

EDA Members:
Dan Roe,
President
Vacant,
Vice
President
Wayne
Groff,
Treasurer
Robert
Willmus
Jason
Etten
Julie
Strahan



**Economic Development Authority
Meeting Agenda
Monday, January 11, 2021
6:00pm**

Address:
2660 Civic Center Dr.
Roseville, MN 55113

Phone:
651-792-7000

Website:
www.growroseville.com

Following guidance from state health officials, EDA Members will participate in upcoming meetings electronically pursuant to Minn. Stat. § 13D.021.

Members of the public who wish speak during public comment or an agenda item during this meeting can do so virtually by registering at www.cityofroseville.com/attendmeeting

1. 6:00 P.M. Roll Call
Voting & Seating Order: Etten, Groff, Strahan, Willmus, and Roe
2. 6:02 P.M. Pledge Of Allegiance
3. 6:03 P.M. Approve Agenda
4. 6:04 P.M. Public Comment
5. Business Items (Action Items)
 - 5.A. 6:08 PM Election Of Officers

Documents:

[5A REPORT AND ATTACHMENTS.PDF](#)

- 5.B. 6:13 PM Authorize Resolution For Interfund Loan For Matching Grant Funds Regarding DEED's Environmental Clean-Up Grant For Twin Lakes Station

Documents:

[5B REPORT AND ATTACHMENTS.PDF](#)

- 5.C. 6:20 PM Authorize Master Subordination Agreement And Master Disbursement Agreement In Connection With LCDA Loan For Owasso Gardens

Documents:

[5C REPORT AND ATTACHMENTS.PDF](#)

[5C BENCH HANDOUT.PDF](#)

6. 6:25 P.M. Information Item
Memo regarding future EDA discussion on Roseville's Residential & Business

Assistance Programs

Documents:

[6 REPORT AND ATTACHMENTS.PDF](#)

7. 6:30 P.M. Adjourn To City Council



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/11/2021
Item No.: 5.a

Department Approval

Executive Director Approval

Janice Gundlach

Patrick Trudgeon

Item Description: Annual Election of Officers of the Roseville Economic Development Authority

BACKGROUND

Minnesota State Statute 469.096, Subdivision 2 requires an Economic Development Authority to elect a President, a Vice President, a Treasurer, Secretary and an Assistant Treasurer at an annual meeting. The Roseville Economic Development Authority bylaws designate that the office of Secretary be held by the Executive Director, who may delegate duties to other City staff as needed, and the Assistant Treasurer be held by the City's Finance Director. A Commissioner may not serve as President and Vice President at the same time, but the other offices may be held by the same Commissioner. The offices of President, Vice President and Treasurer must be held by a Commissioner. The officers elected in 2020 were:

- President - Member Dan Roe
Vice President - Member Lisa Laliberte
Treasurer - Member Wayne Groff
Secretary - Patrick Trudgeon
Assistant Treasurer - Assistant Financing Director, Jason Schirmacher

POLICY OBJECTIVE

The annual election of officers per Minnesota State Statute 469.096 Subdivision 2.

STAFF RECOMMENDATION

Commissioners should elect the following officer positions per Minnesota State Statute 469.096, Subdivision 2:

- President
Vice President
Treasurer

The following positions are dictated by the REDA bylaws and are as follows:

- Secretary - Executive Director, Patrick Trudgeon
Assistant Treasurer - City Finance Director, Michelle Pietrick

30 **REQUESTED REDA BOARD ACTION**

31 Motion to elect a President, Vice President, Treasurer, of the Roseville Economic
32 Development Authority.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

Attachment A: REDA By-laws

BYLAWS OF THE
ECONOMIC DEVELOPMENT AUTHORITY

ARTICLE I - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the "Roseville Economic Development Authority."

Section 2. Office of Authority. The office of the Authority shall be at the City Hall in the City of Roseville, State of Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 3. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

Section 4. Establishment. The Roseville Economic Development Authority is established pursuant to Minnesota Statutes, Section 469.090 to 469.1081, as amended (the "Act"), as memorialized in the City of Roseville Resolution Enabling the Creation of the Roseville Economic Development Authority dated November 30, 2015 and as it may be amended (the "Enabling Resolution"). The provisions of these Bylaws are intended to be consistent with the terms of the Act and Enabling Resolution, and in the case of any actual or apparent conflict, the terms of the Act and Enabling Resolution shall control.

ARTICLE II - THE COMMISSIONERS

Section 1. Appointment, Terms, Vacancies, Pay, and Removal. Shall be in accordance with the Enabling Resolution.

ARTICLE III - THE OFFICERS

Section 1. Officers. The Authority shall elect a president, a vice president, a treasurer, a secretary, and an assistant treasurer at the annual meeting. A commissioner must not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Section 2. President. The President shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Board of Commissioners, the President and the Executive Director (the Assistant Treasurer, in the Executive Director's absence or incapacity) shall sign all contracts, deeds, and other instruments made or executed by the Authority, except that all checks of the Authority shall be signed by the President and Assistant Treasurer. At each meeting the President shall submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Section 3. Vice President. The Vice President shall perform the duties of the

President in the absence or incapacity of the President, including signing all contracts, deeds, and other instruments executed by the Authority; and in the case of the resignation or death of the President, the Vice President shall perform such duties as are imposed on the President until such time as the Board shall select a new President.

Section 4. Secretary. The Secretary shall keep minutes of all meetings of the Board and shall maintain all records of the Authority. The office of Secretary shall be held by the Executive Director, who may delegate duties to other City staff as required.

Section 5. Treasurer's Duties. The Treasurer:

- (1) shall receive and is responsible for Authority money;
- (2) is responsible for the acts of the Assistant Treasurer;
- (3) shall disburse Authority money by any Authority-approved method, including without limitation check, wire transfer, or credit card;
- (4) shall keep an account of the source of all receipts and the nature, purpose, and authority of all disbursements;
- (5) shall file the Authority's detailed financial statement with its Secretary at least once a year at times set by the Authority; and
- (6) shall prepare and submit an annual report describing the Authority's activities and providing an accurate statement of its financial condition to the City of Roseville.

All duties of the Treasurer shall be performed in accordance with the Enabling Resolution and the provisions of Section 469.100 of the Act.

Section 6. Assistant Treasurer. The Assistant Treasurer has the powers and duties of the treasurer if the treasurer is absent or incapacitated. The City Finance Director shall be designated as Assistant Treasurer of the Authority.

Section 7. Public Money. Authority money is public money.

ARTICLE IV - EXECUTIVE DIRECTOR

As provided in the Enabling Resolution, the City Manager shall be designated as Executive Director of the Authority.

Section 1. Duties. The Executive Director shall have general supervision over the administration of the Authority's business and affairs subject to the direction of the Authority. The Executive Director in his or her own name and title shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep record

of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office. Except as otherwise authorized by resolution of the Board of Commissioners, the Executive Director shall, with the President, sign all contracts, deeds, and other instruments executed by the Authority. The Executive Director shall keep in sole custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

Any person appointed to fill the office of Executive Director, or any vacancy herein, shall have such terms as the Authority fixes, but no commissioner of the Authority shall be eligible to serve as the Executive Director.

ARTICLE V - MEETINGS

Section 1. Regular Meetings. Regular meetings shall be held pursuant to the calendar of meetings set by the Authority at its final meeting of the year preceding each such calendar.

Section 2. Annual Meeting. The annual meeting of the Authority shall be held at the regular meeting place of the Authority on the date of the first regular meeting of the Authority, pursuant to the calendar established as described in Section 1.

Section 3. Special Meetings. Special meetings of the Authority may be called by the President, two members of the Authority, or the Executive Director for the purpose of transacting any business designated in the call. All commissioners of the Authority shall be notified.

Section 4. Quorum. At any meeting of the Authority, the presence of three commissioners shall constitute a quorum. If a quorum is not present at any meeting, those present shall have power to adjourn the meeting from time to time without notice other than announcement at such meeting until the requisite number of votes shall be present to constitute a quorum. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Any resolution, election, or other formal action of the Authority shall be adopted upon the affirmative vote of a majority of the Authority membership.

Section 5. Rules of Procedure. Unless otherwise specified in the Enabling Resolution or in these bylaws, all meetings of the Authority shall be conducted in accordance with Rosenberg's Rules of Order.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be voice unless the President calls for a roll call vote. The yeas and nays shall be entered upon the minutes of such meetings.

ARTICLE VI - EMPLOYEES; SERVICES; SUPPLIES

Section 1. Employees. Subject to limits set by the appropriations or other funds made available, the Authority may employ such staff, technicians, and experts as may be deemed proper and may incur such other expenses as may be necessary and proper for the conduct of its

affairs.

Section 2. Contract for Services. The Authority may contract for services of consultants, agents, public accountants, and other persons needed to perform its duties and exercise its powers.

Section 3. Legal Services. The Authority may use the services of the city attorney or hire a general counsel for its legal needs. The city attorney or general counsel, as determined by the Authority, is its chief legal advisor.

Section 4. Supplies. The Authority may purchase the supplies and materials it needs to carry out its function pursuant to Minnesota Statutes, Sections 469.090 to 469.1081.

Section 5. City Purchasing. The Authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

Section 6. City Facilities, Services. The City may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to the Authority.

Section 7. Delegation Power. The Authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

ARTICLE VII - POWERS

Section 1. Functions, Powers, and Duties. Shall be in accordance with the Enabling Resolution.

Section 2. Limitations of Power. Shall be in accordance with the Enabling Resolution.

ARTICLE VIII - AMENDMENTS

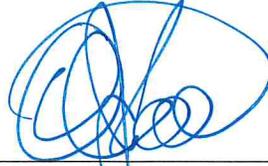
Section 1. Amendment to Bylaws. The bylaws of the Authority shall be amended by a majority vote of the Authority membership at a regular or special meeting. The amendments must be in written form.

Section 2. Conflicts. In any instance where these bylaws are in conflict with the Enabling Resolution, the Enabling Resolution shall control.

Section 3. Effective Date. These bylaws are effective upon their adoption by the Authority.

Dated: January 9, 2017.

