

# 2024 Small Cities Development Program (SCDP)

# Full Application

## Owner Occupied Housing Rehabilitation

### Submission Information

Only communities with preliminary proposals that were deemed ‘competitive’ or ‘marginally competitive’ will be asked to submit **one original and one copy** of the Full Application to the Department of Employment and Economic Development (DEED) on or before 4:00 pm, Wednesday, April 17th, 2024.

***Faxed or e-mailed applications will not be accepted.***

Minnesota Department of Employment and Economic Development

Great Northern Building

180 East Fifth Street, Suite 1200

St. Paul, MN 55101

Attn. Community Finance Division, Small Cities Development Program Unit.

## Instructions

Applicants must download the Small Cities Development Program (SCDP) guidance from the [SCDP Website](https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp) (https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp).

This application packet is only for Owner Occupied Housing Rehabilitation. Other eligible activity applications are available on the [SCDP Website](https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp).

* Proposals will need to designate a target area of the city.
  + Cities with populations of 5,000 or less are encouraged to propose citywide target areas.
  + Cities with populations over 5,000 must propose a Target Area A and encouraged to propose a targeted Plan B.
* Plan B option serves as a contingency plan if the interest in the primary target area does not meet the proposed goals. Plan B must be a more compact area than the proposed Target Area A. The combination of Target Area A and Plan B must not be citywide.
* For multi-community applications, if the combined total population exceeds 5,000, each city will need to propose a Target Area A and encouraged to propose a targeted contingency Plan B.
* If this project is part of a multi-community application, provide separate answers for each community. Clearly indicate which community is being addressed in each response.
* Provide a color map of the city limits with the location of the target areas, including citywide (for populations of 5,000 and under) or Target Area A and Plan B (if applicable).
* Provide a color map with all homes within the proposed rehabilitation area(s) clearly labeled as standard or substandard and how many of those have interested property owners who are low and moderate income (LMI).
* Provide a sample of the interest survey used for this proposal and a list documenting the data collected.
  + The list should at a minimum include the following:
    - Household’s name,
    - Address,
    - Number of household members, and
    - Estimated household income.
* Review and include the application checklist on the [SCDP Website](https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp).

## Scoring

A housing project which includes one or more activities designed to increase quality of dwellings.

Applications are evaluated and awarded up to 240 total points as follows:

### Demographic – 30 points

* Will be assigned by best available statistics from the Minnesota State Demographer and are based on:
  + Number of residents at or below the poverty level in the jurisdiction.
  + Percentage of residents at or below the poverty level in the jurisdiction.
  + Per capita assessed valuation of the area, points are awarded in inverse relationship to applicant’s per capita assessed valuation.

### Project need – 90 Points

* The housing program need category shall be awarded based on evaluation of the need for improvements to the housing stock serving low- and moderate-income persons as evidenced by:
  + Housing units that are occupied by low- and moderate-income persons are either substandard or pose a threat to the health or safety of the occupants.
  + An inadequate supply of affordable housing for low- or moderate-income persons.
  + Other documented conditions that give evidence of the need for improvements to the housing stock serving low- and moderate-income persons.

### Project Impact – 90 Points

* The housing program impact category shall be awarded based on evaluation of the extent to which the proposed activities will eliminate deficiencies in the housing stock serving low- and moderate-income persons as evidenced by:
  + The geographical size of the target areas.
  + Other community activities or gentrification occurring in the community.

### Cost Effectiveness – 30 Points

* The housing program cost effectiveness category shall be awarded based on:
  + Evaluation of the extent to which the proposed activities will make cost effective use of grant funds including coordination with and use of funds from other public and private sources.
  + Evidence that the cost of the proposed activities per benefiting household is reasonable.

## Owner Occupied Housing Rehabilitation Full Application

Applicant Name:

### Project Description

Provide a brief description of the activity, including a description of the community(s) proposed:

**Narrative Answer**:

#### Community Questions

Multi-community applications must include responses for all proposed communities.

* Primary community:
* Population of primary community:
* Partnering community #2 (if applicable):
* Population of partnering community #2 (if applicable):
* Partnering community #3 (if applicable):
* Population of partnering community #3 (if applicable):

### Need

Choose if the application is citywide or a target area, then complete the table as appropriate. Multi-community applications must include responses for all communities.

