



Roseville Economic Development Authority (REDA)

Tuesday, June 21, 2016

Meeting 3:00 p.m.

City Council Chambers

1. Roll Call

Voting & Seating Order: McGehee, Willmus, Laliberte,
Etten, Roe

2. Pledge of Allegiance

3. Approve Agenda

4. Public Comment

**5. Board and Executive Director, Reports and
Announcements**

6. Approve Minutes

- a. Approve REDA minutes of May 25, 2016

Closed Session

Pursuant to Minnesota Statutes Section 13D.05, subdivision 3
(b)(3) to review confidential or protected nonpublic appraisal
data under section 13.44, subdivision 3 and to develop
potential offers for the purchase of property located at 196 S.
McCarrons Boulevard and 210 S. McCarrons Boulevard.

7. Business Items (Action Items)

- a. Financial Overview of Operating Account
- b. Overview of Economic Development Priorities and
Staffing Capacity
- c. Continue Housing Programs Discussion
- d. Move-up Housing Discussion
- e. Review Medium and High Density Housing

8. Adjourn

All meetings at Roseville City Hall, 2660 Civic Center Drive, Roseville, MN unless otherwise noted.



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 6/21/2016
Item No.:7a

Department Approval

Executive Director Approval

Item Description: REDA Operating Budget

BACKGROUND

According to Article V, Section 2 of the Roseville Economic Development Authority's (REDA) by-laws, the REDA is to review fund balances at their the annual meeting, which is to be held in conjunction with the regular January meeting. Then, at the REDA's August meeting, the final fund balances are to be reviewed in order to adopt a levy at the meeting. Because the REDA's inaugural meeting occurred in January of this year, the REDA has not yet officially reviewed the fund balances that the Roseville Housing and Redevelopment Authority (RHRA) transferred (along with the programs) to the REDA on January 4, 2016.

Attachment A, dated April 5, 2016, gives the overall summary of available funds as of December 31, 2015. There has been little change in the following accounts, except for interest earned:

- Community Development Block Grant (CDBG) Program (Fund 721)
- Housing Replacement/Single Family Construction Program (Fund 720)
- Property Abatement Program (Fund 722)
- Multi-Family Housing Program (Fund 724)

The REDA program of the SF Revolving Loan program held by GMHC was initially funded by RHRA levy funds. Current account balance is roughly \$600,000 but does not reflect any new loans that have been originated in 2016 nor any loans that have been paid off or interest earned from existing loans.

Attachment B, dated June 13, 2016, provides an update to the General REDA Operating Programs account (Fund 723) and shows a beginning cash balance of \$294,027. Chris Miller, City Finance Director/Assistant Treasurer of the REDA, will be present to review the accounts with the REDA Board.

POLICY OBJECTIVE

This information is intended to address the requirement in the by-laws that the fund balances be reviewed and to identify and address any budget shortfalls that may have arisen.

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BUDGET IMPLICATIONS

Based upon additional programming that the REDA may choose to implement in 2016, existing programs and funds may need to be reallocated.

STAFF RECOMMENDATION

Receive overview of REDA operating account (Fund 723). Based upon REDA direction, existing programs and funds may need to be reallocated.

REQUESTED AUTHORITY ACTION

Receive overview of REDA operating programs account (Fund 723).

Prepared by: Jeanne Kelsey, 651-792-7086
Attachments: A: Memo Dated April 5, 2016
 B: Memo Dated June 13, 2016



Memo

To: Kari Collins, Interim Community Development Director
 Jeanne Kelsey, HRA Director

From: Chris Miller, Finance Director

Date: April 5, 2016

Re: Summary of Available Funds for the Roseville EDA

Kari and Jeanne,

The information below contains a brief overview of the funds available to the Roseville Economic Development Authority for the period ending 12/31/15. For legal and management purposes, these monies are segregated into one restricted fund and four unrestricted funds.

The *restricted* fund is governed by an agreement with Ramsey County which specifies how the monies can be spent in accordance with federal law. The remaining funds were established to address specific goals or priorities, but technically can be repurposed at any time.

Restricted Funds

- ☐ Community Development Block Grant (CDBG) Program (*Fund 721*)

Unrestricted Funds

- ☐ General EDA Programs (*Fund 723*)
- ☐ Housing Replacement / Single Family Construction Program (*Fund 720*)
- ☐ Property Abatement Program (*Fund 722*)
- ☐ Multi-Family & Housing Program (*Fund 724*)

The available funds as of 12/31/15 are as follows:

	Funds
<u>Program</u>	<u>Available</u>
CDBG (Restricted)	\$ 333,000
General EDA Programs **	294,000
General EDA Programs: SF Revolving Loan via GMHC	600,000
Housing Replacement / Single-Family Construction	607,000
Property Abatement	121,000
Multi-Family & Housing Program	1,566,000
Total Available Funds	\$ 3,521,000
** \$165,000 is needed for cash-flow purposes to meet operational needs in between tax levy collection periods.	

As shown in the table above, the total amount of available monies as of 12/31/15 is \$3,521,000, of which, \$3,188,000 is *unrestricted*. A portion of these monies were committed or earmarked earlier this year to provide on-going support for existing housing and economic development programs.

In addition to these amounts, the EDA also has a number of outstanding loans and mortgages that will provide varying levels of income in future years. They are summarized in the table below.

<u>Program</u>	<u>Loan/Mortgage Value</u>
CDBG (Restricted): 960 Lovell	\$ 12,830
CDBG (Restricted): Sienna Green	351,305
CDBG (Restricted): 1491 Applewood Court	59,000
CDBG (Restricted): 1497 Applewood Court	59,000
General EDA Programs: GMHC	331,585
Housing Replacement / Single-Family Construction: 1481 Applewood Ct.	55,000
Housing Replacement / Single-Family Construction: 1491 Applewood Ct.	36,000
Housing Replacement / Single-Family Construction: 1497 Applewood Ct.	28,000
Multi-Family & Housing Program: Sienna Green	56,095
Total Loan/Mortgage Value	\$ 988,815

The total value of existing loans and mortgages as of 12/31/15 is \$988,815, of which, \$506,680 is unrestricted. However, it will take over 20 years to fully collect on the outstanding balances based on current amortization schedules.

Finally, I will note that the City also holds approximately \$600,000 in funds in its TIF District #12 (Arona Site), and is slated to collect another \$130,000 in 2016. This District is scheduled for decertification on 12/31/16, however there may be potential uses that the EDA can capitalize on before decertification occurs. Any uses must be within the parameters previously outlined by Bond Counsel.



Memo

To: Kari Collins, Interim Community Development Director
 Jeanne Kelsey, HRA Director

From: Chris Miller, Finance Director

Date: June 13, 2016

Re: Summary of Available Funds for General EDA Program Purposes

Kari and Jeanne,

Earlier this year, I provided a memo dated April 5, 2016 which summarized the available funds for the Roseville EDA. A copy of that memo is attached. The information below supplements that memo by providing a brief summary of the funds available to the Roseville Economic Development Authority for *general* EDA programs

These general programs are captured and referred internally as 'Fund 723' programs which includes all EDA staffing. In practice, this is really the EDA's *General* Fund. The following table provides a summary of 2016 EDA General Fund activity through 5/31/16.