Signed:



President

(Seal)



Executive Director



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/11/2021

Item No.: 5.b

Department Approval

Executive Director Approval

Janice Gundlach

Patricia Ingram

Item Description: Authorize Resolution for interfund loan for matching grant funds regarding DEED's Environmental Clean-up Grant

1 **BACKGROUND**

2 On August 12, 2019 the Roseville Economic Development Authority (REDA) established a Tax
3 Increment Financing (TIF) District for District No. 22 – Twin Lakes II Redevelopment
4 (Attachment A). On October 15, 2019 the REDA authorized applications for environmental
5 cleanup funds for the redevelopment of Twin Lakes Station. Applications were submitted to the
6 Metropolitan Council for Tax Base Revitalization Account (TBRA), Department of Employment
7 and Economic Development (DEED) for Contamination Cleanup Grant, and to Ramsey County
8 for Environmental Response Funds (ERF). The DEED grant requires matching funds from the
9 applicant, which is the REDA. Matching funds are required to come from general fund,
10 property tax, or other unrestricted money. Staff is recommending the matching funds are paid
11 for from the REDA operating account and will be reimbursed from TIF administration fees the
12 REDA will receive upon final certification of the TIF notes for the district. The matching
13 amount required is \$78,371.64 (which is 25% of the overall costs of the clean-up). Anticipated
14 TIF administration fees to be generated are more than adequate to cover this expense. In order
15 for the REDA to reimburse the required match, an interfund loan must be established allowing
16 for the administration fee collected from the TIF increment to be used to reimburse the REDA
17 operating fund. This must be accomplished via resolution.

18 An interfund loan resolution was established on August 12, 2019 (Attachment B) for this district.
19 Because that resolution did not specify that TIF administration fees would be used to recoup the
20 REDA's DEED grant matching funds, staff is recommending a separate resolution be established
21 for tracking purposes. Interfund loans are recommended practice to ensure the REDA can
22 legally recoup its up-front investment via TIF dollars generated by the TIF district. REDA
23 Attorney Martha Ingram will be at the meeting to address any questions the REDA may have
24 regarding the interfund loan resolution.

25 **BUDGET IMPLICATIONS**

26 There are no budget implications at this time for the REDA. The REDA's current fund balances
27 are sufficient to pay the 25% matching requirement.
28

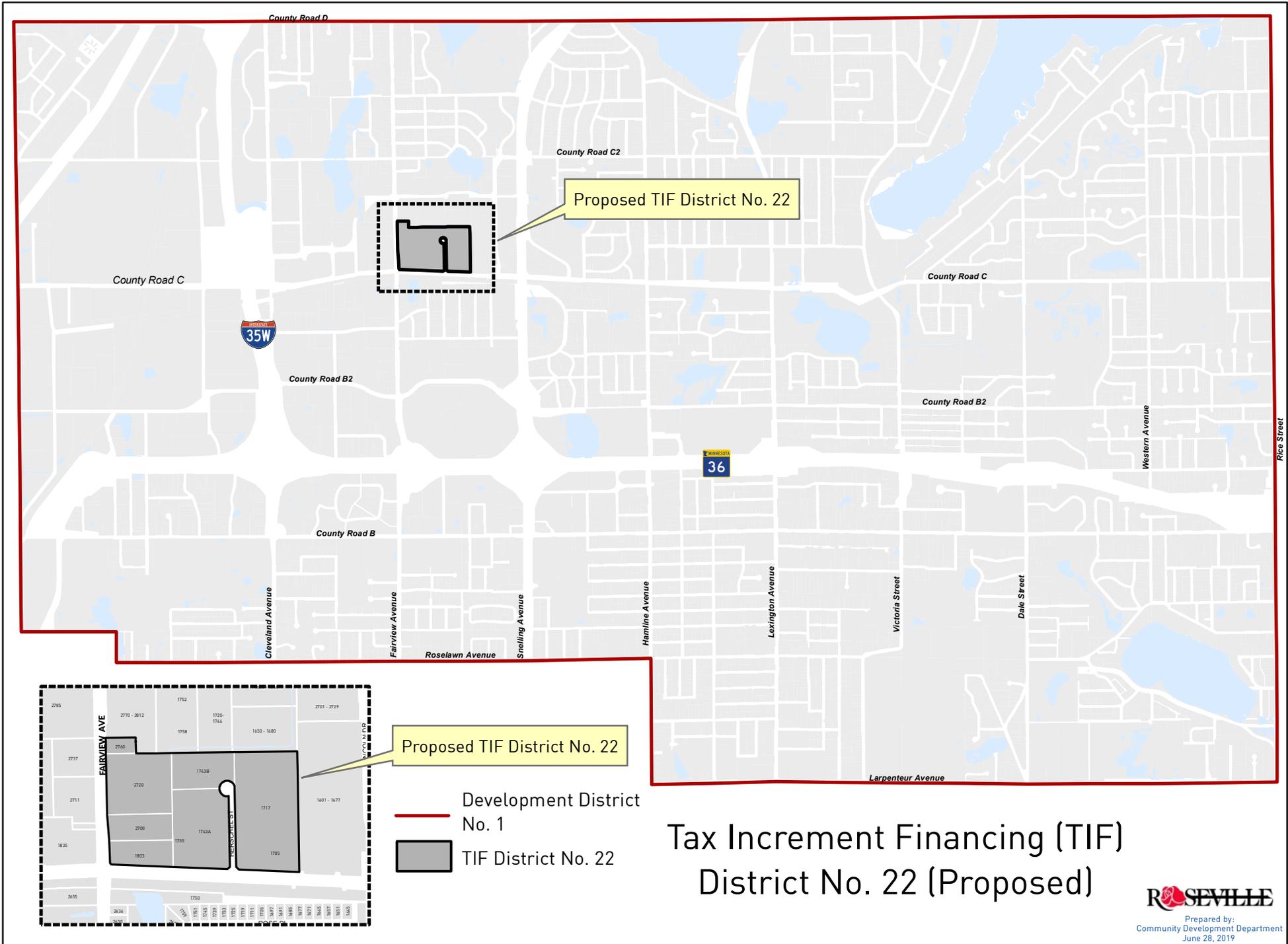
29 **STAFF RECOMMENDATION**

30 Staff recommends the REDA adopt the Resolution provided as Attachment C, establishing an
31 Interfund Loan for the advance of certain environmental costs in connection with Tax Increment
32 Financing District No. 22 – Twin Lakes II Redevelopment.

33 **REQUESTED EDA ACTION**
34 Motion to Adopt a Resolution establishing an Interfund Loan for the advance of certain
35 environmental costs in connection with Tax Increment Financing District No. 22 – Twin Lakes II
36 Redevelopment.

37
38 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

39 Attachments: A: TIF #22 Map
B: Resolution No. 49 establishing an Interfund Loan for Advancement of Costs
C: Resolution No. XX establishing an Interfund Loan for the Advancement of Costs for
Environmental match requirement



Proposed TIF District No. 22

Proposed TIF District No. 22

- Development District No. 1
- TIF District No. 22

Tax Increment Financing (TIF) District No. 22 (Proposed)

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners of the Roseville Economic Development Authority was duly held on the 12th day of August, 2019, at 6:00 p.m.

The following members were present: Etten, Willmus, Laliberte, Groff, and Roe

and the following were absent: None

Member Etten introduced the following resolution and moved its adoption:

Resolution No. 49

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 22: TWIN LAKES II

WHEREAS, the Roseville Economic Development Authority (“REDA”) intends to establish Tax Increment Financing District No. 22: Twin Lakes II (the “TIF District”), a redevelopment district, within Development District No. 1, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, Minnesota Statutes, Sections 469.090 to 469.1081, as amended, and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), and will approve a tax increment financing plan therefor; and

WHEREAS, REDA may incur certain costs related to the TIF District, which costs may be financed on a temporary basis from legally available REDA funds or funds of the City of Roseville, Minnesota (the “City”); and

WHEREAS, under Section 469.178, subdivision 7 of the TIF Act, REDA is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act; and

WHEREAS, REDA expects to incur costs related to administrative costs of the TIF District (the “Qualified Costs”) using REDA or City funds legally authorized for such purpose, and to reimburse such funds from tax increments from the TIF District when received; and

WHEREAS, REDA intends to designate such advances as an interfund loan in accordance with the terms of this resolution and the TIF Act;

NOW, THEREFORE, BE IT RESOLVED, that:

1. REDA hereby authorizes the advance of up to \$100,000 in legally available REDA or City funds to pay the Qualified Costs, together with interest at the rate of 5% per annum (the "Interfund Loan"). Interest shall accrue on the principal amount of each advance from the date of such advance. The interest rate is no more than the greatest of the rate specified under Minnesota Statutes, Section 270C.40 and Section 549.09, both in effect for calendar year 2019, and will not be adjusted.
2. Principal and interest (the "Payments") on the Interfund Loan shall be paid semiannually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which REDA receives Available Tax Increment (defined below), or on any other dates determined by the Executive Director, through the date of last receipt of tax increment from the TIF District.
3. Payments on the Interfund Loan will be made solely from Available Tax Increment, defined as tax increment from the TIF District received by REDA from Ramsey County, Minnesota in the six-month period before any Payment Date. Payments shall be applied first to accrued interest, and then to unpaid principal. Payments on the Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on a parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.
4. The principal sum and all accrued interest payable under this resolution is prepayable in whole or in part at any time by REDA without premium or penalty.
5. This resolution is evidence of an internal borrowing by REDA in accordance with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, REDA and the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of Available Tax Increment. REDA shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.
6. REDA may at any time make a determination to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.
7. REDA may from time to time amend the terms of this resolution to the extent permitted by law, including without limitation amendment to the payment

schedule and the interest rate; provided that the interest rate may not be increased above the maximum specified in Section 469.178. subdivision 7 of the TIF Act.

8. This resolution is effective upon approval.

The motion for the adoption of the foregoing resolution was duly seconded by Member Groff, and upon a vote being taken thereon, the following voted in favor thereof:

Etten, Willmus, Laliberte, Groff, and Roe

and the following voted against the same: None

WHEREUPON said resolution was declared duly passed and adopted.

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and specially held meeting thereof on August 12, 2019.

Witness my hand as the Executive Director of the Authority this 13th day of August, 2019.



