

May ___, 2021

Dear Cannon Falls Property Owner:

The City of Cannon Falls is partnering with the Southeastern Minnesota Multi-County Housing and Redevelopment Authority (SEMMCHRA) to apply for these Small Cities Development grant funds from the MN Department of Employment and Economic Development. Funds for this competitive program are made available to communities with documented need for housing and commercial rehabilitation and at least 51 percent low and moderate-income families. If our request is approved, Cannon Falls homeowners, rental property owners and business owners could apply for funds to make needed improvements starting in 2022.

Based on your responses to the enclosed survey, our community could receive up to \$600,000 in forgivable and low-interest loans to repair and upgrade our housing stock and commercial buildings.

To get started, SEMMCHRA must receive survey responses from at least 51 percent of Cannon Falls households, rental, and commercial property owners. Even if you don't think your home or business needs renovation or repair, please take 3 minutes to complete the survey to help us qualify as a community for these important funds.

Your responses will be **confidential**. Individual responses will only be available to SEMMCHRA. Only summary information will be shared with the City of Cannon Falls and the EDA.

Please complete the survey and return it in the pre-stamped envelope by July 9, 2021.

If you have any questions, please feel free to contact Karen DuCharme at SEMMCHRA at 651-565-2638, ext. 213 or email kducharme@semmchra.org.

Sincerely,

John Althoff
Mayor, City of Cannon Falls



Help Cannon Falls Qualify for up to \$600,000 in Rehabilitation Funds

Please take 3 minutes to complete this survey & help Cannon Falls qualify for up to \$600,000 in funds for residential & rental property rehabilitation. Southeastern Minnesota Multi-County Housing and Rehabilitation Authority (SEMMCHRA)* needs at least a 50% response rate to qualify Cannon Falls, so please complete the survey even if you aren't interested in assistance for your property. If Cannon Falls is awarded funding through this competitive grant program, additional information will be available in 2022. *Return your survey to in the envelope provided. Individual responses will **only be seen by SEMMCHRA**.*
The City and the Cannon Falls Economic Development Authority will receive summary information only.

1. Do you own or rent your home? _____ Own _____ Rent

2. How old is your home? _____ years (approximately)

3. Please check the conditions of the following items for your residence.

	Good	Fair	Poor		Good	Fair	Poor
Exterior				Interior			
Roof	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Ceiling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foundation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Walls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Siding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Flooring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				Paint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vital Systems				Energy Conservation			
Electrical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Windows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Furnace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				Water Heater	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Housing Improvements

Would you be interested in the rehabilitation of your current residence through the use of a grant or low-interest loan? _____ Yes _____ No _____ Maybe

5. Is there anyone in your household with disabilities who needs to have changes made to your house to make it more accessible and usable? _____ Yes _____ No If "yes," please describe the needed changes: _____

6. Ages of people in your home

Please indicate the number of people in your household for each age group.

0-6 _____ 7-18 _____ 19-39 _____ 40-59 _____ 60 and over _____ Total _____

Next Page →

* SEMMCHRA works in a six-county area that includes Cannon Falls to provide affordable, safe housing for elderly, disabled and those below 115% of the State median income.



7. Total household income for all persons living at your residence

Check one (1) to indicate your total household income (income before taxes)

- | | | |
|--|--|--|
| <input type="checkbox"/> \$ 0 - \$49,100 | <input type="checkbox"/> \$63,101 - \$70,100 | <input type="checkbox"/> \$81,351 - \$86,950 |
| <input type="checkbox"/> \$49,101 - \$56,100 | <input type="checkbox"/> \$70,101 - \$75,750 | <input type="checkbox"/> \$86,951 - \$92,550 |
| <input type="checkbox"/> \$56,101 - \$63,100 | <input type="checkbox"/> \$75,751 - \$81,350 | <input type="checkbox"/> \$92,551 or more |

*Please provide your contact information if you are or may be interested in participating in the
Cannon Falls Housing Rehabilitation Program.*

You will have other opportunities to participate in the program.

Name: _____

Address: _____

City/State/Zip: _____

Telephone #: _____

Thank you

If you have any questions, please contact Karen DuCharme at
SEMMCHRA, 134 East Second Street, Wabasha, MN 55981 or at 651-565-2638, ext. 213

** SEMMCHRA works in a six-county area that includes Cannon Falls to provide affordable, safe housing for elderly, disabled and those below 115% of the State median income.*

Small Cities Development Program

Housing Rehab

Eligible Properties

- Located in the geographic area that encompasses the application: **TBD**
- Suitable for rehabilitation (*total rehab cost cannot exceed 75% of the market value*)
- Current on property taxes
- Permanent structure

Household Income

- Gross household income must be at or below 80% of the county median income
- All income verified through 3rd parties (*aids in determining eligibility for deferred loan*)

