

City of Crystal Rehab Incentive Program

Application Process

The following documents must be received at the HousingResource Center (HRC) in order for you to be eligible for consideration in this program:

1. **Application Form** (attached) including **Scope of Work** (list of proposed projects)
2. **Government Monitoring Addendum** (attached)
3. **Data Privacy Act Statement** (attached)
4. **Authorization to Release Information** (attached) to be signed by each applicant
5. **Copy of income documentation for all income sources for ALL household members**
 - Last 2 years Federal Income Tax Returns, including all forms, W2's, and schedules
 - Wages: 2 current consecutive pay stubs
 - Business or rental income: Year to Date income and expense form, signed by the applicant
 - Current award letter for Social Security, current statements for pension or child support
 - Divorce decree if applicable
 - Any other documentation of income
6. **Copy of bid proposals for the work to be performed**
7. **Contractor Acknowledgement form signed by the contractor who will be performing the work**
8. **Copy of ID**

After the above documents are received and approved, the HousingResource Center (HRC) will verify if the applicant meets the ownership and income requirements as established by the City of Crystal. The applicant will be notified of their eligibility (or ineligibility) for this program or if documents are missing, incomplete, or not approved.

NOTICE: Minimum Project Size – Effective for any Participation Agreement signed on or after *January 1, 2010*: for project to be eligible for the rebate, the eligible project cost must be *at least \$2,000*.

CONTRACTS – (also called bids, proposals or estimates). It is the homeowner's responsibility to call licensed contractors, give them the Scope of Work and obtain written **Contracts** and a signed **Contractors Acknowledgement Form** as described below. If assistance is needed, please contact a HousingResource Center Construction Manager. Contact the State at **(651) 296-2488** to verify if your contractor is currently licensed. In order to approve a contract it must be written by a licensed contractor and contain the following items;

1. The contractor's name, address, telephone and fax numbers and the date.
2. The homeowner's name and project address.
3. A detailed description of the work to be done, including brand names, quantities and all costs.
4. The contractor's signature.
5. A space for the homeowner's dated signature. Do not sign the contract until the closing.

CONTRACTOR ACKNOWLEDGMENT FORM – If the homeowner is having the improvements done by a contractor, the contractor must complete the HRC Contractor Acknowledgement form. This form includes the contractor's name, business address, and license number. **Contractors must be licensed** according to the local City Ordinances and State Law. Make additional copies as needed, as one form per hired contractor is required.

SWEAT EQUITY – If the homeowner proposes to do some or all of the work themselves, they must be approved first. Eligibility will be determined by the HousingResource Center. Call for a **Sweat Equity Application Package**. Rebate will be based on materials only, not on tools or labor.

PARTICIPATION AGREEMENT- The homeowner must sign a Rehab Incentive Program Participation Agreement before the proposed work may begin. **The homeowner is not officially a part of this program until the Participation Agreement is approved and signed with a HousingResource Center staff person.** When all Contractor Acknowledgements' are completed, submit them to the HRC and arrange for an appointment.

DO NOT SIGN ANY CONTRACTS, PURCHASE ANY SWEAT EQUITY MATERIALS OR START YOUR PROJECT UNTIL A PARTICIPATION AGREEMENT SIGNING HAS TAKEN PLACE. ANY PROJECT BEGUN BEFORE A PARTICIPATION AGREEMENT HAS BEEN SIGNED WILL BE INELIGIBLE!

All program applications will be address on a first-come, first-served basis. The HousingResource Center is the program administrator. Construction and loan consultants are available to advise and answer any questions about the program and your project. **(612) 588-3033**.

SUBMIT COMPLETED DOCUMENTS TO:
HousingResource Center, 2148 44th Ave North, Minneapolis, MN 55412
612-588-3033



CITY OF CRYSTAL, MN

Rehab Incentive Program Guidelines

The Crystal Rehab Incentive Program is designed to assist homeowners in the City of Crystal maintain and improve their current housing in order to foster stabilization and revitalization by providing a rebate to homeowners after an improvement has been completed.

