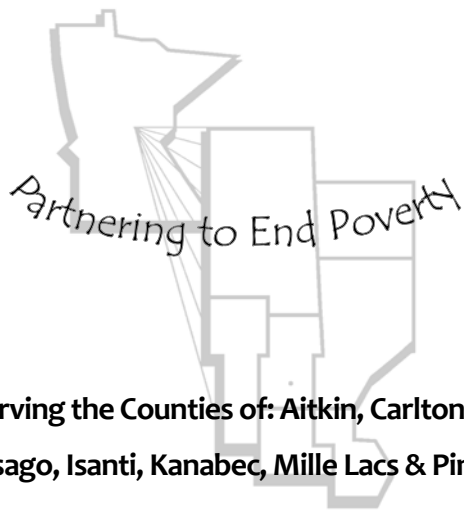


Mission: To build prosperous communities by serving local families and individuals in their pursuit of self-reliance.

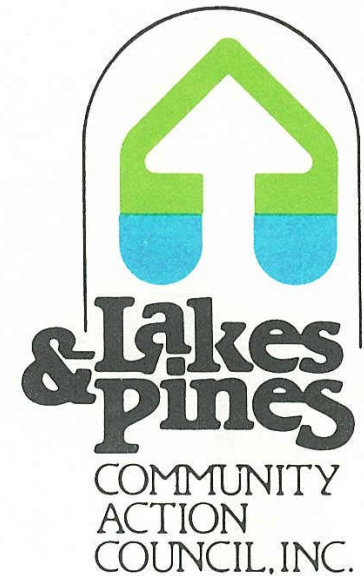


Serving the Counties of: Aitkin, Carlton,
Chisago, Isanti, Kanabec, Mille Lacs & Pine

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.



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



Sandstone Small Cities Development Program

Commercial Rehabilitation

**1700 Maple Avenue East
Mora, MN 55051
320.679.1800 or 800.832.6082
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City of Sandstone Small Cities Development Program 2023-2025

Commercial Rehabilitation Fact Sheet

The City of Sandstone 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, 5-year loan**, with a requirement that the owner partially match the loan.
 - The **match** must be **20%** of the total cost of improvements. This can be funds to the contractor or work going on during the grant period.
 - The SCDP loan will only pay for 80% of the total cost of improvements.
- The maximum SCDP loan available for commercial rehabilitation is **\$40,000** per property.
- The SCDP loan is only repaid if the property is sold; title is transferred, or conveyed within the 5 years term of the loan.
 - The obligation to repay the loan is reduced by 20% of the original loan amount each year.
 - After 5 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.

Remodeling is not allowed!

To qualify:

The building must be the site of an existing business. Buildings with businesses located within 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 Pine 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 building will have an inspection conducted to determine needed repairs that qualify for the 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.