Patrick Trudgeon, Executive Director
Roseville Economic Development Authority

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NOW, THEREFORE, BE IT RESOLVED, that:

1. REDA hereby authorizes the advance of up to \$80,000 in legally available REDA or City funds to pay the Qualified Costs, together with interest at the rate of 4% per annum (the “Interfund Loan”). Interest shall accrue on the principal amount of each advance from the date of such advance. The interest rate is no more than the greatest of the rate specified under Minnesota Statutes, Section 270C.40 and Section 549.09, both in effect for calendar year 2021, and will not be adjusted.
2. Principal and interest (the “Payments”) on the Interfund Loan shall be paid semiannually on each August 1 and February 1 (each a “Payment Date”), commencing on the first Payment Date on which REDA receives Available Tax Increment (defined below), or on any other dates determined by the Executive Director, through the date of last receipt of tax increment from the TIF District.
3. Payments on the Interfund Loan will be made solely from Available Tax Increment, defined as tax increment from the TIF District received by REDA from Ramsey County, Minnesota in the six-month period before any Payment Date. Payments shall be applied first to accrued interest, and then to unpaid principal. Payments on the Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on a parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.
4. The principal sum and all accrued interest payable under this resolution is prepayable in whole or in part at any time by REDA without premium or penalty.
5. This resolution is evidence of an internal borrowing by REDA in accordance with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, REDA and the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of Available Tax Increment. REDA shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.
6. REDA may at any time make a determination to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.
7. REDA may from time to time amend the terms of this resolution to the extent permitted by law, including without limitation amendment to the payment

94 schedule and the interest rate; provided that the interest rate may not be increased
95 above the maximum specified in Section 469.178. subdivision 7 of the TIF Act.

96
97 8. This resolution is effective upon approval.

98
99 The motion for the adoption of the foregoing resolution was duly seconded by Member
100 _____, and upon a vote being taken thereon, the following voted in favor thereof:

101
102 and the following voted against the same:

103
104 WHEREUPON said resolution was declared duly passed and adopted.

105
106
107 Certificate

108
109 I, the undersigned, being duly appointed Executive Director of the Roseville Economic
110 Development Authority, hereby certify that I have carefully compared the attached and foregoing
111 resolution with the original thereof on file in my office and further certify that the same is a full,
112 true, and complete copy of a resolution which was duly adopted by the Board of Commissioners
113 of said Authority at a duly called and regularly held meeting thereof on January 11, 2021.

114
115 Witness my hand as the Executive Director of the Authority this ____ day of January,
116 2021.

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121 _____
122 Patrick Trudgeon, Executive Director
Roseville Economic Development Authority



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/11/21

Item No.: 5.c

Department Approval

Executive Director Approval

Janice Gundlach

Pam J. Trugen

Item Description: Authorize Master Subordination Agreement and Master Disbursement Agreement in connection with LCDA loan for Owasso Gardens

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2 **BACKGROUND**

3 On July 20, 2020, the Roseville Economic Development Authority (REDA) entered into a Private
4 Redevelopment Contract to provide Metropolitan Council LCDA funds of \$645,000 as a forgivable loan
5 for the Owasso Gardens redevelopment project (the REDA acts as a pass-through with Metropolitan
6 Council). Owasso Gardens consists of 60 units of affordable senior apartment units. At that time, the
7 REDA authorized the subordination of its Contract for Private Redevelopment and the LCDA loan for
8 Minnesota Housing Financing closing requirements (Attachment A). At this time, the REDA is being
9 asked to authorize the subordination of the contract and loan for Minnesota Housing that has detailed
10 the funding sources and is providing a disbursement agreement of all the funds for the development of
11 Owasso Gardens (see Attachments B and C). Subordination is customary in these instances.
12

13 **STAFF RECOMMENDATION**

14 Authorize Adoption of a Resolution authorizing a Master Subordination Agreement and Master
15 Disbursement Agreement in connection with LCDA Loan from REDA to CB Owasso Gardens Limited
16 Partnership (Attachment D).
17

18 **REQUESTED REDA ACTION**

19 Motion to Adopt a Resolution authorizing a Master Subordination Agreement and Master Disbursement
20 Agreement in connection with LCDA Loan from REDA to CB Owasso Gardens Limited Partnership
21 (Attachment D).

- 22 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086
Attachments A: Resolution #68 subordination of Contract for Private Redevelopment and LCDA Loan Documents
B: Master Subordination Agreement for CB Owasso Gardens Limited Partnership
C: Master Disbursement Agreement for CB Owasso Gardens Limited Partnership
D: Resolution XX subordination of Contract for Private Redevelopment and LCDA Loan Documents

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners (the “Board”) of the Roseville Economic Development Authority (“REDA”) was duly held on the 20th day of July, 2020, immediately preceding the meeting of the City Council of the City of Roseville.

The following members were present: Groff, Etten, Laliberte, and Roe

and the following were absent: Willmus.

Member Etten introduced the following resolution and moved its adoption:

RESOLUTION No. 68

**RESOLUTION APPROVING SUBORDINATION OF
CONTRACT FOR PRIVATE DEVELOPMENT AND OF
LCDA LOAN DOCUMENTS BETWEEN THE
ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY, CB OWASSO GARDENS LIMITED
PARTNERSHIP, AND MINNESOTA HOUSING
FINANCE AGENCY**

WHEREAS, the Roseville Economic Development Authority (“REDA”) is currently administering its Development District No. 1 (“Project”) pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 and 469.001 to 469.047; and

WHEREAS, REDA and CB Owasso Gardens Limited Partnership (the “Developer”) entered into a Contract for Private Development dated as of the date hereof (the “Contract”), regarding development of certain property within the Project by means of the construction of a multifamily rental housing facility (the “Minimum Improvements”); and

WHEREAS, REDA and the Metropolitan Council entered into a Livable Communities Demonstration Account (“LCDA”) grant agreement related to the Developer’s construction of the Minimum Improvements, and REDA and the Developer have negotiated an LCDA loan agreement (the “Loan Agreement”) for disbursement and repayment of the LCDA funds; and

WHEREAS, in order to receive financing for the Minimum Improvements, the Developer's mortgage lender, Minnesota Housing Finance Agency (the "Lender") requires a subordination of REDA's rights under the Contract and of REDA's rights under LCDA Loan Agreement in favor of the Lender with respect to the Minimum Improvements, as set forth in the subordination agreement between the Lender, the Developer, and REDA presented to REDA for review and approval (the "Subordination"); and

WHEREAS, Section 7.3 of the Contract provides for subordination of REDA's rights under the Contract, so long as such subordination contains such reasonable terms and conditions as are mutually agreed by REDA and Lender in writing; and

WHEREAS, REDA's Board of Commissioners and legal counsel have reviewed the Subordination, and find that the approval and execution of the Subordination is in the best interest of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED, that the Subordination as presented to the Board is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Subordination by such officials shall be conclusive evidence of approval.

BE IT FURTHER RESOLVED that the President and Executive Director are hereby authorized to execute on behalf of REDA the Subordination, and any other documents requiring execution by REDA in order to carry out the transaction described in the Subordination.

BE IT FURTHER RESOLVED that REDA staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

The motion for the adoption of the foregoing resolution was duly seconded by Member Groff, and upon a vote being taken thereon, the following voted in favor thereof:

Groff, Etten, Laliberte, and Roe

and the following voted against the same: none.

WHEREUPON said resolution was declared duly passed and adopted.

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regular meeting thereof on July 20, 2020.

I further certify that Commissioner Etten introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner Groff, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

Groff, Etten, Laliberte, and Roe

and the following voted against the same: none.

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 20th day of July, 2020.



Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority

FOR USE BY FILING OFFICER ONLY

**MASTER SUBORDINATION AGREEMENT
AND
ESTOPPEL CERTIFICATE**

THIS MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE (this “Agreement”) is effective as of the ____ day of _____, 20____, and entered into among CB Owasso Gardens Limited Partnership, a Minnesota limited partnership (“Borrower”), the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota (“MHFA”), Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (the “EDA”), the City of Roseville, a Minnesota municipal corporation (the “City”) and Ramsey County Housing and Redevelopment Authority, a political subdivision of the State of Minnesota (the “HRA”).

RECITALS

A. Borrower has applied to and obtained certain loans from the other parties to this Agreement and will use the proceeds of the loans and additional equity to fund the acquisition, construction and/or rehabilitation of a multifamily housing development identified as MHFA Development No. 8233 (the “Development”), which will be situated on real property located in the City of Roseville, County of Ramsey, State of Minnesota, and legally described in **Exhibit A** attached to this Agreement (the “Property”).

B. The following is a listing and description of the loans that Borrower has obtained from the other parties to this Agreement (collectively, the “Loans”), and the repayment of the Loans will be secured by liens on the Property, and a listing of the documents that evidence and secure the repayment of the Loans (collectively, the “Loan Documents”):

Description of Loan	Amount of Loan	Loan Documents Evidencing and Securing Repayment
A loan from MHFA through its HUD Risk-Sharing Program.	\$4,118,000.00	Those documents set forth in Exhibit B attached to this Agreement.

A loan from MHFA through its Bridge Loan Program.	\$720,000.00	Those documents set forth in Exhibit C attached to this Agreement.
A loan from MHFA through its Housing Infrastructure Bonds Program.	\$7,320,000.00	Those documents set forth in Exhibit D attached to this Agreement.
A loan from the HRA through the HOME Investment Partnerships Program.	\$400,000.00	Those documents set forth in Exhibit E attached to this Agreement.
A loan from the EDA through the Metropolitan Livable Communities Fund	\$645,000.00	Those documents set forth in Exhibit F attached to this Agreement.

C. The parties intend that the Loans, the corresponding Loan Documents, and other documents referred to in this Agreement and the liens created by the Loan Documents and other documents referred to in this Agreement have a certain order of priority.

D. The parties wish to specify how the terms and conditions contained in the Loan Documents will be interpreted in the event of a conflict or inconsistency.

NOW, THEREFORE, in consideration of good and valuable consideration, and in further consideration of the parties making and entering into the Loans, the parties to this Agreement agree as follows:

1. **Definitions.** For the purposes of this Agreement, the definitions set forth above are incorporated into this Section 1 by reference. The following terms have the meanings set out respectively after each term, and its meaning is equally applicable to both the singular and plural forms of the term defined:

(a) “Bankruptcy Proceeding” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Loan Documents, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(b) “EDA Loan” means a loan from the EDA through the Metropolitan Livable Communities Fund to Borrower in an original principal amount of \$645,000.00.

(c) “EDA Loan Documents” means those documents listed in **Exhibit F** attached to this Agreement which evidence and secure the repayment of the EDA Loan.

(d) “HRA Loan” means a loan from the HRA through the HOME Investment Partnerships Program to Borrower in an original principal amount of \$400,000.00.