Income Limits: gross annual income, from all sources incomes within the following categories:

Up to	\$42,000	= 25% rebate payment
\$42,001 -	\$67,200	= 20% rebate payment
\$67,201 -	\$100,800	= 15% rebate payment

NOTE: Rebate percentages may change in the Fall of 2010.

Rebate Payment: The rebate payment will be 15%, 20%, or 25% of project cost depending upon household income (see above income limits) with a maximum payment of \$10,000 per household. **Project cost must be at least \$2,000 to be eligible for a rebate.** Home improvements done under a deferred loan or grant program will not be eligible for inclusion in the program.

Eligible Properties: Any owner-occupied, detached single family dwelling, owner-occupied duplex (in which the owner resides in one of the units), or multi family dwelling which upon completion of the project will become a single family dwelling. Attached owner-occupied dwellings such as townhouses and condominiums are also eligible, but only costs related to interior repairs and improvements for the applicant's dwelling unit will be eligible for the Rehab Incentive. **Property occupied by someone other than the owner is not eligible for this program.**

Ineligible Improvements: This includes recreational or luxury improvements, projects not permanent in nature, working capital, payment for owner's labor, debt service or refinancing existing debts, and other expenses determined by the Housing *Resource* Center (HRC).

Contractors and Permits: Contractors must be currently licensed with the state of Minnesota. To verify their license, call (651) 296-2488. Permits must be obtained when required by city ordinance. Failure to comply with this regulation will disqualify the applicant from receiving program funds.

Work By Owner: Work can be performed on a "sweat equity" basis by the homeowner or immediate family. Program funds are to be used for materials only, not for labor or tools. The Housing *Resource* Center will determine if the owner has the ability to properly complete the work within the program time requirement. Material must be purchased and installed prior to the disbursement of program funds. When applicable, a City Inspection must be obtained by the owner.

Important Note: Do not purchase any project materials or let your contractor(s) begin any work until you have signed a Participation Agreement in our office. We must review all of your documents, including contractor bids and/or Sweat Equity Application before we can schedule your Participation Agreement appointment.

GENERAL CONDITIONS AND PROCEDURES

Rehabilitation Counseling: A Housing *Resource* Center's Construction Manager is available, at no cost, to homeowners for advise about their proposed projects prior to obtaining bids and review bids for reasonableness.

Work Completion: Weather permitting, all work must be completed within 120 days of signing the Participation Agreement.

Rebate Payment Disbursement Process:

1. Payment to the homeowner / contractor will be made, **only**, after final inspection and approval of the work by the Housing *Resource* Center's Construction Manager. When the work is completed submit items 1 – 5, listed below. Upon receipt and approval of these items an inspection will be scheduled and preformed by the HRC Construction Manager.
2. The following items must be received in the HRC office before the funds can be released:
 - a) **Final Invoice** from each contractor showing all amounts paid.
 - b) **Lien Waiver.** Original from each contractor.
 - c) **Sworn Construction Statement.** Completed, signed and notarized.
 - d) **Material Receipts** for sweat equity projects only.
 - e) **Completion Certificate** signed by each contractor and the homeowner.
 - f) **Permits Closed.** Confirmation must be received by the Housing *Resource* Center from the City Inspections Department.
 - g) **Final Inspection** and approval by the HRC Construction Manager.

Payment is only made for work completed and approved.

City of Crystal Rehab Incentive Program

Housing Resource Center -Northwest
2148 44th Ave North
Minneapolis, MN 55412
Ph: 612-588-3033 Fax: 612-588-3028

IMPORTANT NOTE: Do not start any projects before you have signed a Participation Agreement with us in our office. Any projects started without prior approval from the HRC will be ineligible. PLEASE READ THE ATTACHED PROGRAM GUIDELINES.