Citywide

Target Area

| Need | Citywide (pop. less than 5,000) | Target Area A | Plan B |
| --- | --- | --- | --- |
| Number of substandard houses in target project area(s) |  |  |  |
| Percentage of substandard, but suitable for rehabilitation, homes in target project area(s): |  |  |  |
| The number of LMI homes in the target area(s) |  |  |  |
| Number of interested homeowners |  |  |  |
| Proposed number of rehabs |  |  |  |
| Median household income of target project area: |  |  |  |
| Average age of homes in target project area(s): |  |  |  |
| Estimated number of substandard, but suitable for rehabilitation, homes in target project area(s) that contain LMI households: |  |  |  |

#### Need Narrative Questions

1. Provide a brief description of the project need. At minimum, describe:

* Unique designations.
* Geographic or demographic concerns.
* Inadequate supply of existing housing stock, including lack of new housing stock, etc.

**Narrative Answer:**

### Community Impact

Complete the table for your target area, whether it is Citywide or Target Area A with a contingency Plan B. A multi-community application must include responses for all communities.

| Impact | Citywide (pop. less than 5,000) | Target Area A | Plan B |
| --- | --- | --- | --- |
| Number of homes in target project area(s): |  |  |  |
| Number of LMI substandard households interested in project area(s): |  |  |  |
| Number of square blocks in target project area(s): |  |  |  |
| Number of homes proposed for rehab with SCDP funds in the target area(s). (This number should be the same as the goal proposed in the sources and uses outline): |  |  | NA |

#### Community Impact Narrative Questions

1. Provide a brief description of the project impact. At a minimum, describe:

* The proposed target area expected impact on the community or communities.
* How did you determine the proposed number of homes to be served (unit goal).
* List the deficiencies identified.

**Narrative Answer:**

1. Describe how the proposed activities eliminate deficiencies in the housing stock serving low- and moderate-income residents.

**Narrative Answer:**

1. Describe any common severe deficiencies of homes noted by interested homeowners or known by the city. Example might include, failed/failing septic systems, drinking water issues, old/outdated wiring, leaking roofs, etc.

**Narrative Answer:**

1. Describe the community’s recent history and experience undertaking similar activities.

**Narrative Answer:**

1. If the community is using an administrating agency, describe the agency’s recent history and experience undertaking similar activities.

**Narrative Answer:**

1. If there is an inadequate supply of contractors, specifically lead contractors, describe what steps will be taken to remedy this issue.

**Narrative Answer:**

1. If multiple communities will receive SCDP funding, describe how funding will be distributed between the communities. Skip this question if activity is for one community.

**Narrative Answer:**

1. How were the target area boundaries determined? Skip this question if activity is for City-wide projects.

**Narrative Answer:**

1. Plan B target area is a contingency plan. A request must be made to DEED to extend the target area to Plan B target area. Please provide a timeline when a request to extend to Target Area B will be submitted to DEED SCDP for approval? (A minimum of 15 months after receiving the executed grant contract). Skip this question if a Plan B target area is not needed.

**Narrative Answer:**

### Cost Effectiveness

* Maximum SCDP assistance amount per house (cannot exceed $25,000):
* Expected average SCDP assistance amount per house:
* SCDP Administration percentage (cannot exceed 15%):
* Leverage amount:

#### Scenario #1

Complete Scenario #1 **only if** the proposed SCDP financing is not based on homeowner affordability.

* Percentage of the total SCDP assistance that will be a deferred loan:
  + Length of SCDP deferred loans (minimum of 84 months):
* Percentage of the total SCDP assistance that will be an installment loan:
  + If applicable, length of SCDP installment loans:
  + If applicable, interest rate of installment loans:

#### Scenario #2

Complete Scenario #2 **only if** the proposed SCDP financing will be based on homeowner affordability.

* Under what circumstances would property owners not be required to provide a match:
* Income thresholds and percentage of SCDP funds per tier:
* Required match contribution (if applicable):

#### Cost Effectiveness Narrative Questions

Briefly describe the cost effectiveness of the project. At a minimum, describe:

1. Describe the project’s cost effectiveness.

**Narrative Answer:**

1. How the proposed scenario above will encourage LMI homeowner participation.

**Narrative Answer:**

1. Describe what other federal, state/local or private funds that may be used as leverage for projects. Briefly detail how building owner participation will be encouraged and how in-kind contributions, discounted materials, or other cost saving measures will be used, if available.

**Narrative Answer:**      .

1. Describe the community’s and the grant administrator’s (if applicable) experience undertaking this type of housing activity.

**Narrative Answer:**

1. Describe how repayments, interest, and income received, during and after the grant, will be used to meet one of the three national objectives of the grant program.

**Narrative Answer:**

1. Identify the source(s) of funding that will cover costs associated with the Lead Risk Assessment and Clearance?

**Narrative Answer:**