	2016 <i>thru</i>
Revenues	5/31/2016
Property Taxes	\$ -
ECHO Project Grant	10,000
Other	4,063
Interest Earnings on Investments	1,152
Total	\$ 15,215
Expenditures	
Personnel Expenses (<i>incl. TOTAL for 2016</i>)	\$ 205,524
Supplies & Materials	35
Professional Services: ECHO	29,250
Professional Services: Other	17,635
Telephone, Postage, Transportation	165
Advertising & Printing	4,700
Conferences & Training	435
Memberships	330
Administrative Service Charges	9,080
Contractor Payments	2,320
Total	\$ 269,475
Net From Operations	\$ (254,259)
Beginning Cash Balance	294,027
Ending Cash Balance	\$ 39,768

As shown in the table, the available cash to support the EDA General Fund moving forward has fallen to approximately \$39,000. Bear in mind that this figure already accounts for the entire 2016 impact from assigned staffing.

While this cash reserve level is sufficient to continue supporting existing programs for the remainder of this year, an infusion of cash from another EDA program fund will be needed by year-end to meet next year's cash-flow needs. Even if the City Council establishes a 2017 EDA levy, the EDA General Fund will need enough cash to cover the first six months of operations until the first half property tax levy is received in late June.



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 06/21/2016

Item No.: 7.b

Department Approval

Executive Director Approval

Item Description: Receive Update on Priorities Identified by the Economic Development Authority(EDA) and Discuss Staff/Budget Capacity for 2016 and 2017

BACKGROUND

At the May 25 Economic Development Authority (EDA) meeting, Janna King, the City's Economic Development Consultant, presented information about how the City could expand its Economic Development initiatives. Ms. King organized the initiatives into 3 categories: Current, A Step-Up, and High Performing and asked the EDA to prioritize the initiatives using a High, Medium, and Low ranking structure. Ms. King then totaled the rankings to determine how best to focus energy in 2016 and in 2017 (Attachment A). In reviewing the rankings, three themes emerged:

- **Policy Development**
- **Proactive Economic Development (e.g., visioning and engagement)**
- **Acquisition/Redevelopment Support.**

Initiatives have been separated as 2016 Priorities and 2017 Priorities. The Community Development Department has six months to achieve the priorities agreed upon for 2016, and the intent of this separation was to be realistic with what can be accomplished from an aspect of staff time and budget. Priorities in 2016 identified as Medium Priorities may need to be deferred until 2017 to allow for enough time to appropriately address the 2016 High Priorities.

Economic Development Priorities for 2016 and Staff Capacity

Resident Oriented/Neighborhood Commercial:

- Targeted acquisition & redevelopment support (24) - ***Acquisition/Redevelopment Support***
- Engage owners and residents (starting in SE Roseville) (23) - ***Proactive***
- Understand stakeholder goals; create revitalization vision (21) - ***Proactive***

Additional Research to support development strategy and comprehensive plan

- Dialogue with brokers, developers, and owners (23) – ***Proactive***

Build organizational capacity and clearly defined partner relationships to support economic development

- Clarify role/relationships and collaborate with partner organizations (e.g., Greater MSP, county, chambers workforce orgs & others) (23) - ***Proactive***

- Identify & implement preferred approach to providing staff and/or consulting capacity for economic development (21) – ***In Progress***

Business Friendly Practices & Reputation

- Clear Incentive policies & processes (23) – ***Policy***
- “Shovel Ready” sites (22) – ***Policy & Acquisition/Redevelopment Support***
- Listen & adjust policies that aren’t working (21)- ***Policy***

Financing/Incentives

- Clear policies: business subsidy, TIF, tax abatement (23) - ***Policy***

Redevelopment, Reuse, Revitalization (other areas, facades)

- Engage property owners, affected business owners & residents (23) - ***Proactive***

2016 Staff Capacity – Policy Development

Staff currently has general business subsidy policies and TIF policies that have been provided by Springsted, Inc. Staff also has a baseline framework for incentive policies, including a Twin Lakes Incentive Policy from 2008 that can be used as a starting point. To *adapt* the policies for current needs, staff would need assistance from a consultant.

The EDA will need to determine which policies should be reviewed/created in 2016 and which can be reviewed in 2017. The EDA could consider a larger Business Subsidy Policy that encompasses all possible incentive options. Appropriate funds to work with a consultant on developing policies in 2016 may fall in the realm of **\$10,000**.

2016 Staff Capacity – Acquisition/Redevelopment Support

The EDA has taken a more active interest in land purchases and shovel-ready programs. Staff has the capacity, with the assistance of our real estate attorney/other consultants, to project-manage sites that are in various stages of acquisition.

Staff suggests that in 2016 the EDA consider allocating dollars toward developing a framework for site acquisition. A framework will help Staff and the EDA determine *where* the priority areas are, *when* to bring a site forward to the EDA for consideration, and articulate when a consultant should be engaged. A consultant would need to be hired to assist in developing such a framework, and staff estimates the cost at **\$10,000**. There would also be additional costs for specialized consultants to assist in the acquisition process as needed.

2016 Staff Capacity – Proactive Economic Development

The EDA has identified as a priority a heightened level of engagement in various areas of economic development as indicated by the initiative titled, “Resident Oriented/Neighborhood Commercial.” One area where this is already happening is in Southeast Roseville where staff is working with a multi-jurisdictional planning group to determine the best way to approach the Rice/Larpenteur corridor revitalization. The group is also working on a visioning process that would include efforts to engage the surrounding community. At a City Council meeting in April, staff outlined several visioning options for Southeast Roseville and estimated the cost at that time to range from \$20,000 - \$50,000, depending on the level of staff involvement. Although the cost of visioning, engagement, and reinvestment is unknown at this time, staff suggests that the EDA consider setting aside a funds in 2016 to continue the Southeast Roseville visioning efforts already underway. The suggested amount of funds to be budgeted fall in the middle range of visioning at, **\$40,000**.

Other initiatives identified as Proactive (not specific to resident oriented/neighborhood commercial), may be accommodated with the assistance of area chambers of commerce. Staff is currently in the process of laying a foundation for a visitation program. The Community Development Department Economic Development Intern has been developing a business inventory and researching successful visitation programs. Staff believes that a framework for an aggressive visitation program could be completed by the end of 2016 which would allow for greater engagement with our business community. The cost of developing this program would be the cost of our graduate student intern to continue through the Fall semester, and would range between **\$5,500 - \$6,500**.

Staff suggests that the EDA define a Visitation Team in 2016 to clarify who will be going out to greet new and existing businesses. The St. Paul Area Chamber of Commerce (SPACC) agreed to coordinate and record input from visits with area businesses at a cost of **\$500/month**. This could be considered for 2017 after the objectives of a visitation program are defined.

Additional proactive economic development may also include market research and input from the developers, brokers and property owners. This information could inform the comprehensive plan and the economic development marketing strategy in 2017 as well as incentive and business friendly policies and processes in 2016 and 2017. Staff estimates working with a consultant on market research in 2016 may cost approximately, **\$15,000**.

Total (Maximum) Cost of 2016 Initiatives:

Policy Development – (2 Policies at \$2,000/each):	\$10,000
Acquisition – Acquisition Framework:	\$10,000
Proactive - SE Visioning:	\$40,000
Visitation Program:	\$6,500
Market Research:	<u>\$15,000</u>
Total:	\$81,500+

Economic Development Priorities for 2017 & Staff Capacity

Initiatives highlighted in **RED** may need additional staffing or a longer-term contract with a consultant.

