

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



**Economic Development Authority
Meeting Agenda
Monday, May 16, 2022
6:00pm**

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

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

Address:
2660 Civic Center Dr.
Roseville, MN 55113

Phone:
651 - 792 - 7000

Website:
www.growroseville.com

1. 6:00 P.M. Roll Call
Voting & Seating Order: Willmus, Etten, Groff, Strahan, 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. 6:10 PM Update On Commercial Office Market From Louis Suarez, Senior Vice President With Colliers

Documents:

[5A REPORT AND ATTACHMENTS.PDF](#)
 - 5.B. 6:30 PM 2021 Rice And Larpenteur Alliance Year End Report

Documents:

[5B REPORT AND ATTACHMENTS.PDF](#)
 - 5.C. 6:45 PM Consider Amendments To Revolving Loan Program

Documents:

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

5.D. 7:00 PM Discuss Tenant Notification Process

Documents:

[5D REPORT AND ATTACHMENTS \(UPDATED\).PDF](#)

6. 7:20 P.M. Adjourn



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: May 16, 2022
Item No.: 5a

Department Approval

Janice Gundlach

Executive Director Approval

Paul J. Trueman

Item Description: Office market report from Louis Suarez, Colliers

BACKGROUND

As part of the Council’s Policy Priority Plan (PPP), Community Development staff outlined several items that would be undertaken as part of the Economic Development Strategic Priority. Due to the pandemic, Business Retention, Expansion & Attraction (BRE&A) visits ceased during most of 2020 and 2021. During the second half of 2021, the Choose Roseville program launched and continues through the end of 2022. BRE&A visits are expected to resume in 2023. Staff continues the commitment of inviting a broker to an EDA meeting to provide a market update and conduct a Q & A. A retail market report was given to the EDA in March of 2021. Given many offices are reopening, staff thought a broker report on the office market would be appropriate and timely.

Louis Suarez with Colliers has agreed to provide a brief market report on the office market and stand for questions. Mr. Suarez’s bio is attached. While he does not have any current listings in Roseville, his expertise and experience in the metro area, specifically in the healthcare industry, seemed like an appropriate fit based on some of the more recent office uses Roseville has attracted.

POLICY OBJECTIVE

Economic Development remains a Strategic Priority of the City Council’s Policy Priority Plan. Facilitating city-wide economic development is a strategic initiative, with retaining and expanding existing businesses and attracting new businesses being a desired outcome of the City’s economic development efforts.

BUDGET IMPLICATIONS

Not applicable

STAFF RECOMMENDATION

Receive an office market report from Louis Suarez of Colliers and engage in a Q & A as needed.

REQUESTED EDA ACTION

Receive an office market report from Louis Suarez of Colliers and engage in a Q & A as needed.

Prepared by: Janice Gundlach, Community Development Director, 651-792-7071
Attachments: A: Louis Suarez bio
B: Colliers’ MPLS/St. Paul 2021 Q4 office market report



Louis Suarez

CCIM, SIOR

Senior Vice President

CALL NOW

VIEW MORE

About



Professional Summary

I specialize in development, sale and leasing services for the medical and office industries. As a respected and well-recognized industry expert in the healthcare real estate field, I focus on providing healthcare clients with the most efficient and successful outcomes for their strategic real estate needs.

I joined Colliers in 2003 and since then, I have taken a very active role in the national Colliers Healthcare Services Group platform, contributing as a member of the National Steering Committee. I am committed to and strongly believe in continued professional development and am continuously seeking opportunities to educate myself on market and industry trends.

My passion for healthcare real estate means ultimate dedication to my clients. The healthcare industry is innovative, exciting, and impactful, and I continue to allow these to be driving factors in my business. My knowledge of the market and industry trends has made me one of the foremost thought leaders in the Twin Cities healthcare industry, and I continue to work effectively, and diligently to find the best possible solutions for my clients' healthcare real estate needs.

Accomplishments

- Leadership St. Paul Graduate
- MSP Business Journal's 40 under Forty Honoree, 2012

Education

MBA, University of St. Thomas

Memberships & Involvements

- MNCAR (Minnesota Commercial Association of Realtors)
- NAIOP
- Minnesota Medical Group Management Association (MMGMA)
- St. Paul Building Owners Association (BOMA)

- The Advisory Board Company
- St. Paul Chamber of Commerce PAC Board, Chair of Young Professionals Organization
- St. Paul Serving Our Troops
- Builders International
- Big Brothers / Big Sisters
- Hope Balls for Haiti

Testimonials

“With Louis’ local market expertise and tenacity to stick with the difficult search parameters that changed over a number of years we were able to find the perfect location for the client.”

– Alex Young, Vice President of Development, MSP Commercial

Services

Skills

Healthcare

Service Lines

Landlord Representation, Tenant Representation, Capital Markets, Occupier Services

Property Type

Office

Specializations

Life Sciences Group

My Team 

Properties 

Featured Research 

Featured News 

How can I help you?



Minneapolis-St. Paul

Office

21Q4

Poised for a return
to work... for real

Minneapolis-St. Paul
Office
21Q4



Poised for a return to work... for real

The Q4 2021 Office Market followed the trend of the rest of 2021 in taking a wait-and-see approach, although, relatively speaking, the end of the year finished with far more promise than just six months prior. Some employers have chosen to renew current leases continuing the wait-and-see approach while some have began to hunt for higher-quality space. Pandemic related stalls in decision making are giving way to necessity for more and more tenants and owners.

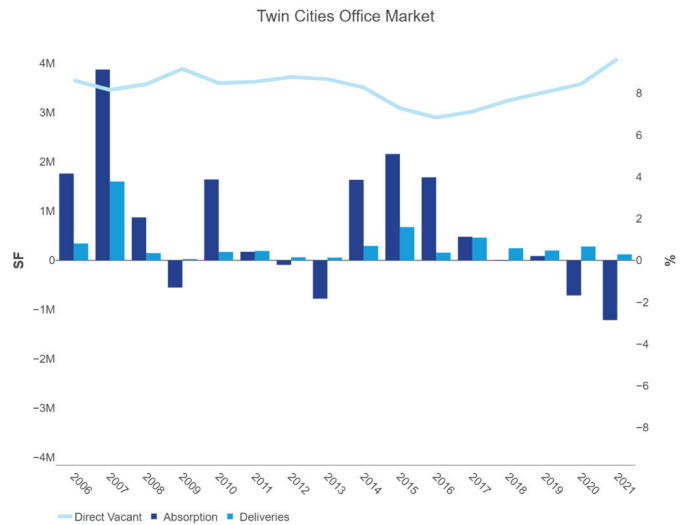
Historic Comparison

	20Q4	21Q3	21Q4
Total Inventory (Millions of SF)	184.5	186.7	186.8
New Supply (Thousands of SF)	280.0	58.1	121.4
Net Absorption (Thousands of SF)	-463.7	16.6	-56.6
Direct Vacancy	8.4%	10.1%	9.6%
Under Construction (Thousands of SF)	3,069	1,423	1,815
Asking Lease Rates (FSG)	\$26.52	\$26.51	\$26.57

Market Indicators



Market Graph



Recent Transactions

- Lease**
Crest Ridge
494-Cooridor | 80k SF
- Lease**
Excelsior Crossing
494-Cooridor | 45k SF
- Lease**
Kennard Professional
St. Paul Suburban | 33k SF
- Sale**
Fairview Health
Midway | \$379/SF
- Sale**
781 Washington Ave.
Mpls CBD | \$261/SF
- Sale**
Cedar Business Center
494-Cooridor | \$252/SF

Overview

As uncertainty began to recede, notable leases were signed at quality properties such as Excelsior Crossings, Crestridge, and 10 West End. Investors' flight to quality in the office market signals a move away from riskier assets as the market has fallen on uncertain times or unpredictable outcomes. With higher quality properties, investors can hedge their risk against macroeconomic conditions. As landlords and investors look to upgrade existing spaces, the supply chain issues are slowing the process, from overbooked contractors to unavailable material and tools.

Minneapolis CBD is seeing increasing discussion around current space after recent election results. Major employers have pushed return-to-work dates back continuously throughout 2021. Amidst the Omicron variant, employers continue to remain uncertain on return to office plans. Representative of what other large corporations are doing, Voya is looking for ways to be flexible around using their space, including using it for meeting-space only, or downsizing their main office while they open smaller satellite office in suburban areas.