1. Applicant's Information

Applicant Name:	Co-Applicant Name:
Social Security Number:	Social Security Number:
Marital Status: <input type="radio"/> Married <input type="radio"/> Single <input type="radio"/> Separated	Marital Status: <input type="radio"/> Married <input type="radio"/> Single <input type="radio"/> Separated
Address:	Address:
City: _____ State: _____	City: _____ State: _____
Zip Code: _____ How Long: (yrs.) _____	Zip Code: _____ How Long: (yrs.) _____
Phone Number: (H) () ()	Phone Number: (H) () ()
Alternate Phone Number () () ()	Alternate Phone Number () () ()
Type of Dwelling: <input type="radio"/> Single Family <input type="radio"/> Duplex <input type="radio"/> Condominium/Townhouse <input type="radio"/> # of bedrooms: _____	Have you previously participated in this Rebate Program? YES NO If yes , what amount did you receive? \$ _____
Are you receiving a deferred loan for this home	improvement project? YES NO

2. Income Information

Applicant's Employer:	Co-Applicant's Employer:
Address:	Address:
City: _____ State: _____	City: _____ State: _____
Business Phone: () () ()-	Business Phone: () () ()-
Type of Work or Position:	Type of Work or Position:
Number of Years Employed:	Number of Years Employed:
Amount per year: \$	Amount per year: \$

Other Sources of Income

Income Sources					Annual Total
Annual Amounts					

➤ **You must enclose copies of all source of income that apply to your household:**

- Employment:.....two recent consecutive pay stubs & Federal income tax return including W2's & schedules
- Self-employment:.....two years of Federal Income Tax Statements including Schedules C, E, or F and completed interim financial statement for year to date. Call the HRC if you have any question
- Social Security:.....current year's benefit statement,
- Pension & Annuity:.....award letter monthly pension or annuity amount
- Rental Income:.....two years of Federal Income Tax returns including Schedule E
- AFDC/MFIP:.....benefit statement
- Child Support:.....divorce decree and/or statement of benefits from applicable County.
- Foster Care:.....Statement of income from Hennepin County.

3. Scope of Work (Proposed Improvements)

Describe Proposed Projects	Cost (if known)

Circle the appropriate answers below to help us assist you.

1. How do you plan to do these projects? Yourself Hire a contractor Both
2. Would you like the Housing *Resource* Center' Construction Manager to contact you regarding this Scope of Work and/or other Construction Advice? Yes or No
3. **Number of persons in household:** _____ adults _____ children under the age of 18
4. **Applicant date of birth** _____ **Co-applicant date of birth** _____

√ I/We certify that all information contained in this application is true, accurate and complete to the best of my/our knowledge and belief.

√ I/We hereby authorize the release of any information necessary for the Housing *Resource* Center to process this application.

√ I/We have read and understand the Program Overview and Guidelines.

√ **Contractors must be licensed. Do not start the work, sign contracts, purchase materials nor give down payments prior to closing.**

Applicant's Signature

Date

Co-Applicant's Signature

Date

➤ Both sides of this application must be filled out.
 ➤ Your application can not be processed ***without income verification and other supporting documentation.***
 ➤ Any work started prior to program approval is not eligible.

-Only - Office Use - Only -

Gross Income:	# of Sources:	Property Tax Stmtnt:	Rebate Percentage:
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ADDENDUM TO APPLICATION

Crystal Rehab Incentive Program

Information for Government Monitoring Purposes

The information being requested below is for determining compliance with federal equal credit opportunity, fair housing and home mortgage disclosure law. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate on the basis of this information, or on whether you choose to furnish the information. If you choose not to furnish this information and you have made the application in person, we are required to note ethnicity, race and sex on the basis of visual observation or surname. Please check below if you choose not to furnish the information.