Resident Oriented/Neighborhood Commercial

- Assist with market analysis & planning (19) – **Proactive** - 2016 Medium Priority
- Tailor incentive policies, programs & need for organization support (20) - **Policy**
- Targeted organizational support and/or relationships (20) - **Proactive**
- Promote vision/opportunity (20) - **Proactive**

Additional Research to Support Development Strategy and Comprehensive Plan

- Econ & Market insights inform development strategies & comp plan (19) - **Proactive**
- Market trends/implications for Roseville (19) – **Proactive/Policy** - 2016 Medium Priority
- Fiscal implications of development (17) – **Proactive/Policy** - 2016 Medium Priority

Brownfield Redevelopment (priority-Twin Lakes)

- Clean up grants & technical assistance (17) – **Policy** - 2016 Medium Priority
- Work with/assist property owners with environmental assessment, funding, market insights (15) – **Proactive** - 2016 Medium Priority

- Acquisition & site assembly (15) – **Acquisition/Redevelopment Support** - 2016 Medium Priority

Business Friendly Practices & Reputation

- *On-line permitting (16) – **Proactive**- 2016 Medium Priority
- **Business Concierge (15) – Proactive** - 2016 Medium Priority

*Currently an initiative of the Community Development Department.

Financing/Incentives

- Establish & Implement systems to measure, report & shape policy/programs (21) - **Policy**
- Consider carefully tailored local tools (19) - **Policy**

Redevelopment, Reuse, Revitalization (other areas, facades)

- Promote vision/opportunity (18) – **Proactive** - 2016 Medium Priority
- Tailor incentive policies and programs (18) – **Policy** - 2016 Medium Priority
- Targeted acquisition & redevelopment support (15) – **Acquisition/Redevelopment Support** - 2016 Medium Priority

Business Retention and Expansion (BRE)

- Organized approach to pro-active and reactive business visitation (19) – **Proactive** - 2016 Medium Priority
- Greater MSP bio-med focus (15) – **Proactive**- 2016 Medium Priority
- Business as city stakeholder and customer (e.g. training, surveying, engage with comp plan, other (17) – **Proactive** - 2016 Medium Priority

Marketing/Image of Roseville

- **Marketing strategy (19) – Proactive** - 2016 Medium Priority
- **Execute pro-active marketing strategy (17) – Proactive**

Workforce/Talent

- Expand coverage of workforce at Roseville Business Council & in communications with businesses (e.g., Business Spotlight) (19) – **Proactive** - 2016 Medium Priority
- Build information/referral capacity (19) – **Proactive** - 2016 Medium Priority
- Work with Metro Transit to expand transit to business parks & major employers (19) - **Proactive**
- **Support partner-sponsored job fairs and/or opportunities to expose students to careers with Roseville employers (17) - Proactive**
- **Integrate deeply into business retention, expansion and attraction (16) – Proactive**

2017 Staff Capacity – Policy Development

In a review of the EDA input, it is apparent that there is a strong desire to lay a framework of policy development prior to a robust marketing and engagement strategy. Assuming an aggressive level of policy creation in 2016, Staff suggests that the EDA consider setting aside \$5,000 for policy revision, tailoring, or creation.

Appropriate funds should be set aside in 2017 for graduate student interns to provide

program/project support. One time projects, such as exploring fiscal implications, could be assumed by a graduate student intern or class project. A recommended budget for interns for 2017 is, **\$30,000.**

2017 Staff Capacity – Acquisition/Redevelopment Support

As mentioned as a possible action item for 2016, a framework for establishing acquisition criteria may be valuable. Staff would suggest setting aside **\$5,000** in 2017 for tweaking an acquisition framework if desired.

2017 Staff Capacity – Proactive Economic Development

Proactive economic development will undoubtedly be the bulk of new initiatives in 2017 and may have the greatest impact on staff capacity. Of the initiatives identified, those highlighted in **red** would be difficult to accomplish with the existing staff structure.

Initiatives where additional staff/consultant may be needed include:

- **Business Concierge (15) – Proactive - 2016 Medium Priority**
- **Marketing strategy (19) – Proactive - 2016 Medium Priority**
- **Execute pro-active marketing strategy (17) – Proactive**
- **Support partner-sponsored job fairs and/or opportunities to expose students to careers with Roseville employers (17) - Proactive**
- **Integrate deeply into business retention, expansion and attraction (16) - Proactive**

Additional Staffing

The EDA could consider utilizing consultants, repurposing existing staff, or adding an additional staff person to accommodate the economic development activities in 2017 and beyond. A range of **\$50,000 - \$150,000** could be considered to accommodate additional staffing depending on what the EDA desires. This range may be a conservative estimate of what is needed, however, a reliance on interns may diminish if additional staffing is desired. If an additional staff person is desired, the department will need to do a space analysis. The department currently has staff sharing cube space, and additional funds would need to be set aside to build space and/or reconfigure existing space to accommodate increased staff. The cost of a space analysis and reconfiguration is not included in the 2017 initiatives as this affects the Department as a whole and would be budgeted across all divisions.

Total (Maximum) Cost of 2017 Initiatives:

*SE Roseville Visioning	\$40,000 (not in total)
Policy Development:	\$5,000
Acquisition – Acquisition Framework:	\$5,000
Proactive – Research (Interns):	\$30,000
SPACC Visitation Facilitation	\$6,000
Additional Staffing/Consultant	<u>\$150,000</u>
Total:	\$196,000+

*Visioning funds for SE Roseville have been identified as a 2016 priority. If funds are not used in 2016, staff recommends carrying over funds for 2017.

2016/2017 Low Priorities

Low priorities are listed below and are not being budgeted for at this time. The EDA may want to consider whether these initiatives may be suitable for 2018 or whether they no longer rise to a priority level.

Brownfield Redevelopment (priority-Twin Lakes)

- Incentives (13)
- Marketing or Developer RFPs (8)

Build organizational capacity and clearly defined partner relationships to support economic development

- Support establishment of complementary economic development organization, assuring strong communication and alignment with EDA (14)
- Explore options to build economic development organizational capacity that complements the city EDA (Commission, EDO, etc.) (13)

Business Friendly Practices & Reputation

- Expedited Review Process (7)

Business Retention and Expansion (BRE)

- Resources & support for business (13)
- Engage referral sources – CPAs, utilities, bankers, brokers, lawyers (13)

BUDGET IMPLICATIONS

City Finance Director/EDA Assistant Treasurer, Chris Miller, has provided an updated memo outlining the funds available to the EDA for programming. Fund 723, the operational fund, will not be able to accommodate the total cost approximated for 2016. The EDA will need to look at repurposing dollars from unrestricted funds in the Single Family Revolving Loan Program, Housing Replacement/Single-Family Construction Program, Property Abatement Program, or Multi-Family Housing Program to fulfill the priorities identified in 2016. Similarly, the EDA will also need to review the 2017 initiatives and determine how funds to support the EDA strategy will be determined. Staff would encourage the addition of an EDA meeting in July to outline priorities and funding approach after input is received.

The EDA, per the by-laws, is required to adopt a 2017 preliminary budget the first meeting in August.

STAFF RECOMMENDATION

Review priority initiatives/staff capacity and provide direction on 2016 activities and 2017 activities.

