City of ROSEVILLE Minnesota, USA

Minutes
Roseville Economic Development Authority (REDA)
City Council Chambers, 2660 Civic Center Drive
Monday, May 15, 2023 – 6:00 p.m.

1. **Roll Call**

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Strahan, Etten, Groff, and Roe.

Present:	President Dan Roe and Board Members Jason Etten, Wayne Groff, and Julie Strahan.
Others Present:	REDA Attorney Gina Fiorini, Executive Director Pat Trudgeon, Community Development Director Janice Gundlach, and Housing & Economic Development Program Manager Jeanne Kelsey
Absent:	Board Member Robin Schroeder

2. **Pledge of Allegiance**

3. **Approve Agenda**

Groff moved, Etten seconded, approval of the agenda as presented.

Ayes: 4
Nays: 0
Motion carried.

4. **Public Comment**

5. **Business Items**

a. **Receive 2022 Home Energy Squad Challenge Award**

Sustainability Specialist Noelle Bakken provided a brief summary of this program and recognition as detailed in the staff report and attachments dated May 15, 2023.

Ms. Bakken introduced Ms. Stacy Boots Camp and Mr. Gerardo Roca who presented the 2022 Home Energy Squad Challenge Award to the EDA.

Mr. Trudgeon thanked CEE for the continuing partnership with the City and he thanked Ms. Bakken and Ms. Kelsey for all the help.

b. **Adopt Resolution Creating a Small Business Micro-Loan Pilot Program**

Housing and Economic Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated May 15, 2023.

Member Groff asked how many loans have been made and in what period of time.

Ms. Kelsey explained the City has not used this program yet. This is just establishing the program and have only budgeted the maximum amount that would be able to be done, which would probably be five loans if each one took out the maximum amount of five thousand dollars.

Member Strahan indicated she was curious about the length of time of forgiveness being three months. She wondered if that was enough time to show the business was around long enough afterwards.

Ms. Kelsey indicated the length could be longer if that was the preference of the EDA. She thought the biggest thing that staff wanted to do was originally trying to achieve it to make it a forgivable loan right away but due to the fact by the Attorney that it was not a possibility, due to the statutes governing EDA activities it had to be something that relates to the creation of a job or expansion or something. If the EDA would like to have the length longer that would be fine. She thought the biggest thing staff is trying to do is build a relationships with a lot of the businesses and a lot of them do not trust government. She was also trying to find a happy medium that it created a good-will but also let the business know there was not anything hanging over their heads for a lot longer.

President Roe stated if the time period looks to be an issue, he thought the EDA could consider something along the lines of a flexible time period such as three to six months or something similar. He noted if this would relate to something such as jobs the hiring cycle could be pretty long and there might want to be some flexibility there, but he did not want to throw a wrench in the program either by not being able to do a range of time.

Member Etten asked when the three-month clock would start on the loan forgiveness.

Ms. Kelsey explained the clock would start after the improvement is done. The cash will be held until the improvement is done so that the City has CEE pay the funds directly to the contractor and then that will be the three-month period.

Member Strahan thought it was really important for the EDA to know how the City reaches other folks. She referenced Attachment B that included several demographic questions about gender, ethnicity, and education level. She wondered if that could be placed on a separate sheet of paper, so it is known to some folks but maybe not to every person along the process of applying. She did not want it to be something that makes the applicant think this may not make them eligible.

Ms. Kelsey indicated she would make a note of that.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Etten moved, Groff seconded, adoption of REDA Resolution No. 115 entitled, "Resolution Approving a Small Business Loan Program and Authorizing Staff To Administer Said Loan Program."

Ayes: 4
Nays: 0
Motion carried.

c. **Consider Replenishment of Funds for Various Home Loan Programs**
Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated May 15, 2023.

Member Strahan wondered given the changes in the market has staff considered moving the three percent interest rate back up to the four percent that it had been originally.

Ms. Kelsey explained the reason it was lowered from four percent to three percent was not due to the market, it was due to covering the costs associated with what it cost to administer the loans because there is a monthly cost associated with each loan for CEE to monitor them so the three percent is covering the cost, the overhead for CEE so that all the loans will pretty much break even for the amount that is being paid back. If there is consideration that the EDA wants a higher interest rate based upon the marketplace that is a consideration the EDA can give staff.

Member Strahan asked if staff knew what the long-term plan is for the County on its first generation home buyer down payment assistance program.

Ms. Kelsey explained the County is currently using its HRA levy funds. As long as the County keeps on levying the County will keep on budgeting for this.

Member Etten indicated it was mentioned that the State was considering legislation for first time programs. He asked if there were any details on what the proposals are for that program.

Ms. Kelsey explained it was her understanding this is one time funding that the Legislature is looking at putting into the program of one million dollars and if it is not earmarked for anything else going forward. However, the one thing she also knows is that there were conversations long ago about each City getting funds for affordable housing and putting that towards it. If those bills end up passing the way they look now, the City will have, maybe, even a possible annual amount from the sales tax the Legislature is looking at initiating. She noted that will take a year of sales tax before the City to finally get it and then working through the process with Minnesota Housing in order to get the allocation.

Member Groff thought the presentation was good and he liked the overall idea of what is being talked about.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

President Roe explained there is the question in terms of the continuation or discontinuation or pausing of the down payment assistance for first generation home buyers. He asked the EDA if any member would like to see this paused or discontinued for the time being.

Member Etten indicated he was personally leaning to pausing the program after finishing off the money available at this time. He would think at that point the City would be looking at how the State would be funding it going forward and the City could add to that, if needed. He explained the County's first-generation home buyers' program is quite significant at twenty-five percent of the cost of the home. He noted if the City can target its loans where there is a different need, that would be a good thing to do.

Member Strahan indicated her preference would be to keep the program in place until the City knows what the State is planning to do. She thought this could always be paused in the future, but she felt like this is in line with the City's commitment to equity, their Just Deeds commitment, and the other commitments along the line of undoing the damage of redlining. She stated it took so much time to get it there that she is hesitant to take it out. If in the future though, there is no need to move forward with it or less need. She would prefer to leave it there.

President Roe indicated he incorrectly stated Member Etten's proposal. His proposal was to use the existing funding for one more loan but not to add the additional seventy-five thousand dollars. The idea is that the program would continue through the existing funding but not add additional funding at this time.

Member Groff agreed with Member Strahan in the sense that he would rather have the State or County in place as the City knows what they are for sure and their timelines. He would hate for someone to use the one up and then not have anything available for someone who actually would qualify. He did not think that amount of money was too much to have that assurance and if the money is still there, the EDA can move it into another plan.

President Roe concurred with placing an additional seventy-five thousand dollars into the fund and then revisiting this at the end of that period. He asked if there were any concerns regarding adding funds to the other two programs as outlined.

The EDA members did not have an issue with the other program funding.

Groff moved, Strahan seconded, directing staff to replenish funds as outlined in the staff recommendation which includes the funding for the First Generation Downpayment Assistance Program of seventy-five thousand dollars.

Ayes: 4
Nays: 0
Motion carried.

6. Adjourn

Groff moved, Etten seconded, adjourning the REDA meeting at approximately 6:35 p.m.

Ayes: 4
Nays: 0
Motion carried.

Daniel J. Roe, President

ATTEST:

Pat Trudgeon, Executive Director