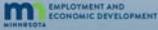




**2017 SCDP
Application Training Webinar
Welcome!**

2 Step Process

- Preliminary Proposal
- Application



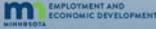
What Is New?

- Policies
 - Target Area and Impact scoring
 - Populations over and equal to or under 1,000
 - Pre-agreement Costs



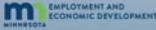
What's New?

- Application
 - New sections for Streetscape and Public Aesthetic Amenities
 - Minor revisions of SCDP deferred/installment loan questions
 - Expanded Budget Page
 - Minor revisions of Rental Activities



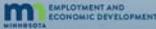
What was New in 2015?

- Leveraging RD and MHFA
- Commercial Rehab Terms
- More activities encouraged for Comprehensive Applications
 - Streetscape and Aesthetics
 - Community Centers



SCDP Reminders

- Program Income must be used first!
- Administration disbursements and budgets cannot exceed 15% of project costs
 - See following examples



Scenario #1

The administrator completed their original goal of 5 commercial rehabs spending only \$75,000 of the original budget of \$108,500 for those rehabs and all of the \$12,250 budgeted for administration. With the remaining funds, the administrator would like to complete 2 additional rehabs. They are requesting a grant adjustment to shift \$3,500 from rehabilitation to administration.

Additional Administration Allowed: Since the originally budgeted administration was 11%, additional administration may be provided and stay under the 15% SCDP limit.

Original Budget					
Activity	Units	Cost Per Unit	Total Cost	Admin %	
Commercial Rehab	5	\$ 21,700	\$ 108,500		
Administration	5	\$ 2,450	\$ 12,250	11%	
TOTAL			\$ 120,750		
Proposed Budget					
Activity	Units	Cost Per Unit	Total Cost	Admin %	
Commercial Rehab	7	\$ 15,000	\$ 105,000		
Administration	7	\$ 2,250	\$ 15,750	15%	
TOTAL			\$ 120,750		

Scenario #2

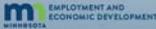
The administrator completed their original goal of 5 commercial rehabs spending only \$75,000 of the original budget of \$105,000 for those rehabs and all of the original \$15,750 budgeted for administration. The administrator would like to complete 2 additional rehabs with the remaining funds. They are requesting a grant adjustment to shift \$4,000 from rehabilitation to administration.

Additional Administration **Not** Allowed: Since the originally budgeted administration was 15%, the proposed grant adjustment would bump the proposed administration to 20% and exceed the SCDP limit of 15%.

Original Budget					
Activity	Units	Cost Per Unit	Total Cost	Admin %	
Commercial Rehab	5	\$ 21,000	\$ 105,000		
Administration	5	\$ 3,150	\$ 15,750	15%	
TOTAL			\$ 120,750		
Proposed Budget					
Activity	Units	Cost Per Unit	Total Cost	Admin %	
Commercial Rehab	7	\$ 14,429	\$ 101,000		
Administration	7	\$ 3,150	\$ 19,750	20%	
TOTAL			\$ 120,750		

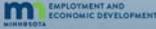
Program Concept (Outlined In Full Application)

- Provides detailed information about the program
- Explains the process
- Covers who is eligible
- Identifies SCDP focus
- Provides time frames



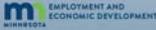
Program Concept Sections

- Program Goal
- Background
- Program Objective(s)
- Eligible Applicants
- Eligibility Restrictions
- Contracting for Professional Services
- Funding Availability



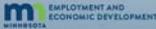
Program Concept Sections (continued)

- Forms of Funding
- Types of Applications
- Eligible Uses of Funds
- Funding Award Process
- Application Review Process
- How to get Technical Assistance
- Submission Information



Program Goal

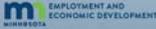
- Develop viable, eligible communities by providing financial assistance to address the need for decent safe affordable housing, economic development, and public facility needs, **AND**;
- Provide a suitable living environment by expanding economic opportunities, principally benefiting low to moderate income households.



