

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY



COMMUNITY GROWTH PARTNERSHIP INITIATIVE

POLICY AND PROCEDURES GUIDE

2025

I. PROGRAM PURPOSE

The Community Growth Partnership Initiative Program (CGPI) was created and funded by the Carver County Community Development Agency (CDA) in January of 2016. The goals of the CGPI Program are to increase the tax base and improve the quality of life in Carver County through three specific strategies:

Affordable Housing: The program is intended to promote the development of an affordable workforce and supportive housing. The need for affordable housing continues to grow in Carver County and opportunities for affordable housing development are becoming increasingly difficult. Affordable housing provides benefits beyond the housing itself, such as assisting area workers and providing housing for our future workforce.

Community Development: The CGPI is intended to assist cities in the area of job creation and community development as Carver County cities and townships continue to work towards creating “Communities for a Lifetime.”

Redevelopment: The program is intended to assist with cities’ implementation of Redevelopment Plan goals. Blighted and under-utilized areas do not maximize their potential economic value, can negatively impact the livability of a community, and can be expensive to remedy.

II. DEFINITIONS

Activity – Those components that will be completed as part of the Project. Activities do not in and of themselves comprise the Project for which Redevelopment Project grant funds are requested.

Housing Affordability – “Affordable” is defined as: (a) rental – available to households at or below 50% of the area median income; (b) owner – available to households at or below 80% of the area median income.

Living Wage Jobs – Employment that pays \$17 per hour or more in wages.

Project – The development component for which Redevelopment grant funds are requested.

Infill Development – Residential or non-residential development that occurs on vacant sites scattered throughout more intensely developed areas of municipalities. These sites may have been undeveloped due to size, configuration, or access to other more easily developable land.

Redevelopment Plan – as defined by Minnesota Statutes 469.002 Subd. 16: *"Redevelopment plan" means a plan approved by the governing body, or by an agency designated by the governing body for the purpose of approving such plans or authorized by law to do so, of each city/township in which any of a redevelopment project is to be carried out, which plan provides an outline for the development or redevelopment of the*

area and is sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses; and (2) to indicate general land uses and general standards of development or redevelopment.

The Redevelopment Plan will identify a redevelopment area, activities to be undertaken within the area, as well as city/township objectives, land use requirements, and development or redevelopment standards. The city/township's comprehensive plan or other city/township-wide planning documents do not qualify as Redevelopment Plans under the CGPI Program unless the area is specifically identified and documented in detail in the plan.

III. GENERAL PROGRAM INFORMATION

A. Funding Available: Up to a maximum of \$406,000 is available for grants provided under the CGPI Program during 2025. The CDA will reserve up to ten percent (10%) for Pre-development grants. The maximum Pre-development grant amount is \$10,000. The remaining funds will be available for Community Development grants, with a maximum individual award of \$100,000.

Any city or township of Carver County is eligible to apply for both Pre-development and Community Development grant funds. Grants are limited to one (1) Pre-development and one (1) Community Development grant per municipality per calendar year.

B. Eligible Applicants: Any city or township in Carver County.

C. Types of Grants: The CGPI Program funds two types of grants:

- Pre-Development
- Community Development

D. Eligible Activities: Only those activities specifically listed below will be funded, by the type of grant.

1. **Pre-development** grant funding is restricted to activities directly related to a current or future project, including but not limited to:

Market Analysis	Concept Design
Site Design	Zoning Studies
Small Area Plans	TIF/Abatement Analysis
Engineering Studies	Stormwater Management Plans
Soil Testing	Blight Analysis
Certified Shovel Ready Documents	Environmental Studies/Assessments

Pre-development grants may also be used to fund activities that are required to establish a Redevelopment Plan. As such, the Redevelopment Plan is not required to be in place to be

eligible for a Pre-development grant.

2. **Community Development** grant funding is restricted to the Eligible Activities, defined below, necessary to prepare for the development. Grant funding is restricted to the following activities:
 1. Property acquisition (see “Other Requirements” below for additional stipulations).
 2. Relocation payments to occupants of property acquired with program funds.
 3. Clearance and demolition expenses related to site assemblage for redevelopment and consistent with the Redevelopment Plan.
 4. Historic preservation (rehabilitation of properties with national or local significance to preserve that significance).
 5. Necessary public improvements include, but not limited to, public parking structures, sewer and water, utilities, sidewalks, lighting, streetscape, street reconstruction, and stormwater.
 6. Corrections to soil conditions with extraordinary remediation expenses.
 7. Rehabilitation/expansion/new construction of a facility that is linked to job creation of living wage jobs or affordable housing units.

E. Ineligible Activities: Grant funds cannot be used toward the following activities:

- Public facilities such as city halls, city parks, city water treatment facilities, etc.
- Costs not included in the application, including those incurred prior to the award date.
- House moving.
- Administration expenses.
- Housing projects that do not possess affordable housing.

IV. PREDEVELOPMENT GRANTS

The application must meet the following threshold criteria to be scored:

1. Submittal of completed application form labeled “CGPI Pre-development Application.”
2. The application must be approved by the respective city/township council via resolution that includes the Required Resolution Provisions (sample resolution is attached to application).
3. The city/township must be supportive of affordable housing and the CDA’s mission, as demonstrated by the city/township’s adoption of the Required Resolution Provisions (attached) and the city/township’s history of supporting affordable housing developments.

4. There must be a minimum leverage rate of 1 to 1 (\$1 of other funds for every \$1 of Pre-development grant). Applicants may use non-public funds as a match.
5. The completed application form must be submitted according to “Section VI – Grant Application Instructions.”

V. COMMUNITY DEVELOPMENT GRANTS

The application must first meet the threshold criteria to be considered for funding:

1. The proposed project must be identified in the Redevelopment Plan (if it is a redevelopment project).
2. The application must be approved by the respective city/township council by resolution that includes the Required Resolution Provisions (sample resolution is attached to application).
3. Applicants (Cities/Townships) must demonstrate a minimum leverage rate of 2 to 1 (\$2 of other funds for every \$1 of Community Development grant). Applicants may use non-public funds as a match.
4. Demonstration of the project’s public purpose and financial need that other funding sources cannot fill.
5. Proof of commitment to Project by property owner must be included. This may be satisfied by a letter of support or copy of the purchase agreement. If the property is owned by the city/township submitting the application, a letter of commitment from the purchaser may be included in lieu of a purchase agreement, but a purchase agreement is strongly recommended.
6. The city/township must be supportive of affordable housing and the CDA’s mission. The adopted resolution must contain the following required provision: *The city/township is supportive of affordable housing and of the CDA’s mission, to improve the lives of Carver County residents through affordable housing and community development.*
7. The completed application form must be submitted according to “Section VI – Grant Application Instructions.”
8. The proposed project must meet the eligibility criteria listed below.

VI. COMMUNITY DEVELOPMENT SCORING

1. **Leverage and Financial Need:** Applications should include other funding sources committed to the project. Examples include TIF/Abatement, DEED, Metropolitan Council, or other public and private resources. Evidence and proof of funding commitments are required for the application to be processed. The project should also show a financial need and demonstrate that other funding sources are not sufficient.
[15 Points Maximum]

2. **Readiness to Proceed:** The applicant should be ready to proceed with the identified project upon funding award (e.g. city entitlements, site control secured, financing commitments in place). The project is deemed ready to proceed if funds will be completely spent within the 18-month grant period. If funds cannot or will not be spent, a project is not ready to proceed.
[10 Points Maximum]
3. **Housing Affordability:** To receive points for Housing Affordability, the project must be either a Tax Credit Development or receiving some other type of funding that requires income and/or rent restrictions (affordability compliance) with a federal, state, or local agency. If the project is a rental project, the owner must be willing to accept Tenant Based Rental Assistance (Housing Choice Voucher/other tenant based rental assistance). Compliance reporting required by the federal, state, or local agency will also need to be submitted to the CDA annually.
[25 Points Maximum]
4. **Economic Benefit:** The project should have a defined impact on the local economy. This impact is measurable through growth in property taxes and new/retained Living Wage Jobs.
[25 Points Maximum]
5. **Environmental Improvement:** Projects that will clean up, prevent, and protect from environmental hazards are encouraged. Applicants should work with state and local agencies and professional consultants to identify the optimum remedy and create sustainable redevelopment.
[10 Points Maximum]
6. **Removal of Blight:** Points will be awarded to projects that demolish or cleanup blighted properties and/or properties with obsolete structures beyond their useful life.
[15 Points Maximum]

Other Requirements

Property Acquisition and Relocation

Property acquisition may be undertaken by a public, private or non-profit entity as part of a redevelopment project. In all instances, the CDA will provide grant funds to the city/township as grantee, which in turn, can provide those funds to another acquiring entity if necessary. The corresponding grant agreement will specify conditions whereby the acquiring entity will have no recourse to the CDA in matters related to the acquisition of real property.

If federal funds are used in whole or in part for a project, including property acquisition, clearance and/or construction, all provisions of 49 CFR 24.101 (the Uniform Relocation Act or URA) must be followed. With all funding sources, the cost of property acquisition must be based on a determination of fair market value as derived from an independent appraisal

and/or county assessed value. If the final acquisition price exceeds the appraised value, the grant funds requested must be less than this value with the additional cost being paid by other funds.

Minnesota Statutes 117.50 et. seq. and related case law also requires that in all acquisitions undertaken by an acquiring entity without federal participation, the authority must provide relocation assistance as a cost of acquisition. Additionally, the Minnesota Supreme Court held that an authority may be responsible for certain relocation costs when the property is acquired by a private developer if the activities of the authority and the developer are so intertwined to produce a joint acquisition of the project.

Housing Affordability

The Carver County Community Development Agency's mission is to provide affordable housing opportunities and foster community and economic development. To receive Community Growth Partnership Initiative Program grant funds, the applicant must cultivate the CDA's mission. If an applicant's project is unrelated to or does not possess any amount of affordable housing, the project will not be funded. The project must be either a Tax Credit Development or receiving some other type of funding that requires income and/or rent restrictions (affordability compliance) with a federal, state, or local agency. If the project is a rental project, the owner must be willing to accept Tenant Based Rental Assistance (Housing Choice Voucher/other tenant based rental assistance). Compliance reporting required by the federal, state, or local agency will also need to be submitted to the CDA annually.

Financial Need

As noted previously, leverage of other funding sources is required for a CGPI grant. In addition to identifying leverage, the applicant shall also explain how they have exhausted other resources.

Fair Housing

The Fair Housing Act prohibits discrimination in all housing related transactions based on race, color, religion, national origin, sex, familial status, and disability. Projects shall comply with all federal laws, executive orders, and implementing rules and regulations. Projects shall also comply with Minnesota law and local city/township ordinances.

Reimbursement

The Community Development grant program works on a reimbursement basis. To be reimbursed, documentation must be submitted showing the criteria that has been met. For example, if scoring is received in growth or retention of Living Wage Jobs, documentation must be submitted to support the number listed in the application.

The CDA will also consider whether an Applicant successfully used any previously awarded CGPI funds. In its comments to the CDA Board, staff will include the Applicant's past use of CGPI funds (if any), whether the Applicant utilized all awarded funds, if the 18-month time frame was met, and if funds were returned to the CDA.

VII. GRANT APPLICATION INSTRUCTIONS

Application Instructions: It is the applicant's responsibility to be aware of the submission requirements needed to prepare a completed application in accordance with this guide. The application consists of program applications and all required attachments. Applications may be submitted via email to melodieb@carvercda.org or delivered or mailed to the Carver County CDA; Attention: Melodie Bridgeman; 705 North Walnut Street Chaska, MN 55318 on or before application due date.

Pre-development grants are accepted on a pipeline basis. Pre-development grants must be received three (3) weeks in advance of the next regularly scheduled Board of Commissioners meeting. If applications are not received three (3) weeks prior, they will be placed on the following month's meeting agenda. Community Development grants are accepted up to twice per year if the funds are not expended in the first round.

Applications determined by the CDA to be incomplete will not be accepted and will be returned to the applicant. No Community Development applications, attachments or documentation will be accepted after the application due date unless requested by the CDA. The CDA retains the right to refuse the application in whole or in part for any reason. Contact Melodie Bridgeman, (952) 556-2778 or melodieb@carvercda.org, if you have questions. Applicants are encouraged to discuss their project prior to submission.

Cities and townships who turn in an application before the deadline will receive an email confirmation receipt of received application. If you do not receive a confirmation receipt within 24 hours, please notify the CDA.

- **Applications available January 6th, 2025**
- **Applications due to CDA February 28, 2025, before 4:00pm**
- **Review/Scoring Committee evaluation period March 3-14, 2025**
- **Tentative approval by CDA Board March 20th, 2025**

VII. PROPERTY ACQUISITION REQUIREMENTS

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If federal funds are used in whole or in part for a project, including property acquisition, clearance and/or construction, all provisions of 49 CFR 24.101 (the Uniform Relocation Act or URA) must be followed. With all funding sources, the cost of property acquisition must be based on a determination of fair market value as derived from an independent appraisal and/or county assessed value. If the final acquisition price exceeds the appraised value, the Community Growth Partnership Initiative Program grant must be

less than this value with the additional cost being paid by public or private matching funds.

Minnesota Statutes 117.50 et. seq. and related case law also require that in all acquisitions undertaken by an acquiring entity without federal participation, the authority must provide relocation assistance as a cost of acquisition. Additionally, the Minnesota Supreme Court held in *In Re Wren*, 699 N.W.2d 758 (Minn. 2005) that an authority may be responsible for certain relocation costs when property is acquired by a private developer if the activities of the authority and the developer are so intertwined to produce a joint acquisition of the project.

VIII. SELECTION

Applications will be reviewed by a minimum of two (2) CDA staff, and a minimum of three (3) individuals qualified by the CDA with no direct affiliation with any potential applicants. Applications meeting the eligibility criteria will be scored, ranked and a recommendation will be submitted to the CDA Board of Commissioners for consideration for approval. If the proposal is selected and approved by the CDA Board of Commissioners, the CDA will enter into a grant agreement with the city/township.

IX. GRANT AGREEMENT

CDA staff will work with the city/township and enter into a Grant Agreement. This agreement will detail the terms and conditions of the grant and allow for the release of funds to the city/township. The Grant Agreement will require funds to be spent within **18 months** of the date of the agreement. Waivers and extensions to any provision in the agreement requested by the grantee may be considered on a case-by-case basis depending on the merits of the request. Grant recipients may request one 12-month extension to be reviewed for administrative approval for those projects that are making substantial progress towards completion. *Projects that are not underway within 18 months from the award date are not eligible for an extension.*

Grants will be paid on a reimbursement basis. Grantees will be required to submit semi-annual progress reports to the CDA. Reports will consist of the progress of the project and will be due each May 31st and November 30th during the grant term.