DATE OF APPLICATION: _____

APPLICANT	CO-APPLICANT
APPLICANT NAME:	CO-APPLICANT NAME:
<input type="checkbox"/> I do not wish to furnish this information	<input type="checkbox"/> I do not wish to furnish this information
ETHNICITY: (select only one) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	ETHNICITY: (select only one) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
GENDER: <input type="checkbox"/> Female <input type="checkbox"/> Male	GENDER: <input type="checkbox"/> Female <input type="checkbox"/> Male
RACE: (select one or more) <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial	RACE: (select one or more) <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial

APPLICANT SIGNATURE

CO-APPLICANT SIGNATURE

This Section For Lender Use
<u>Greater Metropolitan Housing Corporation</u>
<u>Application received by:</u> ___ mail ___ face-to-face interview ___ telephone
Staff Name: _____ Date _____

THIS FORM MUST BE SIGNED AND RETURNED WITH THE APPLICATION

AUTHORIZATION TO RELEASE INFORMATION

I have applied for a loan or grant through the Greater Metropolitan Housing Corporation (GMHC), at the HousingResource Center™. As part of the application process, employees of GMHC may verify information contained in my/our loan or grant application and in other documents required in connection with the loan. This verification process can be conducted either prior to closing or subsequent to closing, and may be performed either by employees of GMHC or by independent third parties, as a part of the origination, processing, underwriting, closing or quality control programs of GMHC.

I authorize you to provide to GMHC and to any investor to whom GMHC may sell my loan, to any servicer or any funder of the program for which I have applied, any and all information and documentation that they request. Such information includes, but is not limited to employment history, income; bank, money market and other financial account balances; credit history; copies of income tax returns and property information.

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

Your prompt reply is appreciated.

Thank you

Print Name

XXX-XX-
Social Security Number – last 4 digits

Date

Signature

NOTE: Use a separate form for each individual who is an applicant, guarantor or other individual whose information is considered in the application. Only one person signs each form.

THIS FORM MUST BE SIGNED AND RETURNED WITH THE APPLICATION

DATA PRIVACY ACT

In accordance with Minnesota Government Data Practices Act the Greater Metropolitan Housing Corporation (GHMC) is required to inform you of your rights regarding the private data collected from you.

Private data, collected from you or from other organizations authorized by you, is used to determine your eligibility for programs administered by GMHC. The use of private data we collect is limited to that necessary for administering programs and providing our services.

You may refuse to provide the requested information. If you do not provide the requested information, you may not be eligible for specific loans, grants or services.

Unless authorized by state or federal law, other government agencies using the reported private data must also treat the information as private. You may wish to exercise your rights as contained in the Minnesota Government Data Practices Act. These rights include:

- 1) The right to see and obtain copies of the data maintained on you
- 2) The right to be told the contents and meaning of data
- 3) The right to contest the accuracy and completeness of the data

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

Print Name _____	Print Name _____
Date: _____ Signature _____	Date: _____ Signature _____
Print Name _____	Print Name _____
Date: _____ Signature _____	Date: _____ Signature _____