REQUESTED EDA ACTION

Review priority initiatives/staff capacity and provide direction on 2016 activities and 2017

Prepared by: Kari Collins, Interim Community Development Director
Attachments: A: EDA Priorities High to Low

Current	A step up	Your Preferred Timeframe	Your Priority
High Priority			
Resident Oriented/ Neighborhood Commercial	Targeted acquisition & redevelopment support	2016 & ongoing	24
Business Friendly Practices & Reputation	Clear incentive policies & processes	2016	23
Finance and Incentives	Clear policies & processes – business subsidy, tax increment, tax abatement	2016	23
Brownfield Redevelopment (priority-Twin Lakes)	Clarify policies re: city roles & incentives	2016	23
Resident Oriented/ Neighborhood Commercial	Engage business/property owners & residents (starting with SE Roseville)	2016 & ongoing	23
Redevelopment, reuse, revitalization (other areas, facades)	Engage property owners, affected business owners & residents	Ongoing	23
Additional research to support development strategy and comprehensive plan	Dialogue with brokers, developers and property owners in Roseville market	Ongoing/as needed	23
Build organizational capacity and clearly defined partner relationships to support economic	Clarify roles/relationships and collaborate with partner organizations (e.g. GREATER MSP,	2016	23
Business Friendly Practices & Reputation	“Shovel Ready” sites	2016 & ongoing	22
Business Friendly Practices & Reputation	Listen & adjust policies that aren’t working well	Ongoing	21
Resident Oriented/ Neighborhood Commercial	Understand stakeholder goals & create revitalization vision	2016 & ongoing	21
Build organizational capacity and clearly defined partner relationships to support economic development	Identify & implement preferred approach to providing staff and/or consulting capacity for economic development	2016	21
Finance and Incentives	Establish & implement systems to measure, report & shape policy/programs	2017 & ongoing	21
Brownfield Redevelopment (priority-Twin Lakes)	MN DEED “Shovel ready” support for private landowners	2016 & ongoing	21

Resident Oriented/ Neighborhood Commercial	Tailor incentive policies, programs & need for organizational support	2017 & ongoing	20
Resident Oriented/ Neighborhood Commercial	Targeted organizational support and/or relationships	2017 & as needed	20
Resident Oriented/ Neighborhood Commercial	Promote vision/opportunity	2017 & as needed	20
Medium Priority			
Business Retention and Expansion (BRE)	Organized approach to pro-active and reactive business visitation	2016	19
Marketing/Image of Roseville	Marketing strategy	2016-2017	19
Finance and Incentives	Consider carefully tailored local tools	2017	19
Workforce/talent	Expand coverage of workforce at Roseville Business Council & in communications with businesses (e.g. Business Spotlight)	2016 & ongoing	19
Workforce/talent	Build information/referral capacity	2016-17	19
Resident Oriented/ Neighborhood Commercial	Assist with market analysis & planning	2016 & 2017	19
Additional research to support development strategy and comprehensive plan	Market trends/implications for Roseville	2016	19
Workforce/talent	Work with Metro Transit to expand transit to business parks & major employers	2017	19
Additional research to support development strategy and comprehensive plan	Econ & market insights inform development strategies & comp plan	2017 & beyond	19
Redevelopment, reuse, revitalization (other areas, facades)	Targeted acquisition & redevelopment support	As needed	18
Redevelopment, reuse, revitalization (other areas, facades)	Promote vision/opportunity	Ongoing	18
Business Retention and Expansion (BRE)	Business as city stakeholder and customer (e.g. training, surveying, engage with comp plan, other)	2017	17
Additional research to support development strategy and comprehensive plan	Fiscal implications of development	2016/2017	17
Marketing/Image of Roseville	Execute pro-active marketing strategy	2017 or later (when ready)	17

Workforce/talent	Support partner-sponsored job fairs and/or opportunities to expose students to careers with Roseville employers	2017 & ongoing	17
Brownfield Redevelopment (priority-Twin Lakes)	Clean up grants & technical assistance	Ongoing	17
Redevelopment, reuse, revitalization (other areas, facades)	Assist with some or all of the following: market analysis, clarifying stakeholder goals and creating a revitalization vision	2017	16.5
Business Friendly Practices & Reputation	On-line permitting	2016	16
Workforce/talent	Integrate deeply into business retention, expansion and attraction	2017 & ongoing	16
Business Retention and Expansion (BRE)	GREATER MSP bio-med focus	2016/2017	15
Brownfield Redevelopment (priority-Twin Lakes)	Work with/assist property owners with environmental assessment, funding, market insights	2016 & ongoing	15
Business Friendly Practices & Reputation	Business concierge	2017 & ongoing	15
Brownfield Redevelopment (priority-Twin Lakes)	Acquisition & site assembly		15
Low Priority			
Build organizational capacity and clearly defined partner relationships to support economic development	Explore options to build economic development organizational capacity that complements the city EDA including local commission, economic development corporation or similar approach	2016	14
Business Retention and Expansion (BRE)	Resources & support for businesses (e.g. Laliberte suggested mentors)	2017	13
Business Retention and Expansion (BRE)	Engage referral sources – CPAs, utilities, bankers, brokers, lawyers	2017	13
Brownfield Redevelopment (priority-Twin Lakes)	Incentives	Past 2017	13
Build organizational capacity and clearly defined partner relationships to support economic development	Support establishment of complementary economic development organization, assuring strong communication and alignment with EDA	2017 & ongoing	13
Brownfield Redevelopment (priority-Twin Lakes)	Marketing or developer RFPs		8+?
Business Friendly Practices & Reputation	Expedited Review Process		7



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 6/21/2016

Item No.: 7c.

Department Approval

Executive Director Approval

Item Description: Continue Housing Programs Discussion for Roseville

Policy Priority: Housing and Economic Development

Strategic Initiative: Increase Residential Housing Values

BACKGROUND

At the May 25, 2016, Roseville Economic Development Authority (REDA) meeting, the REDA reviewed the current status of REDA programs. The REDA gave direction to continue some of the programs and asked to have other programs brought back for further discussion and consideration.

Programs the REDA Gave Direction to Continue

The following programs were reviewed and discussed by the REDA and direction was given to continue them. Below is an analysis of the funds needed for the remainder of 2016 and a projected amount for 2017, which will help guide the REDA as they prepare their 2017 budget for a REDA levy.

Remodeling Resources and Incentives

Program	2016 Budget	2017 Budget
Housing Resource Center Construction Consultation	\$12,000	\$13,000 - \$15,000
Roseville Energy Audit Program	\$12,000	\$12,000
Green Remodeling Plan Book (GRPB)	\$7,500	\$0
Remodeling Plan Books for Ramblers and Split Level	\$0	\$0
Roseville Redesign Program	\$0	\$0
Housing Replacement Program	\$0	\$0
Roseville Green Building Remodeling Award	\$850	\$850
Home Improvement Workshops	\$0	\$0
Total	\$32,350	\$25,850-\$27,850

Inspection and Abatement Initiatives

Program	2016 Budget	2017 Budget
Neighborhood Enhancement Program (NEP)	\$53,975	\$54,585
Rental Licensing and Registration	\$0	\$0
Roseville Abatement Program	\$0	\$0
Total	\$53,975	\$54,585
Total for Both	\$86,325	\$80,435-\$82,435

The personnel costs to administer these programs for 2016 (except NEP, which includes staffing costs) will be \$166,180 in salaries and benefits with overhead costs of approximately \$35,000-\$40,000. The REDA board conversations regarding the modification and/or addition of loan programs may have staffing implications as well.

Programs to be Reviewed for Further Consideration/Modification

At the last meeting it was determined the following programs needed further discussion and review to see if any modifications were needed.

Roseville Home Improvement Loan Programs

Roseville has offered residents low-interest home improvement loans since 2000. The loan programs have been revolving and self-sustaining since 2009 with **no new levy funds** being added to the program.

