



## INVEST Program Information and Application Instructions

The Scott County Community Development Agency's INVEST Program is designed to provide investment in the development or preservation of affordable workforce rental housing throughout Scott County. Funds are to be used as a source of gap financing that can in turn be used to leverage additional public and private sector funds.

The award of INVEST Funds are based on the information provided in the application and attachments. The CDA retains the right to reject in whole or in part any application for any reason. Funding awarded through the INVEST Program will be in the form of a deferred, repayable loan subject to CDA Board approval. If the applicant is also applying for low income housing tax credits, the award is contingent upon the development being selected for tax credits in MN Housing's 2022 Consolidated RFP/2023 HTC Application (due to MN Housing July 14, 2022).

If you need clarification on the application, please contact Julie Siegert, at 952.641.5185 or [jsiegert@scottcda.org](mailto:jsiegert@scottcda.org).

Submit applications to:

Scott County CDA  
Attn.: Julie Siegert  
323 S Naumkeag Street  
Shakopee MN 55379

Submit one hard copy of the application with the required attachments and application fee.

Submit an electronic copy of the application to [jsiegert@scottcda.org](mailto:jsiegert@scottcda.org).

Application fee:

Submit a \$1,500 check made payable to Scott County CDA with your application. If your application is funded, we will keep the full amount. If your application is not funded, we will return \$1000. \$500 is non-refundable from all submitted applications.

Application due date:

Friday, June 3, 2022 at 12:00 p.m.

Available funding:

up to \$1,500,000, which includes funding through the American Rescue Plan Act (ARPA) for the purpose of creating additional persons with disability units. Due to the nature of the ARPA funds, the CDA reserves the right to not award all available funds this round.

Funding Recommendations: CDA Board Meeting - Tuesday, June 14, 2022 at 2 p.m.

Deferred, repayable loan: The CDA will provide a deferred, loan repayable in 15 years. Interest will be set at the Applicable Federal Rate (AFR) calculated at the time of loan closing.

In order to be considered for funding, applicants must meet the following minimum criteria:

- 1) **Income Requirements:** Rental projects must serve persons at or below 60 percent of the county's Area Median Income (AMI) as defined by the US Department of Housing and Urban Development (HUD), which is updated annually.
- 2) **Rent Requirements:** Rents must not exceed the most current HUD AMI rent schedule for 60 percent, less the applicable utility allowance.

Applications will be reviewed against the following funding criteria:

- 1) **Organizational Capacity/Experience:** Applications must be received from a duly created and validly existing corporation, partnership, or other entity. Applicants must also demonstrate that the skills and experience of the development team and the property management team (if applicable) are appropriate to the size and complexity of the project.
- 2) **Proposed Development:** The proposed development should assist in meeting the demand identified in the Comprehensive Housing Study completed by the Scott County CDA and consideration is given to income and rent requirements, location as it relates to transit, employment, services and length of affordability period.
- 3) **Readiness to Proceed:** Applicants must be able to provide, at the time the application is submitted, evidence of site control. Evidence includes: deed of trust, current and executed purchase agreement or sale agreement, current title showing applicant as owner or option agreement. The applicant must also include a letter from the city in which the development is located stating the current zoning and approval status.
- 4) **Project Feasibility:** The applicant must demonstrate project feasibility based on current housing finance conditions and the ability to complete the project in a reasonable timeframe. If applicable to preservation developments, applicants must show that a relocation plan has been developed to ensure that comparable units within the community are available and the budget is adequate to cover relocation costs.
- 5) **City Participation:** Applicants should submit documentation from the city of any financial commitments made to the proposed development (TIF, Fee

Waiver, etc). In addition, the CDA may contact the city for comment on the application.

- 6) **Demonstration of Need:** Applicants must be able to support the need for INVEST funding to complete the proposed project. CDA staff will review proposals to confirm the need for funding.
- 7) **Economic Benefit:** Applicant must be able to demonstrate the economic benefit the proposed development has on the community and the region.
- 8) **Unit dedication to Persons with Disabilities (PWD):** Time-limited funding has been allocated from the American Rescue Plan Act (ARPA) to provide a priority to projects that expand the volume and variety of units dedicated to serve individuals living with a disabling condition. Highest priority will be given to projects that include five or more PWD units and/or those that provide a variety of unit sizes.



**Deferred Loan Application**  
**Applications are due Friday, June 3, 2022 at 12:00 p.m.**

<b>Applicant (Owner) Name:</b>		
<b>Contact Name:</b>		
<b>Applicant Street Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b>	<b>Email:</b>	
<b>Development Name:</b>		
<b>Development Street Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Amount of INVEST Funds Requested:</b>		

Type of Activity: ☐ New Construction of Workforce Rental Units  
☐ Acquisition, rehab and preservation of affordable rental units

Application Fee: ☐ Check made payable to Scott County CDA for \$1,500

**Organizational Capacity/Experience**

1. Describe the Organizational structure of the Applicant, including state of incorporation. Provide a list of similar projects the Applicant has completed as **Attachment A**
2. Provide information for all members of the Development Team as **Attachment B**

**Proposed Development**

1. Provide a brief narrative of the project as **Attachment C** including the number of acres, density per acre, number of units by unit style, style of construction, amenities, proposed income and rents, target population noting any units designated for special populations and length of the affordability period proposed for the development.
2. Provide a map of the site location that identify the following as **Attachment D**:
  - a. nearby services or amenities (walkscore.com);
  - b. distance to fixed transit;
  - c. location of employment opportunities near the site

**Readiness to Proceed**

1. Attach proof of site control as **Attachment E**
2. Provide documentation from the city demonstrating the current zoning and approval status or if rezoning is necessary or city approval has not been completed, describe the process and timeframe for completion as **Attachment F**

**Financial Feasibility**

1. Submit architectural drawings/renderings for new construction as **Attachment G**

2. Do the plans and/or detailed scope of work project comply with all applicable codes, rules and regulations including but not limited to zoning, building and energy codes, accessibility and other local, state, and federal requirements?  
☐ Yes    ☐ No
3. If the applicant is planning to apply for Low Income Housing Tax Credits, provide the tax credit workbook as **Attachment H** or submit a detailed development budget including hard and soft costs, proposed developer fee, financing costs, proposed reserves and proposed sources.
4. Provide a cash flow proforma with an operating budget for a 10 year period as **Attachment I**.

