

Lakefield Commercial Public Meeting Small Cities Development Program



TUESDAY, JANUARY 25, 2022

MULTI-PURPOSE CENTER

112 MAIN ST, LAKEFIELD, MN

5:30 PM

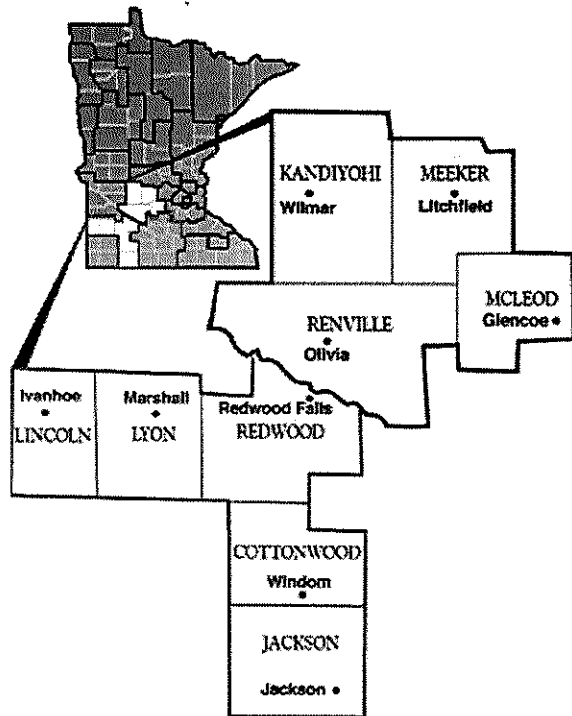
About United Community Action Partnership



- 501(c)3 status meaning a private non-profit non-governmental corporation
- Agency is strictly dependent on grants received from the Federal, State and private organizations
- Established 1965



United Community Action Partnership Service Area



Nine MN Counties Service Area

- Cottonwood
- Jackson
- Kandiyohi
- Lincoln
- Lyon
- McLeod
- Meeker
- Redwood
- Renville



United Community Action Partnership Programs

- Headstart
- Transportation
- Big Buddies
- Community and Family Support



- Housing
 - Energy Assistance
 - Weatherization
 - MHFA
 - SCDP
 - MURL
 - Development

What to Expect Tonight

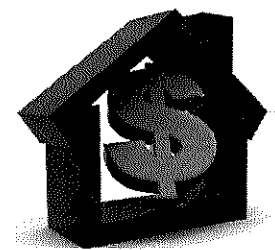
- Overview of the Small Cities Development Program
- Eligibility Requirements
- SCDP Process
- SCDP Requirements
- SCDP Contractor/Construction Process



Small Cities Development Program
Eligibility Requirements
SCDP Process
SCDP Requirements
SCDP Contractor/Construction Process

