



City of Plymouth
2023 Community Development Block Grant (CDBG)
Application Guide and Instructions for Public Service Funding

The City of Plymouth is accepting applications for the Community Development Block Grant (CDBG) Public Services programs. This application guide and instructions explain how to submit a request for CDBG funds from the City of Plymouth. The City's CDBG program is administered by the Plymouth Housing and Redevelopment Authority (HRA). Please read through the entire Application Guide and Instructions for information on all the program guidelines, criteria, and limits. This Guide applies to both housing development and public service proposals, therefore not all information applies to each type of application.

Eligible Applicants

Eligible applicants include private not-for-profit service agencies and housing providers, for-profit housing providers, Community-Based Development Organizations (CBDOs) and other community organizations. CDBG funds can be used in conjunction with other local, state, and federal resources.

Eligible Activities

HUD defines eligible activities under the CDBG program. An activity must first meet one of the three national objectives of the CDBG program, which are:

- Benefiting low- and moderate-income persons (persons at or below 50% of area median income and at or below 80% of area median income, respectively);
- Preventing or eliminating slums or blight; or
- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

An activity must then meet an eligible activity category. Plymouth's focus includes the following categories:

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|--------------------------------|--------------------------------|
| • Public Services | • Homeownership Assistance |
| • Real Property Rehabilitation | • Program Administration Costs |

Selection Criteria and Priorities

The City of Plymouth has developed Selection Criteria and Consolidated Plan Priorities that will increase the extent to which CDBG resources are strategically targeted. For a proposal to be considered for funding, the Selection Criteria and Consolidated Plan Priorities **must** be fully addressed within each application. The criteria and priorities will be used to evaluate funding requests.

Selection Criteria

- **Program/Project Feasibility:** “Project Overall Feasibility” refers to the likelihood that the proposed project may be completed within the timeline proposed and within reasonable parameters of risk. Among the factors to be considered in determining project feasibility are whether the:
 - Program/project proposed is needed in the City of Plymouth;
 - Program/project is financially feasible (i.e. costs are reasonable and the program/project is economically viable, etc.);
 - Program/project will have a significant impact on the area to be served;
 - Program/project meets CDBG program requirements; and
 - Program/project meets the vision and mission of the City of Plymouth and/or the Plymouth HRA.

- **Organizational Capacity:** “Organizational Capacity” refers to the likelihood of the organization being able to complete the proposed project. Among the factors to be considered are whether the:
 - Organization has strong and expected ongoing capacity to complete the program/project;
 - Organization has capacity to meet program and reporting requirements;
 - Organization has successfully completed similar programs/projects; and
 - Organization has sufficient, qualified staff for the proposed program/project.

- **Leverage of Other Funds:** “Leverage of Other Funds” refers to the extent to which the proposal demonstrates the involvement of local partnerships and the extent to which other funds are leveraged; including contributions from philanthropic, public, and private organizations and/or local employers as well as in-kind contributions.

Consolidated Plan Priorities

(Where an income limit is cited, the limit applies to the priority level, not eligibility.)

ACTIVITY	PRIORITY
PRIORITY NEED ONE: MULTIFAMILY RENTAL HOUSING	
Capital Funding for Special Needs Housing	High < 50% of median income
Capital Funding to Build/Rehab Units	High < 50% of median income
Rental Assistance to Tenants	High < 50% of median income
PRIORITY NEED TWO: SINGLE FAMILY HOMEOWNERSHIP	
CHDO Operating	High < 80% of median income
Direct Homebuyer Assistance	High < 80% of median income
Homeowner Rehabilitation Assistance	High < 80% of median income
Property Acquisition/Rehabilitation/Construction	High < 80% of median income
PRIORITY NEED THREE: HOUSING FOR HOMELESS POPULATIONS	
Capital Funding for Permanent Units	High < 50% of median income
PRIORITY NEED FOUR: EDUCATION, OUTREACH, & SERVICES	
Domestic Abuse Counseling	High < 50% of median income
Emergency Assistance, Homelessness Prevention and Support Services	High < 50% of median income
Fair Housing Activities	High < 50% of median income
Financial Literacy	High < 50% of median income
Job Training	High < 50% of median income
Senior Services and Senior Center Programming	High < 50% of median income
Tenant Advocacy	High < 50% of median income
Transportation Services	High < 50% of median income
Youth Counseling and Youth Programming	High < 50% of median income
PRIORITY NEED FIVE: NEIGHBORHOOD REVITALIZATION	
Acquisition or Demolition of Blighted Properties	High < 80% of median income
Public Facilities	High < 80% of median income
Code Enforcement	High < 80% of median income
PRIORITY NEED SIX: ECONOMIC DEVELOPMENT	
Business Assistance	High < 80% of median income

Plymouth Vision and Mission Statements

Proposals must be consistent with the mission and vision statements or they will not be funded.