### City Participation

Provide documentation from the city if they have committed any financial incentive for the proposed development as **Attachment J** (TIF, Fee Waiver, etc.).

### Demonstrated Need

Describe the need for an INVEST Loan to complete the development. If applying for Low Income Housing Tax Credits, identify how the INVEST Loan contributes to scoring under the application (such as financial readiness to proceed/leveraged funds category) and be sure to include other funding sources that have been secured or will be applied for that may impact the need or the amount of an INVEST loan as **Attachment K**.

### Economic Benefit

Describe the economic benefit the project has on the community and region. This impact is measurable through indicators such as retain/attract local workforce, increase local buying power, reducing long commutes and improving community health as **Attachment L**.

### Units Dedicated to Persons with Disabilities

Provide a narrative that describes the units that will be created for persons with disabilities within the housing development. If applying for Low Income Housing Tax Credits, submit the PWD narrative required in the application or if not applying for LIHT, submit a narrative that describes the number of units, bedroom sizes, funding specific to the PWD units (rental assistance, operating assistance or service funding), the service provider and experience the applicant has creating these units as **Attachment M**.

### CERTIFICATION

**I certify that the information contained in this application and its attachments is true and correct and that it contains no misrepresentations, falsifications, intentional omissions, or concealment of material facts. I also understand that any funding awarded is subject to CDA Board approval and will be in the form of a loan.**

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Signature of Applicant

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Title

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Print Name of Applicant

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Date

**APPLICATION SUBMITTALS:**

**SIGNED APPLICATION** noting amount of INVEST Loan requested

**FEE PAYABLE TO SCOTT COUNTY CDA FOR \$1500**

**The following attachments:**

**ATTACHMENT A – ORGANIZATIONAL STRUCTURE AND PROJECT LIST**

Describe the organization structure of the applicant and provide a list of similar projects the Applicant has completed including the property name, city, number of units and year built

**ATTACHMENT B – DEVELOPMENT TEAM**

Provide the following information for all members of the development team using the following format, including the owner, developer, architect, general contractor, attorney, rental management company, and any additional team members you would like to include.

**Team Member**

**Role:** \_\_\_\_\_

**Name of** \_\_\_\_\_

**Business:** \_\_\_\_\_

**Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_

**Name of Contact** \_\_\_\_\_

**Person:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Phone** \_\_\_\_\_ **Email** \_\_\_\_\_

**Number:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**ATTACHMENT C – PROPOSED PROJECT NARRATIVE**

Provide a brief project narrative below including the number of acres, density per acre, number of units by unit style, style of construction, amenities, proposed rents, target population noting any units designated for special populations and length of the affordability period proposed for the development.

**ATTACHMENT D – MAP OF SITE LOCATION**

Provide a map of the site location that identify the following:

- a. nearby services or amenities (walkscore.com);
- b. distance to fixed transit;
- c. location of employment opportunities near the site

**ATTACHMENT E – PROOF OF SITE CONTROL**

Provide evidence of site control such as deed of trust, current and executed purchase agreement, or current title.

#### **ATTACHMENT F – CITY ZONING/APPROVAL PROCESS**

Provide documentation from the city demonstrating the current zoning and approval status. If rezoning is necessary or city approval has not been completed, describe the process and timeframe for completion.

#### **ATTACHMENT G – ARCHITECTURAL DRAWINGS/RENDERINGS**

Submit architectural drawings/renderings for new construction.

#### **ATTACHMENT H – TAX CREDIT WORKBOOK OR DETAILED DEVELOPMENT BUDGET**

If the applicant is planning to apply for Low Income Housing Tax Credits, provide the tax credit workbook or submit a detailed development budget including hard and soft costs, proposed developer fee, financing costs, proposed reserves and proposed sources.

#### **ATTACHMENT I – CASH FLOW PROFORMA AND OPERATING BUDGET**

Provide a cash flow proforma with an operating budget for the proposed duration of the INVEST loan.

#### **ATTACHMENT J – CITY PARTICIPATION**

Provide documentation from the city if they have committed any financial incentive for the proposed development (TIF, Fee Waiver, etc.).

#### **ATTACHMENT K – DEMONSTRATED NEED**

Describe the need for an INVEST Loan to complete the development. If applying for Low Income Tax Credits identify how the INVEST Loan contributes to scoring under the financial readiness to proceed/leveraged funds category. Be sure to include other funding sources that have been secured or will be applied for that may impact the need for an INVEST Loan.

#### **ATTACHMENT L – ECONOMIC BENEFIT**

Describe the economic benefit the project has on the community and region. This impact is measureable through indicators such as retain/attract local workforce, increase local buying power, reducing long commutes and improving community health.

#### **ATTACHMENT M – UNITS DEDICATED TO PERSONS WITH DISABILITIES**

Provide a narrative that describes the units that will be created for persons with disabilities within the housing development. If applying for Low Income Housing Tax Credits, submit the PWD narrative required in the application or if not applying for LIHT, submit a narrative that describes the number of units, bedroom sizes, funding specific to the PWD units (rental assistance, operating assistance or service funding), the service provider and experience the applicant has creating these units