Program Objective

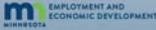
- Must meet a Federal Objective: LMI, LMA, S&B
- 70% of HUD allocated funds (all projects combined) must serve Low/Moderate income

*See SCDP A to Z Guide for additional information



Eligible Applicants

- Cities with populations under 50,000
- Counties and townships with unincorporated population of fewer than 200,000
- Not in an Entitlement area
 - Entitlements include the
 - cities of Bloomington, Coon Rapids, Duluth, Eden Prairie, Mankato, Minneapolis, Minnetonka, Fargo/Moorhead, North Mankato, Plymouth, Rochester, St. Cloud, St. Paul, Woodbury, and the
 - counties of Hennepin, Anoka, Dakota, Ramsey, Washington, and St. Louis



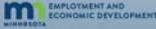
Additional Applicant Requirements

- No outstanding audits or monitoring findings
- Adequate performance by administrator and/or grantee on previously awarded grants
- Interest in program solidified
- Projects planned to be completed in 30 months
- One application per community



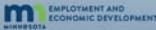
Eligible Activities

- Owner Occupied Housing Rehabilitation
- Rental Housing Rehabilitation
- Commercial Rehabilitation
- Public Facilities (includes assessment abatement)
 - Streetscape and Aesthetics
- Community Centers
- Others as listed in the A-Z Guide



Types of Applications

- Single Purpose Application
 - can be for housing or public facilities activities; \$600,000 maximum (includes administration);
 - Cannot be stand alone commercial
- Comprehensive Application
 - Aggregate \$1.4 million - \$600,000 maximum per each activity (includes administration)



Definition of a Single Purpose Application

- Proposals having
 - one or more housing activities designed to increase supply or quality of dwellings suited for the occupancy of the individuals and families,

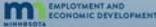
or

 - public facilities projects which include one or more activities designed to acquire, construct, reconstruct, or install buildings or infrastructure which serve a neighborhood area or community.

Definition of a Comprehensive Application

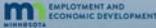
Comprehensive applications:

- proposals having two or more interrelated projects and require a coordination of housing combined with commercial rehab and/or public facilities.



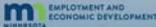
Administrative Funds

- Housing, Commercial Projects, Streetscape, and Aesthetics
 - Up to 15% of individual project costs
 - Grantee can only draw admin based on completed projects
- Public Facilities
 - \$20,000 maximum or 15% (whichever is less)



Federal Requirements

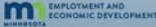
- Environmental Review
- Davis-Bacon (Rental 8+ units, commercial, and public facilities)
- Fair Housing/Equal Opportunity
- Annual Reporting
- Monitoring - ongoing



Eligible use of Funds

Owner Occupied Rehab	Rental Rehab	Commercial Rehab	Public Facilities
Housing Quality Standards	Housing Quality Standards	Code Enforcement	Repair, replacement
Accessibility	Accessibility	Accessibility	Construction
Health and Safety - lead	Health and Safety - lead	Energy Efficiency	Assessment Abatements
		Façade	

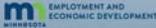
*See A-Z Guide For more information



Owner Occupied Housing Rehabilitation

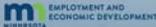
- SCDP maximum funds- \$25,000 per unit
- Deferred loan terms - minimum of 7 years
- Good leverage
 - Sources other than homeowner are more competitive
- Success feasible
 - Affordability addressed and project estimates considered
 - Goal attainable

Note: Smaller SCDP maximums and longer terms are more competitive



Owner Occupied Housing Rehabilitation- Recent Changes

- No rehabilitation of single-wide mobile homes, even if on a foundation
 - Exception for disaster-recovery program
- No descending forgiveness allowed for life estates with deferred loans (full amount repaid if sold in final year of repayment agreement)
- Duplexes – can only be done under Rental Rehabilitation and both units need to meet LMI if one unit is occupied by owner
- Contract for Deed and Life Estates – If a community opts to allow these, the resident and owner(s) must be LMI
- No SCDP funds used on MHFA MURL homes
- Consider Rural Development partnering



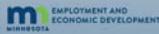
Rental Housing Rehabilitation

- Single family units and duplexes - \$25,000 maximum
- Others - maximum determined on a case by case basis
- Separate housing activities on budget page (SF, duplexes, MF)
- Deferred loan term - minimum of 5 years
- SCDP maximum of 70% project costs
- Property owners understand and agree to rules of program
- MHFA RFP for larger projects
- MHFA RRDL for smaller multi-unit projects



