the main level meets the minimum clearance criteria
Duplex Deconversions	<ul style="list-style-type: none">▪ It is preferred to remove entry to second unit to discourage future conversion to duplex

General Requirements (Division 1)	
Energy Efficiency	<ul style="list-style-type: none">▪ HERS audit must be conducted before construction begins and after construction is complete▪ Incorporate specifications from the Neighborhood Energy Connection (NEC) into Division 7 and 15▪ Participate in Xcel Energy's Home Performance with ENERGY STAR program through NEC (the only provider of this certification)▪ Ensure use of Xcel Energy qualified insulation subcontractor or supervision from Xcel Energy qualified general contractor▪ Contractors must contact NEC for an inspection when insulation is complete prior to sheet rocking/painting

Existing Conditions (Division 2)	
Overhanging branches	<ul style="list-style-type: none">▪ Remove branches that overhang structures, completely remove if recommended by the Saint Paul Forestry Department
Lead	<ul style="list-style-type: none">▪ <u>Abate all lead</u> identified in risk assessment through HUD approved abatement methods▪ Ensure use of Minnesota Department of Health (MDH) qualified subcontractor or general contractor for abatement activity▪ Lead clearance test required at end of construction
Asbestos	<ul style="list-style-type: none">▪ Remove all actionable asbestos identified in asbestos report▪ Ensure use of MDH qualified asbestos abatement subcontractor or general contractor

Radon	<ul style="list-style-type: none"> ▪ Required: install radon ventilation system when radon test results indicate actionable radon levels in lowest occupied space (usually basement) ▪ Ensure use of MDH qualified radon remediation subcontractor or general contractor ▪ Ventilation system must be installed in a chase or closet to reduce visibility ▪ When necessary to vent radon through the side of basement walls on the exterior of the house, the radon vent must be located so it is not visible from the street and is as inconspicuous as possible
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Concrete (Division 3)	
Garage slab/apron	<ul style="list-style-type: none"> ▪ Prefer repair of slab for existing garages to ensure uniform appearance free from significant deterioration, cracks
Basement floor	<ul style="list-style-type: none"> ▪ Prefer patching to achieve sweepable finish and address trip hazards ▪ Fill water meter pit when present

Masonry (Division 4)	
Foundation Walls	<ul style="list-style-type: none"> ▪ Tuckpoint interior and exterior of existing foundation walls; or ensure moisture protection through parge coat and/or 2 coats of waterproofing masonry paint, depending on type and condition of foundation wall

Woods, Plastics, and Composites (Division 6)	
Garage	<ul style="list-style-type: none"> ▪ 1-1/2 car garage is permissible when site constraints are present ▪ Detached, two-car garage is preferred, ▪ Attached garages shall include ventilation separation from home and CO monitor
Trim Work	<ul style="list-style-type: none"> ▪ Preferred that each room consist of complementary base board, window, and door trim ▪ Existing wood trim and molding shall be saved and restored whenever possible ▪ Painted trim shall be restored to smooth, like new appearance. Significantly gouged, deteriorated, or poor quality trim that cannot be restored to like new appearance should be replaced with paint grade quality trim boards of a like character to existing trim or to match time period of house

Thermal Insulation (Division 7)	
Siding	<ul style="list-style-type: none"> ▪ Replace asbestos siding when damaged or in need of repair ▪ Replace vinyl siding when more than 10% of vinyl is damaged or color matching will be a challenge, cement board siding is preferred replacement material (include cement board corner boards) ▪ Ensure that any treatment meets lead abatement requirements if lead is present ▪ When existing siding cannot be salvaged, replacement siding material shall have

	<p>expected lifespan that exceeds 20 years</p> <ul style="list-style-type: none"> ▪ Note special requirements in historic homes/districts when applicable
Roofing	<ul style="list-style-type: none"> ▪ Replace roof that is 10 years or older or that will have questionable ability to last 20+ years ▪ Ensure installation of water and ice shield and replace all flashing as component of roof replacement ▪ Replacement roof shingles to have a 30 year expected lifespan ▪ Note special requirements in historic districts for roofing material, color, etc. if applicable

Openings (Division 8)	
Windows	<ul style="list-style-type: none"> ▪ Replace poor condition or lead based paint positive windows with ENERGY STAR rated low-E insulated double pane windows ▪ Fully encapsulate window jamb if lead based paint is present ▪ Provide sash locks and lift for all window units ▪ Note special requirements in historic homes/districts when applicable

Finishing Materials (Division 9)	
Low VOC caulk/sealant	<ul style="list-style-type: none"> ▪ Required throughout
Lead Paint Encapsulation	<ul style="list-style-type: none"> ▪ HUD approved encapsulating paint is required when painting lead positive surfaces ▪ Ensure all lead based paint positive surfaces that are not removed or enclosed receive an encapsulating paint application
Wood Finishes	<ul style="list-style-type: none"> ▪ Low VOC stains and polyurethane is preferred

Plumbing (Division 22)	
Sewer/system clean out	<ul style="list-style-type: none"> ▪ Ensure sewer/floor drains are snaked and properly functioning at the end of construction

Electrical (Division 26)	
Circuit Panel	<ul style="list-style-type: none"> ▪ 100 AMP service minimum; 200 AMP preferred ▪ Service should allow for expansion of added circuits ▪ Include circuit breakers and dedicated circuit for major appliances such as refrigerator, washer, dryer, furnace ▪ Service panels must be updated to breakers
Outlets	<ul style="list-style-type: none"> ▪ <u>Grounded, 3-prong outlets throughout</u> ▪ GFCI protection per code in bathrooms and kitchen ▪ Ensure one exterior outlet with outlet cover close to front or rear entry door

Exterior Improvements (Division 32) – must be in accordance with HPC requirements
--

Planting	<ul style="list-style-type: none"> ▪ Developers are encouraged to engage Capitol Region Watershed District (CRWD), who will provide free landscape design and contribution toward cost of rain garden installation ▪ See plant recommendations developed by CRWD and Saint Paul Forestry
----------	--

Landscaping Design Guidelines

These design guidelines were cooperatively created with the Capitol Region Watershed District, the Forestry Unit of the Saint Paul Department of Parks and Recreation, and the Saint Paul Department of Planning and Economic Development to achieve stormwater retention, tree canopy, and neighborhood stabilization objectives detailed in the Saint Paul Comprehensive Plan.

