

## Pequot Lakes EDC

### Small Cities Development Program (SCDP) Grant Interest

**Summary of Program:** Intended to rehabilitate homes for low to moderate income homeowners. As the city is interested in providing homes for families to stay in Pequot Lakes, this describes an application for single-family, owner-occupied housing rehabilitation.

Homes that are in substandard condition are the focus of the rehabilitation. Mobile homes, homes being purchased through a contract-for-deed, and rental homes would not be eligible. Also, homes rehabbed must be the primary residence of the owner, and not seasonal. Rehabilitation would consist of essential needs such as heating, roof, windows and doors, energy efficiency improvements, handicapped accessibility improvements, etc.

If funded, the City would receive a grant award letter from DEED. Funding would be allocated to the city in small increments, up to \$25,000, for each home to be rehabbed. Homeowners would have their homes inspected and apply for funding individually. Homeowners would need to meet "low to moderate income," using Housing and Urban Development (HUD) income limits. If they are income eligible, they would "borrow" the money from the city as a 0% interest, deferred payment loan. The loans would be forgiven when homeowners stay in their homes for 7-10 years. If homeowners move prior, they repay a portion of the loans back to the city.

#### Process to Apply:

Applying to SCDP is a two-step process. The pre-applications are due in the fall and include:

- Windshield survey of the city
  - Condition survey of homes in the city using HUD assessment criteria
    - Standard, Substandard or Dilapidated
- Income/Interest survey of homeowners in the city
  - Demonstrates we have enough interest by income-eligible homeowners
- Request for Proposal (RFP) for qualified Grant Administrator
  - Provides a confidential process to review applications submitted by homeowners
  - Assists with advertising for and qualifying contractors
  - Submits grant reports on behalf of the city
  - Submits pay requests submitted by the contractors
  - Assists in closing the loan with the homeowners
  - Documents labor standards requirements for DEED

Strong pre-applications are invited to submit a full application. These are due in late winter and require a public hearing. If awarded during the 2023-24 grant round, funding would be available after July 1, 2024, for a 30-month period.

Cities can choose a target area of the city or apply city wide. There are other eligible grant uses, such as the force main and lift station project, which Pequot Lakes applied for in 2023. Cities can make one application per year.