The criteria for the loan programs has varied over the years and is re-evaluated from time to time to make sure the programs are meeting the needs of the residents when considering property values, demographics, and income limitations. For example, in 2015, the program criteria was modified to remove income restrictions and to establish a maximum property value (before improvements) of \$216,500 (which is the 2016 median value of residential properties in Roseville). The maximum loan amount was also increased from \$25,000 to \$40,000. After these changes were implemented, the number of loans closed in 2015 increased (see Attachment A). In an effort to encourage energy efficiency, the loan program required home owners to have an energy audit prior to the loan origination.

As one might expect, the activity in this program is heaviest in the summer months so a 2016 increase hasn't yet been noticed, however, Attachment A provides data for the activity from 2000 through 2015, as well as the year-to-date activity in 2016.

County and State Home Improvement Loan Programs

Ramsey County and the State of Minnesota also offer rehabilitation loan programs that are income limited and may be related to emergency assistance. The programs do have maximum loan amounts or terms and are offered as secured and unsecured with varying interest rates. See Attachment B for a chart that compares all the loans available to Roseville residents. The chart also includes programs available to residents of municipalities comparable to Roseville.

Ramsey County also receives federal HOME funds annually from Housing and Urban Development (HUD) as well as Community Development Block Grant (CDBG) funds that have specific guidelines for property owners. The state bonds for their loan programs so interest rates vary based upon costs to issue the bonds. Both County and State funds are limited and require income qualifications. Attachment B provides an outline of the program for owner-occupied housing.

Roseville Multi-family Housing Loan Programs

The RHRA established this in 2008 with levy funds to assist existing rental property owners with 5 or more units to reinvest and update their properties. The program has been **budgeted for every year since in the levy** because it was determined that the RHRA would need substantial funds to build a revolving loan program to assist property owners with rehabilitating existing multi-family rental housing and provide support to the building codes division as they continue the implementation of rental licensing program.

In addition, the program has supported RHRA and now the REDA activities for acquiring property that can be redeveloped into higher density housing. Attachment C provides an outline of the program. The RHRA did **budget \$100,000 of levy funds in 2016** to be put towards this program but there is not sufficient funding in the general operating account to support that budgeted amount.

This program has been utilized for two developments thus far: Rehabilitation of Sienna Green (previously HarMar Apartments) and Garden Station Homes.

County and State Multi-family Loan Programs.

The County and the State do have loan programs for Multi-family Rental Housing rehabilitation and new construction that require incomes of residents to be limited and qualified. The City of Roseville and the RHRA have used these funds to assist housing developments. In addition, these funds are limited and have a very competitive application process.

POLICY OBJECTIVE

Continue discussion with the REDA regarding housing loan programs that sustain and improve owner-occupied and multi-family housing values in Roseville.

BUDGET IMPLICATIONS

This report provides 2016 budget implications and some proposed 2017 budget implications for housing programs only.

STAFF RECOMMENDATION

Review attached information and provide direction to staff regarding current loan programs and other loan and incentive programs that the REDA would like explored to increase housing values.

REQUESTED COUNCIL ACTION

Provide direction to staff regarding current programs and other programs that the REDA would like explored to increase owner occupied and multifamily housing values.

Prepared by: Jeanne Kelsey, 651-792-7086
Attachments: A: HRC Construction Consultation and Loan Program Activity
B: Loan Program Comparison Chart
C: Multi-Family Loan Programs

City of Roseville Monthly Status Report
HousingResource Center - North and East Metro
January 1, 2000 - May 31, 2016

[illegible]

Programs Available to Roseville Residents					Other Community Programs					
	Changes made in 2015 to Roseville Home Improvement Loan	Roseville Home Improvement Loan 2009-2014	Ramsey County Loan	MHFA Fix-up Loan	Richfield Transformation Home Loan	St. Louis Park Move up in the Park Loan	Shoreview Home Improvement Loan Program	Coon Rapids Home for Generations II Grant & Rebate Program	Fridley Home Improvement Loan	Reduced Architectural Advise 2 Hours SLP, Richfield, Coon Rapids
Doc Prep Fee	\$75	\$75	\$0	\$50		\$0	\$0	\$0	\$550 – City Paid	\$200+
Title	\$100	\$100	\$100	\$100		\$60	\$275	\$0		
Borrower Paid Origination Fee	\$350	\$350	\$0	\$250 or 1% Loan Amount	\$350	3% admin fee, maximum of \$750	\$0	\$0	1% of Fee +	
Recording Fee	\$46	\$46	\$46	\$92		\$46	\$46	\$0	\$46	
Credit Fee	\$15	\$15	\$15	\$15		\$10.60 joint	\$15	\$0	\$15	
Loan-to-Value	115%	115%	110%	110%*		120%	None	None	115%	
Debt-to-Income	55%	55%	None	48%		\$0	50%	None	None	
Maximum Value of Home	\$216,500	\$0	\$251,750	\$0	Project must be \$50,000+	\$0	\$314,640 – 120% of Shoreview Medium	Large remodeling projects	None	
Use	No change	Single Family Owner occupied, interior of associations units	Single Family, interior of associations units	Single Family, interior of associations units	Single Family Only	Single Family Only	Single Family and Townhomes only	Owner-occupied homes that are at least 20 years old.	Owner-occupied and rental units of 2-4 with code violations	
Minimum Loan	\$0	\$0	\$0	\$2,000		\$8,750 25% of Cost	\$2,000	Grant/Rebate Program	\$1,000	
Maximum Loan	\$40,000	\$25,000	\$15,000	\$15,000-\$50,000**	15% of Contract price up to \$25,000	25% of construction maximum \$25,000	\$20,000 Any energy, repair, replacement, maintenance	Remodeling projects that exceed \$35,000.	\$50,000	
Maximum Term Loan	10years	10years	10years ****	10-20 years	30 years no payment paid until sale of home. Forgiven after 30 years.	30 years no payment paid until sale of home. Forgiven after 30.	10 years	Grant program that provides up to \$5,000 and a rebate of 50% of the building permit fee.	Up to 20 years	
Income Limitations	None	120% AMI	50% or 80% AMI	\$99,500**		120% AMI	120% of Shoreview’s AMI	None		
Interest Rate	3%	4%	0%	4.00%-6.99%**	0%	0%	WSJ Prime +2% Interest refunded after 10 years of homeownership	Grant and rebate program	4.5%	Grant and discounting fee
Borrower Total Costs	\$586	\$586-costs paid by HRA	\$161	\$507	\$350	\$116.60+3%Fee	\$336		Appox \$250-\$300	\$50.00

*If unsecured no loan-to-value

**Depends on Secured or Non-Secured Debt and Credit Score.

***County has 2-tier loan program. Repayment is either written down over the 10 years or due upon sale.

PROGRAMS

MULTI-FAMILY LOAN PROGRAMS

Learn More About

Low-Interest Financing for Improvements

for Multi-Family Properties

GET FINANCING TO REHAB YOUR RENTAL PROPERTY

The City of Roseville assists you in planning and obtaining financing for improvements to your rental properties.

- Rental rehabilitation loans are provided by the City of Roseville and Ramsey County HRA. Rehabilitation loan are available in amounts up to \$350,000.

ROSEVILLE MULTI-FAMILY RENTAL PROGRAM

The City of Roseville assists you in obtaining funding for the redevelopment of multi-family rental properties.

- These loans are for properties that need substantial rehabilitation, The maximum loan amount is \$50,000, however, the Roseville EDA Board will consider requests for more funds than the maximum.