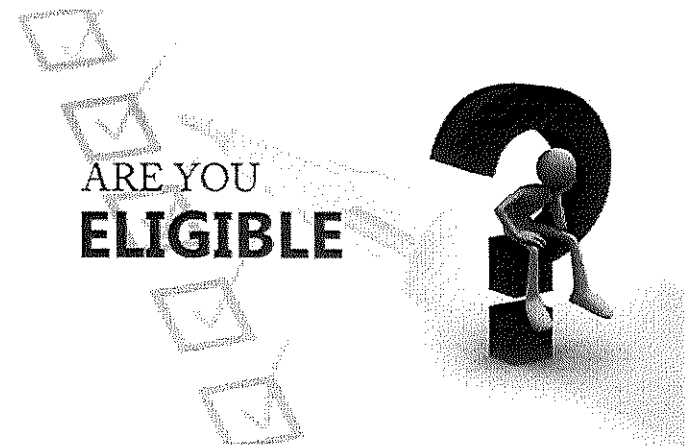
Lakefield Commercial SCDP Award

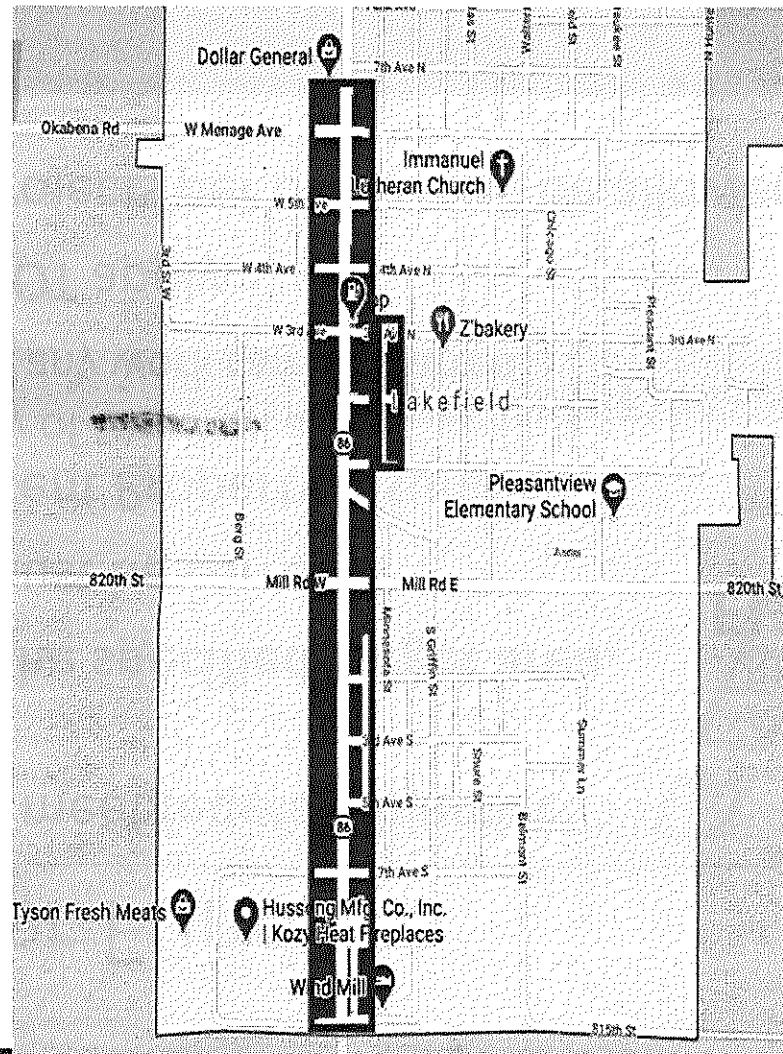
- ❖ \$288,000 Commercial Funds
- ❖ 8 single Commercial Units to be rehabilitated
- ❖ The average SCDP grant is \$36,000 per project



To Qualify for Funds

- The property must meet federal objective.
 - Slum and blight.
- Be located **within the specified Target area.**
- Real Estate taxes must be current.
- You must have current Property Insurance.
 - You must list the City of ~~Marshall~~ as a *Lakefield* “**Loss Payee**” before any work can be started.
- Income limits do NOT apply.
- A maximum of 3 projects per owner will be allowed





2021-2024 Lakeland Commercial SCDP Target Area



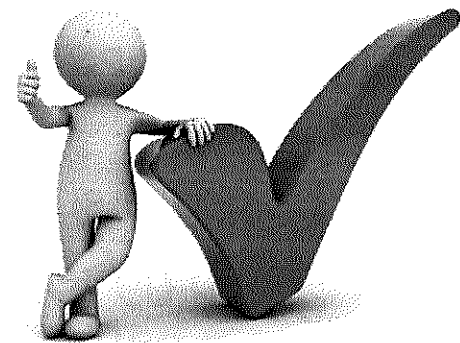
Funds are committed on a first come first served basis

What do we mean by this?