(e) “HRA Loan Documents” means those documents listed in **Exhibit E** attached to this Agreement which evidence and secure the repayment of the HRA Loan.

(f) “MHFA Bridge Loan” means a loan from MHFA through its Bridge Loan Program to Borrower in an original principal amount of \$720,000.00.

(g) “MHFA Bridge Loan Documents” means those documents listed in **Exhibit C** attached to this Agreement which evidence and secure the repayment of the MHFA Bridge Loan.

(h) “MHFA HIB Loan” means a loan from MHFA through its Housing Infrastructure Bonds Program to Borrower in an original principal amount of \$7,320,000.00.

(i) “MHFA HIB Loan Documents” means those documents listed in **Exhibit D** attached to this Agreement which evidence and secure the repayment of the MHFA HIB Loan.

(j) “MHFA HRS Loan” means a loan from MHFA through its HUD Risk-Sharing Program to Borrower in an original principal amount of \$4,118,000.00.

(k) “MHFA HRS Loan Documents” means those documents listed in **Exhibit B** attached to this Agreement which evidence and secure the repayment of the MHFA HRS Loan.

(l) “Public Improvement Contract” -means an agreement between Borrower and City dated September 17, 2020, filed October 16, 2020 with the Registrar of Titles for Ramsey County as Document No. T02677912.

2. **Consent to Loans, Liens and Encumbrances.** The parties agree and consent to all of the Loans and agree that all of the liens and encumbrances created by the Loan Documents are deemed to be permitted encumbrances under their respective Loan Documents. The parties further agree to execute any and all documents that any party to this Agreement may reasonably request in order to document that the liens and encumbrances are permitted encumbrances under their respective Loan Documents.

3. **Use of Loan Documents.** The parties agree and consent to the use of the Loan Documents set forth in the attached exhibits in conjunction with the Loan referenced in each exhibit. In addition, each party, as to the Loan Documents that correspond to one of its Loans, does hereby covenant, warrant, consent and agree that (i) the described Loan Documents are all of the documents that the party has entered into regarding the corresponding Loan, (ii) there are no documents relating to its Loan other than the described Loan Documents for its Loan, (iii) it will not enter into any other document for its Loan that would adversely impact any other party

or parties to this Agreement without the prior written consent of the party or parties (excluding documentation of amounts having been advanced by a party for the protection of its security interest or lien priority pursuant to the Loan Documents), (iv) any existing document or documents that may come into existence in the future to which a party is or becomes a party or from which a party obtains a benefit that is different from the benefits that the other parties have received or will receive, and that is not listed in the Loan Documents set forth in this Agreement for the Loan, will be of no force or effect until approved and consented to in writing by all of the parties to this Agreement upon which the document has, or will have, an adverse effect (excluding documentation of amounts having been advanced by a party for the protection of its security interest or lien priority pursuant to the Loan Documents), and upon written approval, the documents will automatically be considered to be included in the exhibit to this Agreement setting forth the Loan Documents for the Loan. The other parties to this Agreement will execute any document that may reasonably be requested in order to include the document in the exhibit.

4. Subordination of Loans and Loan Documents.

(a) Loan Priority. Except as specifically provided below, each party agrees to the following priority of the Public Improvement Contract and Loan Documents and any and all the liens and encumbrances created by the Public Improvement Contract and Loan Documents and subordinates its liens and encumbrances created by the respective Public Improvement Contract and Loan Documents to those liens and encumbrances that are listed as having a priority:

Loan Documents and Liens and Encumbrances	Party to the Loan Documents and Holder of Liens and Encumbrances	Order of Priority
MHFA HRS Loan Documents	MHFA	First
MHFA Bridge Loan Documents	MHFA	Second
MHFA HIB Loan Documents	MHFA	Third
HRA Loan Documents	HRA	Fourth
EDA Loan Documents	EDA	Fifth
Public Improvement Contract	City	Sixth

(b) Tax Credit Declaration. The parties acknowledge that the Development is intended to receive the benefits of Low Income Housing Tax Credits (the “Credits”) pursuant to Section 42 of the Internal Revenue Code (“Section 42”) and that it is a condition of the receipt of the Credits that Borrower file a Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits (the “Tax Credit Declaration”) substantially in the form attached to this Agreement as **Exhibit G**. The parties consent to the terms of the Tax Credit Declaration as required by Section 2(c) of the Tax Credit Declaration and agree that the Tax Credit Declaration is subordinate to each of their Loans and the related Loan Documents, except to the extent required by Section 9(d) of the Tax Credit Declaration (relating to the three-year vacancy control during the extended use period).

5. **Interpretation.** The parties are entering into and executing this Agreement in order to establish the subordination and priority of the Public Improvement Contract and Loan Documents and any liens and encumbrances created by the Loan Documents, and, accordingly, the parties agree, understand, and acknowledge that the enforceability of this Agreement is not, and will not be, restricted, limited, or impaired by the fact that not all of the parties to this Agreement are signatories to each or any of the Public Improvement Contract or Loan Documents.

6. **Most Restrictive Requirements.** Notwithstanding the order of priority and subordinations granted in this Agreement, the Borrower will comply not only with the Loan Documents having first priority but with all Loan Documents. For example, if a party's Loan Documents contain rent, income or occupancy requirements that are more restrictive than Loan Documents that are more senior in priority, then the Borrower will comply with the more restrictive Loan Documents for as long as they remain in effect.

7. **Absence of Events of Default and Compliance with Closing Requirements.** Each party states, represents, and warrants that as to each of its individual Loans, (i) its Loans have been duly closed, (ii) there are no events of default, or events that with the passage of time could constitute an event of default, currently existing with respect to any of its Loans, and (iii) all of its Loans are in good standing.

8. **Notice of Default and Cure Rights.** Each party will deliver to the other parties a default notice within five business days in each case where a party has given a default notice to Borrower (provided that each party will have no liability to any party for failure to timely give notice). Failure of the notifying party to send a default notice to the other parties will not prevent the exercise of the notifying party's rights and remedies under the Loan Documents, subject to the provisions of this Agreement. The other parties will have the opportunity, but not the obligation, to cure any default within 60 days following the date of the notice; provided, however that the notifying party will be entitled, during the 60-day period, to continue to pursue its rights and remedies under the Loan Documents.

9. **Use of Insurance and Condemnation Proceeds.** Notwithstanding any provisions to the contrary contained in this Agreement or in any of the Loan Documents, the parties agree that any and all insurance and/or condemnation proceeds will be used first to repair or reinstate the Development. If there are any remaining proceeds, or if the amounts are insufficient to repair or reinstate the Development, or if the Development cannot be repaired or reinstated, then the proceeds will be used to pay off the Loans in order of the priority of the Loan Documents specified in this Agreement.

10. **Agreement Not to Commence Bankruptcy Proceeding.** The parties agree that during the term of this Agreement they will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding with respect to Borrower, without the other parties' prior written consents.

11. **Survival of Termination.** The terms of this Agreement will continue, and will survive the termination of this Agreement, if any payment under the Loan Documents (whether

by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In the event, any or all of the Loans originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if the payment had not been made.

12. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be an original but all of which will constitute one instrument.

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MHFA:

MINNESOTA HOUSING FINANCE AGENCY

By: _____
James Lehnhoff
Assistant Commissioner, Multifamily

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by James Lehnhoff, Assistant Commissioner, Multifamily of the Minnesota Housing Finance Agency, on behalf of the agency.

Notary Public

EDA:

**ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY**

a public body corporate and politic and political
subdivision of the State of Minnesota

By: _____

Its: President

By: _____

Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____ the President of Roseville Economic Development Authority, a
public body corporate and politic and political subdivision of the State of Minnesota on behalf of
the Authority.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____ the Executive Director of Roseville Economic Development
Authority, a public body corporate and politic and political subdivision of the State of Minnesota
on behalf of the Authority.

Notary Public

Exhibit A
LEGAL DESCRIPTION

Lot 1, Block 1, Owasso Gardens, Ramsey County, Minnesota.

Torrens Property
Certificate of Title No. 635926

Exhibit B
MHFA HRS LOAN DOCUMENTS

1. HUD Risk-Sharing Program Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement executed by Borrower to MHFA, of even date with the document to which this exhibit is attached, securing the repayment of a loan in an original principal amount of \$4,118,000.00, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
2. HUD Risk-Sharing Program Regulatory Agreement, of even date with the document to which this exhibit is attached, between Borrower and MHFA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
3. HUD Risk-Sharing Program Declaration of Covenants, Conditions and Restrictions, of even date with the document to which this exhibit is attached, executed by Borrower in favor of MHFA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
4. The following additional HUD Risk-Sharing Program Loan Documents:
 - (a) Agreement to Enter Into Pledge Agreement;
 - (b) Assignment of Architect's Contract;
 - (c) Assignment of Construction Contract;
 - (d) Certification Regarding Identity of Interest or Family Relationship;
 - (e) Certification Regarding Liens;
 - (f) Certification Regarding Payment of Obligations;
 - (g) Construction Loan Agreement;
 - (h) Disbursement Agreement;
 - (i) Disclosure of Lobbying Form;
 - (j) Guaranty;
 - (k) Master Disbursement Agreement;
 - (l) Mortgage Note in an original principal amount of \$4,118,000.00;
 - (m) Operating Deficit Reserve and Escrow Account Agreement; and
 - (n) Supplement to General Conditions of the Agreement Between Owner and Contractor.

Exhibit C
MHFA BRIDGE LOAN DOCUMENTS

1. Bridge Loan Program Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement executed by Borrower to MHFA, of even date with the document to which this exhibit is attached, securing the repayment of a loan in an original principal amount of \$720,000.00, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
2. Bridge Loan Program Regulatory Agreement, of even date with the document to which this exhibit is attached, between Borrower and MHFA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
3. The following additional Bridge Loan Program Loan Documents:
 - (a) Assignment of Rights to Tax Credits, Partnership Interests and Capital Contributions;
 - (b) Certification Regarding Identity of Interest or Family Relationship;
 - (c) Guaranty; and
 - (d) Mortgage Note in an original principal amount of \$720,000.00.