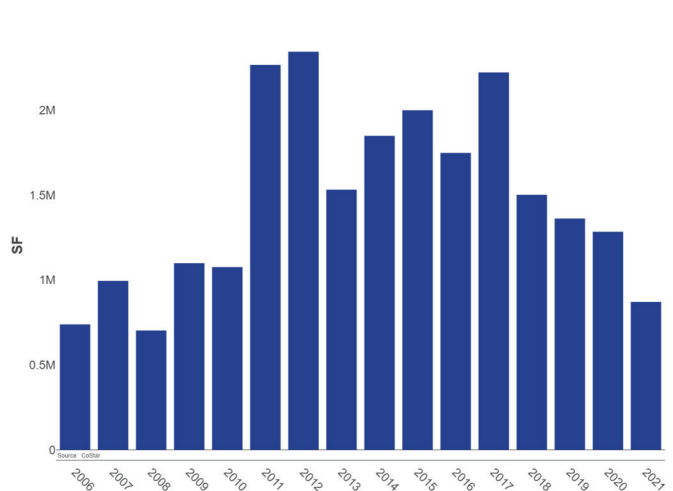
Slow Return

Q4 absorption reached negative 56,575 sq. ft., and the direct vacancy rate rose to 9.63%, the office market in Minneapolis-St. Paul is slowly seeing more activity. Large leases at Capella Tower, Dayton's, and the IDS Center in the Minneapolis CBD, Great Northern Building in the St. Paul CBD, and Crestridge Corporate Center and Excelsior Crossings in the suburban markets show that tenant activity is slowly starting again, on pause from the early-winter slowdown due to Omicron. Many corporations with large office footprints are looking to right-size their spaces with return-to-work policies in flux.

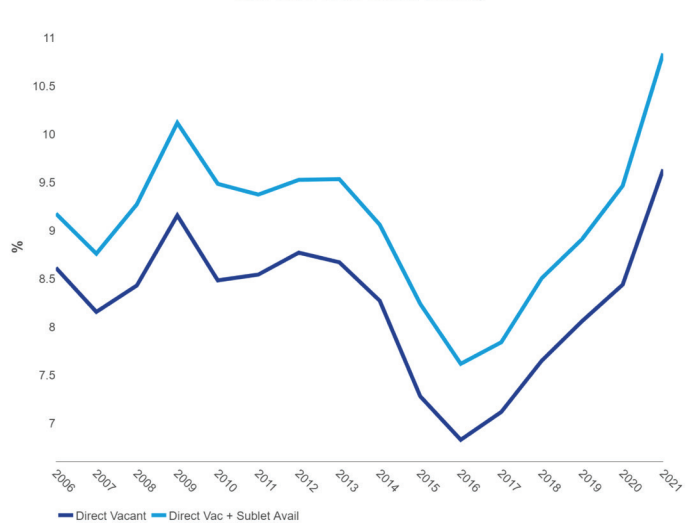
Landlords are preparing themselves for this and looking to list the vacant space for sublease or looking to add incentives/concessions for tenants. Landlords are likely to build out spec suites that will attract new tenants to their properties with move-in ready space and attracting smaller businesses that are looking to keep the same size footprint with their office space.

While some firms have broken the mold of wait-and-see by signing long-term leases like EY and Deluxe downtown, the general trend is still holding. The pushing back of return-to-office dates shows companies are willing to adapt to the current environment while keeping an eye on what 2022 could offer.

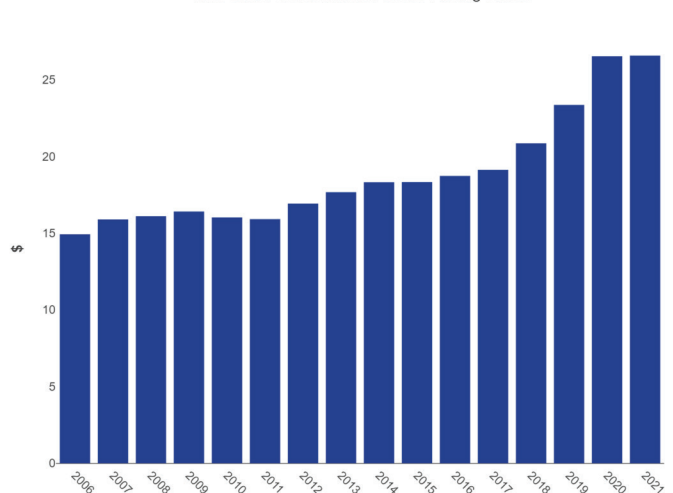
Twin Cities Office Market Leasing Activity



Twin Cities Office Market Vacancy



Twin Cities Office Market Gross Asking Rates



Landlords/Tenants

Tenants are continuously looking at ways to adapt to work-from-home patterns. While some are turning to amenity-rich offices spaces, others are embracing a hybrid model that requires less office space but the possibility of a hub-and-spoke model satellite offices outside of their main office footprint. Companies are exploring the idea of having meeting space for their employees and clients, while 'head down' work can be done remotely.

