

Partnering to end Poverty



Enclosed is an application for the **City of Braham & Grasston** Small Cities Development Program for a commercial building rehabilitation loan/grant. Enclosed with this letter you will find: a Program Brochure, *What to Expect from the Rehabilitation Program* information sheet, an application, a Privacy Notice, a Borrower's Certification for Release of Information form, a Lead Based Paint Hazard pamphlet and a Fair Housing pamphlet.

Mail your application and supporting forms to Lakes & Pines at the address below along with the following information:

- A copy of your recorded Warranty Deed or recorded Contract for Deed (can get at your county recorder's office)- this **MUST** have a legal description on it, or attached to it, and also list all owners of the property;
- A copy of your most recent property tax statement;
- A copy of you declarations page of your property insurance.
- A copy of your most recent mortgage statement, if applicable.

We look forward to working with you in the weeks ahead. Please feel free to call us if you have any questions. You can contact me at (320) 679-1800 ext. 123 or by email at dana.rauschnot@lakesandpines.org.

Sincerely,

Dana Rauschnot
Project Manager

1700 Maple Avenue East • Mora, MN 55051-1227

Office and TDD • 320/679-1800 • FAX 320/679-4139

Special accommodations for people with disabilities upon request.

Serving the counties of Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs and Pine

An Equal Opportunity Employer/Contractor

Mission: To build prosperous communities by serving local families and individuals in their pursuit of self-reliance.

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Serving the Counties of Atkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs & Pine

Given our limited resources, consider volunteering. Volunteers help us reach more people. Visit our website: www.lakesandpines.org or call 800.832.6082 to become a volunteer.



**Braham & Grasston
Small Cities
Development
Program**
Commercial Rehabilitation

**1700 Maple Avenue East
Mora, MN 55051
320.679.1800 or 800.832.6082
www.lakesandpines.org
Fax: 320.679.4139**

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The City of Braham received grant funds for owners interested in improving their commercial buildings from the Minnesota Department of Employment & Economic Development's (DEED's) Small Cities Development Program (SCDP) which is funded by the United States Department of Housing & Urban Development (HUD).

- Assistance to owners in the form of a 0% interest, 10-year loan, with a requirement that the owner match the loan.
 - The match must be 40% of the total cost of improvements, or at least equal to the amount of the SCDP loan.
 - The SCDP loan will only pay for 60% of the total cost of improvements.
- The maximum SCDP loan available for commercial rehabilitation is **\$35,000** per property.
- The SCDP loan is only repaid if the property is sold; title is transferred, or conveyed within the 10 years term of the loan.

- The obligation to repay the loan is reduced by one-tenth of the original loan amount each year.
- After 10 years, if the property is still owned by the borrower, or the building is occupied by the same business, the loan is completely forgiven and is considered a grant.

To qualify:

- The building must be in the designated target area within the City of Braham – shown on back. The building must be the site of an existing business. Buildings with businesses located within in them will have a higher priority of receiving grant funds than vacant buildings. Generally vacant buildings are not rehabilitated unless a business will be occupying the building within 6 months of the rehabilitation work being completed.
 - The applicant must be an owner/occupant or an owner with a rental occupant of a building used for commercial purposes, either free of debt, through a mortgage or a recorded Contract for Deed. Taxes must be current and proof of property insurance is required. **For Contract for Deed situations, the holder of the contract must sign off on the loan as well as the principal borrower**

The Federal Labor Standards apply to all work completed with SCDP funds on commercial buildings. This means that the prevailing wage rates as determined by the Department of Labor and Industry for Isanti County will be enforced for all trades performing work funded by the SCDP loan.

Eligible properties will be inspected during the individual application process to determine what improvements can be made.

The following improvements do qualify under the SCDP and are prioritized in this order:

1. Exterior repairs/improvements (windows, doors, signage, awnings, roofs)
2. Code violation corrections (handrails, exit signs, health & safety issues)
3. Ramps and bathroom accessibility conversions
4. Energy improvements (heating system upgrades, insulation)

What are the next steps?

Submit an application to Lakes & Pines. After an application has been submitted by the property owner and is approved by Lakes & Pines, the home will have an inspection conducted to determine needed repairs that qualify for the program. If the home was built prior to 1978, a lead risk assessment will be conducted and any lead-based paint hazards will be addressed through this program. Once the scope of work is determined, the owner will seek bids from contractors of their choice. Work that is started or completed without approval from Lakes & Pines will not be paid for with program funds.

