

2024 SCDP PRELIMINARY PROPOSAL
OFFICE HOUR SESSION – SEPTEMBER 21 & SEPTEMBER 26, 2023
QUESTIONS & ANSWERS

Q1: A County did construction on the county roads that run through a small city. The city was given the option and capitalized on funding for city water and replaced the main while the road was tore out. When they did testing, it showed that most homeowners in the city need to replace their pipes from the main to their home as lead and other contaminants were discovered. This cost is on the homeowner. So, in our preliminary discussion about SCDP, this was brought to my attention. Not every project is going to consist of this kind of work, but I want to confirm the eligibility before getting ahead of ourselves. Lead and safe drinking water are concerns at all levels.

A: Installation or replacement of water and sewer service lines on privately owned property can be done either as a housing rehabilitation for Low and Moderate Income (LMI) households only and deficiencies in the housing must also be corrected, or as part of the public facility system, but permanent easements must be obtained for all lines connected to the system, and the community must maintain those lines as part of the system.

Q2: Is there a fee to apply for the grant?

A: There is no application fee to apply for the grant.

Q3: Do you know any consultants that you would recommend for assisting cities on this application or if cities typically do that in house?

A: The Small Cities Unit does not make recommendations on which administrators or engineers to use. The determination on if an applicant should utilize a consultant to complete an application is at the discretion of the applicant based on their knowledge of the program and capacity. Applicants are reminded the SCDP program is a federal grant and federal requirements will need to be followed which includes procurement of administrative and engineering services.

Q4: Can we combine the owner occupied and a commercial aspect of this application?

A: Yes. An application must contain a housing component in order to include commercial rehab activity. This would be a comprehensive application. The housing component may be owner occupied housing rehab or rental rehab. We cannot accept a commercial rehab application on its own.

Q5: I was told that in the past cities in an Entitlement County were not eligible for this grant program. Has that changed?

A: Cities located in Entitlement Counties, such as St. Louis County, are not eligible for SCDP funding. Entitlement Counties receive a direct allocation of CDBG funding. For communities that are located in two counties, if one of the counties is an Entitlement County you will need to contact that county's community development agency to determine if your community is included as part of the county's entitlement area. Entitlement counties currently include Anoka, Dakota, Hennepin, Ramsey, St. Louis, and Washington counties. There are also Entitlement Cities that are ineligible to receive SCDP funding. Entitlement cities currently include Bloomington, Duluth, Eden Prairie, Mankato, Minneapolis, Minnetonka, Moorhead, Plymouth, Rochester, St. Cloud, St. Paul, and Woodbury.

Q6: I'm looking at the Master Budget sheet for SCDP preliminary applications. It says that "lead admin, assessments, and clearances may be included in hard costs or administrative costs (as it applies to your project)." Does this mean that we can list environmental review and labor standards tracking as hard costs (not included in the 15% allowable administrative cost)?

A: No, costs associated with the environmental review and labor standards conducted by the grantee or grant administrator would be covered by administration funds. The note in the Master Budget document is in regard to lead based-paint services such as conducting a lead risk assessment. Lead-based paint services costs may be applied to each individual project as part of the overall project cost or covered by administration funds.

Q7. Where is an accurate timeline of events or the application process? If awarded, do you know the begin dates and end dates of the grant?

A: There is a timeline published in the 2024 Small Cities Development Guide. We are targeting awarding the grants in summer of 2024. We will award grants for approximately three years, with a target end date in 2027.

Q8. A city has completed a corridor planning study and have gone through a lot of public improvements over the years. The city has also have applied for the State's bonding bill. The city is interested in learning more about the streetscape activity and how the streetscaping projects will fare as part of a larger project?

A: More information on the streetscape project type can be found in the [SCDP A to Z Reference Guide](#) and applicants are encouraged to reach out to the SCDP Representative for their region to discuss if the proposed work could meet project requirements. Streetscape projects may meet the national objective of benefit to low-to-moderate income persons on an area basis or addressing slum/blight conditions. Streetscape work should be part of a larger community planning effort with other improvement planned or continued improvements. The

competitiveness of a streetscape application will depend on the proposed work and other activities occurring in the proposed work area.