Landlords for smaller spec space around the metro look to draw tenants with higher concessions and office upgrades to fill open space. The trend of downsizing hasn't been seen as much in smaller users as it has with larger ones, although a push for quality space remains constant across all sizes. Move-in ready spec space is popular among tenants under 10,000 square feet, particularly in the suburbs, while the Minneapolis CBD is more of a wait-and-see approach after election results this past November.

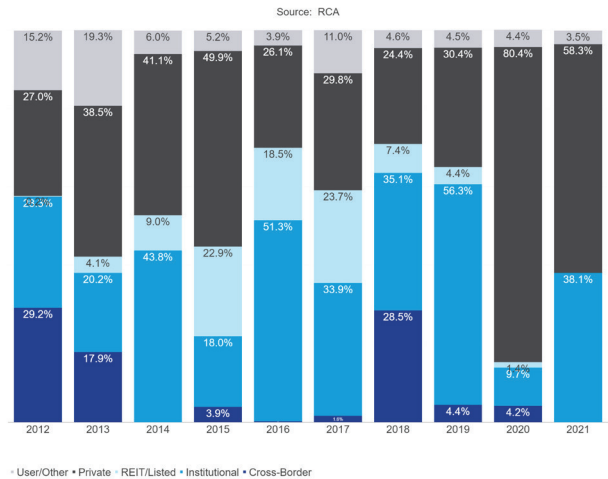
2022

In 2022, the office market looks to unfold at a more consistent pace than 2021 offered after several years of learning how to adapt and "live with" Covid-19. Expect to see increased activity in Capital Markets as well as in the Minneapolis CBD. With larger deals already taking place in the suburbs, the leasing frequency can expect to continue into 2022, with new development to follow lease and sale transactions due to more certainty around work-from-home and other adaptive models companies are rolling out. A few things to watch for in 2022 include construction on North Loop Green in the Minneapolis CBD. The new RBC Gateway Tower in the CBD is also scheduled for completion during 2022 as is 610 Crossings in Brooklyn Park. Key indicators for a return to office include office attendance after the fading of the Omicron variant. Office attendance downtown rates is reported at less than 25%. Look for these numbers to change as the newest variant phases out.

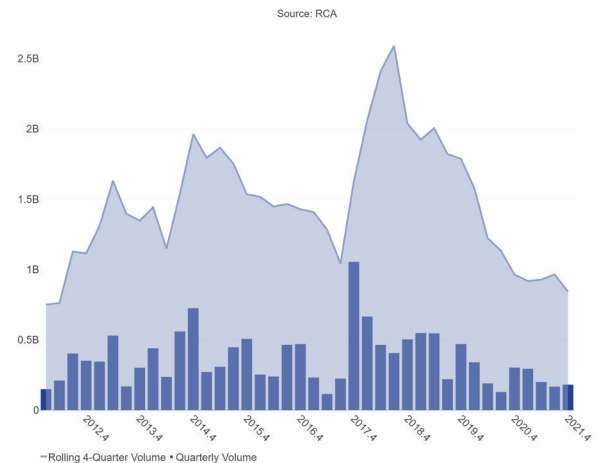
Capital Markets

Aside from a few deals in 2021, capital markets hasn't bounced back to pre-covid levels, with sales volume in Q4 2021 still 39% below that of Q4 2019 according to RCA. Institutional investors made up 38% of those who sold properties in the Minneapolis metro, while they were 22% of buyers in the market. In the same quarter in 2019, they represented 38% of buyers and 56% of sellers respectively. As institutional investors have decreased activity, private buyers and sellers have ramped up their transaction activity. Taking into account the effects of Covid-19, many investors watched cautiously as offices emptied, leading to an increase in value-add opportunities for investors. As inflation remains a wildcard, economic conditions remain positive for some and negative for others. Governmental policy and construction costs remain as large uncertainties within the minds of investors as the office market shows slow movement back to normal. With the amount of liquidity in the market today, outlook is positive that after more than a year and a half waiting, office investors are ready and waiting to make deals.