MAKE IMPROVEMENTS TO YOUR CONDOMINIUM BUILDING

The Ramsey County HRA assists your association in obtaining below-market-rate financing for improvements to your condominium building or townhouse.

- These loans can be used for exterior replacement or repair, including siding, roofing, and general retrofitting.
- The Housing Improvement Area (HIA) Financing is available through Ramsey County's HRA.

Contact

Jeanne Kelsey
651.792.7015
eda@cityofroseville.com

Location

City of Roseville
2660 Civic Center Drive
Roseville, MN 55113
www.cityofroseville.com



Contact City of Roseville

651.792.7015 • EDA@cityofroseville.com

www.cityofroseville.com

MULTI-FAMILY LOAN PROGRAMS

RENTAL PROPERTY REHABILITATION LOANS

What: The [Rental Rehabilitation Loan Program](#) through the [Ramsey County HRA](#) provides assistance to rental property owners who want to rehabilitate their properties or make energy improvements.

Terms: The program provides low-interest, long-term loans for rehabilitation. The rehab loan maximum is \$350,000 and the building must maintain permanent affordability for residents. Income of tenants must be less than 80% of the Area Median Income.

Requirements

- Owner must complete an application to qualify for the low interest rehab loan.
- All residents must be income qualified.

Contact: City of Roseville at 651.792.7015

MULTI-FAMILY RENTAL IMPROVEMENT PROGRAM

What: [Multi-Family Rental Program](#) provides financial assistance to owners and developers of rental properties in Roseville. The program is designed to assist owners of properties that provide housing for low- and moderate-income families and individuals.

Terms: This program assists property owners with the matching loan funds of a one-to-one (1:1) ratio for improvement projects. The interest rate, when blended with any other loan program, will range between 0 and 6%. If the property owner uses equity or replacement reserves, the maximum interest rate charged is 3%. The loan term is 15 years or full repayment upon transfer or sale of the property. Debt to property value is not to exceed 90% of the property value, and sufficient cash flow is required to pay back the loan. The maximum loan amounts are \$5,000 per unit up to an overall maximum of \$50,000. For properties that need substantial rehabilitation, the Roseville EDA Board will consider requests for additional funds.

Requirements

- All properties must have the Roseville Police Community Relations Coordinator review improvements for crime prevention.
- Incorporation of green construction practices (properties must undergo an energy audit to identify and remedy building operating deficiencies).
- Properties must have a Housing Quality Standards inspection and make required improvements to ensure that standards are met.
- All applicants must have acceptable credit (property owners must be current on mortgage/contract for deed payments and property taxes).

Contact: City of Roseville at 651.792.7015

CONDO TOWNHOUSE REHAB

What: Ramsey County's [Housing Improvement Area \(HIA\) Financing](#) provides town home or condo associations the ability to fund permanent, exterior improvements and improvements essential to the operation of the building (such as a boiler). The financing is facilitated by the City of Roseville and assists private property owners in revitalizing a neighborhood, stabilizing the owner-occupancy level in a neighborhood or association, or addressing code violations.

Terms: Financing terms should not exceed 15 years.

Requirements

- 51% or more of the units' owners must be in favor of the financing.
- Associations must show that traditional financing options are not feasible
- Average market value of units may not exceed the maximum purchase price of existing homes under Minnesota's first-time homebuyer program.

Contact: Ramsey County HRA at 651.266-8000 or AskCED@co.ramsey.mn.us



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 6/21/2016
Item No.:7d.

Department Approval

Executive Director Approval

Item Description: Review Move-up Housing

Policy Priority: Housing and Economic Development

Strategic Initiative: Create Move-up Housing Opportunities

BACKGROUND

The 2016 City of Roseville Priority Plan included an initiative to create move-up housing opportunities. Homes considered to be “move-up” housing from the Priority Planning Process were determined to be valued at \$350,000 or more. Staff has inventoried the number of homes built in the past 5 years (2011 – 2015) and has found that 78 new homes have been constructed either by developers or by owners who have demolished an existing home to build a new one. The sale prices of these homes ranged from \$319,500 to \$1,111,000, with a median value between \$457,033 and \$666,308.

Year	New Home Construction	Median	Min	Max
2011	8	\$531,614	\$440,952	\$699,500
2012	27	\$499,765	\$393,428	\$581,400
2013	12	\$586,700	\$347,000	\$899,000
2014	12	\$666,308	\$319,500	\$1,111,000
2015	15	\$457,033	\$390,000	\$785,000
2016	4	\$550,000	\$456,356	\$665,000

In reviewing the current proposed developments and existing real estate listings, we see that another 44 homes will likely be built during the remainder of 2016 through the end of 2017. The proposed sales prices of these homes (including the cost of the land) are between \$390,000 to \$825,000.

Attachment A provides more information related to price points for house sales in the last 5 years.

POLICY OBJECTIVE

The Policy Priority desired outcome was to have 20+ new homes values built at \$350,000 or higher.

BUDGET IMPLICATIONS

The staff report serves as a guide for discussion only.

STAFF RECOMMENDATION

Review Policy Priority to create Move-Up Housing Opportunities of 20+ new homes values at \$350,000 or higher. Determine if there is another housing goal the REDA would like to consider.