Financial Assistance

- Deferred loan amount will vary on a case-by-case basis
- Deferred loans are secured with a Repayment Agreement. If the property is sold, title is transferred or is no longer the primary residence of the participant:
 - ~ within the first 6 yrs., the full amount must be repaid to the HRA
 - ~ the amount of repayment is reduced 20% for each year until the end of the 10th year.
 - ~ at the end of the 10th year, the loan is forgiven (becomes a grant)

Eligible Activities

- Deferred loans may be used to:
 - ~ remove health, safety or other deficiencies & to bring the structure into compliance with the rehabilitation standards (*roofing, siding, plumbing, water supply, septic systems, or wiring*)
 - ~ improve the property by increasing the structure's energy efficiency (*insulation or installing storm windows*)
 - ~ modify or rehabilitate the unit to make it accessible for a handicap or disabled member of the household (*structural, exterior, bathroom, kitchen*)



134 East Second Street, Wabasha 55981
Phone: 651-565-2638, ext. 213
kducharme@semmchra.org

Goodhue County Income Guidelines (2021)

Family Size	30% AMI	50% AMI	80% AMI
1	\$18,450	\$30,700	\$49,100
2	\$21,050	\$35,050	\$56,100
3	\$23,700	\$39,450	\$63,100
4	\$26,500	\$43,800	\$70,100
5	\$31,040	\$47,350	\$75,750
6	\$35,580	\$50,850	\$81,350
7	\$40,120	\$54,350	\$86,950
8	\$44,660	\$57,850	\$92,550

Financial Assistance

Income based on AMI	% Property Owner Match	% De-ferred Loan	Max. Deferred Loan Amount
0-30% AMI	0%	100%	\$25,000
31-50% AMI	4%	96%	\$24,000
51-80% AMI	10%	90%	\$22,500



Help Cannon Falls Qualify for up to \$600,000 in Rehabilitation Funds

Please take 3 minutes to complete this survey and help Cannon Falls qualify for up to \$600,000 in funds for residential and commercial property rehabilitation. Southeastern Minnesota Multi-County Housing and Rehabilitation Authority (SEMMCHRA)* needs at least a 51 percent response rate to qualify Cannon Falls, so please complete the survey even if you aren't interested in assistance for your property. If Cannon Falls is awarded funding through this competitive grant program, additional information will be available in 2022.

Return your **survey and letter of interest** to in the envelope provided. Individual responses will **only be seen by SEMMCHRA**. The City and the Cannon Falls Economic Development Authority will receive summary information only.

1. Rental Property Name (if applicable): _____
2. Rental Property Address: _____

Address
City
Zip
3. What is the age of the building? _____ (in years)
4. Total number of rental units by bedroom size: 1-BR _____ 2-BR _____ 3-BR _____ 4-BR _____
5. Monthly rent by bedroom size: 1-BR \$ _____ 2-BR \$ _____

3-BR \$ _____
4-BR \$ _____
6. Please indicate if any of the following utilities are included in the rent:
None ☐ Electricity ☐ Water ☐ Sewer ☐ Garbage ☐ Heat ☐
7. Average monthly costs of the above utilities? _____
8. Do you currently have any vacancies? YES ☐ NO ☐ If yes, how many? _____
9. Do you have a waiting list? YES ☐ NO ☐
If a vacancy occurs, how long does it usually take to rent the unit? _____
10. General rental unit conditions:

A. Interior	Good	Fair	Poor	B. Mechanical System	Good	Fair	Poor
<i>Ceiling</i>				<i>Plumbing</i>			
<i>Walls</i>				<i>Electrical</i>			
<i>Floors</i>				<i>HVAC</i>			
C. Energy Conservation	Good	Fair	Poor	D. Miscellaneous	Good	Fair	Poor
<i>Ceiling</i>				<i>Smoke Alarms</i>			
<i>Walls</i>				<i>Sprinkler System</i>			
<i>Foundation</i>				<i>Handicap Accessible</i>			

11. Rental Rehab Improvements. Would you be interested in the rehabilitation of your rental property? (check one):
Yes ☐ No ☐ Maybe ☐

Owner Name: _____

Correspondence Address: _____

Phone: _____

Please return the survey and letter to SEMMCHRA by July 9, 2021. Thank you.

Next Page →



May 2021

City of Cannon Falls
918 River Road
Cannon Falls, MN 55009

RE: LETTER OF INTEREST FOR CANNON FALLS'S 2022 SCDP RENTAL REHAB PROGRAM

Dear City of Cannon Falls:

This letter is to express our interest in participating in the **2022 SCDP Rental Rehabilitation Program** if the City is successful with the grant application. The program design, as will be further outlined in the informational and public meetings (to be scheduled at a later date) has these elements:

<u>% Project Cost</u>	<u>Source</u>
70%	SCDP, 0% Interest, 10-Year Deferred Loan
30%	Owner/Private Match

We understand 51% of the tenants must be at or below the 80% of the County Median Income limits (as set by HUD annually), and we also understand the rents must be affordable and cannot exceed the fair market rents (as set by HUD annually) for the County where the property is located.