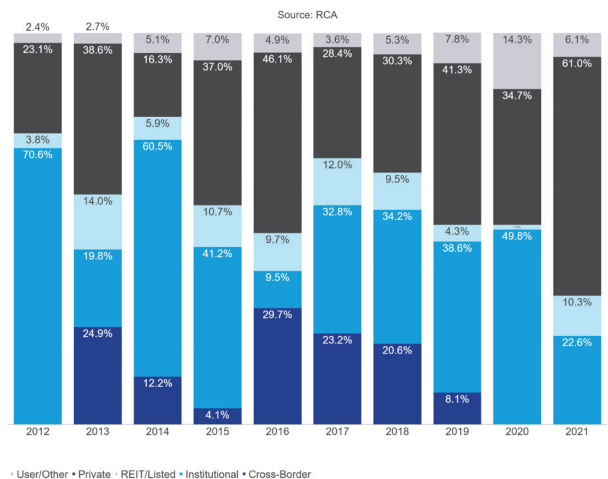
Twin Cities Office Seller Composition



Twin Cities Office Sales Volume



Twin Cities Office Buyer Composition

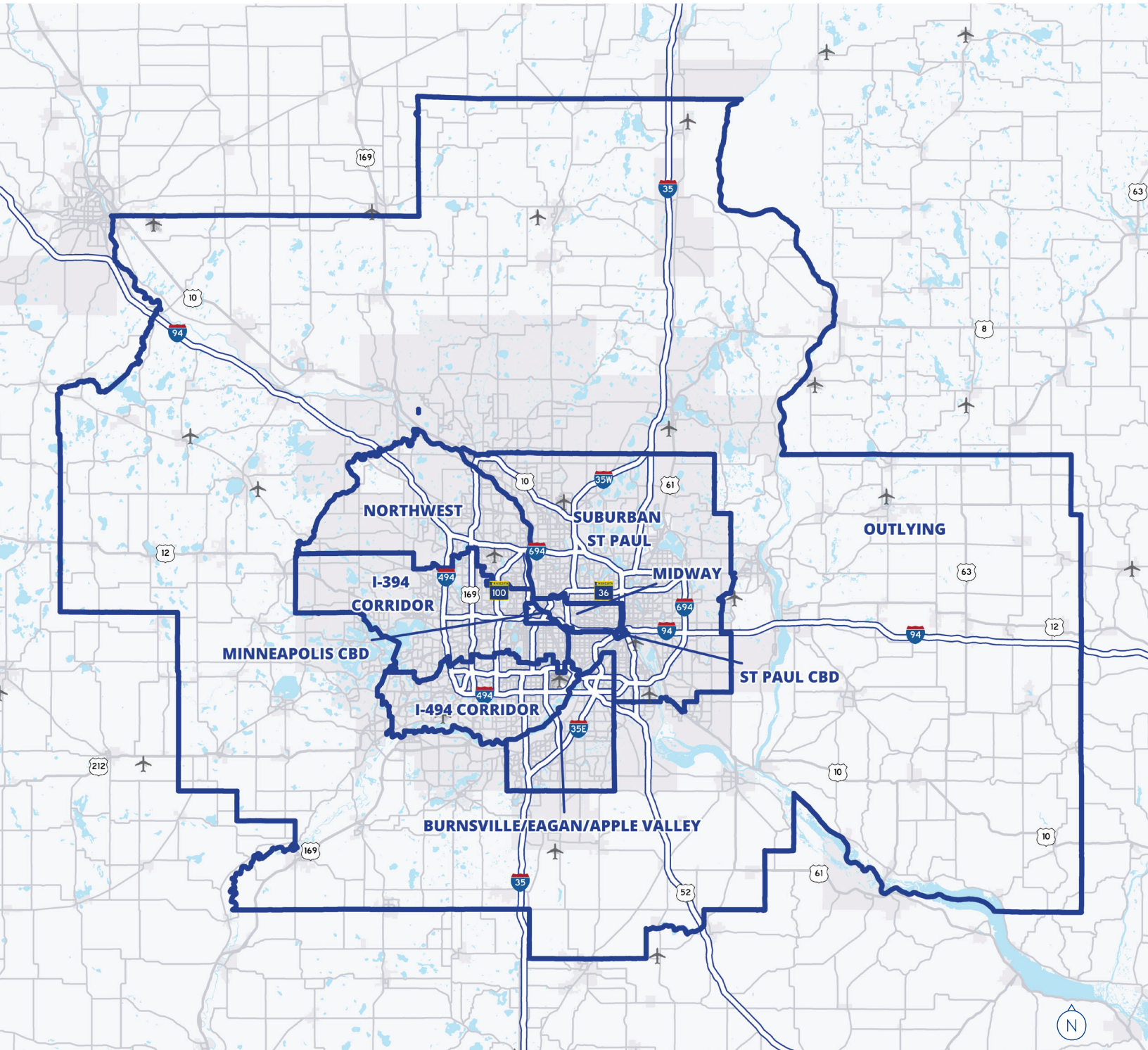


Twin Cities Office Market Summary

	Class	Buildings	SF	Direct Vacancy	Direct + Sublet	Net Absorption	YTD Net Absorption	YTD Deliveries	Under Constr	Direct Gross Asking
Twin Cities Total	A	218	59,481,152	10.88%	12.53%	96,741	-220,592	862,494	1,422,082	\$32.93
	B	1,563	101,692,308	9.73%	10.81%	75,952	-334,189	87,427	393,030	\$24.38
	C	846	26,621,678	6.49%	7.13%	-229,268	-302,217	0	0	\$20.72
	TOTAL	2,627	187,795,138	9.63%	10.84%	-56,575	-856,998	949,921	1,815,112	\$26.57
Minneapolis CBD	A	40	26,135,127	11.26%	12.91%	1,011	367,032	377,434	1,318,022	\$34.79
	B	118	16,660,234	17.15%	18.78%	68,847	99,605	16,545	0	\$29.10
	C	80	3,174,769	8.76%	11.38%	-23,640	-98,830	0	0	\$27.54
	TOTAL	238	45,970,130	13.22%	14.93%	46,218	367,807	393,979	1,318,022	\$32.23
I-394 Corridor	A	43	7,629,310	17.41%	19.06%	-48,793	-150,217	441,000	0	\$38.47
	B	190	13,779,907	8.21%	9.41%	11,664	-3,171	30,000	38,899	\$27.19
	C	184	5,491,973	10.52%	11.79%	19,718	1,464	0	0	\$22.50
	TOTAL	417	26,901,190	11.29%	12.64%	-17,411	-151,924	471,000	38,899	\$29.43
I-494 Corridor	A	50	12,280,896	9.53%	11.68%	71,135	-390,822	0	0	\$31.32
	B	212	16,256,133	10.28%	13.05%	-47,300	19,681	0	0	\$26.73
	C	132	4,582,640	8.91%	8.91%	-73,312	-65,945	0	0	\$22.37
	TOTAL	394	33,119,669	9.81%	11.97%	-49,477	-437,086	0	0	\$27.83