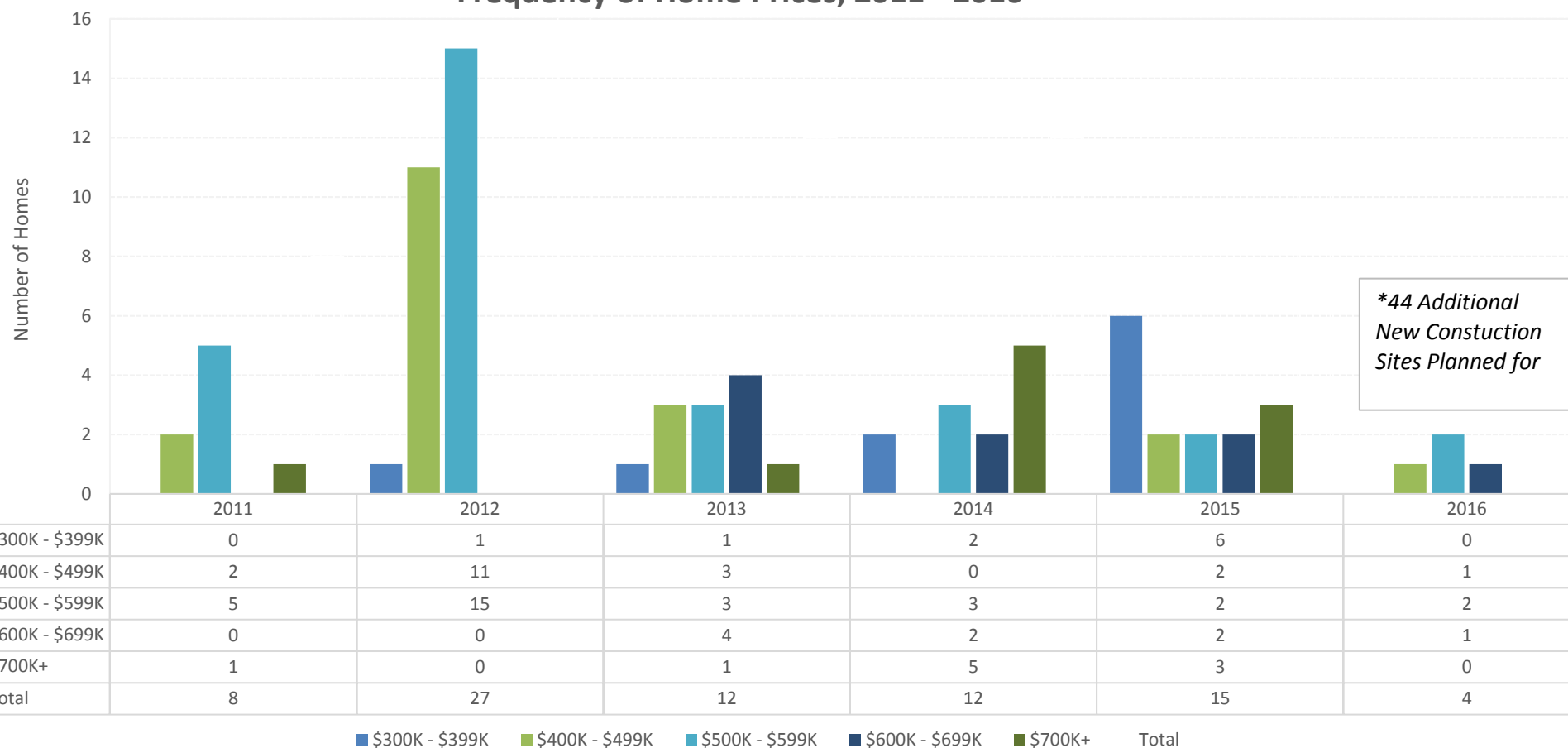
REQUESTED AUTHORITY ACTION

Review Policy Priority to create Move-Up Housing Opportunities of 20+ new homes values at \$350,000 or higher.

Prepared by: Jeanne Kelsey, Department of Community Development, 651-792-7086

Attachments: A: Current homes sales for last 5 years

Frequency of Home Prices, 2011 - 2016





REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 6/21/2016

Item No.:7e

Department Approval

Executive Director Approval

Item Description: Review Medium Density Zoning

BACKGROUND

On February 22, 2016, the Roseville City Council received a presentation from staff that showed the parcels in the City currently zoned High Density Residential (HDR) 1 and 2. After reviewing that information, Council asked staff to prepare similar information for parcels zoned Medium Density Residential (MDR). Information is also being provided related to the percentage of units by housing type. Staff has also included from the February 22, 2016, presentation the HDR acreage amounts as well as a map showing the parcels currently zoned HDR with the percentage of units by housing type. This information will provide good background information for the Comprehensive Plan updating.

POLICY OBJECTIVE

This information is intended as a follow-up request from the February 22, 2016 meeting requesting information related to MDR housing.

BUDGET IMPLICATIONS

This item is for informational purposes only and therefore will not directly result in any budget implications.

STAFF RECOMMENDATION

This item is for informational purposes only and therefore there is not a staff recommendation.

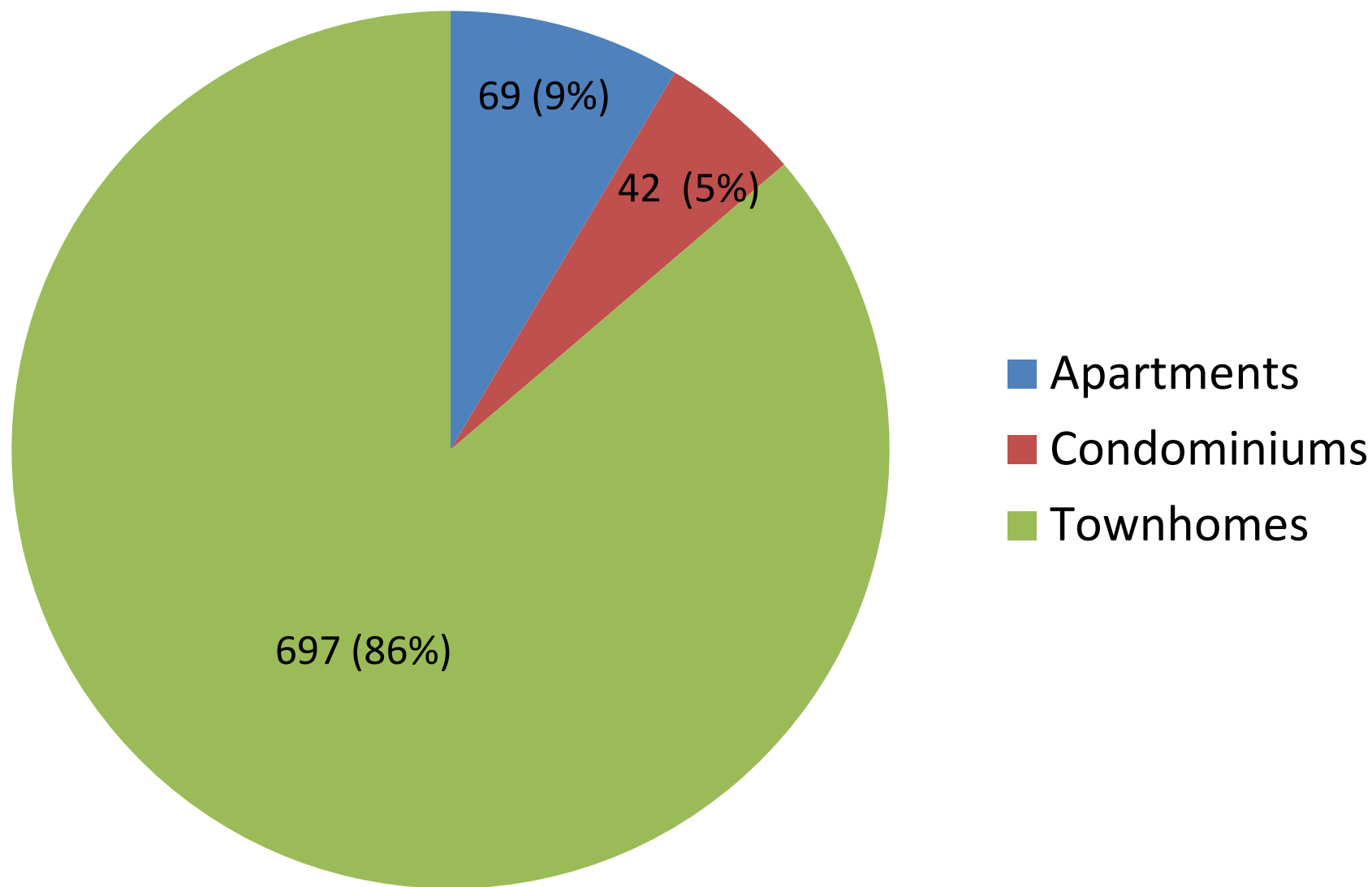
REQUESTED AUTHORITY ACTION

Receive the map of MDR and HDR housing for information purposes along with what the percentage of units by type for each of the zoning classifications.