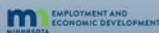
Rental Rehabilitation- Recent Changes

- Contract for deed not allowed



Commercial Rehabilitation

- \$40,000 SCDP maximum per building
- Demonstrate how funds will improve community vitality
- Slum and Blight designation, description, and map with application
- Combine rental and commercial (mixed use) for deeper impact
- Property owners understand Davis-Bacon requirements
- Leverage other than owners and banks
- Owner match can be for fixed equipment (not furnishings)



Commercial Rehabilitation- Recent Changes

- \$5,000 minimum project
- 80% SCDP maximum of total costs
- Deferred loan term - 5 years minimum



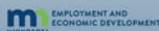
Public Facilities

- Must be on PPL (unless no previous system or PCA/Health approval not necessary)
- Clear physical need described
- Monthly costs per EDU are 1.5% of median income or \$35 per month, whichever is higher
- SCDP (grants) must make significant reduction in average user rates



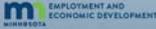
Assessment Abatement

- Assessments plus projected user rates must exceed affordability threshold (1.5% or \$35)
- Applications must be targeted to abate assessments for Very Low Income (50% of county median)
- Davis-Bacon will apply to total project
- SCDP recommend application only if proposed assessments exceed \$25,000
- If considering, please discuss with SCDP rep prior to submission



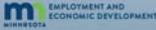
Other "Not So Common" but Eligible Activities

- Acquisition/Demolition
- Acquisition/Rehabilitation-Housing
- Community Centers/Facilities
 - Senior Centers
 - Food Shelves
 - Civil Defense Systems
 - Flood Drainage
 - Emergency Shelters



Streetscapes and Aesthetics

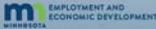
- Must be part of a large community planning effort with other improvements planned
- Likely in downtown or other public gathering areas



Funding Availability

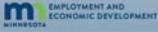
Annual Allocation similar to previous years
2016 allocation \$16.9 million

- 30% Single Purpose Applications
 - Housing
 - Public Facilities
- 55% Comprehensive Applications
- 15% Economic Development (MN Investment Funds-Not awarded by SCDP)



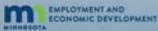
Preliminary Proposal

- Required before application submission
- Used to determine eligibility and competitiveness
 - Competitive
 - Marginally Competitive
 - Not Competitive
 - Not Eligible
- Brief summary of need, impact, and cost effectiveness
- Program Income and MIF RLF must be leveraged
- Applicant (city/county) must sign
- MHFA applicants must complete Preliminary Proposal



Common Mistakes

- Not considering administration in \$600,000 maximum
 - Not considering PF maximum administration
- Exceeding SCDP maximums
- Combined owner-occupied and rental housing request exceeding \$600,000 (combination is not a comprehensive proposal without a public facility or commercial component)
- Over-ambitious goals and/or large price tags
 - Feasibility
 - Financial Burden
- Little or no leverage



Application



**Small Cities Development Program (SCDP)
2017 Application Packet**

Application Deadline
Thursday, February 23, 2017 4:30 PM



Application Budget

Fed. Obj. Codes*	Activity	# of units/goals	SCDP Cost Per unit	SCDP Cost/ without admin	Total SCDP Admin	SCDP Admin %	Total SCDP Costs	Total Leveraged Resources	Source of Leveraged Funds	Totals
LMI	Owner Rehab	20	21,250	425,000			425,000	63,750	HRA	488,750
	Owner Rehab Admin	20	3,187		63,740	15.0%	63,740	0	N/A	63,740
S&B	Commercial Rehab	6	31,000	186,000			186,000	564,000	Owner	750,000
	Comm. Rehab Admin	6	3,750		22,500	12.1%	22,500	5,000	City (c)	27,500
LMI	Rental Rehab-SF	7	17,360	121,520			121,520	122,400	HRA (c)	243,920
	Rental Rehab Admin	7	2,457		17,199	14.2%	17,199	2,000	City (c)	19,199
LMI	Rental Rehab-MF	12	3,000	36,000			36,000	1,000	RRDL	37,000
	Rental Rehab Admin	12	300		3,600	10.0%	3,600	100	City (c)	3,700
LMA	Streetscape	1	50,000	50,000			50,000	10,000	Owners	60,000
	Streetscape Admin	1	5,000		5,000	10.0%	5,000	1,000	City (c)	6,000
LMA	Water Distribution Lines	1	580,000	580,000			580,000	200,000	PFA	780,000
	Public Facilities Admin	1	20,000		20,000	3.4%	20,000	15,000	City (c)	35,000
	Totals		1,398,520	128,439			1,530,559	984,250		2,514,809

Application

- Thorough explanation of
 - Need
 - Impact
 - Cost effectiveness
- Documentation needed
 - Resolution
 - First Public Hearing - by all communities involved in application
 - Cooperative and Secondary Agreements (if multi-community)
 - Interest lists
 - Slum and Blight Resolution (if applicable)
 - GIS



If Awarded...