- Applicants that filled out a survey and signed it to verify interest will have the first opportunity for 60 days.
- Files in which all requested information is received, will be processed.
- On your application, please give us alternate numbers where we can reach you.

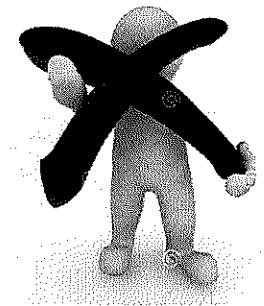
Eligible Repairs

- Roof/Gutters/Windows/Doors
- Electrical/Plumbing
- Tuckpoint
- Signage
- Safety/Accessibility Improvements
- Building Code Violations
- Heating/Energy Efficiency Improvements



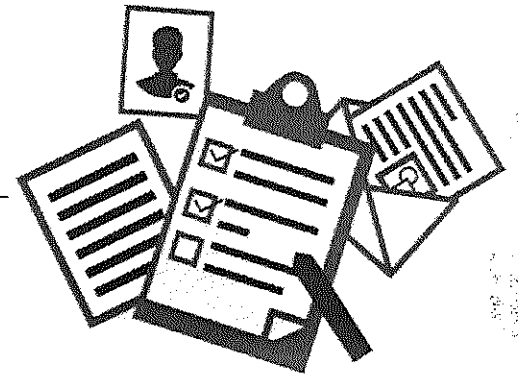
Ineligible Repairs

- Interior repairs that are not related to an eligible repair.
- Interior electrical fixtures and receptacles not related to energy efficiency.
- Plumbing fixtures not related to accessibility modifications.
- Air conditioning.
- Structure modifications/additions.
- Interior shelving.
- Floor covering



Required Paperwork

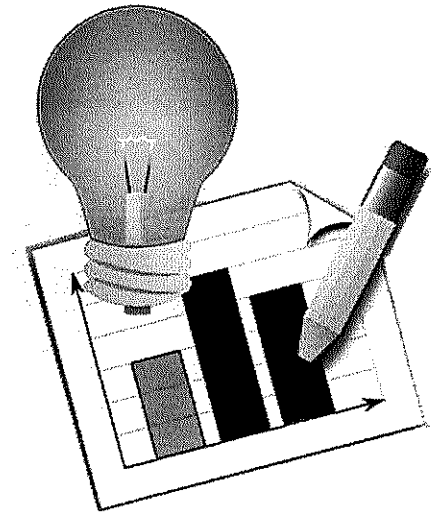
- SCDP Commercial Application
- Commercial Rehab Acknowledgement form
- What to Expect from the Commercial Rehab Program
- Walk Away Policy
- Privacy Notice
 - The above outlined required paperwork is attached to the application
- Recorded Warranty Deed
 - You can obtain from the Lyon County Recorder's office.



The breakdown is as follows:

- The average loan for a commercial property is **\$36,000**
- 87.5% - 0% Deferred Loan (7-year term, forgiven 1/7th per year).
- 12.5% - 2% loan that has at least \$1,000 of principal paid back each year of the loan term
- 20% - Owner Match

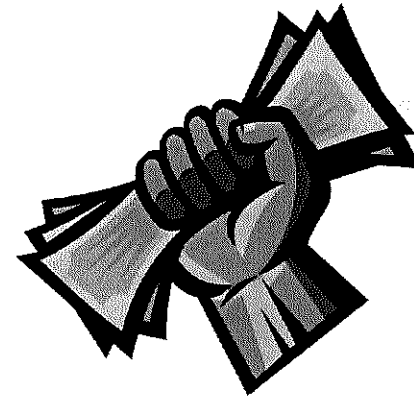
✓ A deferred loan is a loan with no monthly payments which will be forgiven 1/7% a year or revert into a grant if the property does not change ownership within seven (7) years.



What is “owner match?”

Matching funds are used to supplement the project. The following may be used for “owner match”.