Remodeling is not allowed!

WHAT TO EXPECT AND WHAT NOT TO EXPECT FROM THE REHABILITATION PROGRAM

Step by step process:

Applicant: Submits application & required information to program staff for processing.

Program staff: Verifies income, assets and ownership information and will send an approval/denial letter to the applicant.

Program staff: Contacts the approved applicant to conduct an initial evaluation of the property.

Program staff: Discusses with the owner what items can be funded through the program and what items cannot.

Program staff: Prepares the scope of work & sends the scope of work to the State Historical Preservation Office and the applicant for review and acceptance.

Applicant: Solicits bids from at least 3 licensed and insured contractor.

Contractor: Sends bids directly to the program staff for review.

Program staff: Contacts the applicant to discuss the bids and to select a contractor & sends the contractor the contracts and bid award notice.

Applicant: Meets with program staff to sign loan paperwork.

Program staff: Gives permission to the contractor to begin work.

Contractor: Sets up a pre-construction meeting with program staff and applicant & bills program staff for work completed as outlined in the scope of work.

Program staff: Inspects work completed and issues contractor payments.

The rehabilitation program staff will help applicants during the rehabilitation process, but applicants are responsible for making certain choices and doing the following items:

- Applicants must provide the program staff with necessary information promptly.
- Applicants not the program staff, choose contractors to submit bids.
- Applicants not the program staff, select the contractor to do the work.
- Applicants sign Warranty Contracts with the selected contractor(s) to complete the work, not program staff.
- Applicants work with the contractors to settle disagreements during the job.
- Applicants AND the program staff must be satisfied with the work performed by the contractor.
- Applicants must contact contractors to ask them to correct problems covered by the Warranty Contract after work has been completed.

Items to think about before participating in the rehabilitation program:

- Not all the work that an applicant wants to be done can always be done because of program constraints and requirements.
- Repairs will be made to help correct health & safety problems, but they will not solve all problems.
- Do not expect the property to be completely "new" after work is done.
- When working with older structures and pre-existing conditions, it can be impossible to expect all floors, walls, ceilings, doors, windows, etc. to be completely plumb, level and square when work is done.
- It can be stressful living in a home while a contractor is performing repairs.
- Very few times in life is anyone completely satisfied with things they buy or have repaired, having a property repaired is no different.
- Buildings and homes always need improvements. It would be a good idea to save \$25/month to help cover the cost of future repairs and maintenance.
- The program staff is NOT the contractor and CAN NOT guarantee that the applicant will be satisfied with the work done by the contractor that the owner selects to perform the work. However, the program staff expect the work to be completed in a professional and workman-like manner.

**SMALL CITIES DEVELOPMENT PROGRAM
COMMERCIAL BUILDING REHABILITATION APPLICATION**

FOR OFFICE USE ONLY:

HOUSEHOLD #:	COUNTY:	STATUS:	REP:
PROGRAM #:	AREA:	DATE:	

PART I: APPLICANT INFORMATION

APPLICANT LAST NAME	FIRST NAME	MIDDLE INITIAL	DATE OF APPLICATION	
CO-APPLICANT LAST NAME	FIRST NAME	MIDDLE INITIAL		
PROPERTY ADDRESS	CITY	STATE	ZIP	
MAILING ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	STATE	ZIP	
()	()			
PHONE NUMBER	DAYTIME PHONE NUMBER	COUNTY	TOWNSHIP	

PART II: PROPERTY INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION:

OCCUPANCY OF BUILDING: TENANT OCCUPIED OWNER OCCUPIED

NAME OF BUSINESSES LOCATED IN BUILDING (PLEASE INDICATE IF ANY SPACE/UNITS ARE VACANT):

BUSINESS NAME	NAME OF BUSINESS OWNER	DUNS # (FEDERAL REQUIREMENT)*

*The Federal government asks for DUNS #'s for every business located in a building that receives Federal funds. If a business does not have a DUNS number, please call 1-866-705-5711 and have one assigned to the business.