Further Documentation to DEED

Federal requirements: completed by community or all communities for multi-community applications (not on County applications)

- Drug-Free Workplace
- Prohibition of Excessive Force
- Relocation/Anti-Displacement
- Check box on 2nd annual report for 2nd Public hearing for all communities (including multi-communities)
- All existing Program Income (and MIF RLF) balances must be used before grant funds can be released.
 - Submit expenditures and accomplishments to rep



Scoring by Activity Type

- State Rules read that scoring will be segregated by the following Activity Types
 - Housing (Single Purpose)
 - Public Facilities (Single Purpose)
 - Comprehensive



Application Scoring

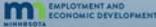
All Applications may be awarded points for the following:

- 90 Points for Need
- 90 Points for Community Impact
- 30 Points for Cost Effectiveness
- 30 Points for Demographics



Housing Scoring
Need (90 pts)

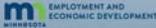
1. housing units that are occupied by low and moderate income persons are either substandard or pose a threat to the health or safety of the occupants
2. an inadequate supply of affordable housing for low or moderate income persons; or
3. other documented conditions that give evidence of the need for improvements or additions to the housing stock serving low and moderate income persons.



Housing Scoring
Community Impact (90 pts)

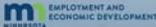
Extent to which proposed activities will eliminate deficiencies in the housing stock serving low to moderate income persons:

- How many LMI homes have deficiencies?
- How close are the homes to each other?
- How many of these households are interested in being rehabilitated?
- What makes your community special?



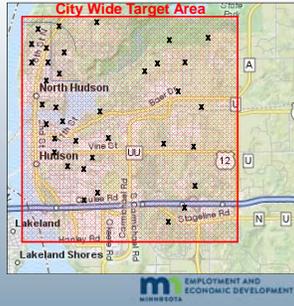
Housing Scoring (Continued)
Community Impact

- Extent to which the proposed activities will reduce or eliminate the need
- Smaller geographical target areas with higher density of need will score higher
 - City wide applications vs. targeted areas
- Capacity is part of Community Impact
 - What is the community's and the administrator's experience with SCDP and similar programs?
 - What is the administrator's current and proposed workload?
 - Does the administrator have any unresolved findings or issues from a previous grant?



Community Impact Example #1

- Citywide target Area is 5 square miles
- City population: 1,100
- 500 total homes
- 300 are suitable and in need of repair
- 50 interest statements
- Community/Administrator is habitually late on reporting and errors are common



Community Impact Example #2

- Target Area is city wide
- City population: 600
- 150 total homes
- 100 are suitable and in need of repair
- 50 interest statements
- Community/Administrator reporting is on time



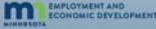
Other Community Impact Factors

- Other activities (SCDP or others) increasing community Impact:
 - Other rehab programs, even for other buildings and non-LMI homes
 - Foreclosure, purchase rehab programs
 - Parks, landscaping or streetscaping programs



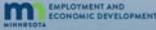
Housing Scoring
Cost Effectiveness (30 pts)

- 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 (leverage or other activities)
- Evidence that the cost of the proposed activities per benefiting household is reasonable (including administration costs)



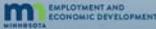
Housing Scoring
Cost Effectiveness (30 pts)

- Reaching out, meeting and discussing how to coordinate with other agencies
- Outline of process for working together is more effective than a letter of cooperation
- SCDP/RD/GMHF Coordination



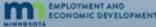
Public Facilities Scoring
Need (90 pts)

The extent to which the proposed activities are necessary to improve provision of public facilities to low and moderate income persons or to eliminate an urgent threat to public health or safety.