Northwest	A	11	2,063,520	1.55%	1.55%	2,828	7,245	44,060	44,060	\$30.26
	B	90	3,483,477	9.91%	10.83%	10,836	-14,679	0	240,000	\$18.43
	C	24	395,990	2.09%	2.09%	-1,805	10	0	0	\$19.11
	TOTAL	125	5,942,987	6.48%	7.03%	11,859	-7,424	44,060	284,060	\$22.58
Midway	A	7	1,127,026	24.63%	24.63%	37,073	6,318	0	0	\$27.23
	B	124	9,377,030	6.76%	7.10%	21,077	-25,235	0	89,131	\$24.59
	C	58	3,309,826	2.48%	2.70%	5,333	-9,146	0	0	\$17.64
	TOTAL	189	13,813,882	7.19%	7.47%	63,483	-28,063	0	89,131	\$23.14
Burnsville/ Eagan/ Apple Valley	A	16	1,831,065	10.69%	10.69%	0	3,011	0	0	\$27.00
	B	149	9,311,177	8.37%	9.12%	171,970	-115,216	0	0	\$24.74
	C	74	2,148,049	5.74%	6.00%	16,986	481	0	0	\$18.58
	TOTAL	239	13,290,291	8.27%	8.83%	188,956	-111,724	0	0	\$24.06
Suburban St. Paul	A	33	3,806,689	4.97%	7.93%	28,841	-25,034	0	60,000	\$26.37
	B	418	19,799,737	7.28%	7.55%	-167,646	-339,796	14,000	0	\$18.67
	C	157	4,798,617	3.58%	3.68%	-174,272	-134,124	0	0	\$17.12
	TOTAL	608	28,405,043	6.35%	6.95%	-313,077	-498,954	14,000	60,000	\$19.44
St. Paul CBD	A	12	4,354,336	7.42%	8.21%	4,646	-352	0	0	\$28.18
	B	35	7,308,136	11.47%	11.66%	-23,294	-70,467	0	0	\$23.09
	C	8	494,113	10.39%	10.39%	5,058	6,862	0	0	\$17.46
	TOTAL	55	12,156,585	9.98%	10.37%	-13,590	-63,957	0	0	\$24.68
Outlying	A	6	253,183	4.44%	10.66%	0	-37,773	0	0	\$22.93
	B	227	5,716,477	3.40%	3.64%	29,798	115,089	26,882	25,000	\$21.24
	C	129	2,225,701	1.24%	1.24%	-3,334	-2,989	0	0	\$18.63
	TOTAL	362	8,195,361	2.84%	3.21%	26,464	74,327	26,882	25,000	\$20.58

Twin Cities

Office Submarkets



428 offices in 65 countries on 6 continents

United States: 160
Canada: 49
Latin America: 14
Asia Pacific: 43
EMEA: 108
ANZ: 54



\$4.0B
in revenue



2B
square feet under management



18,000 +
professionals and staff

About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 65 countries, our more than 18,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$4.0 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people. Learn more at corporate.colliers.com, Twitter @Colliers or LinkedIn.

ATTACHMENT B

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REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: May 16, 2022
Item No.: 5b

Department Approval

Janice Gundlach

Executive Director Approval

Paul Trueman

Item Description: Receive 2021 Rice & Larpenteur Alliance Annual Report

1 **BACKGROUND**

2 Dating to the summer of 2016, the City has been actively engaging with the cities of Maplewood and
3 St. Paul, along with Ramsey County, regarding revitalizing and re-envisioning the Rice Street and
4 Larpenteur Avenue corridor. Since then, the cities and County commissioned a Rice and Larpenteur
5 Area Visioning Plan, which was accepted in 2018. To advance efforts, the Saint Paul Area Chamber
6 of Commerce (SPACC) was hired to provide consulting services surrounding implementation of the
7 Vision Plan through creation of the Rice & Larpenteur Alliance.

8 Kim O'Brien, Executive Director of the Rice & Larpenteur Alliance will present the 2021 Rice &
9 Larpenteur Annual Report (see Attachment A).

10 **POLICY OBJECTIVE**

11 Since 2019, the City Council's Policy Priority Plan has included an economic development strategic
12 priority to implement the Rice & Larpenteur Alliance. This includes desired outcomes of economic
13 investment in SE Roseville, improvement of quality of life in SE Roseville, increased public safety in
14 SE Roseville, and increased connectivity/transportation options in SE Roseville.

15 **BUDGET IMPLICATIONS**

16 The Economic Development authority allocated \$40,000 with the 2022 budget for efforts of the Rice
17 & Larpenteur Alliance. The Alliance's fiscal year runs from April to March. The City also serves as
18 the fiscal agent to the Alliance.

19 **STAFF RECOMMENDATION**

20 Receive presentation

21 **REQUESTED EDA ACTION**

22 Receive presentation.

Prepared by: Janice Gundlach, Community Development Director, 651-792-7071
Attachments: A: 2021 Annual Report

RICE & LARPELLEUR ALLIANCE

3 Cities. 1 Neighborhood.

2021 Annual Report



Rice & Larpenteur Alliance

alliancerice
St Paul | Roseville | Maplewood

NY thrift store

1,657 likes
alliancerice My FAVORITE part about the Rice & Larpenteur neighborhood is:
#RiceandLarpenteurAlliance
#3Cities1Neighborhood
#WELA
#StPaul #Roseville #Maplewood

Winter Warm-Up
Presented by Home Depot
SATURDAY, DECEMBER 11TH
1-3PM
at the Center of Rice & Larpenteur

RICE & LARPELLEUR
SUMMER BAKE PARTY

OUR SHARED VISION

The Rice & Larpenteur Area is a safe, engaging, and inviting neighborhood that includes common spaces, a high-quality pedestrian environment, and robust reinvestment for the diverse people of the surrounding communities to live, conduct business, and play together.

ATTACHMENT A

Dear Rice & Larpenteur Community,

Thank you for your continued support, energy, and resilience. 2021 marked six years since the elected leaders of St Paul, Roseville, and Maplewood first met at Friends Cafe to discuss how to work together to invest in an area they share. Their unwavering commitment and collaboration, year over year, has been the lifeblood of the Rice & Larpenteur Alliance. Over the past three years, residents and area businesses have taken the baton and shaped the Alliance into what it is today. It is these community leaders who will continue to push forward to realize our shared vision that the Rice & Larpenteur area is a safe, engaging and inviting neighborhood center for all.

Despite continual challenges around COVID-19 for our community, the last year has seen great progress and positive momentum in Rice & Larpenteur. Thanks to our growing group of supporters and volunteers, our organization's capacity has grown exponentially. Families look forward to Rice & Larpenteur annual community celebrations like the Summer Block Party and Winter Warm-Up. Businesses are investing in the area. We are beginning to see visible changes to our environment like the parking lot renovation at the MyThrift Store mall and addition of our community parklet—a welcoming gateway to our neighborhood.

The future looks bright with investments coming our way from Ramsey County to rebuild Rice Street and from Metro Transit who has determined that Rice Street will become the G-Line, Bus Rapid Transit Route. The Alliance and partners have laid the groundwork for the development of new affordable housing in the area, and the retention of existing affordable homes that families rely on.

Like the new Community In Bloom mosaic at the Lake McCarrons Park Building we are building the Rice & Larpenteur area with the help of many, one piece at a time, with patience, commitment, and love. I am honored to be in service to this community with you and excited to see all that we can create when we work together.



Sincerely,

Kim O'Brien

Executive Director, Rice and Larpenteur Alliance
St Paul Area Chamber

OUR VALUE STATEMENTS

Diversity and Representation

The neighborhood's cultural diversity is its greatest strength. The Alliance will be an organization of leaders representative of our diverse community.

Non-Displacement

The Alliance's efforts will be aimed at improving conditions for existing residents and businesses, and must not result in loss of affordability and gentrification.

Strengths-Based Approach

Rice & Larpenteur has many positive qualities and assets. All efforts by the Alliance will build upon and celebrate neighborhood strengths.

OUR PARTNERS



RICE & LARPENTEUR VISION PLAN TIMELINE

ATTACHMENT A

COMMUNITY-BASED ADVISORY BOARD

Council President Amy Brendmoen, City of Saint Paul
 Andrea Caldwell, Roseville Resident
 Angela Riffe, City of Saint Paul
 Officer Ashley Bergeron, Maplewood Police Department
 Barbara Garn, Roseville Resident
 Becky Wegscheid, Saint Paul Area Association of Realtors
 Cale Bergschneider, Roseville Resident
 Corey Wethern, Saint Paul Resident
 Dan Edgerton, Saint Paul Resident
 Mayor Dan Roe, City of Roseville
 Dana Ferguson, Rice Street Gardens & Saint Paul Resident
 Darrell Baggenstoss, Roseville Resident
 Dave Higgins, McGough
 Chief David Brosnahan, Roseville Fire
 David May, Roseville Church of Christ
 Dayna Taylor, Hand In Hand Christian Montessori
 Francisco Ramirez, M Health Fairview
 Gregory Simbeck, Roseville Resident
 Hsakeshee Zan, Saint Paul Resident
 Jamie Rattanapamonsook, Thai Street Market
 Jane Forliti, Roseville Resident
 Janice Gundlach, City of Roseville
 Councilmember Jason Etten, City of Roseville
 Jeff Thomson, City of Maplewood
 Johnny Opara, JO Companies
 Joan Phillips, Maplewood Resident
 Joseph Wiggins, Hearthside Pizza
 Kaziah Josiah, Saint Paul Police Department
 Kazoua Kong Thao, Community School of Excellence
 Leslie Duling McCollam, Ramsey Washington Recycling and Energy
 Malia Lee, Saint Paul Resident and Fresh Vibes
 Mariah Quick, Ramsey County Public Health
 Commissioner Mary Jo McGuire, Ramsey County
 Mayor Marylee Abrams, City of Maplewood
 Max Musicant, The Musicant Group
 Mike Leonard, Hamernick's Interior Solutions
 Nidhi Joshi, Britany Marion Apartments
 Noah Her, Open to Business/MCCD
 Patrick Trudgeon, City of Roseville
 Rayauna Benson, McCarrons Village Apartments
 Rick Howden, