

MANUFACTURED HOME ACQUISITION GRANT PROGRAM

Application

A program of the City of Northfield
Funded through the
Community Development Block Grant Program



CITY OF NORTHFIELD MANUFACTURED HOME ACQUISITION PROGRAM

1. Program Goals

The City of Northfield has two manufactured home parks: Viking Terrace and Florella's Manufactured Home Park. Many of the manufactured homes in both parks are in need of repair in order to bring them into compliance with local, state and federal codes. However, many manufactured homeowners may lack the resources needed to perform these repairs. In many cases, the condition of the manufactured home is such that the best option is to remove the existing unit and replace it with a code compliant unit.

The goal of this Program is to provide safe, decent housing for low- and moderate-income households by disposing of the substandard manufactured home unit and providing the Household with a grant of up to \$10,000 to either purchase a new(er) code compliant manufactured home or for use towards a down payment or eligible closing costs on a traditional home.

In order to determine the eligibility of a particular manufactured home for this Program, an inspection of the unit will be conducted by a staff person from the City of Northfield Building Department. The inspection will determine if the unit is code compliant. If a unit is not code compliant and the estimated cost of bringing the unit into compliance is more than 25% of the estimated value of the unit, the unit will be considered eligible for the Program. Upon Program approval the manufactured home will be demolished and removed by a contractor designated by City staff. Upon closing or at time of purchase, up to \$10,000 will be granted to the applicant to use towards the purchase of a newer code compliant manufactured home or to be used as a down payment or for eligible closing costs on a traditional home.

2. Program Administration:

A. Eligibility Requirements:

Applicant(s) for the City of Northfield Manufactured Home Acquisition Program must meet the following criteria:

- (1) Gross family income must not exceed 80% of the Dakota County median income level adjusted according to family size. See Exhibit A for a listing of median income requirements for this Program. These income guidelines are updated annually by HUD.

- (2) Manufactured homes assisted through this Program must be owner-occupied. This means the applicant must own and occupy the unit as his/her primary place of residence. Manufactured home park owners are not eligible for this Program.
- (3) Applicant(s) must not own an interest in any residential property other than the property subject to this Program, including residential property being used for rental purposes.

B. Application Process:

- (1) Application forms are available at City Hall in the Housing and Redevelopment Office or online at <http://www.ci.northfield.mn.us/housing/housingprograms>. Completed applications must be returned to the City of Northfield Housing Department, Attn: Program Administrator. Completed applications shall be reviewed and evaluated for approval in the order in which they are received. Applicant(s) are required to review and consent to all terms and conditions stated herein or otherwise delivered to the applicant(s) in writing.
- (2) If the applicant meets the specified income guidelines, the Program Administrator will arrange for staff from the City of Northfield Building Department to complete an inspection of the existing manufactured home in order to determine the cost of repairs needed for code compliance. The estimated cost of repairs required to bring the unit into code compliance must be 25% or more of the total estimated value of the manufactured home to qualify for the Program. City staff will consult with local vendors and lenders in determining the cost of repairs and the value of the existing manufactured home.
- (3) If the cost of repairs is determined to be 25% or more of the total value of the manufactured home, the applicant will be notified by the Program Administrator of his/her eligibility to proceed with the Program.
- (4) If a manufactured home is inspected and found to have code violations, but is determined ineligible for the Program, the owner of such unit shall still be responsible for correcting code violations at his/her own expense. In circumstances where this occurs, applicants may be eligible for the Manufactured Home Rehabilitation Program. Please contact the City of Northfield Program Administrator for further information on this program.

- (5) Applicant(s) and all other adult persons residing in the manufactured home are required to provide income verification. This includes copies of the previous year's income tax return, and pay stubs from the last 12 weeks of employment.
- (6) Applicant(s) and all other adult persons residing in the manufactured home may be required to submit, if applicable, copies of marriage licenses, driver's licenses, birth certificates, proof of citizenship, divorce decrees or separation decrees.
- (7) No Program fees are required of applicants.
- (8) The Program Administrator shall review all applications and supporting documentation for compliance with the requirements of the Program. A commitment letter will be sent to the applicant(s) if eligibility is met and funds are available for assistance. A notice will be sent if eligibility is not met or if funds are no longer available for assistance. Effort will be made to notify the applicant(s) within five (5) working days of submission to the Program Administrator of the completed full application.
- (9) Commitment letters will expire 90 days from the date of issuance unless, prior to said expiration date, an executed purchase agreement or a building permit and a letter of commitment for primary financing has been received by the Program Administrator. The City shall place any re-application on the list of other applications in the order of receipt.
- (10) Upon approval of a full application, applicant(s) will be contacted by the salvage contractor designated by the City of Northfield in order to coordinate and establish a date of demolition/salvage of the existing manufactured home.
- (11) Program grant funds will be delivered to the primary financing institution on the day of closing and will be made payable both to the Applicant and the financing institution.

