

Memorandum

TO: Economic Development Authority
FROM: Niki Hill, AICP , Assistant Community Development Director
DATE: May 5, 2025
SUBJECT: NeighborWorks Update
ITEM NUMBER: 5.a
SECTION: GENERAL BUSINESS

REQUESTED MOTION

No formal motion required. This is an update from NeighborWorks.

INTRODUCTION

NeighborWorks Home Partners (NWHP) is a nonprofit organization based in Saint Paul, Minnesota, dedicated to making homeownership accessible and sustainable for individuals and families. They offer a comprehensive suite of services, including homebuyer education, down payment assistance, home improvement loans, refinancing options, and foreclosure prevention counseling. As part of the NeighborWorks America network, NWHP collaborates with local governments and organizations to strengthen communities and promote long-term housing stability. In addition to servicing other county and federal loans, NeighborWorks Home Partners was selected by the city to administer our loan program, provide construction consultation and homebuyer education courses in 2018.

DISCUSSION

The city has been partnering with NeighborWorks Home Partners since 2018 to administer our home loan programs, down payment assistance programs, and serve as a general resource for our residents for buying or renovating a home. Other services to residents also include providing construction consultation and educational workshops. In 2024 Community Reinvestment Fund discontinued servicing our home improvement loan and down payment assistance programs and NeighborWorks was selected to also service our existing and future loans.

NeighborWorks Home Partners is here to share updates on the city's homeownership programs. They will provide an overview of how the programs are performing, current trends in the local housing market, and insights into who is using the assistance available. This conversation also presents a valuable chance to ask for their insights on how we might strengthen outreach, improve access, and increase the overall effectiveness of these programs to better support both current and future homeowners in our community.

An overview of our current programs is included below.

Overview of Current Programs

The programs that are currently offered include:

Down Payment Assistance

The City of Shoreview is offering down payment and closing cost assistance loans to encourage first-time homebuyers to purchase a home in Shoreview. There are two programs, one that is amortizing (with monthly payments) and one that is due-on-sale (no monthly payments). A home price has a maximum of \$425,000. Household residents cannot manipulate income (e.g. quit job, etc.) or household size to become eligible.

- Amortizing: For buyers with incomes below 120% AMI, the down payment assistance is in the form of a loan of up to \$30,000 with low interest, paid back in monthly payments.
- Due-on-sale: For buyers whose incomes are at or below 80% of the Area Median Income, up to \$20,000 is available in a due-on-sale loan with 0% interest and no payments, paid back when the house is sold, transferred, or no longer owner-occupied.

Home Improvement Loan

Loans of up to \$50,000 are available through the City of Shoreview to make improvements and repairs to homes, including energy efficiency upgrades. There are two types of loans. Amortizing loans have monthly payments and a low interest rate. Due-on-sale loans are at 0% interest and are paid back when the home is sold, transferred, or no longer owner-occupied as a primary residence. Which type of loan you may qualify will depend on your household income.

- Amortizing loans: These loans are available to homeowners whose income is at or below 120% of Area Median Income (AMI). The maximum loan amount is \$50,000.
- Due-on-sale loans: These loans are available to homeowners with incomes below 80% of Area Median Income. The maximum due-on-sale loan is \$25,000.

Manufactured Home Improvement Program

Loans of up to \$10,000 are available through the City of Shoreview to make improvements and repairs to manufactured homes.

Program highlights:

- Minimum loan of \$1,000.
- Units must be owner-occupied and located within the city of Shoreview
- Eligible improvements include health and safety items, code deficiencies, structural components, energy efficiency and accessibility.
- Applicants with an income below 80% AMI will have their loan be deferred until sale, transfer of title, when the primary mortgage is paid off, or when the property ceases to be owner occupied. If after 10 years the home is still owner occupied, the loan is forgiven.

RECOMMENDATION

No formal motion required. This is an update from NeighborWorks.

ATTACHMENTS

[Amortizing - Shoreview-First-Time-Homebuyer-Program-Guidelines](#)

[Due on Sale - Shoreview-First-Time-Homebuyer-Program-Guidelines](#)

[Amortizing - Shoreview Home Improvement Loan Guidelines](#)

[Due on Sale - Shoreview Home Improvement Loan Guidelines](#)