Public Facilities Scoring
Community Impact (90 pts)

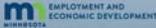
- The extent to which the proposed activities will reduce or eliminate the need
- How are critical health/safety issues resolved by project
- Capacity issues including Davis-Bacon wage rate administration



Public Facilities Scoring
Cost Effectiveness (30 pts)

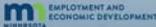
The extent to which the proposed activities will make cost effective use of grant funds, including consideration of:

- the extent to which the requested grant funds are necessary to finance all or a portion of the costs;
- evidence that the cost of the proposed activities per benefiting household or person is reasonable; and the extent to which the project benefits existing, rather than future, population.



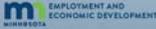
Comprehensive Scoring
Need (90 pts)

- Number of low and moderate income persons in the program area;
- Percentage of residents in the program area which are of low or moderate income; and
- Need for the proposed comprehensive program shown by the following:
 - Need for improvements or additions to the housing stock serving low and moderate income persons
 - Need for new or improved public facilities in the program area, or employment problems in the program area



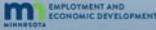
Comprehensive Scoring
Community Impact (90 pts)

- The extent to which the proposed comprehensive program will eliminate or reduce the need identified, and the extent to which the proposed program will improve the long term physical or economic condition of the program area and its residents.
- How do multiple activities work together comprehensively to improve the community?



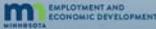
Other Community Impact Factors

- How slum and blight building improvements will improve overall community?
 - Rehab key community buildings
 - Rehab historically significant buildings
 - Including streetscape and/or aesthetics



Comprehensive Scoring
Cost Effectiveness (30 pts)

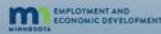
The extent to which the proposed comprehensive program will make cost effective use of grant funds, including consideration of coordination with, and use of, funds from other public and private sources.



Demographic (30 Points) (All Activities)

Information for Scoring provided by Minnesota State Demographer based on:

1. Number of poverty persons in the area under the applicant's jurisdiction
2. Percentage of residents in the areas who are poverty persons
3. Per capita valuation of the area. Points are awarded in inverse relationship to per capita assessed valuation.



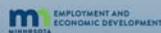
Strong Applications...

- Show consistent information between budgets and narratives
- Have budgets that add up correctly
- Include excellent supporting documentation
- Are clear and concise
- Have feasible goals
- Demonstrate strong capacity
- Follow the format provided (answer all questions for proposed activity(ies))
- Were proofread by someone who did not draft the application



Time Frames

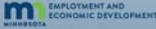
- June 2016 Application Packet available online
- November 10, 2016 Deadline for Preliminary Proposal
- December 15, 2016 Preliminary project competitive status provided to applicants
- February 23, 2017 Deadline for Applications
- May 2017 Funding Recommendations to DEED Commissioner
- May/June 2017 Grant Agreements/Implementation Workshops



Submission Information

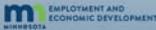
- Preliminary Proposal
 - One original, one copy
 - **Due:** Thursday, November 10, 2016, 4:30 PM
- Application
 - One original, one copy
 - **Due:** Thursday, February 23, 2017, 4:30 PM

Faxed or e-mailed Proposals or Applications are not accepted



Upcoming SCDP Training Sessions

- September 20 – St. Paul
 - 9:30 am - Noon Annual Reporting, Program Income, Fair Housing
 - 1:00 - 4:00 pm Davis Bacon Labor Standards Training
- September 21 – Albert Lea
 - 9:30 am - Noon Annual Reporting, Program Income, Fair Housing
 - 1:00 - 4:00 pm Davis Bacon Labor Standards Training
- September 22 – Brainerd
 - 9:30 am - Noon Annual Reporting, Program Income, Fair Housing
 - 1:00 - 4:00 pm Davis Bacon Labor Standards Training



Technical Assistance

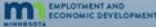
- Workshops
- Call your SCDP Representative
- One-on-One – in the field or in our office



New Regional Representative Map



Kerrin Reisner- 1, 2, 5
Hillary Friend – 3, 7E, 11
Pat Armon- 6E, 7W, 9, 10
Natasha Kukowski- 4, 6W, 8



Small Cities Staff

Representatives

Patrick Armon	651.259.7455	patrick.armon@state.mn.us
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Natasha Kukowski	651.259.7461	natasha.kukowski@state.mn.us
Kerrin Reisner	651.259.7462	kerrin.reisner@state.mn.us