Developers are **encouraged** to engage the Capitol Region Watershed District to conduct landscape designs. Benefits include:

- Free landscape design created by landscape architect in consultation with developer
- Rebate of up to \$1,000 for materials needed to achieve rain garden installation on site (at least one rain garden required for rebate to apply)
- CRWD will coordinate with the Saint Paul Forestry Unit to select trees that are best suited for individual site conditions and ensure existing site trees are assessed for health

Design objectives:

- Partial stormwater retention of the first ½" of rain events may be accomplished through rain gardens
- Curb appeal should be enhanced through foundation plantings or rain gardens in the front yard
- Spaces that are challenging to mow (i.e. between sidewalk and foundation, slopes, etc.) will have a garden bed (preferred) or no-mow grass solution
- Plants selected will be low maintenance and high impact, with a showy element of large blooms or seasonal color
- Garden beds should use "cues of care" design principles to indicate garden beds are planned spaces

Existing Conditions/Grading Plan

- Show impervious surfaces: sidewalk, driveways, buildings, porches, decks
- Show existing trees or large shrubs – indicate whether they will remain or be removed
 - For trees that will remain, indicate tree protection zones to protect roots from damage caused by regrading (cut or fill) or compaction caused by construction equipment or the storage of construction materials and exclude these activities from the tree protection zone.
- Show garden beds that will be removed
- State if any additional items will be removed (i.e. pavers, fences, etc.)

Improvements

- Show impervious surfaces: sidewalk, driveways, buildings, porches, decks
- Show locations of garden beds, include plant locations by type
- Shade or indicate areas that will receive new sod (generally all areas significantly regarded up to a natural "break" in the landscape such as sidewalks, garden beds, or fences will receive new sod).
- Include plant schedule that states the quantity, name, and size of each plant
- Show site grades if any regrading is required
- Show location of downspouts
- Rain garden design should include location, size, source of water, and plant locations by type
- Show edging or retaining walls, if provided
- List instructions for how to achieve planting and include a side section of a typical rain garden
- Include 1-2 trees per site if none are currently present; consider a tree in the rain garden if feasible and visually appealing

Plant selection

- Each site should have at least one, preferably two, healthy trees
- There should be a minimum of 3-6 different types of plants on each site (not including trees)
- Each garden should be defined with mature plants (size #1 or above)

- Plugs may be used in rain gardens, side yards, or back yard to fill in a garden space in order to meet budget constraints. Plugs should be used minimally or not at all in front garden beds in order to achieve the curb appeal objective
- Plants can be selected from the attached plant list
- Trees should be spaced to limit future maintenance issues: at least 10' from houses or garages or more depending on the width of the tree canopy

Plants

Perennials

- *Butterfly Milkweed
- *Purple Coneflower
- *Coral Bells
- *Blue Flag Iris
- *Copper Iris
- *Peony
- *Smooth Phlox
- *Orange Coneflower 'Goldsturm'
- *Autumn Joy Sedum
- Columbine
- Lady Fern
- Spiderwort
- Purple Dome Aster
- Solomon's Seal
- Hosta

Shrubs

- *Dwarf Bush Honeysuckle
- *Smooth Hydrangea
- Spirea
- American Arborvitae
- Black Chokeberry
- Winterberry

Shrubs for Screening Adjacent Property

Only recommended when screening adjacent property is needed: typically grow up to 12' tall, maintenance should be considered.

- Red osier dogwood
- Viburnum lentago
- Compact American Highbush Cranberry
- Forsythia (nn - but showy)

Grasses

- *Prairie Dropseed
- Pennsylvania Sedge
- Long-beaked Sedge
- Sprengel's Sedge
- Blue grama
- Sideoats grama
- Junegrass
- *Little Bluestem

Trees

Trees

Small-up to 20'

- Hawthorne, Thornless
- *Pagoda Dogwood
- Snow Mantle Dogwood
- *Viburnum, Nannyberry Tree
- Crabapple- *limit use, widely planted on boulevard*

Small-up to 30'

- *Serviceberry, Autumn Brilliance
- Blue Beech-Carpinus
- Cherry-Spring Wonder (nn)
- Birch-Dakota Pinnacle (nn)
- Japanese Tree Lilac-*limit use, widely planted on boulevard*

Medium to 40'

- Regal Prince oak-tall but narrow
- Alder, Prairie Horizon (nn)
- Honeylocust, Northern Acclaim- *limit use, widely planted on boulevard*

Large

- *Birch, River
- Birch, Prairie Dream paper birch
- Kentucky coffee tree
- Bur oak
- Red oak
- Balsam Poplar
- White pine
- Honey locust, Skyline – *limit use, widely planted on boulevard*
- Basswood, Sentry Linden – *limit use, widely planted on boulevard*

(nn)= non-native

(*) = preferred

Appendix D

Inspiring Communities Compliance Requirements

<u>Insurance</u>	<u>1</u>
<u>B2GNow/LCP Tracker: Contract Compliance Monitoring System</u>	<u>3</u>
<u>Vendor Outreach Program</u>	<u>4</u>
<u>Affirmative Action</u>	<u>11</u>
<u>Sustainable Building Policy</u>	<u>24</u>
<u>Section 3</u>	<u>27</u>
<u>Vicinity Hiring Policy</u>	<u>31</u>
<u>Two Bid Policy</u>	<u>32</u>
<u>Limited English Proficiency</u>	<u>36</u>
<u>Xcel Energy Participating Home Performance Contractor List</u>	<u>37</u>
<u>Radon Mitigation Contractor List</u>	<u>39</u>

CERTIFICATE OF FINAL COMPLETION

Project Address: _____

Developer/Owner: _____

HRA Project Manager: _____

The Developer hereby certifies that all punch list items have been completed and that the date of Final Completion of the work under the Contract Documents is _____.

The Work has been reviewed and the date of Final Completion is hereby established as of the date stated above.

- A Certificate of Occupancy or Code Compliance has been issued and all building permits signed off by the City of Saint Paul Department of Safety and Inspections on _____ (date)
- A lead clean to clearance report has been issued by the Minnesota Department of Health on _____ (date)
- An energy audit certifying correct installation of insulation has been issued by the Neighborhood Energy Connection (NEC), or another third party energy rater on _____ (date)
- A waste management report certifying diversion of 50% of waste from landfills on _____ (date)

In accordance with the Contract Documents, Developer is notified as follows:

1. The Developer will continue to be responsible for security, maintenance, and utilities until the home is sold to an eligible buyer.
2. Developer shall be responsible for all Contract requirements included in the Contract Documents.
3. The warranty described in the Construction Contract will be in effect from the date of Final Completion.

Developer/Owner:

_____ Name

_____ (Signature)

_____ (Title)

_____ (Date)

HRA Project Manager:

_____ Name

_____ (Signature)

_____ (Title)

_____ (Date)



CITY OF SAINT PAUL
Melvin Carter, Mayor

*25 West Fourth Street, Ste. 1300
Saint Paul, MN 55102*

Telephone: 651-266-6565

CONGRATULATIONS!

You have entered into a purchase agreement to buy a home which was acquired and rehabilitated under the Neighborhood Stabilization Program (NSP) and/or Invest St. Paul (ISP). In order to qualify your participation in the NSP or ISP program, certain information must be provided to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA).

Below is a list of the documents that are attached and must be executed and returned to HRA within 3 days after final acceptance of the purchase agreement.

Please note that your submission of this information does not constitute HRA's approval or commitment to provide funds. A commitment letter will be issued upon compliance with all requirements of the NSP/ ISP program.

1. Authorization to Release Information: Must be signed by all purchasers and spouses, even if spouse will not be going into title.
2. Income and Asset Worksheet: Names must be provided for everyone who will live in the property, including minors. Income (from any source) and asset information must be provided for every person named.
3. Demographic Affidavit: Must be completed and signed by all purchasers.
4. Privacy Notice, Household Demographic/Project Information Consent Forms, and Tennessean Warning: Must be signed by all purchasers.



CITY OF SAINT PAUL
Melvin Carter, Mayor

*25 West Fourth Street, Ste. 1300
Saint Paul, MN 55102*

Telephone: 651-266-6565

AUTHORIZATION TO RELEASE INFORMATION

I/We have applied for a loan from the City of Saint Paul. As part of the application process, the City of Saint Paul may verify information contained in my/our loan application and in other documents required in connection with the loan. This verification process will be conducted either prior to closing or subsequent to closing, and may be performed either by employees of the City of Saint Paul or by independent third parties, as a part of the origination, processing, underwriting, closing or quality control programs of the City of Saint Paul.

I/We authorize you to provide the City of Saint Paul and to any investor to whom the City of Saint Paul may sell this loan, any and all information and documentation that they request. Such information includes, but is not limited to: employment history and income; bank, money market and similar account balances; credit history; and copies of income tax returns. The City of Saint Paul, or any investor that purchases the mortgage, may address this authorization to any party named in the loan application.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Thank you.

Applicant (print name)

Co-Applicant (print name)

Applicant Signature

Co-Applicant Signature

Social Security Number

Social Security Number

Date

Date

NSP Income Calculation Worksheet: Part 5 Annual Income

1. Name:		2. Address of Property to be Purchased:	
ASSETS (see page 2)			
Household Member	Asset Description/ Account Type	Current Cash Value of Asset	Actual Income from Assets
3. Net Cash Value of Assets.....		\$0	
4. Total Actual Income from Assets.....			\$0
5. If line 3 is greater than \$5,000, enter Passbook Rate %*; otherwise, leave blank		Passbook Rate:	0.00% \$0

ANTICIPATED ANNUAL GROSS INCOME										
Household Member	M/F	Age	Relationship to Head of Household	a. Gross Wages/ Salaries**	b. Social Security	c. Economic Assistance	d. Disability income, unemployment, etc.	e. Child support, alimony	f. Other income	g. Asset Income
			Head							The greater of lines 4 or 5 from above should be in cell below:
6. Totals				\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Total of items from 6a. through 6g is <i>Annual Income</i>										\$0

*Passbook rate is 2%

**Gross income is defined as annual income (salary, wages, tips) *before* taxes and deductions.

I/We certify that all of the information given is true, complete and accurate. I/We understand that false or incomplete information can result in a fine, imprisonment, and loss of housing and/or housing assistance.

X _____
Applicant Signature Date

X _____
Applicant Signature Date

Number of Household members:_____

WARNING: Section 1001 of Title 18 of the United States Code makes it a criminal offense to make willful false statements or misrepresentation of any material fact involving the use of or obtaining of Federal funds.

For Office Use Only

Gross Household Income: _____

Income Level From Funding Sources Into Project

Signature of Certifying Staff

Description of Assests

Household has: (if yes, enter values on Page 1)

Yes

No

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.

