

**City of Menahga
Action Memorandum 17-053**

Subject: Authorize Submission of a Grant Application to Central Minnesota Housing Partnership, Inc for Participation in the Small Cities Development Program

Agenda of: September 11, 2017

Council action: _____

Authorized

Summary statement: Action Memorandum 17-053 authorizes the submission of a grant application to Central Minnesota Housing Partnership for in the Small Cities Development Program.

Ed Zimny, Program Manager with Central Minnesota Housing Partnership provided this information via email to the Administrator:

“The Small Cities Development Program is a grant program in which the grants can be used to perform commercial, rental property, and owner occupied single family home rehabilitations.

Our Agency will work with the city to submit an application for the grant and if awarded we will also contract with the city to administer the grant. The grants usually run for 2 1/2 years from the date awarded.

The application process is a two-step application. The Preliminary grant application is typically due in early November and if it is deemed to be competitive, we will be allowed to make the full application which is typically due in mid-February.

In order to have sufficient time to make a strong preliminary application we would like to have at least a soft commitment from the city by the end of August so we could meet in September to discuss in detail how the process works. And if possible meet with some or all of the elected officials and maybe some interested business owners (if there is an interest in commercial rehab) or landlords (if there is an interest in rental rehab)”.

The cost for the preliminary proposal preparation is \$2,250, which will be paid out of the 2017 budget. The cost for the full application is \$2,250 and will be added to the 2018 budget.

Attachment:

- Program information

Central Minnesota Housing Partnership, Inc. Small Cities Development Program Services:

Preliminary Proposal Full Application Writing General Program Administration

Central Minnesota Housing Partnership provides the following grant writing services to cities or counties wishing to apply for funding through the Department of Employment & Economic Development Small Cities Development Program.

Preliminary Proposal Prep & Submission

- Work with city to define the proposed activities of the program
- Conduct windshield surveys to determine condition of housing stock/commercial properties and estimate per unit rehabilitation cost
- Conduct community meetings and provide additional outreach to generate interest lists
- Work with city and/or other local groups to design program financing and determine matching resources
- Research and compile demographic data pertaining to residents and properties
- Determine initial program budget based on average costs, matching resources and number of units proposed
- Write narrative section of preliminary proposal and organize demographic information
- Submit completed preliminary proposal to DEED by November 9, 2017 deadline

Preliminary Proposal preparation fee:

- \$1,750 - project located within 30 miles of CMHP office
- \$2,000 - project located 31-60 miles of CMHP office
- \$2,250 - project located over 60 miles of CMHP office

Full Application Prep & Submission

- Collection of all housing and household data requested in the full application
- Attending city council meeting(s) to provide program and application updates, and to request the required city resolution approving participation in the program
- Work with city to finalize program policies and procedures
- Conduct a public hearing(s) as required
- Conduct additional initial outreach and marketing as needed to create interest in the program
- Compile all data to complete all narrative sections of the application
- Organize all required addendums to full application
- Submit completed application to DEED by February 22, 2018 deadline

Full Application preparation fee:

- \$1,750 - project located within 30 miles of CMHP office
- \$2,000 - project located 31-60 miles of CMHP office
- \$2,250 - project located over 60 miles of CMHP office

Central Minnesota Housing Partnership may provide the following general administrative services to cities or counties receiving funding through the Department of Employment & Economic Development Small Cities Development Program.

Implementation/General Administrative Services (information applies only if application is funded by DEED)

CMHP will provide implementation services for the SCDP grant award, as well as general and field administration services for all applicable rehabilitation activities. Costs associated with administration of the grant are covered as part of the SCDP grant award. A request for general administration funds is included with the program budget submitted with the application. A per unit administrative cost is multiplied by the total number of proposed units to determine full administration request, typically \$2,800-\$3,000 per project/unit.

General Administration: this includes the initial implementation activities and overall project management throughout the grant period. Services provided by CMHP staff include:

- Environmental clearance
- Fair Housing Equal Opportunity requirements
- Development of specific policies and procedures for rehab activities
- Marketing of program
- Labor standards requirements (if applicable)
- Financial requirements
- Reporting

General administration will include all field administration activities. Services provided by CMHP staff include:

- Applicant application processing and approval/denial
- Property inspections
- Scope of work creation
- Bid package preparation
- Contractor selection with owner
- Loan origination/match funds
- Construction management
- Final project close-out

Additional information pertaining to field administration activities:

Application: Interested property owners are required to complete a program application. Third party verifications are performed to document eligibility.

Property Inspection: Each property will be inspected by CMHP staff to identify required repairs and determine other repairs deemed necessary through communication with the owner.

Scope of Work: CMHP will develop specifications outlining in detail the work to be done and how the work will be done. CMHP will get final scope of work approval from owners and bid packets will be sent to local contractors selected by owners.

Bid Awards: It is the owner's responsibility to accept or reject bids.

Construction Contract: The construction contract is between the owner and the selected contractor. CMHP will facilitate the execution of the contract.

Repayment Agreement: The owner will enter into a repayment agreement with the city. Loan terms are determined by what has been established by the city and CMHP during the grant application process.

Notice to Proceed: Once a contract is signed, loan documents are executed and all project funding is secured, CMHP will provide a letter to the contractor stating they may start construction on the project.

Payments: Payments can be made by progress draws or when all work has been completed. In order to receive payment contractors must submit an invoice for payment, provide signed lien waivers and participate in a draw inspection. Owners sign off on release of funds for work done.

Project Completion: Upon completion, the repayment agreement is filed at the County Recorder's Office and all final paperwork is completed and filed.