C. Financial Assistance and Terms:

- (1) The maximum assistance under the Program shall not exceed \$10,000 for downpayment/closing costs, and \$3,000 for demolition of the existing manufactured home.
- (2) First-time homebuyers who opt to use the amount awarded towards the down payment or closing costs on the purchase of a traditional

home are not eligible to receive down payment assistance through the Northfield Housing Assistance Program (NHAP).

- (3) For those applicants who wish to use the amount awarded towards the down payment or closing costs on the purchase of a traditional home, but are not yet ready to purchase a home, the City will hold the approved funds. The funds will be available to the applicant for up to 90 days, or within 45 days of a signed purchase agreement. If, after this time period the applicant has not used the funds or has not signed a purchase agreement acceptable to the City, the funds will be returned to the pool for use by other applicants.
- (4) Funds paid under this Program are in the nature of a grant, and no repayment is required unless the funds are used towards the purchase of a single-family home rather than a new(er) manufactured home.

D. Repayment:

- (1) If a traditional home is being purchased, the applicant shall execute a promissory note and a mortgage against the real property, which mortgage shall be subordinate only to the mortgage lien of the primary financing for the purchase, and which mortgage shall be recorded in the Office of the County Recorder.
- (2) If the traditional home is sold, transferred or otherwise conveyed, or in the event of any default under the terms of any security agreement or mortgage in favor of the City or under any prior security agreement or mortgage, then any principal balance owing to the City at that time shall be immediately due and payable and shall be repaid in full.
- (3) Funds recaptured under this program will be placed back into the Manufactured Home Acquisition Program and not into the Northfield Housing Assistance Program.

E. Closing/Funding Procedure:

The City will provide to the applicant a letter of approval of the loan and a statement of the amount of assistance to be provided, and will disburse funds as follows:

- (1) If the applicant is purchasing a code compliant manufactured home:

- a. Prior to purchase, the City Building Department will inspect the replacement unit to verify that it is code compliant. If, due to the location of the unit, the City Building Department is unable to inspect the unit, the applicant shall provide certification from the appropriate authorities that the unit is code compliant. If at any time before closing it is determined that the replacement unit is not code compliant, the applicant must bring the unit into compliance at his/her expense prior to the City releasing funds to the financing institution.
 - b. Prior to closing, the financing institution shall provide to the City a copy of the purchase agreement and the commitment for primary financing.
 - c. Grant proceeds will be transferred to the financing institution and made co-payable to the grant recipient and the financing institution.
 - d. The financing institution shall be responsible for disbursing grant proceeds and applying them to the purchase of the code compliant manufactured home.
 - e. The financing institution shall be responsible for obtaining a properly executed grant of secured interest, affidavits of income and any other forms required by the City.
- (2) If the applicant is purchasing a traditional home:
- a. Prior to closing, the financing institution shall provide to the City a copy of the purchase agreement and the commitment for primary financing.
 - b. Grant proceeds will be transferred to the financing institution and made co-payable to the grant recipient and the financing institution.
 - c. The financing institution shall be responsible for disbursing grant proceeds and applying them to eligible closing costs and/or down payment, as directed by the City.
 - d. The financing institution shall be responsible for obtaining a properly executed promissory note, mortgage, affidavits of income and other forms required by the City. The financing institution shall file the original of the mortgage in the office of the County Recorder and shall return a copy of the fully executed mortgage and originals of the promissory note and all other forms to the Program

Administrator. The original of the recorded mortgage shall be delivered to the Program Administrator. Copies of all documents will be provided to the grant recipient.

- e. It shall be understood by the financing institution that the mortgage in favor of the City shall be subordinate to the purchase money mortgage of the financing institution. No clause allowing additional amounts to be added to the lien of the first mortgage in the future shall be incorporated into the first mortgage.

ACKNOWLEDGMENT AND ACCEPTANCE OF TERMS AND GUIDELINES DESCRIBED HEREIN:

Applicant/ grant recipient

Date

Co-Applicant/ grant recipient

Date

If you have any questions regarding these guidelines, please contact:

City of Northfield, Attn: Program Administrator
801 Washington Street
Northfield, MN 55057
Phone: (507) 645-3047 Fax: (507) 645-3055
www.ci.northfield.mn.us

Exhibit A

**COMMUNITY DEVELOPMENT BLOCK GRANT INCOME LIMITS
CITY OF NORTHFIELD**

Effective: Effective December 11, 2012

Family Size	80% of AMI Income Limits
1	\$45,100
2	\$51,550
3	\$58,000
4	\$64,400
5	\$69,600
6	\$74,750
7	\$79,900
8	\$85,050

- Gross Annual Household Income: 80% or less of the Median Income (family size) for Dakota County.

**CITY OF NORTHFIELD
MANUFACTURED HOME ACQUISITION PROGRAM
TENNESSEN WARNING**

Minnesota law requires that you be informed of your rights as they pertain to the Private information collected from you. Private data is that information which is available to you, but not to the public. The personal information we collect about you is private.

Furnishing your social security number and gender is not required, but other information collected from you or from other agencies or individuals authorized by you is required and is used to determine your eligibility for a City of Northfield Manufactured Home Acquisition Program. If you will not supply the required information, the City of Northfield ("City") will not be able to determine your eligibility for the Loan.