- Personal savings
- Personal Loan



Using the Numbers

- To receive the full benefit of the grant 80/20 split

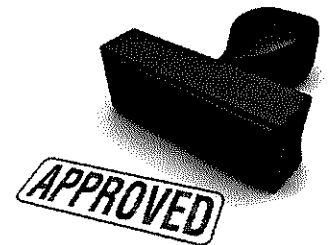
● Project Total	\$45,000.00
	<u>x 80%</u>
SCDP Loan	\$36,000.00

▪ Project Total	\$45,000
87.5% Def Loan	-\$31,500 – 0% interest, def loan
12.5% SCDP Loan	<u>-\$4,500</u> – 2% interest loan
20% Other Funds	\$9,000.00 (Owner Match, Loan)



What happens once you have been approved?

- You will receive a letter from United Community Action of your file Status
- Your file will be handed off to Jeff Buesing or Darren Struck who will contact you, in order of **file completion**, to schedule a property inspection.



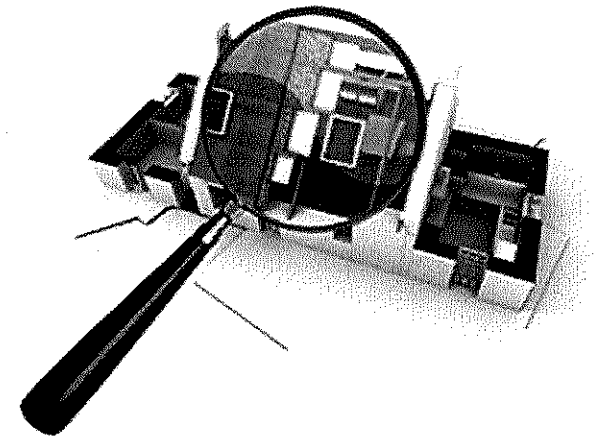
What will the property inspections consist of:

Average inspection time 1 ½ -2 hours

- Health, Safety and Energy Deficiencies take priority

- Code Violations

- Eligible Improvements vs. Ineligible Improvements



Section 3 Contractors

We encourage businesses owned by women, minorities, and the low income (below 80% of AMI) to apply to be on our list of approved contractors for Small Cities Development Program projects.



Process after Inspection



- Davis Bacon Wage Determination (2 weeks)
 - Commercial Only, unless 8 units or more
- Historical Review (30-45 days) SHPO
- Work Write up
- Bid Packets / Commercial Owner Responsibility
 - Contractor Requirements
 - Contractor List provided

Process after Inspection



- Lead/Asbestos Requirements
- Bid Awards.
- Approval from Loan Committee
- Repayment Agreement
- Financing.



Process after Inspection

- Escrow.
 - Matching funds must be put in Escrow before work can begin. (non-bearing interest account.).
- Proceed to Work.
 - Contractors have 90 days to complete, weather related.
- Payments.
 - Partial payments made only on completed work with approval of homeowner.

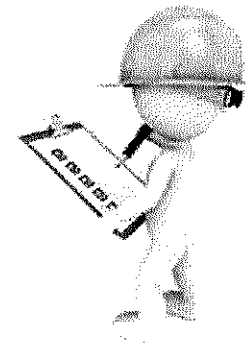


Process after Inspection

- Interim Inspections will be made throughout the project to ensure work is being completed.

- Final Inspection and any final payments to Contractors

- Close Out Paperwork
 - Receive copies of paperwork in mail
 - Listing of Contractors and 2-year warranty
 - Legislature information





To contact us:

- Jeff Buesing– 507-537-1416, ext. 2140
jeff.buesing@unitedcapmn.org
- Lleni Gutierrez– 507-537-1416, ext. 2134
lleenig@unitedcapmn.org
- Jeff Gladis - 507-537-1416, ext. 2136
jeff.gladis@unitedcapmn.org
- UCAP programs
website - www.unitedcapmn.org



Questions?

Applications available

Staff are available to assist you
or answer any questions you
may have