Exhibit D
MHFA HIB LOAN DOCUMENTS

1. Housing Infrastructure Bonds Program Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement executed by Borrower to MHFA, of even date with the document to which this exhibit is attached, securing the repayment of a loan in an original principal amount of \$7,320,000.00, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
2. Bond Compliance Agreement, of even date with the document to which this exhibit is attached, between Borrower and MHFA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
3. Housing Infrastructure Bonds Program Regulatory Agreement, of even date with the document to which this exhibit is attached, between Borrower and MHFA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
4. Housing Infrastructure Bonds Program Declaration of Covenants, Conditions and Restrictions, of even date with the document to which this exhibit is attached, executed by Borrower in favor of MHFA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
5. Declaration of Covenants, Conditions and Restrictions (Subsidy), of even date with the document to which this exhibit is attached, executed by Borrower in favor of MHFA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
6. The following additional Housing Infrastructure Bonds Program Loan Documents:
 - (a) Mortgage Note in an original principal amount of \$7,320,000.00; and
 - (b) UCC-1 Financing Statement.

Exhibit E
HRA LOAN DOCUMENTS

1. Statutory Mortgage, Assignment of Leases and Rents executed by Borrower to HRA, of even date with the document to which this exhibit is attached, securing the repayment of a loan in an original principal amount of \$400,000.00, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
2. Declaration of Restrictive Covenants (HOME), of even date with the document to which this exhibit is attached, executed by Borrower in favor of HRA, which will be recorded in the Office of the Registrar of Titles for Ramsey County, Minnesota.
3. The following additional HRA Loan Documents:
 - (a) HOME Development Agreement;
 - (b) Loan Agreement; and
 - (c) Promissory Note in an original principal amount of \$400,000.00.

Exhibit F
EDA LOAN DOCUMENTS

1. Combination Mortgage and Security Agreement executed by Borrower to EDA, securing the repayment of a loan in an original principal amount of \$645,000.00, dated July 20, 2020, recorded October 16, 2020, in the Office of the Registrar of Titles for Ramsey County, Minnesota as Document No. T02677914.
2. Contract for Private Development by and between Borrower and EDA, dated July 20, 2020, recorded October 16, 2020, in the Office of the Registrar of Titles for Ramsey County, Minnesota as Document No. T02677913.
3. The following additional EDA Loan Documents:
 - (a) Loan Agreement; and
 - (b) Promissory Note in an original principal amount of \$645,000.00.

Exhibit G
TAX CREDIT DECLARATION

MASTER DISBURSEMENT AGREEMENT

THIS MASTER DISBURSEMENT AGREEMENT (this “Agreement”) has an effective date of the ____ day of _____, 20 ____, and is entered into among CB Owasso Gardens Limited Partnership, a Minnesota limited partnership, with its offices located at 1080 Montreal Avenue, St. Paul, MN 55116 (“Borrower”), the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, with its offices located at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102-1109 (“MHFA”), Roseville Economic Development Authority, a public body corporate and politic and politic subdivision of the State of Minnesota, with its offices located at 2660 Civic Center Drive, Roseville, MN 55113 (the “EDA”), Ramsey County Housing and Redevelopment Authority, a political subdivision of the State of Minnesota, with its offices located at Ramsey County Courthouse, St. Paul, MN 55102 (the “HRA”), CB Owasso Gardens GP LLC, a Minnesota limited liability company, with its offices located at 1080 Montreal Avenue, St. Paul, MN 55116 (“General Partner”) and Chicago Title Insurance Company, a Florida corporation, with its offices located at 222 S Ninth Street, Suite 3060, Minneapolis, MN 55402 (“Title Company”).

RECITALS

A. Borrower has applied to and obtained loans from certain other parties to this Agreement and will use the proceeds of such loans and additional equity to fund the acquisition, construction and/or rehabilitation of a multifamily housing development identified as MHFA Development No. 8233 (the “Development”), which will be situated on real property located in the City of Roseville, County of Ramsey, State of Minnesota, and legally described in **Exhibit A** attached to this Agreement.

B. The following is a listing and description of the loans that Borrower has obtained (collectively, the “Loans”) and the Equity (as defined in this Agreement) that Borrower will use to fund the acquisition, construction and/or rehabilitation of the Development (collectively, the “Project Funds”):

Description of Project Funds	Amount
A loan from MHFA through its HUD Risk-Sharing Program, none of which has been disbursed as of the effective date of this Agreement.	\$4,118,000.00
A loan from MHFA through its Bridge Loan Program, none of which has been disbursed as of the effective date of this Agreement.	\$720,000.00
A loan from MHFA through its Housing Infrastructure Bonds Program, none of which has been disbursed as of the effective date of this Agreement.	\$7,320,000.00

A loan from the HRA through the HOME Investment Partnerships Program, none of which has been disbursed as of the effective date of this Agreement.	\$400,000.00
A loan from the EDA through the Metropolitan Livable Communities Fund, which has been disbursed as of the effective date of this Agreement.	\$645,000.00
An unsecured loan from the General Partner, none of which has been disbursed as of the effective date of this Agreement.	\$322,128.00
Funds to be supplied by Borrower, as further described in Section 1(c) of this Agreement, none of which has been disbursed as of the effective date of this Agreement.	\$724,500.00

C. MHFA, the General Partner, the HRA and the EDA have entered into agreements with Borrower and/or Title Company regarding the disbursement of the Project Funds.

D. The parties have agreed that the Project Funds are to be disbursed in a certain order of priority.

E. The parties wish to establish how the Project Funds are to be disbursed and the order of priority for the disbursement.

NOW, THEREFORE, the parties agree as follows:

1. **Definitions.** The definitions set forth above are incorporated into this Section 1 by reference. The following terms have the meanings set out respectively after each such term, and such meaning are equally applicable to both the singular and plural forms of the term defined:

(a) “EDA Disbursement Agreement” - An agreement, whether verbal or written, between the EDA, Borrower, and, if applicable, Title Company, which provides for the disbursement of the EDA Loan.

(b) “EDA Loan” – A loan from the EDA through the Metropolitan Livable Communities Fund to Borrower in an original principal amount of \$645,000.00.

(c) “Equity” – Cash monies in an amount of \$724,500.00 to be supplied to Title Company by Borrower. The Equity consists of \$100.00 from the General Partner and \$724,400.00 in syndication proceeds.

(d) “General Partner Disbursement Agreement”-An agreement, whether verbal or written, between General Partner, Borrower, and if applicable, Title Company which provides for the disbursement of the General Partner Loan.

(e) “General Partner Loan” -A unsecured loan from General Partner to Borrower in an original principal amount of \$322,128.00.

(f) “HRA Disbursement Agreement” – An agreement, whether verbal or written, between “HRA, Borrower, and, if applicable, Title Company, which provides for the disbursement of the HRA Loan.

(g) “HRA Loan” - A loan from the HRA through the HOME Investment Partnerships Program to Borrower in an original principal amount of \$400,000.00.

(h) “MHFA Disbursement Agreement” – The Disbursement Agreement between MHFA and Title Company of even date with this Agreement, which provides for the disbursement of the Equity and the proceeds of the MHFA Bridge Loan, the MHFA HIB Loan and the MHFA HRS Loan.

(i) “MHFA Bridge Loan” – A loan from MHFA through its Bridge Loan Program to Borrower in an original principal amount of \$720,000.00.

(j) “MHFA HIB Loan” - A loan from MHFA through its Housing Infrastructure Bonds Program to Borrower in an original principal amount of \$7,320,000.00.

(k) “MHFA HRS Loan” - A loan from MHFA through its HUD Risk-Sharing Program to Borrower in an original principal amount of \$4,118,000.00.

2. **Order of Priority for Disbursement of Project Funds.** Each party agrees that the Title Company has already been, or will be from time to time, supplied with the Project Funds and must disburse the Project Funds in the following order:

Source of Project Funds	Order of Disbursement
EDA Loan	First
Equity	Second
General Partner Loan	Third
HRA Loan in the amount of \$398,000.00	Fourth
MHFA HIB Loan	Fifth
MHFA Bridge Loan	Sixth
MHFA HRS Loan	Seventh
HRA Loan in the remaining amount of \$2,000.00	Eighth

The parties agree that the Project Funds must be disbursed in the order indicated and that none of the proceeds of a source of funds will be disbursed until all of the proceeds of funds that are to be disbursed prior to such source have been disbursed. The parties further direct Title Company to disburse the Project Funds in the order indicated, and Title Company agrees to comply with such direction.

Notwithstanding the above order of disbursement, the parties agree that if funds from one funding source (the “Original Funding Source”) are unavailable due to (a) the requirements of

the documents governing the eligible uses of such funding source and/or (b) certain conditions for disbursement of such funds that have not yet been met, subject to the terms of such funding party's documents, funds from the next funding source in the order above will be made available for disbursement, but only to the extent the Original Funding Source is unavailable.

3. **Disbursement of Individual Loan Proceeds.** When Borrower desires the disbursement of any or all of the Project Funds referred to in Section 2, it will submit a draw request to the appropriate entity that is supplying such funds. If the draw request meets the provisions contained in the applicable document that Borrower has entered into with the entity supplying the requested funds and all other requirements imposed by the applicable document have been satisfied, then the approving entity will approve the draw request and forward it to MHFA for authorization for the disbursement of the draw. MHFA's authorization will be solely to confirm that the Development is being constructed in conformance with all applicable plans and specifications and will not in any way relate to Borrower's compliance with any provision imposed by an entity for the disbursement of that entity's funds. Upon authorization by MHFA, MHFA will forward the draw request to Title Company for disbursement of the applicable funds.

Title Company will not disburse any monies without first receiving a draw request approved by both the entity whose monies are to be disbursed and MHFA, and upon receipt of an approved draw request, Title Company will disburse the applicable monies in accordance with the provisions contained in the following documents:

Source of Project Funds to be Disbursed	Entity Supplying the Source of Project Funds	Disbursement Document
Equity	Borrower	MHFA Disbursement Agreement
EDA Loan	EDA	EDA Disbursement Agreement
HRA Loan	HRA	HRA Disbursement Agreement
MHFA HRS Loan	MHFA	MHFA Disbursement Agreement
MHFA Bridge Loan	MHFA	MHFA Disbursement Agreement
MHFA HIB Loan	MHFA	MHFA Disbursement Agreement
General Partner Loan	General Partner	General Partner Disbursement Agreement

4. **Binding Effect.** This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successors and assigns.

5. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which is an original but all of which will constitute one instrument.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties have executed this Master Disbursement Agreement as of the date first written above.