The dissemination and use of the private data we collect is limited to that necessary for the administration and management of the Manufactured Home Acquisition Program. Persons or agencies with whom this information may be shared include:

1. City personnel administering the Housing Assistance Program.
2. The City attorney and support staff in the City attorney's office.
3. Federal, state, local and contracted private auditors.
4. Rice or Dakota County personnel administering the Community Development Block Grant program.
5. Personnel at the financial institution from which you obtain your primary loan.
6. Those individuals or agencies to which you give your express written permission.
7. Law enforcement personnel in the case of suspected fraud.

Unless otherwise authorized by state statute or federal law, other government agencies utilizing the reported private data must also treat the information as private.

You may wish to exercise your rights contained in the Minnesota Government Data Practices Act. These rights include:

1. The right to see and obtain copies of the data maintained about you;
2. The right to be told the contents and meaning of the data; and
3. The right to contest the accuracy and completeness of the data.

To exercise these rights, contact the City of Northfield City Clerk at 801 Washington, Northfield, MN 55057; (507) 645-8833.

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

Loan Applicant

Date

Co-Applicant

Date



Documentation Requirements

Thank you for requesting an application for the Northfield Manufactured Home Acquisition Program. To speed the processing of your application, please submit the following:

1. Complete the attached application form.
2. Submit the last 12 weeks of paystubs for all applicants for all jobs worked, beginning with the most recent paycheck and going back 12 weeks.
3. Submit a Verification of Employment Statement from all employers for all applicants.
4. Submit statements or stubs for all other income sources for the last 12 weeks for all applicants/residents
5. Submit the most recent Federal & State Income Tax forms as filed, complete with all schedules, attachments and W-2's for all applicants for all jobs worked.
6. Verification of marital status - marriage certificate, decree of divorce/separation, etc. (if required)
7. Proof of Ownership of Current Manufactured Home

Applications CANNOT be processed without this information. If you have any questions or concerns, please contact the Program Administrator for the City of Northfield at 507-645-3047.



City of Northfield

801 Washington Street, Northfield, Minnesota 55057

Phone: (507) 645-3047 FAX (507) 645-3055

NORTHFIELD MANUFACTURED HOME ACQUISITION PROGRAM

A. HOUSEHOLD INFORMATION

Date of Application			
Name of Applicant		Name of Co-Applicant	
Social Security Number		Social Security Number	
Address			
City, State, Zip			
Home Phone Number	Work Phone Number (For whom?)	Cell Phone Number (Phone belongs to?)	
Email Address			
Marital Status ◇ - Married ◇ - Separated ◇ - Unmarried (The category 'Unmarried' includes single, divorced, and widowed persons)			

HOUSEHOLD COMPOSITION

****LIST EVERYONE LIVING IN YOUR HOUSE****

Family/Household Member Name	Relationship	Age*	Gender*
	Applicant		
	Co-Applicant		

* For persons other than Applicant or Co-Applicant

B. INCOME

List all income sources from all persons residing in your house. Examples include: Employment, Welfare, Social Security or SSI, Pensions, Disability, Armed Forces Reserves, Unemployment Compensation, Alimony or Child Support, Rental Income, etc.

Employment:

Family/Household Member	Employer	Position	# of Years Employed	Rate of Pay

Other Income:

Family/Household Member	Source	Amount	How Often? (weekly, monthly, etc.)

C. ASSETS

<u>Checking Account</u> Bank:	<u>Savings Account</u> Bank:	<u>Other Account</u> Bank:	<u>Other Account</u> Bank:
Balance:	Balance:	Balance:	Balance:
Residential Property owned by applicant: please list complete address(es)			
Residential Property owned by applicant and used for rental: please list complete address(es)			

D. REQUESTED ASSISTANCE

_____ I am planning to purchase a code-compliant replacement manufactured home

_____ I am planning to purchase a single-family home, townhome or condominium

CERTIFICATION AND SIGNATURES:

I/We certify that we have read and understand the Manufactured Home Acquisition and Demolition Guidelines attached to this application.

I/We certify that all information provided for the purpose of qualifying for the City of Northfield Manufactured Home Acquisition and Demolition Program is true and complete to the best of my/our knowledge. I/We understand that false statements or information may be punishable under state law and will result in termination of financial assistance and demand for repayment of all grant funds received. I/We understand that the City will retain this application whether or not it is approved and that, if approved, this application will be incorporated into the relevant documents necessary to receive financial assistance.

I/We authorize the City of Northfield and its authorized agents to conduct an inquiry to verify any or all information contained in this application. This information will be used for the sole purpose of determining eligibility for the City of Northfield's Manufactured Home Acquisition and Demolition Program. I/We release the City of Northfield and its authorized agents from any and all liability resulting from any inquiries related to verification of this information.

Applicant Signature

Date

Co-Applicant Signature

Date

To return this application or to receive answers to your questions, please contact:

Program Administrator
City of Northfield
Housing Department
801 Washington Street
Northfield, MN 55057

Phone: (507) 645-3047
Fax: (507) 645-3055