C O N T R A C T O R A C K N O W L E D G E M E N T

1. The Housing **Resource** Center (HRC) is the administrator of a housing program that may provide (if there is a Closing as defined below) some or all of the funds to pay for the construction work, in the form of a loan or grant or rebate to;
Print Homeowner's Name: _____
Print Project Address: _____
2. The contractor as named below (and subcontractors as applicable), are currently and shall be during the time of work, in full compliance with all State and local licensing and insurance laws, and a copy of the license certificate is attached hereto.
3. All work by the contractor as named below (and subcontractors as applicable) at the above project address shall be in full compliance with all current state and local building codes, zoning codes and any other applicable laws and regulations.
4. All necessary and required State and local construction permits shall be obtained and paid for by the contractor as named below. The contractor shall not direct or request the homeowner to pull the permit. Such permits shall be properly closed-off with proof thereof submitted to the homeowner or HRC. Such proof shall be in the form of either;
 - a. The original permit card or the inspector's business card signed/initialed and dated by the authorized inspector.
 - b. Request the authorized inspector to call the Housing Resource Center (612) 588-3033 and leave a message as to the status of the permit. Note each inspector must be specifically requested to call.
 - c. The closed permit appears on the local inspection department computer or in their files.
5. The Housing **Resource** Center reviews all documents, as supplied by the homeowner and contractor, for conformance to the program guidelines. If all documents are in order the homeowner can Close on the funds by signing certain documents. Unless and until there is an official Closing the project is not approved for the program. The contractor is welcome to call the HRC to find out if there was a Closing.
6. Prior to the Closing the contractor shall submit to the homeowner a Contract for Construction and this Contractor Acknowledgement form, both properly filled out and signed.
7. The Contract (bid, proposal, estimate) must clearly and legibly contain each and every of the following six items;
 - a. Contractor's business name, address, phone and fax numbers.
 - b. Homeowner's name and project address.
 - c. Complete and detailed description of all proposed work including brand name materials/equipment with models, sizes, quantities, locations and warranties.
 - d. Total contract price and separate prices for options. Clearly state if cost of building permit is or isn't included.
 - e. Dated signature of the contractor.
 - f. Blank space for dated signature of the homeowner. Note the homeowner is advised not to sign the contract until closing.
8. The Housing **Resource** Center is not a party to the Contract nor subsequent changes if any, and the ultimate responsibility for payment of work completed is by and with the homeowner.
9. No work shall start prior to the Date of Closing. All work per the Contract, including close-off of all open permits and submittal of required paperwork, shall be completed within 120 consecutive days from the Date of Closing. The contractor should obtain a signed contract from the homeowner and find out from the homeowner or HRC the date of closing, to assure all work is completed within 120 days. Also allow for the homeowners 3 day right to cancel the contract.
10. Prior to release of any program funds the contractor must complete the work per the Contract and submit for HRC approval the following original items; a) Final Invoice showing the contractor's business name and address, the homeowner's name and project address, a brief description of the work for which payment is requested and all amounts paid and due; b) A valid Lien Waiver for the same amount as the invoice; c) Permits Closed with proof submitted per item #4 above; d) Contractor's and Homeowners's signatures on the HRC Completion Certificate form provided. In addition the release of funds is contingent on the HRC construction manager certifying that they have visited the site and observed the completed work.
11. The contractor as named below and any of its agents hereby states they have not and shall not collude, conspire or connive in any manner whatsoever to; a) Fix the price on the bid or contract or any element thereof. b) Submit a bogus or sham bid. c) Provide any unlawful incentive or advantage to any party of interest on this project.
12. Payments from program funds are for completed work and installed materials only, no funds are available for down payments. Two party checks are made out to both the contractor and homeowner, are delivered to the homeowner who is to countersign it and deliver it to the contractor.

Contractor's Business Name: _____ City/State License #: _____

As the owner or duly authorized representative of the contractor, I hereby acknowledge and understand items 1 thru 12 above.

Contractor's Signature: _____

Date: _____

Contractor to fill in all blanks and attach copy of license certificate.

A VALID CONTRACT

The HousingResource Center™ must have a valid written contract from the contractor(s) you choose to work on your home improvement project.

The contract must contain the following six items:

1. Contractor's business name, business address & telephone/fax numbers
2. Homeowner's name and project address
3. Complete and detailed explanation of work, labor and materials
If materials are supplied by the homeowner they must be noted in the contract
4. Costs of total work with the costs of options separate
5. Signature of contractor and date signed
6. Blank space for homeowner to sign and date
The homeowner should not sign the contract until signing the Participation Agreement for the Rehab Incentive Program at the Housing Resource Center

Contracts that do not contain all six items, or are not legible or do not contain enough information to determine the extent of the work and materials will not be approved. They will need to be revised and resubmitted.

A Bid, Proposal or Estimate will be considered a valid contract if it contains all of the items listed above.

Each contract that you actually use for your project must be accompanied by a contractor signed "Contractor Acknowledgement" form which is available at the HousingResource Center. Any bids that are not accepted by the homeowner do not require the "Contractor Acknowledgement".

Please contact the HousingResource Center – Northwest at (612) 588-3033 if you have any questions.