

**WORKSHOP AGENDA  
LITTLE CANADA CITY COUNCIL  
WEDNESDAY, JUNE 6, 2018**

**CALL TO ORDER** – Workshop Meeting – 6:00 p.m.

Roll Call

1. Discuss Economic Development & Housing Rehabilitation Loan Program

Adjourn



## STAFF REPORT

TO: Mayor Keis and Members of City Council  
FROM: Joel Hanson, City Administrator  
DATE: June 1, 2018  
RE: Redevelopment & Housing Rehab Program Workshop

On May 23<sup>rd</sup>, we held a workshop to discuss redevelopment issues and opportunities. Wednesday's workshop was intended to follow-up on those discussions based on a request by Mark Sullivan who was putting together some development possibilities in the Rice Street/South Owasso area. On Thursday of this week, Mr. Sullivan informed us he is no longer pursuing those opportunities thereby eliminating a good portion of the workshop's agenda. That being said, there are some other issues we should discuss. They are as follows:

- Dental Office proposal for City property east of Culver's – I have made the party aware of the Council's position on discounting the value of that site. I also told him we may want to retain it for a community gathering area. He since submitted a formal offer of \$100,000 that is below Ramsey County's estimated market value figure of \$218,000. Based on recent communications, he may be submitting a revised offer and I told him we would discuss it at the workshop.
- Prewire Area – This is the area Mark Sullivan was working on. We may want to talk about our options given Prewire is selling three of the six parcels that make up this area.
- Housing Rehab Program – Staff will have talked with three possible providers prior to Wednesday's meeting. They are Center for Energy & Environment (CEE), NeighborWorks, and St. Paul Planning & Economic Development. Here are some key factors for you to think about as we try to get this program off the ground:
  - ✓ CEE administers a lot of programs such as:
    - ❖ Home Energy Squad – home visits to install energy saving opportunities such as weather stripping, water heater blankets, programmable thermostats, LED bulbs, high efficiency shower heads, faucet aerators, pipe wrap, and blower door tests to check for air leaks. The homeowner chooses the improvements to be installed after CEE visits the home and identifies energy saving opportunities. The “enhanced program costs \$100 per visit with the City paying 50% and the homeowner paying 50% (the City could pay more if we choose to). This is for residential properties with 1 to 4 units including condos and townhomes. I'm not sure if manufactured housing is included, but I will have that answer by Wednesday's meeting.
    - ❖ Ramsey County Deferred Loan Energy Efficiency Program
    - ❖ Minnesota Loan Fix-up Program (5.99% rate, \$50,000 max loan, and 20 year term with annual household income limit of \$104,000.

- ❖ Home Improvement Loan Program – No income limit, 5.99% rate, 10 year term, \$20,000 max loan.
- ❖ Energy Loan Program – 4.99% rate, 120 month max term, \$20,000 loan max, no maximum income limit, targeted at single family, owner occupied, primary residences.
- ❖ Unsecured Loan Program – 6.99% rate, 120 month max term, 15,000 loan limit, income limits apply. Also an Unsecured Home Energy program with a 4.99% rate, 120 max term, \$15,000 loan max, no income limits.
- ❖ Solar Residential Financing – 4.99% rate, 10 year max term, \$50,000 max loan. (We may need to look at our zoning codes on placement of solar arrays.)
- ✓ CEE also handles loan servicing
- ✓ CEE does not seem as strong on providing construction advice assistance to help homeowners define workscope, obtain bids, oversee construction. and process payments.
- ✓ Roseville is using CEE to administer their rehab program.
- ✓ NeighborWorks is running Shoreview's program.
  - NW has loan servicing capabilities.
- ✓ NW provides construction assistance services.
- ✓ They administer a number of programs including down payment assistance and some County programs.
- ✓ St. Paul Planning and Economic Development (PED) manages St. Paul's programs and some for Ramsey County.
- ✓ They provide construction assistance.
- ✓ They do not have a good loan servicing option
- ✓ They have a lot of experience with down payment assistance.
- ✓ Inclusive Financing can be evaluated with these options. (Inclusive Financing is a tool that eliminates the significant financial barriers to participating in energy efficiency improvements. It avoids the need for a homeowner to provide upfront money, personal debt, and a separate bill to make payments. The entire transaction happens on the monthly utility bill using the net savings to make payments.) Council Member Torkelson is wondering if we could do this through water & sewer bills.
- ✓ Ehlers is looking at the possible use of Tax Increments from TIF District 3-3 to help with Manufactured Housing down payment assistance and or a direct funding of improvement costs (issues are securing the loan given personal property status versus real estate.). TIF 3-3 has \$335,000 in it at the end of 2017 and that balance is projected to grow over time. It could be used for rehab work, loans to affordable apartments, or other possible uses that benefit low-mod residents. Use in this way will require on-going TIF reporting, but it seems like the resource should be put to use!

We can talk about other parameters of the rehab program at Wednesday's workshop and the next steps you would like to take.