- **Plymouth Housing & Redevelopment Authority's Mission Statement:** The Plymouth Housing and Redevelopment Authority promotes and contributes to the economic health of the community through the creation and maintenance of affordable, workforce, and life-cycle housing, and active participation in the City's development and redevelopment processes.
- **City of Plymouth's Vision Statements:** The Plymouth Housing and Redevelopment Authority is a facilitator, significant contributor to creating an economically healthy and diverse community:
 - Which is supportive of quality affordable and workforce housing for all incomes and family sizes.
 - That promotes a variety of affordable, workforce, and life-cycle housing choices dispersed throughout the City to meet the needs of a diverse population, local employment needs, household stability and educational success of children.
 - Where the existing housing stock is well maintained.
 - Where some older commercial buildings and areas of the community are redeveloped in a timely fashion.
 - Which acquires additional resources to proactively address affordable housing shortages and redevelopment needs.
 - Where the HRA works in partnership with citizens, businesses, the City Council, and other organizations.
 - Where the social services necessary to support housing and jobs in the community are available and coordinated.
 - Where the HRA is committed to promoting Fair Housing and equal access and opportunity in housing.

CDBG Program Information

The CDBG program is highly competitive. The City of Plymouth anticipates having approximately \$60,000 for public services available this fiscal year – **July 1, 2023, to June 30, 2024** (subject to change depending on the actual allocation). Funding requests will be presented to staff for evaluation, scoring and, funding consideration. Staff's funding recommendations will be presented to the Plymouth HRA Board of Commissioners, which will make their recommendations to the Plymouth City Council based on this evaluation and public comments received.

Program Income Limits: CDBG funds can only be used to serve households with income equal to or less than 80% of the Twin Cities metropolitan area median income as defined by the U.S. Department of Housing and Urban Development (HUD) and adjusted annually. The current income limits are listed below:

1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
\$62,600	\$71,550	\$80,500	\$89,400	\$96,600	\$103,750	\$110,900	\$118,050

Public Service Activities will be funded through the use of grants. Grants do not require repayment.

Housing Activities may be funded using one of the following funding types. The type, terms and conditions of assistance provided will vary depending upon the needs outlined in each application and the availability of funding resources. Generally, if an activity may be addressed through a loan rather than a

grant, a loan will be provided. After the proposal is reviewed and scored, the City will determine how funds will be awarded. Funds will be provided in one, or a combination, of the following form(s) of assistance listed. Each proposal must specifically identify the type(s) of financing requested.

- Below market interest rate construction financing provides either no interest or low interest loans to entities to assist in acquiring, demolishing, rehabilitating and/or constructing homes. The interest rates on these loans vary from 0% to 2%. Interest free loans are provided to those who use innovative construction or rehabilitation methods (including innovative materials, financing methods, etc.) to address housing needs in a specific community. Construction loans *must* be repaid to the funder when the home is completed and sold. (some restrictions apply, please contact HRA staff.)
- Deferred loans are interest free loans that require repayment after a specified period of time and/or if specific program requirements are not met. A proposal may utilize deferred loans to help bridge gaps not covered by a first mortgage and/or other funding resources.
- Grants do not require repayment. Grants can be used for a variety of purposes (i.e., public service program costs, direct client assistance, gap financing, construction, demolition, and rehabilitation).

NOTE: Gap financing is defined as one of the following:

Value gap: Financing required covering the gap between rehab/new construction costs and the appraised property value; or

Affordability gap: Financing required covering the gap between a home's purchase price and what the prospective buyer can afford.

Important Dates and Submission Information

Application(s) Due:

- For Public Service proposals, submit an original unbound application to the Plymouth HRA **on or before 4:30 p.m. on Friday, January 13, 2023.**
- Applications may be submitted by email to kniemeyer@plymouthmn.gov or by paper copy to: Plymouth HRA, Attn: Kenny Niemeyer, 3400 Plymouth Blvd, Plymouth, MN 55447.
- For Housing proposals, submit an original unbound application to the Plymouth HRA at any time throughout the year; applications will be accepted on a pipeline basis.

Citizen Participation:

- Public comments will be sought through a public hearing process to be held on Thursday, February 23, 2023 at 7:00 p.m. Notice of the public hearing will be posted in the official city newspaper and on the city webpage, at minimum.

Board, Council, and HUD Approval:

- Recommendations for CDBG funding will be presented to the Plymouth HRA Board of Commissioners at the February 23, 2023 regular meeting.
- Recommendations for CDBG funding will be presented to the Plymouth City Council at the March 14, 2023 regular meeting.
- The Plymouth CDBG Action Plan will be submitted as part of the Hennepin County Consortium Action Plan to HUD for approval and funding in Spring 2023.