2. Cash value of revocable trusts available.

3. Equity in or ownership of real estate for the purposes of occupancy, rental or under a contract for deed, or other capital investments.

4. Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market

5. Individual retirement, 401(K), and Keogh accounts (even through withdrawal would result in a penalty).

6. Retirement and/or pension funds.

7. Cash value of life insurance policies available to the individual before death (e.g. surrender value of a whole life or universal life policy).

8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.

9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's resolution, insurance settlements and other amounts not intended as periodic payments.

10. Mortgages or deeds of trust held by an applicant.

Applicant Initials

Applicant Initials

For City Use Only

Funding Sources

_____ NSP _____ CDBG _____ MHFA Impact Funds

Income Limits are subject to change

MHFA Impact Funds Income Limit: \$118,900 regardless of Household size

2020 NSP Income Limits

	Household Size							
	1	2	3	4	5	6	7	8
30%	\$ 21,720	\$ 24,840	\$ 27,930	\$ 31,020	\$ 33,510	\$ 36,000	\$ 38,490	\$ 40,950
50%	\$ 36,200	\$ 41,400	\$ 46,550	\$ 51,700	\$ 55,850	\$ 60,000	\$ 64,150	\$ 68,250
80%	\$ 57,920	\$ 66,240	\$ 74,480	\$ 82,720	\$ 89,360	\$ 96,000	\$ 102,640	\$ 109,200
100%	\$ 72,400	\$ 82,800	\$ 93,100	\$ 103,400	\$ 111,700	\$ 120,000	\$ 128,300	\$ 136,500
120%	\$ 86,850	\$ 99,250	\$ 111,650	\$ 124,100	\$ 134,000	\$ 143,950	\$ 153,850	\$ 163,800
Updated	7/1/2020							

2020 CDBG Income Limits

	Household Size											
	1	2	3	4	5	6	7	8	9	10	11	12
30%	\$ 21,700	\$ 24,800	\$ 27,900	\$ 31,000	\$ 33,500	\$ 36,000	\$ 38,450	\$ 40,950	\$ 43,400	\$ 45,900	\$ 48,400	\$ 50,850
50%	\$ 36,200	\$ 41,400	\$ 46,550	\$ 51,700	\$ 55,850	\$ 60,000	\$ 64,150	\$ 68,250	\$ 72,400	\$ 76,550	\$ 80,700	\$ 84,800
60%	\$ 43,440	\$ 49,680	\$ 55,860	\$ 62,040	\$ 67,020	\$ 72,000	\$ 76,980	\$ 81,900	\$ 86,900	\$ 91,850	\$ 96,800	\$ 101,750
80%	\$ 54,950	\$ 62,800	\$ 70,650	\$ 78,500	\$ 84,800	\$ 91,100	\$ 97,350	\$ 103,650	\$ 109,900	\$ 116,200	\$ 122,500	\$ 128,750

DEMOGRAPHIC/DISABILITY AFFIDAVIT

This program is being assisted with Inspiring Communities funds provided through the City of Saint Paul, which it receives in part from the U.S. Department of Housing and Urban Development (HUD). The U.S. Department of Housing and Urban Development requires periodic reports on the race, ethnicity, and disability status of applicants. ***SUBMISSION OF THIS INFORMATION IS VOLUNTARY.*** Mark only “yes” or “no”, and indicate the number of disabled persons in your household, if any. ***Please DO NOT indicate the type of disability, or provide us with any information regarding the nature or severity of the disability.*** This information will not be disclosed or released by this office without your consent, except to HUD, and except as required or permitted by law. Information is gathered for statistical purposes.

Is your household female-headed? (Select only one)

☐ Yes ☐ No

Is your household Hispanic? (Select only one)

☐ Yes ☐ No

Disabled household ? (Select only one)

☐ Yes ☐ No

How many persons in your household have a disability?

Enter number, if any:

Please check the race(s) appropriate for your household.

Select all that apply:

- ☐ Unknown
- ☐ White
- ☐ Asian
- ☐ Black/African American
- ☐ Native Hawaiian or Other Pacific Islander
- ☐ American Indian/Alaskan Native
- ☐ Other Multi-racial (please specify):

Current Address:

Printed name:

Signature

Date

Updated 6/2018



CITY OF SAINT PAUL
Melvin Carter, Mayor

*25 West Fourth Street, Ste. 1300
Saint Paul, MN 55102*

Telephone: 651-266-6565

PRIVACY NOTICE, HOUSEHOLD DEMOGRAPHIC/PROJECT INFORMATION CONSENT FORMS, AND TENNESSEN WARNING

Portions of the funding used to assist you in your purchase and/or in the development of the property you are purchasing in Saint Paul, Minnesota may have been provided by the Minnesota Housing Finance Agency (“MHFA”), the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (“HRA”), the Metropolitan Council (“Met Council”), United States Department of Housing and Urban Development (“HUD”) and/or the Family Housing Fund (“FHF”). The information attached hereto is being requested for the purpose of evaluating your application, determining compliance with the Minnesota Human Rights law and to monitor compliance with federal equal credit opportunity, fair housing and home mortgage disclosure laws for certain types of loans related to a dwelling, as well as monitoring the general performance of the various funding programs provided by the HUD, MHFA, HRA, Met Council and/or FHF. You are not required to furnish the information requested regarding race, ethnicity and gender, but are encouraged to do so. Federal and State laws provide that a lender may not discriminate on the basis of this information, nor on whether you choose to furnish it.

The disclosure of your Social Security number (s) or Minnesota Tax Identification number(s) are (is) mandatory for participation in this particular program, by virtue of the Minnesota Revenue Recapture Act of 1980 (Minnesota Statutes, Section 270A.01 to 270A.12) as well as Federal regulations/requirements which are required within the funding programs. Supplying such information could result in the application of state tax refunds to the payment of any tax delinquent indebtedness resulting from this or any other special financing Programs. Such information may also be made available to state or federal tax authorities and state and federal personnel involved in the collection of such obligations.

Use of the data requested in the attached form is limited to that necessary for the administration and management of the funding programs by HUD, MHFA, HRA, Met Council and/or FHF personnel, or those under contract with HUD, MHFA, HRA, Met Council and/or FHF, or in instances where access to this data is authorized by federal and/or state law, it may be made available to other governmental entities.

I/We hereby authorize and consent to the above-described use of the attached information. With regard to the sharing of such information, I/we recognize that the authorizations provided under this document will expire one (1) year from the below listed date without any further action or notice by me/us. At any time prior to the natural expiration of the authorizations provided in this document, I/we may revoke such authorizations provided in this document, by giving written notice to HRA at the following address: Department of Planning and Economic of the City of Saint Paul, 1100 City Hall Annex, 25 West Fourth Street, Saint Paul, Minnesota 55102, Attn: Executive Director.

The data you are being asked to provide is subject to and defined in the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. Under the Data Practices Act, some of this data is classified as public data, the remaining information classified as private or confidential. Private and confidential data is available only to you and the entities listed above with a bona fide need to know such information to process and make a decision on the approval of your application. Public data is available to anyone requesting it and consists of all data furnished in the application process that is not designated private or confidential.

I/We have read and understand the above information regarding my rights as a subject of government data.

(Buyer) Date: _____

(Buyer) Date: _____

Property Address: _____
St. Paul, MN

Inspiring Communities Addendum to Purchase Agreement

Addendum to Purchase Agreement between _____
("Seller") and _____ ("Buyer") dated _____,
20__, pertaining to the purchase and sale of the property at
_____, Saint Paul, Minnesota.

1. The Buyer acknowledges that the following documents have been made available to Buyer for review and inspection, namely:

- a. Truth-in-sales disclosure or Code Compliance report dated _____.
- b. Radon inspection report dated _____.
- c. Asbestos and lead survey report dated _____.
- d. Home energy audit report dated _____.
- e. Buyer Information Packet (which Buyer agrees to deliver to Seller prior to closing).
- f. Homebuyer Assistance Note and Homebuyer Assistance Mortgage or Declaration of Covenants, as applicable.
- g. Disclosure report required under Minn Stat 513.52 to 513.60 dated _____.
- h. Other _____.

2. The Buyer acknowledges receipt of the Program Guidelines of the Neighborhood Stabilization Program Homebuyer Assistance Incentive Program offered by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

3. The Buyer acknowledges that its private lender is required under NSP Guidelines to execute a Certification and Agreement from the Buyer's lender that the lender agrees to comply with the bank regulator's guidance for non-traditional mortgages located in FDIC regulations, Chapter 5000-Statements of Policy-Interagency Guidance on Nontraditional Mortgage Product Risks. The Buyer hereby authorizes Seller to request such Certification and Agreement directly from Buyer's lender, and Seller has the right to approve or reject such Certification and Agreement. This Purchase Agreement is subject to Seller's approval of such Certification and Agreement and if such approval is not given, then this Purchase Agreement is terminated and neither party shall have any further rights or obligations hereunder except that any earnest money paid by a Buyer shall be returned.

4. The Buyer agrees to attend and complete the required 8 hours of homebuyer training as required by the Inspiring Communities Program and to submit to Seller prior to and as a condition of closing, a certificate evidencing such course completion that will be dated within twelve months of date of closing.

5. The Buyer certifies and represents that the Buyer's income does not exceed the income limit as determined by HUD or Minnesota Housing Finance Agency, as applicable to the above referenced property, and as adjusted for household size, and that this certification will be true and correct as of the date of closing as evidenced by a separate income certification to be delivered to Seller at least ten (10) days before closing. The income limit for the above referenced property is (seller check one):

___ 60% of area median income

___ 80% of area median income

___ 115% of area median income and a maximum of \$118,900 for a household of four,
or 120% of area median income as adjusted for household size, whichever is less

___ 120% of area median income

___ Income restrictions not applicable

6. If the Buyer does not satisfy all of the conditions to closing as described in this Addendum and Purchase Agreement, then the Seller has the option to terminate this Purchase Agreement and return the earnest money to Buyer, or waive the conditions and proceed to closing.

7. The Buyer agrees to homestead the Property and execute and deliver to Seller at closing an Affidavit of Agreement to Homestead.

8. The terms and conditions of this Addendum prevail over any inconsistent term or condition in the Purchase Agreement

IN WITNESS WHEREOF, the Buyer and Seller have executed this Addendum on
_____, 202__.

Seller: _____

By _____

Its _____

Buyer:

HOMEBUYER ASSISTANCE NOTE INSPIRING COMMUNITIES PROGRAM

Date: _____

FOR VALUE RECEIVED, the undersigned _____
_____ (the “Borrower,” whether one or more) jointly and severally agree(s) to pay to the order of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, whose address is 25 W. 4th St., Suite 1100, Saint Paul, Mn 55102 (the “Lender”), or its assigns, the principal amount of \$_____ Dollars (\$_____.00) (the “Loan Amount”) with zero percent (0%) interest upon an Event of Default. Said sum was made available to the Borrower to enable the Borrower to purchase the property located at _____, Saint Paul, Minnesota (the “Improved Property”). Borrower acknowledges having received assistance in the amount of the Loan Amount.

1. **DEFINITIONS.** As used in this Homebuyer Assistance Note, the following terms have the following respective meanings:

Affordability Period. Five (5) years from the date of this Note.