Goodhue County 2021 Income Limits				
1 Person	2 People	3 People	4 People	5 People
\$49,100	\$56,100	\$63,100	\$70,100	\$75,750
Goodhue County 2021 Fair Market Rents				
0-BR/Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
\$605	\$620	\$752	\$1,075	\$1,145

Eligible activities are health, safety, and code violation improvements, including but not limited to roofing, siding, windows, doors, electrical, plumbing, and heating and structural repairs. Cosmetic items are not eligible improvements. We understand that funding will not be available prior to the summer of 2022, and only improvements undertaken after that time are eligible for SCDP assistance. We also understand that Davis Bacon Wage Rates are enforced on rehabilitation projects with 8 or more units.

Our participation is dependent upon the City receiving the SCDP grant funds and our ability to secure the necessary leveraged funding resources from our lender or our equity funds. Using the average total project cost of approximately \$15,000 per unit, we understand that our portion of the required financing could be 30% of this amount or approximately \$4,500 per unit.

Our participation in this program would be for the property listed on the enclosed survey:

Owner Name: _____
(please print)

Correspondence Address: _____

Sincerely;

Property Owner

Small Cities Development Program

Rental Rehab

Eligible Properties

- Rental property located in the target area
- Mixed-use structure
- Structure is suitable for rehabilitation
- Property taxes are current

Rental Rehab \$12,000/Unit Max. Deferred Loan	
7-Year Deferred Loan	70%
Owner Match	30%

Financial Assistance

- Deferred loan amount will vary on a case-by-case basis
- Deferred loans are secured with a Repayment Agreement. If the property is sold or title is transferred:
 - ~at any time during the 7-year period, the loan must be repaid to the HRA with no interest added
 - ~at the end of the 7th year, the loan is forgiven (becomes a grant)

Compliance Requirements

- The accessibility requirements of the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1975 will be incorporated into rehab projects.
- All rehabilitation work must comply with all applicable requirements of the Lead-Based Paint Poisoning Prevention Act.
- Rental rehabilitation projects with 8 or more units must comply with Davis Bacon and other labor standards.



Eligible Improvements

- Exterior painting
- Health & safety issues
- Energy efficiency improvements
- Roof replacement
- Electrical rewiring
- Heating systems
- Code violations

Additional Requirements

- At least 51% of the units shall be rented to those at 80% of the county median income and below for a period of 7 years. The 2021 income limits for **Goodhue County** are listed below:

Household Size	1 Person	2 People	3 People	4 People	5 People
Income Limit	\$49,100	\$56,100	\$63,100	\$70,100	\$75,750

- All units must meet the following Fair Market Rents (2021) for **Goodhue County** for a period of 7 years:

Bedroom Size	0	1	2	3	4
Fair Market Rent	\$605	\$620	\$752	\$1,075	\$1,145



134 East Second Street, Wabasha 55981
Phone: 651-565-2638, ext. 213
kducharme@semmchra.org

**CITY OF CANNON FALLS
GOODHUE COUNTY, MINNESOTA**

RESOLUTION NUMBER _____

**DECLARING THE CITY OF CANNON FALLS AS THE APPLICANT AND
PARTNER FOR THE PROPOSED CANNON FALLS SINGLE PURPOSE
SCDP REHABILITATION PROJECTS CONTAINED IN THE
COMMUNITY FINANCE PRELIMINARY PROPOSAL**

WHEREAS the City of Cannon Falls is the applicant and partner in the proposed Cannon Falls Housing Rehabilitation SCDP Projects contained in the Community Finance Preliminary Proposal to be submitted in November 2021; and

WHEREAS the City of Cannon Falls is leveraging and committing \$5,000.00 of their own funds to this project; and

WHEREAS the City of Cannon Falls and the Southeastern Minnesota Multi-County Housing and Redevelopment Authority (SEMMCHRA) are partnering to develop the project.

NOW, THEREFORE BE IT RESOLVED that the City of Cannon Falls agrees to be the applicant and partner in the proposed Cannon Falls Single Purpose SCDP Rehabilitation projects contained in the Community Finance Preliminary Proposal.

I CERTIFY THAT the above resolution was adopted by the City Council of the City of Cannon Falls on this ____ day of _____, 2021.

CITY OF CANNON FALLS

John O. Althoff, Mayor

ATTEST: _____
Neil L. Jensen, City Administrator