BORROWER:

**CB OWASSO GARDENS LIMITED
PARTNERSHIP**
a Minnesota limited partnership

By: CB Owasso Gardens GP LLC
a Minnesota limited liability company
General Partner

By: _____
Cecile Bedor, Chief Manager/President

THIS DOCUMENT WAS DRAFTED BY:
Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
St. Paul, MN 55102-1109

MHFA:

MINNESOTA HOUSING FINANCE AGENCY

By: _____
James Lehnhoff
Assistant Commissioner, Multifamily

HRA:

**RAMSEY COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY**
a political subdivision of the State of Minnesota

By: _____
Alexandra Kotze
CFO of Finance and authorized signatory
for Ryan T. O'Connor, Ramsey County
Manager

EDA:

**ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY**

a public body corporate and politic and political
subdivision of the State of Minnesota

By: _____

Its: President

By: _____

Its: Executive Director

GENERAL PARTNER:

CB OWASSO GARDENS GP LLC
a Minnesota limited liability company

By: _____
Cecile Bedor, Chief Manager/President

TITLE COMPANY:

CHICAGO TITLE INSURANCE COMPANY
a Florida corporation

By: _____

Its: _____

Exhibit A
LEGAL DESCRIPTION

Lot 1, Block 1, Owasso Gardens, Ramsey County, Minnesota.

Torrens Property
Certificate of Title No. 635926

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners (the "Board") of the Roseville Economic Development Authority ("REDA") was duly held on the 11th day of January, 2021, immediately preceding the meeting of the City Council of the City of Roseville.

The following members were present:

and the following were absent: .

Member introduced the following resolution and moved its adoption:

RESOLUTION No. __

**RESOLUTION APPROVING MASTER
SUBORDINATION AGREEMENT AND MASTER
DISBURSEMENT AGREEMENT IN CONNECTION
WITH LCDA LOAN FROM ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY TO CB OWASSO
GARDENS LIMITED PARTNERSHIP**

WHEREAS, the Roseville Economic Development Authority ("REDA") is currently administering its Development District No. 1 ("Project") pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 and 469.001 to 469.047; and

WHEREAS, REDA and CB Owasso Gardens Limited Partnership (the "Developer") entered into a Contract for Private Development dated as of July 20, 2020 (the "Contract"), regarding development of certain property within the Project by means of the construction of a multifamily rental housing facility (the "Minimum Improvements"); and

WHEREAS, REDA and the Metropolitan Council entered into a Livable Communities Demonstration Account ("LCDA") grant agreement related to the Developer's construction of the Minimum Improvements, and REDA and the Developer have negotiated an LCDA loan agreement (the "Loan Agreement") for disbursement and repayment of the LCDA funds, and REDA previously approved a subordination of the LCDA Loan Agreement to the Lender; and

46 WHEREAS, the Developer has received certain other loans and assistance from various
47 lenders in connection with the Minimum Improvements; and
48

49 WHEREAS, the Developer’s primary mortgage lender, Minnesota Housing Finance
50 Agency (the “Lender”), requires that each of the lenders enter into an
51 agreement setting forth the priority of the various loans and encumbrances
52 in connection with the development of the Minimum Improvements, in the
53 form of a Master Subordination Agreement between the Lender, REDA,
54 the City of Roseville, and Ramsey County Housing and Redevelopment
55 Authority as presented to REDA for review and approval (the “Master
56 Subordination Agreement”); and
57

58 WHEREAS, the Lender additionally requires that the lenders enter into an agreement
59 memorializing the order of disbursement of the various loans, in the form of
60 the Master Disbursement Agreement between the Lender, REDA, and the
61 Ramsey County Housing and Redevelopment Authority presented to REDA
62 for review and approval (the “Master Disbursement Agreement”); and
63

64 WHEREAS, REDA’s Board of Commissioners and legal counsel have reviewed the
65 Master Subordination Agreement and Master Disbursement Agreement and
66 find that the approval and execution of said documents is in the best interest
67 of the City and its residents.
68

69 NOW, THEREFORE, BE IT RESOLVED, that the Master Subordination Agreement and
70 Master Disbursement Agreement as presented to the Board are hereby in
71 all respects approved, subject to modifications that do not alter the
72 substance of the transaction and that are approved by the President and
73 Executive Director, provided that execution of said documents by such
74 officials shall be conclusive evidence of approval.
75

76 BE IT FURTHER RESOLVED that the President and Executive Director are hereby
77 authorized to execute on behalf of REDA the Master Subordination
78 Agreement and Master Disbursement Agreement, and any other
79 documents requiring execution by REDA in order to carry out the
80 transaction described in said documents.
81

82 BE IT FURTHER RESOLVED that REDA staff and consultants are authorized to take
83 any actions necessary to carry out the intent of this resolution.
84
85
86

87 The motion for the adoption of the foregoing resolution was duly seconded by Member
88

89 , and upon a vote being taken thereon, the following voted in favor thereof:
90

91 and the following voted against the same:

92
93
94

WHEREUPON said resolution was declared duly passed and adopted.

Certificate

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I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regular meeting thereof on January 11, 2021.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this __ day of January, 2021.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority

MASTER DISBURSEMENT AGREEMENT

THIS MASTER DISBURSEMENT AGREEMENT (this “Agreement”) has an effective date of the ____ day of _____, 20____, and is entered into among CB Owasso Gardens Limited Partnership, a Minnesota limited partnership, with its offices located at 1080 Montreal Avenue, St. Paul, MN 55116 (“Borrower”), the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, with its offices located at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102-1109 (“MHFA”), Roseville Economic Development Authority, a public body corporate and politic and politic subdivision of the State of Minnesota, with its offices located at 2660 Civic Center Drive, Roseville, MN 55113 (the “EDA”), Ramsey County Housing and Redevelopment Authority, a political subdivision of the State of Minnesota, with its offices located at Ramsey County Courthouse, St. Paul, MN 55102 (the “HRA”), CB Owasso Gardens GP LLC, a Minnesota limited liability company, with its offices located at 1080 Montreal Avenue, St. Paul, MN 55116 (“General Partner”) and Chicago Title Insurance Company, a Florida corporation, with its offices located at 222 S Ninth Street, Suite 3060, Minneapolis, MN 55402 (“Title Company”).

RECITALS

A. Borrower has applied to and obtained loans from certain other parties to this Agreement and will use the proceeds of such loans and additional equity to fund the acquisition, construction and/or rehabilitation of a multifamily housing development identified as MHFA Development No. 8233 (the “Development”), which will be situated on real property located in the City of Roseville, County of Ramsey, State of Minnesota, and legally described in **Exhibit A** attached to this Agreement.

B. The following is a listing and description of the loans that Borrower has obtained (collectively, the “Loans”) and the Equity (as defined in this Agreement) that Borrower will use to fund the acquisition, construction and/or rehabilitation of the Development (collectively, the “Project Funds”):

Description of Project Funds	Amount
A loan from MHFA through its HUD Risk-Sharing Program, none of which has been disbursed as of the effective date of this Agreement.	\$4,118,000.00
A loan from MHFA through its Bridge Loan Program, none of which has been disbursed as of the effective date of this Agreement.	\$720,000.00

A loan from MHFA through its Housing Infrastructure Bonds Program, none of which has been disbursed as of the effective date of this Agreement.	\$7,320,000.00
A loan from the HRA through the HOME Investment Partnerships Program, none of which has been disbursed as of the effective date of this Agreement.	\$400,000.00
A loan from the EDA through the Metropolitan Livable Communities Fund, which has been disbursed as of the effective date of this Agreement.	\$645,000.00
An unsecured loan from the General Partner, none of which has been disbursed as of the effective date of this Agreement.	\$322,128.00
Funds to be supplied by Borrower, as further described in Section 1(c) of this Agreement, none of which has been disbursed as of the effective date of this Agreement.	\$724,500.00

C. MHFA, the General Partner, the HRA and the EDA have entered into agreements with Borrower and/or Title Company regarding the disbursement of the Project Funds.

D. The parties have agreed that the Project Funds are to be disbursed in a certain order of priority.

E. The parties wish to establish how the Project Funds are to be disbursed and the order of priority for the disbursement.

NOW, THEREFORE, the parties agree as follows:

1. **Definitions.** The definitions set forth above are incorporated into this Section 1 by reference. The following terms have the meanings set out respectively after each such term, and such meaning are equally applicable to both the singular and plural forms of the term defined:

(a) “EDA Disbursement Agreement” - An agreement, whether verbal or written, between the EDA, Borrower, and, if applicable, Title Company, which provides for the disbursement of the EDA Loan.

(b) “EDA Loan” – A loan from the EDA through the Metropolitan Livable Communities Fund to Borrower in an original principal amount of \$645,000.00.

(c) “Equity” – Cash monies in an amount of \$724,500.00 to be supplied to Title Company by Borrower. The Equity consists of \$100.00 from the General Partner and \$724,400.00 in syndication proceeds.

(d) “General Partner Disbursement Agreement”-An agreement, whether verbal or written, between General Partner, Borrower, and if applicable, Title Company which provides for the disbursement of the General Partner Loan.

(e) “General Partner Loan” -A unsecured loan from General Partner to Borrower in an original principal amount of \$322,128.00.

(f) “HRA Disbursement Agreement” – An agreement, whether verbal or written, between “HRA, Borrower, and, if applicable, Title Company, which provides for the disbursement of the HRA Loan.

(g) “HRA Loan” - A loan from the HRA through the HOME Investment Partnerships Program to Borrower in an original principal amount of \$400,000.00.

(h) “MHFA Disbursement Agreement” – The Disbursement Agreement between MHFA and Title Company of even date with this Agreement, which provides for the disbursement of the Equity and the proceeds of the MHFA Bridge Loan, the MHFA HIB Loan and the MHFA HRS Loan.

(i) “MHFA Bridge Loan” – A loan from MHFA through its Bridge Loan Program to Borrower in an original principal amount of \$720,000.00.

(j) “MHFA HIB Loan” - A loan from MHFA through its Housing Infrastructure Bonds Program to Borrower in an original principal amount of \$7,320,000.00.

(k) “MHFA HRS Loan” - A loan from MHFA through its HUD Risk-Sharing Program to Borrower in an original principal amount of \$4,118,000.00.

2. **Order of Priority for Disbursement of Project Funds.** Each party agrees that the Title Company has already been, or will be from time to time, supplied with the Project Funds and must disburse the Project Funds in the following order:

Source of Project Funds	Order of Disbursement
EDA Loan	First
Equity	Second
General Partner <u>HRA Loan in the amount of \$398,000.00</u>	Third
HRA <u>MHFA HIB Loan in the amount of \$398,000.00</u>	Fourth
MHFA HIB <u>Bridge</u> Loan	Fifth
MHFA Bridge Loan	Sixth
MHFA HRS Loan	Seventh
<u>General Partner Loan</u>	Eighth
HRA Loan in the remaining	

amount of \$2,000.00

The parties agree that the Project Funds must be disbursed in the order indicated and that none of the proceeds of a source of funds will be disbursed until all of the proceeds of funds that are to be disbursed prior to such source have been disbursed. The parties further direct Title Company to disburse the Project Funds in the order indicated, and Title Company agrees to comply with such direction.

Notwithstanding the above order of disbursement, the parties agree that if funds from one funding source (the "Original Funding Source") are unavailable due to (a) the requirements of the documents governing the eligible uses of such funding source and/or (b) certain conditions for disbursement of such funds that have not yet been met, subject to the terms of such funding party's documents, funds from the next funding source in the order above will be made available for disbursement, but only to the extent the Original Funding Source is unavailable.

3. Disbursement of Individual Loan Proceeds. When Borrower desires the disbursement of any or all of the Project Funds referred to in Section 2, it will submit a draw request to the appropriate entity that is supplying such funds. If the draw request meets the provisions contained in the applicable document that Borrower has entered into with the entity supplying the requested funds and all other requirements imposed by the applicable document have been satisfied, then the approving entity will approve the draw request and forward it to MHFA for authorization for the disbursement of the draw. MHFA's authorization will be solely to confirm that the Development is being constructed in conformance with all applicable plans and specifications and will not in any way relate to Borrower's compliance with any provision imposed by an entity for the disbursement of that entity's funds. Upon authorization by MHFA, MHFA will forward the draw request to Title Company for disbursement of the applicable funds.

Title Company will not disburse any monies without first receiving a draw request approved by both the entity whose monies are to be disbursed and MHFA, and upon receipt of an approved draw request, Title Company will disburse the applicable monies in accordance with the provisions contained in the following documents:

Source of Project Funds to be Disbursed	Entity Supplying the Source of Project Funds	Disbursement Document
Equity	Borrower	MHFA Disbursement Agreement
EDA Loan	EDA	EDA Disbursement Agreement
HRA Loan	HRA	HRA Disbursement Agreement
MHFA HRS Loan	MHFA	MHFA Disbursement Agreement
MHFA Bridge Loan	MHFA	MHFA Disbursement Agreement
MHFA HIB Loan	MHFA	MHFA Disbursement Agreement
General Partner Loan	General Partner	General Partner Disbursement Agreement

4. **Binding Effect.** This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successors and assigns.

5. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which is an original but all of which will constitute one instrument.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties have executed this Master Disbursement Agreement as of the date first written above.

BORROWER:

**CB OWASSO GARDENS LIMITED
PARTNERSHIP**

a Minnesota limited partnership

By: CB Owasso Gardens GP LLC
a Minnesota limited liability company
General Partner

By: _____
Cecile Bedor, Chief Manager/President

THIS DOCUMENT WAS DRAFTED BY:
Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
St. Paul, MN 55102-1109

MHFA:

MINNESOTA HOUSING FINANCE AGENCY

By: _____
James Lehnhoff
Assistant Commissioner, Multifamily

HRA:

**RAMSEY COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY**

a political subdivision of the State of Minnesota

By: _____

Alexandra Kotze
CFO of Finance and authorized signatory
for Ryan T. O'Connor, Ramsey County
Manager

EDA:

**ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY**

a public body corporate and politic and political
subdivision of the State of Minnesota

By: _____

Its: President

By: _____

Its: Executive Director

GENERAL PARTNER:

CB OWASSO GARDENS GP LLC
a Minnesota limited liability company

By: _____
Cecile Bedor, Chief Manager/President

TITLE COMPANY:

CHICAGO TITLE INSURANCE COMPANY
a Florida corporation

By: _____

Its: _____

Exhibit A
LEGAL DESCRIPTION

Lot 1, Block 1, Owasso Gardens, Ramsey County, Minnesota.

Torrens Property
Certificate of Title No. 635926



ECONOMIC DEVELOPMENT AUTHORITY INFORMATIONAL ITEM

Date: 1/11/21
Item No.: 6

Department Approval

Executive Director Approval

Janice Gundlach

Randy Trueman

Item Description: Future Discussion on Roseville's Residential & Business Assistance Programs

The purpose of this memo is to outline broad discussion topics surrounding Roseville's Residential & Business Assistance Programs in preparation for a more detailed discussion tentatively scheduled for the EDA's March 15, 2021 regularly scheduled meeting. As an overview, these topics relate to Roseville's existing Residential Revolving Loan Program and EDA levy funds that have been set aside for the creation of a Business Assistance program, as well as provide information on Ramsey County's program.

Residential Revolving Loan Program

The Roseville EDA residential loan program uses existing revolving loan funds and has not had additional levy funds to fund this program for 10+ years. This program funds a variety of interior and exterior home improvements, has a maximum loan amount of \$40,000, a fixed interest rate of 4%, and a loan term of 10 years. Based on the current banking market, a 4% interest rate isn't competitive and the program isn't being utilized as much as it could be. Dropping the interest rate would not cover the costs associated with the monthly administration costs to Center for Energy and Environment (CEE), who provides loan servicing. Based on adopted Community Aspirations and Policy Priority Plan goals surrounding equity and inclusion, staff would suggest the EDA consider creation of a first time home buyer program and/or deferred loan programs that could address existing issues relevant to Roseville's resident needs. Staff has attached general information on what Ramsey County provides for down payment assistance and what Fridley provides for deferred loan programs as examples. Staff plans to bring forward suggestions for such a program, including estimated funding amounts and sources, in March.

Business Assistance Program

Beginning with the 2020 budget, and continuing with the 2021 budget, the EDA has levied funds to create some sort of Business Assistance Program. Due to COVID, such a program was never created in 2020 and the EDA shifted focus to business grants, funded with CARES Act dollars, as an immediate, short-term stopgap during the summer and fall of 2020. It is expected COVID recovery programs will still be necessary in 2021. In addition, staff envisions a local role for smaller business facade improvements and job creation needs that don't fit the typical State grant and loan programs. While the available funds for these programs is limited, staff believes there is potential to create a program catered towards Roseville's smaller businesses. Staff plans to bring forward suggestions for such a program, including estimated funding amounts and sources, in March.

To conclude, after reviewing the information contained in this memorandum, if EDA members have specific thoughts and/or ideas to be shared/explored as a part of the March discussion, please forward that information to City staff by the end of February. Staff will ensure this feedback is explored and incorporated

36 into the more detailed discussion to occur in March. Staff is also seeking input from CEE and Open to
37 Business, who will be invited to participate in the discussion and offer their professional expertise.

38
39 As noted above, staff has attached information on existing programs for down payment assistance with
40 Ramsey County and deferred loans offered in the City of Fridley (Attachments A and B). In addition, staff
41 has attached information on CEE's energy efficiency loan program (Attachment C). Staff is not making any
42 recommendations at this time, nor is a formal discussion scheduled, rather, this information is being provided
43 to the REDA at this time to help facilitate a more meaningful future discussion and to solicit feedback to City
44 staff prior to the March meeting.

45
46 Prepared by: Janice Gundlach, Community Development Director, 651-792-7071
47 Jeanne Kelsey, Housing & Economic Program Manager, 651-791-7086
48 Attachments A: Ramsey County Down Payment Assistance Program
49 B: Fridley Deferred Loan Programs
50 C: CEE Commercial Energy Loan Program
51

Home Buyer Assistance

New guidelines effective Jan. 4, 2021.

Ramsey County's FirstHOME buyer assistance program helps first-time buyers with low to moderate incomes who are purchasing homes in Ramsey County communities outside Saint Paul.

Eligible buyers may qualify for up to \$15,000 with zero percent interest to help bring their monthly housing costs down to 30 percent of income. Buyers are responsible for a minimum investment of \$2,000. This principal-only subordinate mortgage must be repaid when the property is sold.

The loans can be used for down payment assistance, closing costs and, occasionally, health, safety or code improvements.

Maximum purchase price is \$256,000.

Contact your bank, credit union or mortgage company if you would like to take advantage of the Ramsey County FirstHOME Buyer Assistance Program. Eligible buyers should ask their lenders to reserve funds on their behalf.

Requirements

The FirstHOME Program requires that all parties to the mortgage be owner-occupants and that the incomes of all, including co-signers, be included in the calculation of income eligibility for buyer.

The annual gross income of the borrower(s) cannot exceed the maximum income allowed by the US Department of Housing and Urban Development. This limit is based on 80 percent of the median income by household size in Minneapolis-Saint Paul. Review the [current income limits by household size](#) (PDF).

Eligibility Requirements

INCOME LIMITS BY HOUSEHOLD SIZE July 1,
2020

Ramsey County Community and Economic Development

1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON

30% of Med.	\$21,700	\$24,800	\$27,900	\$31,000	\$33,500	\$36,000
Monthly	\$1,808	\$2,067	\$2,325	\$2,583	\$2,792	\$3,000
50% of Med.	\$36,200	\$41,400	\$46,550	\$51,700	\$55,850	\$60,000
Monthly	\$3,017	\$3,450	\$3,879	\$4,308	\$4,654	\$5,000
60% of Med.	\$43,440	\$49,680	\$55,860	\$62,040	\$67,020	\$72,000
Monthly	\$3,620	\$4,140	\$4,655	\$5,170	\$5,585	\$6,000
80% of Med.	\$54,950	\$62,800	\$70,650	\$78,500	\$84,800	\$91,100
Monthly	\$4,579	\$5,233	\$5,888	\$6,542	\$7,067	\$7,592

- The property must be in suburban Ramsey County (the city of Saint Paul is excluded). New and existing single-family detached homes, condos, townhouses and duplexes are eligible for FirstHOME assistance. The home must be inspected and meet housing quality standards and local codes prior to occupancy. The maximum purchase price is \$256,000.
- Borrowers should be able to qualify for a Veterans Administration, Federal Housing Administration, or Fannie Mae-approved conventional mortgage as determined by the private lender, or they must meet the requirements of locally approved initiatives designed to meet affordable housing needs in suburban Ramsey County.
- Buyers must successfully complete an approved homebuyer class, either Home Stretch or Framework, before closing the loan. Classes are available from the [Homeownership Center](#).

Attachment B

	A	B	C	D	E	F
1		Closed End (Revolving Rehab)		" Last Resort " Emergency Deferred	Mobile Home Improvement Program	Senior Deferred
2	Interest Rate	4.5%		0%	4.5%	0%
3	Amortization Type	Amortizing		Deferred Payment (NOT FORGIVEN)	Amortizing	Deferred Payment (NOT FORGIVEN)
4	Loan Amount	Minimum: \$1,000 Maximum: \$50,000		Minimum: \$500 Maximum: \$10,000	Minimum: \$ 500 Maximum: \$ 10,000	Minimum: \$5,000 Maximum: \$25,000
5	Total Project Cost/Match	It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final cost exceeds the requested loan amount, the borrower must obtain the additional funds and show verification of the additional funds in order to be approved for the loan.				
6	Term	Minimum: 1 Year Maximum: 20-years Generally, one year per \$1,000 borrowed * No prepayment penalties apply		The Deferred Loan is 100% due when the borrower sells, transfers ownership or no longer occupies the property as the borrower's primary residence.	Minimum: 1 Year Maximum: 10-years * Generally 1 year per \$1,000 borrowed * No prepayment penalties apply	The Deferred Loan is 100% due when the borrower sells, transfers ownership or no longer occupies the property as the borrower's primary residence.
7	Eligible Borrowers	All borrowers must be a legal resident of the United States, as evidenced by a social security number, including: *U.S. Citizens *Permanent Resident Aliens *Non-Permanent Resident Aliens * Tax identification numbers (ITIN) are not acceptable Properties held in a contract-for-deed are eligible as long as both parties, the purchaser and seller, both sign the mortgage and the contract for deed holder signs a letter giving their approval of the project.			All borrowers must be a legal resident of the United States, as evidenced by a social security number, including: *U.S. Citizens *Permanent Resident Aliens *Non-Permanent Resident Aliens * Tax identification numbers (ITIN) are not acceptable	All borrowers must be a legal resident of the United States, as evidenced by a Social Security Number AND at least one borrower must be at least 62 years of age, including: * US Citizens * Permanent Resident Aliens * Non-Permanent Resident Aliens * Tax identification numbers (ITIN) are not acceptable * Contract for deeds are eligible * Properties held in a trust
8	In-Eligible Borrowers	* Non-Occupant Co-Borrowers * Non-real person entities (such as Partnerships, Corporations, Trusts, etc.)			* Non-Occupant Co-Borrowers * Non-real person entities (such as Partnerships, Corporations, Trusts, etc.)	*Residents with not legal ownership in the subject property and business entities.
9	Eligible Properties	1-4 unit residential properties located with the geographical boundaries of the City of Fridley.		1-4 unit residential properties located with the geographical boundaries of the City of Fridley.	Residential mobile homes located with the geographical boundaries of the City of Fridley.	1-4 unit residential properties located with the geographical boundaries of the City of Fridley.
10	In-Eligible Properties	*Non-owner occupied (aka Absentee Owned) *Dwellings with more than 4 units *Co-ops * Mobile Homes *Manufactured homes * Properties used for commercial purposes * Properties held in the name of a trust		*Non-owner occupied (aka Absentee Owned) *Dwellings with more than 4 units *Co-ops * Mobile Homes *Manufactured homes * Properties used for commercial purposes * Properties held in the name of a trust	*Non-owner occupied (aka Absentee Owned) *Dwellings with more than 4 units *Co-ops * Mobile Homes *Manufactured homes * Properties used for commercial purposes * Properties held in the name of a trust	*Non-owner occupied (aka Absentee Owned) *Dwellings with more than 4 units *Co-ops * Mobile Homes *Manufactured homes * Properties used for commercial purposes

	A	B	C	D	E	F
1		Closed End (Revolving Rehab)		" Last Resort " Emergency Deferred	Mobile Home Improvement Program	Senior Deferred
11	Ownership/Occupancy	Owner Occupied		Owner Occupied	Owner Occupied	Owner Occupied
12	Loan-to-Value	115%		Not Greater Than 125%	115%	110%
13	Income Limits/ Requirements	None		Less than 115% of current HUD based on household size	None	None
14	Debt-to-Income Ratio	Max 50%		NA	Max 50%	N/A
15	Multiple Loans per Property/Borrower	More than one loan per household/property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Fridley loans on the property, including deferred loans cannot exceed \$50,000		More than one last Resort Emergency Loan is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Fridley emergency loans on the property, including cannot exceed the maximum loan amount of \$10,000.	More than one loan per household/property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Fridley Mobile Home Loans on the property cannot exceed \$10,000.	More than one Senior Deferred Loan is permitted based upon availability of funds and ability to qualify. The cumulative outstanding balance of all Senior Deferred Loans cannot exceed the maximum loan amount allowed per program guidelines.
16	Eligible Improvements	Most Interior and Exterior		* Eligible improvements will be determined through a required analysis of the emergency condition of the property. CEE's Rehabilitation Counselor will perform the analysis to determine the severity of the situation and whether the intended improvement is an emergency. An emergency is defined as a condition that makes a house uninhabitable, extremely dangerous to the occupants, or is capable of causing severe health problems. * Property Emergency Inspection Fees apply and will be Invoiced to the City.	Most Interior and Exterior improvements	Most Interior and Exterior Improvements
17	Ineligible Improvements	Work initiated before the loan has been approved and closed. Recreational items including gazebos, pools, hot tubs, saunas, lawn sprinklers, play ground equipment; Furniture and non permanent appliances (unless part of kitchen remodel); Funds used for working capital, debt management or to refinance existing loans; Personal property items, and repairs to property used for business or trade purposes. Funds cannot be used to rent or purchase equipment needed to complete the project.				

	A	B	C	D	E	F
1		Closed End (Revolving Rehab)		" Last Resort " Emergency Deferred	Mobile Home Improvement Program	Senior Deferred
18	Sweat Equity/Homeowner Labor	Work can be performed on a "sweat equity" basis. Loan funds cannot be used to compensate for labor, only for materials. The homeowner must demonstrate to CEE that they have the ability to complete the work within the program time requirement. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.		Not permitted	Work can be performed on a "sweat equity" basis. Loan funds cannot be used to compensate for labor, only for materials. The homeowner must demonstrate to CEE that they have the ability to complete the work within the program time requirement. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.	Not permitted
19	PRE Property Inspection	None		A property inspection will be performed by a CEE representative prior to the loan closing to determine that the project is an emergency as defined by the description in eligible improvements.	None	A property inspection will be performed to determine project eligibility and prioritization
20	Post-Install Inspection	Prior to the release of loan proceeds, the property is subject to inspection by a CEE inspector or, where a permit is required, work must be signed off by a City inspector.				
21	Contractors/ Permits	Contractors must be properly licensed. Permits must be obtained when required.				
22	Bids	1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates.				
23	Work Completion	All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis as warranted.		All work must be completed within 30 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis as warranted.	All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case by case basis.	
24	Underwriting	In addition to CEE's standard underwriting criteria, applicants must: * Not have any payments more than 60-days late in the past 12 months; (Or must have written "OK" confirmation from the City of Fridley) * No Bankruptcy in the past 18 Months (without reasonable explanation) * Be current on all mortgage payments * Be current on all real estate taxes	Applicant's must not be able to qualify for any other financing to be eligible for the Emergency Last Resort Program. In addition, applicants must also: * Be current on all mortgage payments * Be current on all real estate taxes and assessments * Not have any unpaid judgments or liens * Have a pending Bankruptcy or foreclosure		A In addition to CEE's standard underwriting criteria, applicants must: * Not have any payments more than 60-days late in the past 12 months; (Or must have written "OK" confirmation from the City of Fridley) * No Bankruptcy in the past 18 months (without reasonable explanation) * Be current on all mortgage payments * Be current on all real estate taxes * Any liens or judgments against the property must be used in the TLTV calculation	Applicants must: * Be current on all mortgage payments * Be current on all real estate taxes and assessments * Not have any unpaid judgements or liens * Not have a pending bankruptcy or foreclosure
25	Disbursement of Funds	<p>Funds are held by CEE in a and payment is made to the contractor (or owner in sweat equity situations) upon completion of work. An inspection will be performed by the City and/or CEE to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to final disbursement of funds:</p> <ol style="list-style-type: none"> 1. Final invoice from contractor (or materials list from supplier) 2. Final inspection verification by CEE (if necessary) 3. Completion certificate(s) signed by borrower and contractor 4. Lien waiver for entire cost of work and 5. Evidence of required city permit, where applicable 				

Attachment B

	A	B	C	D	E	F
1		<i>Closed End (Revolving Rehab)</i>		<i>" Last Resort " Emergency Deferred</i>	<i>Mobile Home Improvement Program</i>	<i>Senior Deferred</i>
26	Annual Admin Fee	\$2,500				
27	Borrower Fees	1% Origination Fee and a Document Preparation Fee, mortgage filing fees, title work, credit report, flood cert and any other applicable closing costs associated with the loan.				

COMMERCIAL ENERGY EFFICIENCY LOAN PROGRAM



The Center for Energy and Environment (CEE) Commercial Energy Efficiency Loan Program provides financing to Minnesota businesses making improvements through CEE's commercial programs.

PROGRAM FEATURES

- 3.9%* fixed interest rate for loan terms up to 60 months
- 5.99%* fixed interest rate for loan terms from 61-120 months
- No prepayment penalty
- \$100,000 maximum loan amount
- Closing costs apply

ELIGIBLE BORROWERS

A sole proprietorship, partnership, nonprofit, corporation or other business entity which is the owner and/or tenant of an eligible property within the State of Minnesota.

Loans must be personally guaranteed and/or secured with a mortgage.

ELIGIBLE PROPERTIES

An existing commercial property located in the State of Minnesota.

ELIGIBLE IMPROVEMENTS

- Improvements include, but are not limited to: lighting technology upgrades, HVAC controls and upgrades, solar, refrigeration equipment replacement and upgrades, envelope air sealing and insulation.

IMPROVEMENTS MAY NOT BEGIN PRIOR TO CLOSING YOUR LOAN FUNDS DISBURSED UPON COMPLETION OF THE PROJECT(S)

For more information on this program and other programs offered through the Lending Center contact Stephen Hines at 612.335.5851 or shines@mncee.org

*Interest rates subject to change.