

# 2024 Small Cities Development Program (SCDP)

# Full Application

## Commercial Building Rehabilitation (Comprehensive)

### 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 a Commercial Building Rehabilitation. Commercial building rehabilitation will only be considered as part of a comprehensive application when it includes a housing activity, either Owner Occupied or Rental Rehabilitation. Other eligible activity applications are available on the [SCDP Website](https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp).

* Rehabilitation of commercial buildings must be in a targeted slum and blight area.
  + Building should be occupied by retail or small independently owned businesses.
  + Vacant buildings are not eligible – unless there is an owner/tenant agreement to occupy the building after rehabilitation.
  + A Slum and blight resolution must be passed – template is provided on [SCDP Website](https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp).
* Designation of the slum and blight area must be within a central business district of the city.
  + Citywide, multiple slum and blight areas and Plan B options are not allowed.
* SCDP funds may only be used for exterior repairs and improvements to the building, code violation corrections, handicapped accessibility, and abatement of asbestos hazards.
  + Funding cannot be used towards business costs (ex: purchasing of equipment specific to the business operation such as a refrigerator)
* Include a map of the city with street names clearly visible along with the identified slum and blighted area boundaries.
* The maximum amount of SCDP assistance per building is $40,000 and minimum is $5,000.
* The maximum percentage of SCDP assistance per building is 80% of the total project cost.
* The term for SCDP funds must be structured, at a minimum, as a five (5) year deferred loan.
* Commercial rehabilitation projects must be combined with a housing project(s).
* 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.
* Review and include the application checklist on the [SCDP Website](https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp).

## Scoring

Comprehensive projects will be evaluated as a project that includes a combination of at least two interrelated activities with one activity being housing. The activities must be carried out in a coordinated manner and must be designed to address community development needs.

Applications are evaluated and awarded up to 240 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 comprehensive program need category points will be based on the need to address slum and blight conditions.

### Project Impact – 90 Points

* The comprehensive program impact category points will be based on the evaluation of how the proposed comprehensive program will eliminate or reduce the identified need. Also, the improvement of the long-term physical or economic condition of the program area and its residents will also be taken into consideration.

### Cost Effectiveness – 30 Points

* The comprehensive cost effectiveness category points will be based on how the comprehensive program will make cost effective use of grant funds, including the consideration of, coordination with, and use of funds from other public and private sources.

## Commercial Rehabilitation Full Application (Comprehensive)

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

Complete the bulleted points below, then describe the need for the project.

Total amount requested (not including administration):

* Number of buildings proposed for rehabilitation:
* Percentage of substandard buildings in project area(s):
* Number of dilapidated buildings not suitable for rehab in project area(s):
* Number of commercial buildings in slum and blight area(s):
* Number of property owners interested in project area:
* Number of buildings owned by the interested property owners:

#### Need – Narrative Questions

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

* The number of proposed rehabilitation projects in the proposed slum and blight area.
* How did the applicant determine the slum and blight area, and how does the area meet the slum and blight definition?
* Any unique needs of the target area, which could include:
  + Unique designations.
  + Are there key buildings in the target area and how do they play an important role in the community (i.e., the only drug store that serves the community)?
  + Geographic or demographic concerns.
  + Stakeholder Input/Interest

**Narrative Answer**:

1. Describe the communities plan for dilapidated commercial structures that are not suitable for rehabilitation and vacant buildings.

**Narrative Answer**:

### Community Impact

Complete the bulleted points below, then describe the community impact of the project.

* Number of vacant commercial buildings in project slum and blight area:
* Estimated number of buildings in project slum and blight area with historic elements (buildings on the National Register of Historic Places or state certified)
  + Of these buildings, how many are being proposed for rehabilitation:
* Estimated number of key buildings (prominent community buildings providing essential or unique services):
  + Of these buildings, how many are being proposed for rehabilitation:

#### Community Impact – Narrative Questions

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

* The expected impact on the community or communities.
* Does this area consist of mixed-use buildings that will be part of the rehabilitation (if so, there must be an accompanying Mixed-Use Rental application).
* What deficiencies were identified, and how was that determined?

**Narrative Answer**:

1. Describe how boundaries of the target area were determined.

**Narrative Answer**:

1. Describe the boundaries of the slum and blight area.

* *Example: Bounded on the North by Oak Street, and Bounded on the East by Maple Street, and Bounded on the South by Ash Street, and Bounded on West Pine Street. 62% of building in the slum and blight area are substandard.*

**Narrative Answer**:

1. Commercial rehabilitation grants must have a housing component to the application, discuss the impact the commercial and housing project will have on the community.

**Narrative Answer**:

### Cost Effectiveness

Complete the bulleted points below, then describe the cost effectiveness of the project.

* Maximum SCDP amount per building (cannot exceed $40,000):
* Average SCDP amount per building:
* Percentage of SCDP funding available for each building (cannot exceed 80%):
* Percentage of SCDP funds that will be a forgivable loan:
* Forgivable loan term, in months:
* Percentage of SCDP funds that will be an installment loan (if applicable):
* Installment loan term, in months (if applicable):
* Installment loan interest rate (if applicable):

#### Cost Effectiveness Narrative Questions

Complete the narrative questions below.

1. Describe the project’s cost effectiveness.

**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 of this type of activity.

**Narrative Answer**:

1. Provide details if below market financing is available for projects.

**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**: