



MEMORANDUM

DATE: February 12, 2018
TO: EDA President Krant, EDA Board Members, and Interim Administrator Meyer
FROM: Cynthia Smith Strack, Community Development Director
RE: Item 5.2 2018 HRA Programs

REQUEST: 2018 HRA Program Reauthorization

GENERAL INFORMATION

The EDA, exercises Housing and Redevelopment Authority powers. The EDA reviews HRA assistance programs on an annual basis. We offered two incentive programs in 2017; program descriptions are attached. We have approximately \$5,000 budgeted for HRA projects in 2018. Any additional expenditures would amount to a drawdown of the HRA fund balance. Reauthorization of both programs for 2018 is requested. Program guidelines are attached.

1. New Home Down Payment Assistance: In 2017 the EDA converted this program into a program with eligibility limited to low and moderate income persons (e.g. a family of four making about \$67,500/year). The program benefit has historically been a flat \$2,000 payable to the owner of a homesteaded new construction single family dwelling within thirty (30) days after closing. In 2017, no individuals applied for the grant program. In previous years (i.e. 2012-2016) a total of \$10,000 was available for this program annually and often completely distributed.
2. In 2017 two existing residential grant programs were combined (i.e. Residential Façade Beautification Grant Program and Energy Efficiency Grant Program). The combined programs continue income restrictions included in the previous programs. In 2017 we issued five grants under this program for a total of nearly \$5,000.

RECOMMENDATION

Staff recommends:

1. Reauthorization of the down payment assistance program modified to require an income qualification in the amount of \$2,000 (one project).
2. Reauthorization of façade revitalization/energy efficiency grant in the amount of \$5,000 (up to five projects).

It is noted the staff recommendation, if all funds allocated were dispersed would result in a spend-down of \$2,500 of the HRA Fund balance which is currently approximately \$125,000. This would be an easing of fund spend-down from previous years.

ACTION

A MOTION to reauthorize HRA Programs with associated funding is kindly requested.



Housing and Redevelopment Authority in and for the City of Belle Plaine

SINGLE FAMILY HOME DOWN PAYMENT GRANT PROGRAM 2018 POLICY AND PROCEDURES

Purpose

The purpose of the Single Family Home Down Payment Grant Program is to encourage ownership of newly constructed single family residences within the City of Belle Plaine. Homeowners may apply for down payment assistance in an amount of up to \$2,000 upon purchase of a newly constructed home. The newly constructed home must be completed with the assistance of at least one contractor with its business located in the 56011 zip code and be a newly built home.

Goal

To promote new home construction and home ownership of single family residences within the City of Belle Plaine.

Availability

An applicant may apply for up to \$2,000 in down payment assistance by submitting the attached application to the HRA. HRA Staff will review the grant applications and will approve the amount of the final grant to the extent funds are available. The Single Family Home Down Payment Grant Program will be administered under written policy and procedures to the extent funds are allocated and available to the grant program by the HRA Board. In 2018, \$2,000 is available for distribution.

Applicant Eligibility

Applicants must apply for the Single Family Home Down Payment Grant Program within 30 days after the closing on a home located within the corporate boundaries of the City of Belle Plaine. The home must be new construction (new home permit issued) and not occupied prior to purchase, and at least one contractor that worked on the construction of the home must have its business located in the 56011 zip code. Applicants must intend to live in the home for at least one year. Applicants may not apply for assistance under the Single Family Home Down Payment Grant Program for rental properties. If the Applicant sells the home or converts it to rental property within one year of occupancy the grant authorized and distributed under this Program must be repaid to the Belle Plaine HRA.

Low or Moderate Income

In order to obtain a grant under this grant program, owners of program eligible single-family homes must provide evidence that the combined household income is at or below the Low (80%) Income Limits for Scott County, Minnesota, reported annually by the U.S. Department of Housing and Urban Development at:

<https://www.huduser.gov/portal/datasets/il/il2017/2017summary.odn>

When Payment Made

If an applicant is provided a grant under this program, the grant will be paid once the applicant moves into the completed home and provides evidence to the HRA that a down payment in, at least the amount of the grant, was paid by the applicant. The applicant will also need to provide a copy of the deed and proof of filing homestead on the property.

Right to Deny

The Belle Plaine Economic Development Authority has the right to deny any application based on its discretion.



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 218 N. Meridian Street
 P.O. Box 129
 Belle Plaine, MN 56011

Community Development Dept.
 Phone: 952-873-5553
 Fax: 952-873-5509
 www.belleplainemn.com

2017

SINGLE-FAMILY HOME DOWN PAYMENT 2018 GRANT PROGRAM APPLICATION

Date of Application: _____

APPLICANT	Name: _____	Phone: _____
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Address: _____

E-Mail: _____

SUBJECT HOME	Address: _____	Belle Plaine, MN	P.I.N: _____
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Year Constructed: _____	Lot Number: _____	Block Number: _____	Subdivision: _____
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CONTRACTOR Within 56011	Name or Company: _____
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Phone: _____	Contractor's License: _____	E-Mail: _____
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Address: _____ 56011

SUBMISSION OF APPLICATION MUST INCLUDE:

- New Home Building permit obtained
- Homestead filing
- Applicant must show 2017 tax return as proof of income showing that the **combined** household income is at or below the (80%) Income Limits for the Metro area.
- Proof of Ownership (Deed)
- Proof of Down payment

All materials must be submitted no later than 30-days after the closing.
Upon approval of the application, payment can be issued to property owner.

I have read and understand the Policy for the Single-Family Home Down Payment Grant Program of the Belle Plaine Housing and Redevelopment Authority.

SIGNATURE OF APPLICANT: _____ **DATE:** _____

OFFICE USE ONLY

Date Application Received:	Project Completion Date:
<input type="checkbox"/> Income qualification verified	<input type="checkbox"/> Proof of ownership, down payment and homestead filing
<input type="checkbox"/> Contractor within 56011	<input type="checkbox"/> Certificate of occupancy issued:
<input type="checkbox"/> Zoning ordinance compliant	Date: _____
<input type="checkbox"/> First Homestead Owner	Permit # _____
<input type="checkbox"/> Reimbursement check issued: # _____	Issue Date: _____
<input type="checkbox"/> Approved ____ Amount: \$ _____	<input type="checkbox"/> Denied ____

Comments: _____

Building Official or Designee: _____	Date: _____
Zoning Administrator or Designee: _____	Date: _____



CITY OF BELLE PLAINE

FAÇADE AND ENERGY EFFICIENCY IMPROVEMENT GRANT PROGRAM 2018 POLICY AND PROCEDURES

Purpose

The purpose of the Façade and Energy Efficiency Improvement Grant Program is to encourage energy efficiency, renovation, and/or rehabilitation of existing housing stock located within the City of Belle Plaine with façade and/or energy efficient improvements. Homeowners of low or moderate income may annually apply for assistance under this grant program in an amount of up to \$1,000 in matching funds.

Goal

Reduce blight in residential neighborhoods in the City by providing assistance to persons with low or moderate incomes for the purpose of renovating or rehabilitating existing homes with façade and/or energy efficient improvements.

Availability

Each applicant may apply for up to \$1,000 in assistance under this grant program by submitting the attached application to the HRA. Homeowners will be required to provide matching funds for the renovation or rehabilitation. EDA Staff will review the grant applications and approve the amount of the final grant to the extent funds are available. The Façade and Energy Efficient Improvement Grant Program will be administered under written policy and procedures to the extent funds are allocated and available to the grant program by the EDA Board. The grant program will be funded in the amount of up to \$10,000 in 2017.

Applicant Eligibility

Grants under this program are available to owners of single family homes and multi-family residential projects that are located within the City of Belle Plaine (including persons who have a property interest in a home or multi-family residential project pursuant to a contract for deed). Applicants must apply for the Façade and Energy Efficient Improvement Grant Program by completing the attached application and providing evidence that the improvements to be made are related to a façade improvement and/or energy efficient improvement. In addition, owners of single family homes must satisfy the income criteria set forth below or provide evidence of blight on their properties. Owners of multi-family residential projects must provide evidence of blight on their properties.

Low or Moderate Income

In order to obtain a grant under this grant program, owners of single family homes must provide evidence that he or she is of low or moderate income (or provide evidence of blight on their properties, as described below), as determined by the Low (80%) Income Limits for Scott County, Minnesota, reported annually by the U.S. Department of Housing and Urban Development at <https://www.huduser.gov/portal/datasets/il/il2017/2017summary.odn>

Blight Findings

In order to obtain a grant under this grant program, owners of multi-family residential building must provide evidence of blight on their properties. Blight determinations shall be made by Community Development Department staff, based on communications with the owner of the multi-family residential building and in-person review of the building sites. A "blighted area" means any area with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.

Eligible Uses for Grant Funds

Proposed improvements must conform to the City of Belle Plaine's Zoning Ordinance.

Eligible improvements include façade or energy efficient improvements such as replacement windows, replacement doors, re-roofing, residing, masonry repair, foundation repair, water heaters, HVAC units, and furnaces. **Solar energy panels or other energy efficient heating and cooling mechanisms are also eligible improvements.** Painting, landscaping, and lighting may be considered providing additional eligible activities are proposed. All labor and design costs are reimbursable with grant proceeds. Labor must be incurred through the work of a qualified contractor, and does not include sweat equity.

All energy efficient improvements must satisfy the energy efficiency requirements on file with the EDA, which are based on energy efficiency provisions of the State of Minnesota building code.

When Payment Made

If an applicant is provided a grant under this program, the grant will be paid once the applicant provides the EDA with all invoices for the work completed by a qualified contractor or equipment purchased. The EDA will process payment for one-half the amount of the invoices, with a maximum amount of the grant awarded. No invoices for work completed prior to the award of the grant will be reimbursed with grant funds. Such invoices must be submitted to the EDA within one year of the award of the grant under this program.

Right to Deny

The Belle Plaine Economic Development Authority has the right to deny any application based on its discretion.



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2018

**RESIDENTIAL FAÇADE & ENERGY EFFICIENT
 IMPROVEMENT GRANT PROGRAM APPLICATION**
 (Matching Grant)

Date of Application: _____

APPLICANT Name: _____ Phone: _____

Address: _____

E-Mail: _____

SUBJECT HOME Address: _____ Belle Plaine, MN P.I.N: _____

Year Constructed: _____ Lot Number: _____ Block Number: _____ Subdivision: _____

Is home in or potentially in violation of any city ordinance? **Y** **N** Violation: _____

WORK DESCRIPTION: (Describe energy efficient improvements, attach documentation of energy standards)

POTENTIAL COMPLETION DATE: _____

APPLICATION MUST BE SUBMITTED PRIOR TO CONDUCTING ANY WORK AND MUST INCLUDE:

- Applicant must show 2017 tax return as proof of income.
- Documentation showing improvements meet energy efficient standards (include make/model of materials).
- Detailed estimate of work to be performed.
- Photo(s) of subject property showing blight conditions and where improvements are to be made.
- Building permit obtained, if required.

***IMPORTANT: Upon project completion all proof of payments in full must be submitted to Community Development Department staff prior to receiving grant payment.**

I have read and understand the Policy for the Residential Façade and Energy Efficient Improvement Grant Program of the Belle Plaine Economic Development Authority.

SIGNATURE OF APPLICANT: _____ **DATE:** _____

OFFICE USE ONLY

Date Application Received: _____ **Project Completion Date:** _____

Income meets requirements Attached proof of purchase(s)

Improvements meet energy efficiency requirements Building permit completed and closed

Zoning ordinance compliant

Building permit issued Permit # _____

Permit not required to conduct work Reimbursement check issued

Approved Amount: \$ _____ Denied Issue Date: _____

Comments: _____

Building Official or Designee: _____ Date: _____

Zoning Administrator or Designee: _____ Date: _____



FY 2017 INCOME LIMITS DOCUMENTATION SYSTEM

HUD.gov [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2017 Income Limits Summary

FY 2017 Income Limit Area	Median Income Explanation	FY 2017 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Minneapolis- St. Paul- Bloomington, MN-WI HUD Metro FMR Area	\$90,400	Very Low (50%) Income Limits (\$) Explanation	31,650	36,200	40,700	45,200	48,850	52,450	56,050	59,700
		Extremely Low Income Limits (\$)* Explanation	19,000	21,700	24,400	27,100	29,300	32,960	37,140	41,320
		Low (80%) Income Limits (\$) Explanation	47,600	54,400	61,200	68,000	73,450	78,900	84,350	89,800