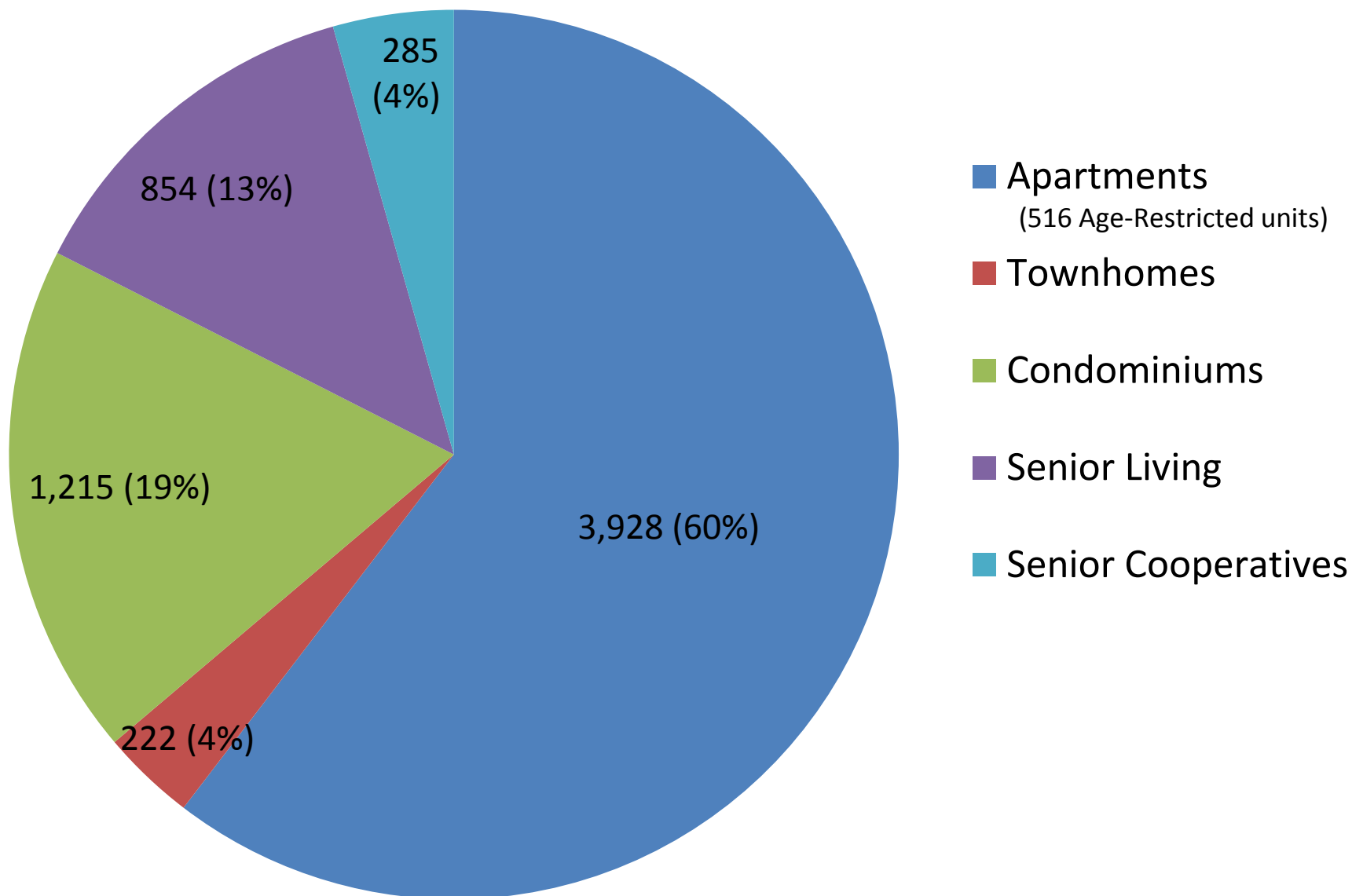
Prepared by: Jeanne Kelsey, 651-792-7086

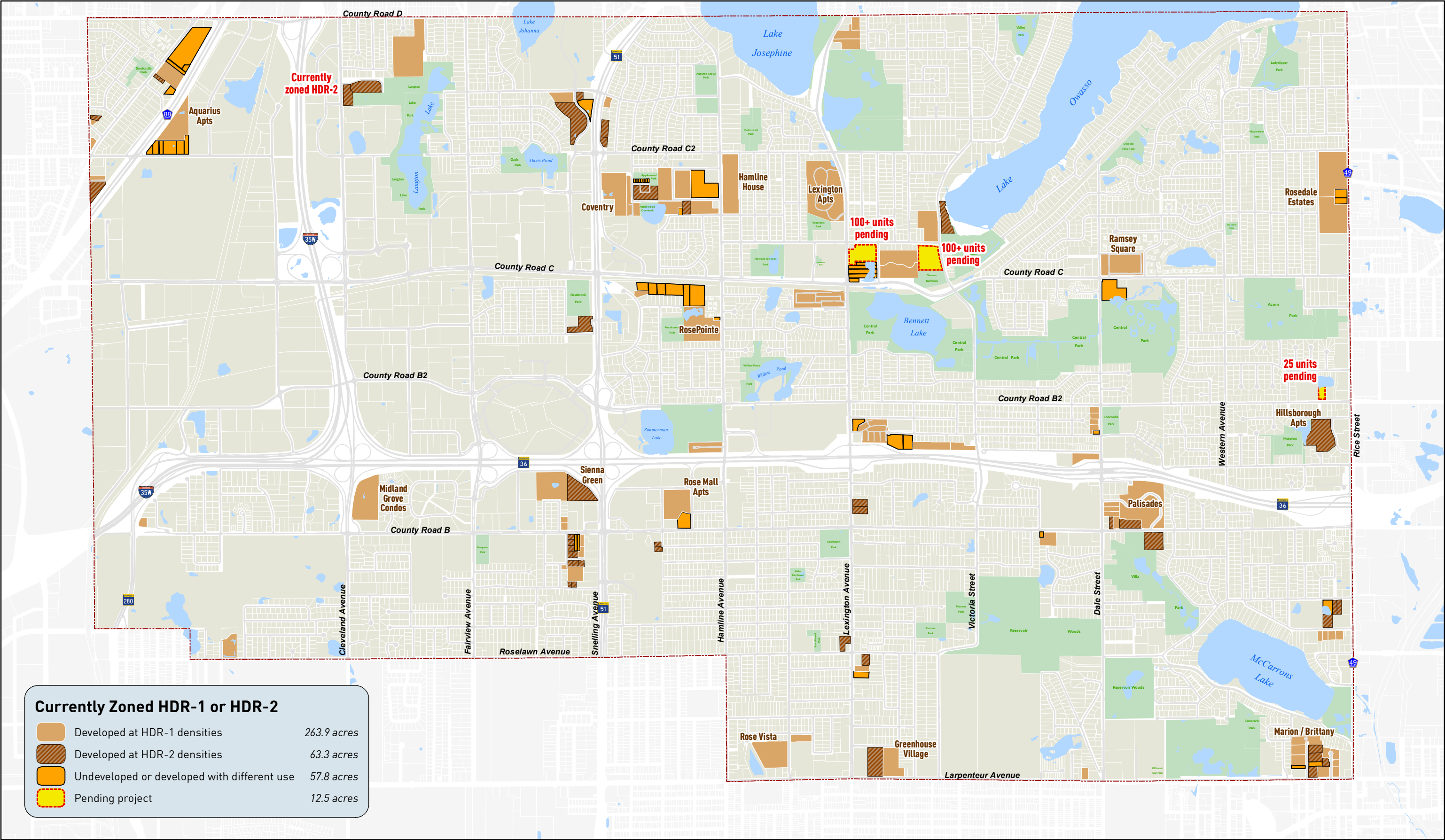
Attachments: A: MDR Map
B: MDR Number of Units by Type
C: Existing Medium and High Density Residential
D: HDR Number of Units by Type
E: HDR 1 & 2 Existing and Undeveloped HDR

Medium Density Residential: Number of Units by Type



High Density Residential: Number of Units by Type





Existing High Density Residential