Q9. Can an application consist of a commercial rehab with apartments upstairs and can a building be demolished and reconstructed with housing on the second story?

A: An application may include commercial building rehabilitation and rehabilitation of a residential housing unit (referred to as mixed-use rental) above the commercial unit. This application would be viewed as a Comprehensive Application. In order to apply for a Comprehensive Application, the application must have a housing rehabilitation component. New construction of any kind is ineligible under SCDP. Demolition is generally not competitive and the re-use of the property would need to meet a national objective.

Q10. Does the city have to go through a procurement process to hire an engineer?

A: Yes, there should be a procurement process in hiring an engineer. If SCDP funds will be part of the project, the overall project would need to meet the most stringent procurement policy which include engineering services. Please refer to the federal procurement methods at 2 CFR 200.320. If procurement has already occurred, a city would need to provide documentation their procurement of an engineering firm met the federal procurement policy. Applicants should review their procurement policies to determine if their policy is more stringent than the state or federal requirements.

Q11. What is the city's next course of action if the engineer who has been contracted with the city for over 10 years is not the lowest bidder?

A: It is ultimately up to the City to decide who they wish to contract with. Documentation should be kept in file justifying the hiring of the chosen engineer which could include quality-based selection.

Q12. If SCDP funds is committed to a single activity in a public facility project, does the entire project funded with other funds be subject to Davis Bacon Prevailing and Related Act?

A: We would review the certified payrolls and statement of compliances for the SCDP portion of the project and strongly encourage the administrator to enforce labor standards on the other activities not funded by SCDP but is occurring concurrently. Bids for SCDP projects are encouraged to be separate from activities funded with other funds.

Q13. What occurs if projects cannot be completed within the grantee's contract agreement end date?

A: An extension would be considered on a case-by-case basis.

Q14. Can a city apply for a grant if they have an active grant?

A: Cities cannot apply for project types that already have an active SCDP grant. For example, a city with an active owner-occupied rehabilitation grant cannot submit an application, whether Single Purpose or Comprehensive, for another owner-occupied rehabilitation. The city may submit an application for rental housing rehabilitation since this is a different housing project type. Applicants are reminded that a Comprehensive Application requires a housing rehabilitation component. If an applicant currently has an active housing rehabilitation grant, a different housing rehabilitation type would need to be included in the Comprehensive application.

Q15. Should the Preliminary Proposal and Application packet include copies of all of the interest letters?

A: A blank copy of the interest letter should be included in the Preliminary Proposal and Full Application packets. Applicants may include a copy of each received interest letter or may submit a spreadsheet that contains the information collected from the interest letters.

Q16. Is the Preliminary Proposal cover sheet the only document that requires a signature?

A: Yes, only the signature page in the cover sheet document requires a signature for the Preliminary Proposal packet.

Q17. Is the public hearing only required for the Full Application?

A: Yes, the public hearing is only required for submission of the Full Application. The applicant may hold the public hearing early if they wish. An applicant must adopt a Citizen Participation Plan prior to holding the meeting. A Citizen Participation Plan example document can be found on the [SCDP website](#) under the “Apply” tab. If the approved/certified meeting minutes as well as resolution to apply for funding are not available when the Full Application packet is submitted, the draft version of both documents should be submitted and the applicant should inform their SCDP Representative when the approved/certified documents may be available.

Q18. Does a resolution need to be adopted stating the applicant is applying for funding? Can this be addressed during the meeting the public hearing is held?

A: Yes, a resolution stating the applicant is applying for funding must be adopted for submission of the Full Application. This resolution is not needed to submit the Preliminary Proposal. A template resolution may be found on the [SCDP website](#) under the “Apply” tab. If an application will include partner communities, each partner community must adopt a *Local Government Resolution for Secondary Apply Communities* resolution. A template can also be found on the SCDP website under the “Apply” tab. The resolution to apply for funding may be adopted at the same city or county meeting the public hearing is held.