ESTIMATED AGE OF BUILDING: _____	ESTIMATED MARKET VALUE: _____
NUMBER OF STORIES: _____	NUMBER OF UNITS: _____
RESIDENTIAL SQUARE FOOTAGE: _____	NON-RESIDENTIAL SQ. FOOTAGE: _____
CURRENT USE OF BUILDING: _____	
PROPOSED USE OF BUILDING: _____	

PLEASE ANSWER THE FOLLOWING QUESTIONS:

1. IS THE BUILDING WITHIN THE CORRECT ZONING CLASSIFICATION? _____
2. IS THE BUILDING IN A HISTORICAL DISTRICT? _____
3. IS THE BUILDING ON THE NATIONAL/STATE HISTORICAL REGISTER? _____
4. DO YOU WANT YOUR BUILDING ON THE HISTORIC REGISTER? _____
5. IS THE BUILDING IN A REGULATORY FLOOD PLAIN? _____

**SMALL CITIES DEVELOPMENT PROGRAM
COMMERCIAL BUILDING REHABILITATION APPLICATION**

PART III. OWNERSHIP INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION:

OWNERSHIP OF PROPERTY IS:

BUYING MORTGAGE FREE & CLEAR OTHER CONTRACT FOR DEED

LIST NAME/ADDRESS/PHONE # OF OWNERS ON TITLE/DEED:

OWNERSHIP INTEREST (%):

OUTSTANDING PRINCIPLE OWED ON BUILDING: \$ _____

LENDING INSTITUTION/MORTGAGE COMPANY (LIST NAME ADDRESS & PHONE):

PART IV. ESTIMATED REHABILITATION COSTS & REQUIRED LOAN INFORMATION

PLEASE SELECT THE IMPROVEMENTS YOU WOULD LIKE TO HAVE DONE:

<input type="checkbox"/> EXTERIOR IMPROVEMENTS	<input type="checkbox"/> AWNINGS	<input type="checkbox"/> HEATING/COOLING SYTEM UPDATES
<input type="checkbox"/> WINDOW REPLACEMENT	<input type="checkbox"/> FOUNDATION	<input type="checkbox"/> ELECTRICAL UPDATES
<input type="checkbox"/> FIX CODE VIOLATIONS	<input type="checkbox"/> INSULATION	<input type="checkbox"/> PLUMBING UPDATES
<input type="checkbox"/> DOOR REPLACEMENT	<input type="checkbox"/> ROOFING	<input type="checkbox"/> ASBESTOS/LEAD REMOVAL
<input type="checkbox"/> ENERGY IMPROVEMENTS	<input type="checkbox"/> FIRE ESCAPE	<input type="checkbox"/> ACCESSIBILITY IMPROVEMENTS

PLEASE LIST ANY OTHER IMPROVEMENTS YOU WOULD LIKE TO DO:

PLEASE PROVIDE THE FOLLOWING INFORMATION:

ESTIMATED COST OF PROJECT: _____

ESTIMATED AMOUNT OF SCDP FUNDS NEEDED: _____

ESTIMATED AMOUNT OF OWNER FUNDS NEEDED: _____

SOURCE OF OWNER FUNDS: SAVINGS BANK LOAN OTHER: _____

IMPACT OF PROJECT ON JOBS: # EXISTING: _____ # CREATED: _____

**SMALL CITIES DEVELOPMENT PROGRAM
COMMERCIAL BUILDING REHABILITATION APPLICATION**

I (we) the undersigned, certify subject to penalty under law, that by signing this application, the information above is true and correct to best of my (our) knowledge. I (we) realize that giving false information will result in disqualifying from the program, and/or I (we) may be subject to a fine or imprisonment, or both, under provisions of the Minnesota Criminal Code, and/or I (we) may be required to return all or part of the rehabilitation funds to the entity in which they were borrowed from. I (we) hereby authorize Lakes & Pines Community Action Council, Inc. staff to enter my (our) property to identify work items necessary for the rehabilitation of my (our) building, to take photographs and to inspect work in progress while construction is occurring, during regular business hours. NOTE: The information requested in this application is legally required to determine if you qualify for participation in this rehabilitation program. A portion of the data is classified as "private data on individuals" under Minnesota Statutes 462.065. Use of data obtained is limited to the United States Department of Housing and Urban Development.