Fair Market Value. The fair market value of the Improved Property as determined by the most recent assessed value.

Private Lender Mortgage. Any mortgage of the Improved Property, the lien of which has priority over this Mortgage.

Private Lender Note. The promissory note secured by the Private Lender Mortgage.

Default. The occurrence of any of the following prior to the end of the Affordability Period:

- (i) The adjudication in bankruptcy of any owner of the Improved Property;
- (ii) Foreclosure sale pursuant to the Private Lender Mortgage;
- (iii) Deed in lieu of foreclosure to the holder of the Private Lender Mortgage or its designee;
- (iv) A Transfer; or
- (v) Any use of the Improved Property other than as the primary residence of the Borrower.

Event of Default. A declaration by the Lender pursuant to Section 3 of this Note that the entire unpaid balance of the Note is due and payable.

Net Proceeds. Any and all consideration of any kind whatsoever, whether direct or indirect, that is received by the Borrower for, or in connection with, a Transfer, including without limitation, the stated purchase price, cash, notes, and any indebtedness assumed and/or to which the Improved Property is then subject, interest on any deferred portion of the purchase price, and noncustomary net prorations in favor of seller; adjusted by deducting outstanding senior debt secured against the Improved Property and customary closing costs. Notwithstanding the foregoing, if the Transfer is other than an arms-length transaction with a third party, then, at the option of the Lender, Net Proceeds shall mean the Fair Market Value of the Improved Property less any outstanding amount of the Private Lender Note and Private Lender Mortgage against the Improved Property.

Note. This Homebuyer Assistance Note, as from time to time amended.

Mortgage. The mortgage of even date herewith from the Borrower in favor of the Lender securing payment of the Note, as from time to time amended.

Transfer. A sale or transfer of all or any part of the Improved Property, or an interest therein, whether by lease, deed or contract for deed or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law; provided, however, (a) if the Borrower owns the Improved Property as co-tenants, a transfer of the Improved Property or any interest therein, from one co-tenant to another co-tenant whether by reason of death or otherwise, shall not be considered a Transfer, (b) a taking by eminent domain shall not be considered a Transfer unless it is a total taking in the sense that payment is made for the full value of the Improved Property, (c) the creation of a lien or encumbrance subordinate to the Mortgage shall not be considered a Transfer, (d) the creation of a purchase money security interest for household appliances shall not be considered a Transfer, and (e) a lease to a tenant if the Improved Property is a duplex, provided the Borrower occupies the Improved Property, shall not be considered a Transfer.

2. FORGIVENESS.

If no Event of Default has occurred prior to the end of the Affordability Period, the Borrower will have no obligation to repay the Loan Amount and this Note will be forgiven by the Lender. Provided further, that twenty percent (20%) of the Loan Amount will be forgiven at the end of each year during the Affordability Period that the Borrower has fully complied with the terms of the Note and Mortgage.

3. EVENT OF DEFAULT.

If a Default occurs prior to the end of the Affordability Period, the Lender will mail notice to the Borrower specifying: (a) the Default; (b) the action required to cure such Default; (c) a date not less than thirty (30) days from the date the notice is mailed to the Borrower by which date such Default must be cured; and (d) that failure to cure such Default on or before the date specified in the notice may result in acceleration of the Loan Amount, at which point, Lender may declare the entire Loan Amount immediately due and payable. Failure by the Lender to make that declaration by reason of an Event of

Default will not waive its right to make such a declaration upon the subsequent occurrence of the same or any other Event of Default.

4. **NET PROCEEDS.** Lender agrees that the Loan Amount will be payable solely out of Net Proceeds.
5. **SUBORDINATION.** This Note and the Mortgage is subordinate to the Private Lender Note and Private Lender Mortgage. No further subordinations will be given for refinancing or otherwise.
6. **MISCELLANEOUS.**
 - 6.1 This Note is secured by the Mortgage. All of the terms, covenants, conditions, provisions and agreements of the Mortgage are hereby made a part of this instrument to the same extent and with the same force and effect as if fully set forth herein.
 - 6.2 If any payment due under this Note is not paid when due, and this Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Mortgage or enforcement of any other security instrument securing payment hereof, the Borrower promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of foreclosure and collection (including attorneys' fees), and all such costs and expenses shall be secured by the Mortgage.
 - 6.3 No failure or delay by the Lender to exercise any right or remedy under this Note shall waive such right or remedy.
 - 6.4 This Note is made and delivered in Minnesota, and accordingly, the clauses and provisions of this Note and the rights, payments, charges, indebtedness and other items hereby secured shall be construed and enforced according to the laws of the State of Minnesota.
 - 6.5 Demand, protest and notice of demand and protest are hereby waived and the undersigned waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

(Signature page follows.)

(Signature page to Homebuyer Assistance Note)

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed the day and year first above written.

Borrower

Borrower

Exempt from
Mortgage Registry Tax
Pursuant to Minnesota Statutes § 287.04(f)

HOMEBUYER ASSISTANCE MORTGAGE INSPIRING COMMUNITIES PROGRAM

THIS MORTGAGE, made this ____ day of _____, 2019 by _____ (a single person) (married) (hereinafter designated as "Mortgagor(s)") to the **Housing and Redevelopment Authority of the City of Saint Paul, Minnesota**, a Minnesota public body, whose main office is located at 25 W. 4th St, Saint Paul, Minnesota 55102 (hereinafter designated as "Mortgagee").

WITNESSETH: That Mortgagor(s) hereby mortgages and conveys to Mortgagee the following described premises and improvements located at _____, Saint Paul, Minnesota and legally described as:

(the "Improved Property").

This Mortgage is given in consideration of and as security for the payment of _____ and No/100 Dollars (\$_____.00) (the "Loan Amount"), receipt of which is hereby acknowledged and which is made to enable the Mortgagor(s) to acquire the Improved Property. The Loan Amount is evidenced by a homebuyer assistance note (the "Note") with the full debt, if not paid earlier, due and payable on the Maturity Date as defined in the Note, but in no event later than five years from the date of the mortgage. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Note.

Mortgagor(s) makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes, Section 507.15, including the following:

- a. To warrant title to the Improved Property.
- b. To pay all other mortgages, liens, charges or encumbrances against the Improved Property as and when they become due.
- c. To pay the indebtedness of the Note.
- d. To pay all real estate taxes and special assessments on the Improved Property.
- e. To keep the Improved Property in good repair and in compliance with all applicable state and local building, housing and health codes and laws and not commit waste.

- f. To keep the Improved Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Improved Property for the protection of the Mortgagee and identify the Mortgagee as an additional insured and loss payee.

Mortgagor(s) further covenants:

- g. To use and occupy the Property solely as a personal place of residence from the date of this Mortgage through the Affordability Period.
- h. Not to use or permit the use of the Property for any illegal or criminal activity.

If the Loan Amount is forgiven according to the terms of the Note, then this Mortgage shall become null and void. But if an Event of Default occurs under the Note, then the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case provided, power being expressly granted to sell the Improved Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the Loan Amount of the Note, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law.

Notwithstanding any other provision of this Mortgage, if the Property is or becomes subject to any mortgage or other lien insured by the United States Department of Housing and Urban Development (an "insured mortgage"), then any "legal restrictions on conveyance" (as that term is defined in 24 CFR 203.41(a)(3)) imposed by this Mortgage shall automatically, permanently, and immediately terminate upon foreclosure of the insured mortgage, transfer of a deed in lieu of foreclosure of the insured mortgage, or assignment of the insured mortgage to the United States Secretary of Housing and Urban Development.

Mortgagee prior to acceleration shall mail notice to Mortgagor(s) specifying: (1) the Event of Default; (2) the action required to cure such default; (3) the date, not less than thirty (30) days from the date the notice is mailed to Mortgagor(s), by which date such default must be cured; and (4) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Improved Property. The notice shall further inform Mortgagor(s) of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor(s) to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor(s) shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Improved Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a) Mortgagor(s) pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor(s) cures all breaches of any other covenants or agreements of Mortgagor(s) contained in this Mortgage, (c) Mortgagor(s) pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor(s) contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Mortgagor(s) takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Improved Property and Mortgagor(s)'s obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor(s), this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR(S) HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF

UPON THE OCCUPANT OF THE MORTGAGED IMPROVED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR(S) PERSONALLY UNLESS MORTGAGOR(S) IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE OF CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT THIS IS A LEGAL DOCUMENT AND THAT BEFORE SIGNING MORTGAGOR HAS FULLY UNDERSTOOD THE TERMS AND CONDITIONS HEREIN, AND THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER OR HAS SOUGHT LEGAL COUNSEL TO EXPLAIN SUCH TERMS AND CONDITIONS, RIGHTS AND THE WAIVER OF SUCH RIGHTS.

This Mortgage and the Note shall be construed according to the laws of the State of Minnesota.

(Signature page follows.)

Signature page to Mortgage

IN WITNESS WHEREOF, the Mortgagor(s) has caused this Mortgage to be duly executed as of the day and year first above written.

MORTGAGOR(S):

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____
by _____, (a single person) (married).

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____
by _____, (a single person) (married).

Notary Public

This instrument was drafted by:

City Attorney Office
Room 400 City Hall
Saint Paul, Mn 55102

Inspiring Communities
Homebuyer Assistance Incentive Program
PROGRAM GUIDELINES
November 1, 2019

Program Administrator

Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA).

Program Overview

All funds will be in the form of a five (5) year forgivable loan and will be recorded subordinate to primary financing. The program funds will be used for mortgage affordability enhancements or principal reductions in the form of a deferred mortgage, creating an affordability incentive for prospective homebuyers to purchase and occupy homes that have been fully rehabilitated under the Inspiring Communities Program. The loan will be forgiven at a rate of 20% each year beginning from the date of closing. If the property is sold within five (5) years, then the remaining assistance is to be repaid to the HRA. The maximum amount of assistance is \$5,000 per property.

Property Eligibility

Geographical Restrictions:	Property must be located within the areas designated for Inspiring Communities investment in Saint Paul, MN.
Property Type:	Property must have been redeveloped by the HRA or private developer who purchased the property from the HRA. Property must be residential 1 to 2-units that comply with zoning and code requirements. For 2-unit properties, one unit must be owner occupied. Project must have been funded in whole or in part with funds received through the Inspiring Communities program.

Borrower Eligibility

Owner Occupancy:	Buyers must occupy the property as their principal residence for at least five (5) years from date of closing. Buyer must homestead the property.
First Time Home Buyer:	Not required. Buyer can have previously owned a home.
Timing of Purchase:	Home must be purchased and closed on or before July 31,

Homebuyer Assistance Incentive Program Guidelines
November 1, 2019

2022.

Education Requirement:	Any home buyer under this Program shall be required to attend and complete an eight (8) hour pre-purchase homebuyer education program provided by a Neighborhood Stabilization Program and HUD approved Counseling Agency, prior to and within twelve months of closing. For more information, and a link to approved agencies visit: http://www.hocmn.org .
Borrower Contribution:	<p>Borrower must contribute from Borrower's own funds to the acquisition of the property a minimum of one percent (1%) of the purchase price. These funds cannot be borrowed or granted funds from public or private sources. This is a program required contribution.</p> <p>Note: When the HRA is the seller, the HRA <i>cannot</i> contribute to the minimum lender-required investment. For example, on FHA loans this amount is typically 3.5% of the purchase price, which will need to come from either the borrower or another FHA approved source (e.g.MHFA). <i>This is an FHA regulation and cannot be waived:</i> [12 U.S.C 1709(b)(9)].</p>
Household Income Limit:	Varies by property. Contact property listing agent for income limits related to a specific property. Note: <i>total gross</i> household income is used in the calculation.

Loan Product Description

Loan Amount:	At or below 80% AMI: \$5,000 Above 80% AMI: \$2,500
Interest Rate:	0%
Term:	Five (5) years of continuous ownership and residency from date of closing. Upon satisfaction of this term, the loan will be forgiven.
Housing ratio:	Standard housing ratios for Conventional, FHA, VA, etc., or lower, are acceptable.
Eligible Use of Funds:	Affordability gap or principal reduction, thereby reducing the amount of the first mortgage. Funds may also be used to augment a borrower's down payment for anything over and above the lending program's minimum required investment. (See Borrower Contribution for restrictions related to down

payment assistance).

Loan Security: Loans will be evidenced by a promissory note and secured in the name of the HRA by a mortgage filed against the property.

Other General Conditions and Procedures

Application Process: Applicant's lender must contact the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") following submission of the purchase offer and at least 30 days prior to the closing of the property. Materials required include but are not limited to:

- Copy of executed purchase agreement
- Preliminary Income Calculation Worksheet
- Income documentation in accordance with the [Inspiring Communities Program Income Verification and Documentation Policy](#).

Conditions: Prior to closing the applicant or their lender must submit to the HRA:

- Lender to provide qualifying income documentation, Buyer Disclosure and preliminary 1003 application to show Loan funds and NO cash back to buyer, no exceptions.
- Homebuyer education certificate from a NSP approved counseling agency required for all homebuyers dated within 12 months of closing
- Copy of title commitment
- Copy of appraisal
- Date of closing, name and contact information of closer (Lender's closer or title company closer).
- 3 business days prior to closing, lender must provide a copy of the final buyer closing disclosure for HRA approval.
- The HRA must be listed as an additional insured party on the borrower's homeowners insurance binder and HRA must receive copies of final 1003 loan application, executed final buyer closing disclosure, copies of first mortgage note, mortgage deed, additional assistance documents (if any) and any other documents required by the HRA.

These program guidelines may be amended, modified or terminated from time to time and without notice by the HRA.

Exhibit X
Addendum to Inspiring Communities Purchase Agreements

Addendum to Purchase Agreement between _____ (“Seller”) and _____ (“Buyer”) dated _____, 20__, pertaining to the purchase and sale of the property at _____, Saint Paul, Minnesota.

1. The Buyer acknowledges that the following documents have been made available to Buyer for review and inspection, namely:
 - a. Truth-in-sales disclosure or Code Compliance report dated _____.
 - b. Radon inspection report dated _____.
 - c. Asbestos and lead survey report dated _____.
 - d. Home energy audit report dated _____.
 - e. Buyer Information Packet (which Buyer agrees to deliver to Seller prior to closing).
 - f. Homebuyer Assistance Note and Homebuyer Assistance Mortgage or Declaration of Covenants, as applicable.
 - g. Disclosure report required under Minn. Stat. Sections 513.52 to 513.61 dated _____.
 - h. Other _____
2. The Buyer acknowledges receipt of the Program Guidelines of the Neighborhood Stabilization Program Homebuyer Assistance Incentive Program (“NSP Guidelines”), if applicable, offered by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.
3. The Buyer acknowledges that its private lender is required under NSP Guidelines to execute a Certification and Agreement from the Buyer’s lender that the lender agrees to comply with the bank regulator’s guidance for non-traditional mortgages located in FDIC regulations, Chapter 5000-Statements of Policy-Interagency Guidance on Nontraditional Mortgage Product Risks. The Buyer hereby authorizes Seller to request such Certification and Agreement directly from Buyer’s lender, and Seller has the right to approve or reject such Certification and Agreement. This Purchase Agreement is subject to Seller’s approval of such Certification and Agreement and if such approval is not given, then this Purchase Agreement is terminated and neither party shall have any further rights or obligations hereunder except that any earnest money paid by a Buyer shall be returned.
4. The Buyer agrees to attend and complete the required eight (8) hours of homebuyer training as required by the Inspiring Communities Program and to submit to Seller prior to and as a condition of closing, a certificate evidencing such course completion that will be dated within twelve months of date of closing.
5. The Buyer certifies and represents that the Buyer’s income does not exceed the income limit as determined by HUD or Minnesota Housing Finance Agency, as applicable to the above referenced property, and as adjusted for household size, and that this certification will be true and correct as of the date of closing as evidenced by a separate income certification to be delivered to Seller at least ten (10) days before closing. The income limit for the above referenced property is (seller check one):

____ 60% of area median income
____ 80% of area median income
____ 115% of area median income and a maximum of \$95,300 for a household of four, or 120% of area median income as adjusted for household size, whichever is less

_____ 120% of area median income
_____ Income restrictions not applicable

6. If the Buyer does not satisfy all of the conditions to closing as described in this Addendum and Purchase Agreement, then the Seller has the option to terminate this Purchase Agreement and return the earnest money to Buyer, or waive the conditions and proceed to closing.
7. The Buyer agrees to homestead the Property and execute and deliver to Seller at closing an Affidavit of Agreement to Homestead.
8. The terms and conditions of this Addendum prevail over any inconsistent term or condition in the Purchase Agreement

IN WITNESS WHEREOF, the Buyer and Seller have executed this Addendum on _____, 20____.

Seller

_____,
a Minnesota nonprofit corporation

By _____
Its _____

By _____
Its _____

Buyer

By _____
Name: _____

By _____
Name: _____