Your name, address and amount of assistance you receive is considered public data under the Minnesota Data Practices Act. The disclosure of your Social Security Number or Minnesota Tax Identification Number is mandatory for participation in this program, by virtue of the Minnesota Revenue Recapture Act of 1980 (Sections 270A.01-270A.12 of MN Statutes), as well as Section 270.66 of said Statutes. Supplying these numbers could result in the application of state tax refunds to the payment of any delinquent indebtedness to the entity lending the funds to us, resulting from this or other Small Cities Development Programs. These numbers may be made available to state tax authorities and state personnel involved in the collection of state obligations.

APPLICANT'S SIGNATURE _____ DATE _____

CO-APPLICANT'S SIGNATURE _____ DATE _____

I/WE CERTIFY THAT I/WE HAVE RECEIVED INFORMATION ON THE FAIR HOUSING ACT AND THAT I/WE HAVE READ AND UNDERSTAND THE INFORMATION.

APPLICANT'S SIGNATURE _____ DATE _____

CO-APPLICANT'S SIGNATURE _____ DATE _____

I/WE CERTIFY THAT I/WE HAVE RECEIVED THE PUBLICATION "PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME" (EPA 747-K-99-001) AND THAT I/WE HAVE READ AND UNDERSTAND THE INFORMATION.

APPLICANT'S SIGNATURE _____ DATE _____

CO-APPLICANT'S SIGNATURE _____ DATE _____

I/WE AUTHORIZE THE PHOTOGRAPHING OF MY PROPERTY. I UNDERSTAND THAT THE PHOTOGRAPHS WILL BE USED BY LAKES & PINES CAC, INC. OR ITS REPRESENTATIVE AS DOCUMENTATION OF PROPERTY CONDITIONS BEFORE REHABILITATION AND AFTER REHABILITATION. THE PHOTOGRAPHS MAY ALSO BWE USED IN PRESENTATIONS OR IN OTHER MANNER FOR DEMONSTRATING VARIOUS STYLES AND SERVICES.

APPLICANT'S SIGNATURE _____ DATE _____

CO-APPLICANT'S SIGNATURE _____ DATE _____



Small Cities Development Program

IMPORTANT
PRIVACY NOTICE
READ THIS BEFORE FILLING OUT THE APPLICATION

We are asking that you provide the information on the application form to determine if you are eligible to participate in the rehabilitation program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the housing rehabilitation program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration
• Local loan committee members who approve applications
• Auditors Who perform required audits of this program
• Authorized personnel from the Minnesota Department of Employment and Economic Development or other local, state and federal agencies providing funding assistance for your loan
• Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project's policy and procedural manual)
• Those persons who you authorize to see it
• Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order and in addition, your private data must be released if required by law that authorizes or requires such release of data.

Signature of Applicant: _____ Date: _____

Signature of Co-Applicant: _____ Date: _____

Minnesota Law gives you important rights in regard to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you
• Be told the contents and meaning of the data
• Challenge the accuracy and completeness of the data

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**Borrower's Certification and Authorization
To Release Information**

The undersigned certify the following:

I/We have applied for a mortgage loan/grant funded by the Minnesota Department of Employment and Economic Development (DEED). In applying for the loan/grant, I/we completed an application containing a variety of information on the purpose of the loan, the amount and source of the down payment, employment and income verification, and asset and liability verification.

Authorization to Release Information:

To Whom It May Concern:

1. I/We have applied for mortgage loan/grant from the **City of Braham** through DEED funding. As part of the application process, the **City of Braham** and it's administer of the loan, Lakes & Pines CAC, Inc., may verify information contained in my/our loan/grant application and in other documents required in connection with the loan/grant, before the loan/grant is closed or as part of its quality control program.
2. I/We authorize you to provide the **City of Braham/Lakes & Pines CAC, Inc.** any and all information they request. Such information may include, but is not limited to, employment income, bank money market, and similar account balance and copies of income tax returns.
3. **The City of Braham/Lakes & Pines CAC, Inc.** may address this authorization to any party named in the loan/grant application.
4. A copy of this authorization may be accepted as an original.

Borrower's Signature	Date	Social Security Number
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Borrower's Signature	Date	Social Security Number
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* This release will expire 180 days from the date of signature.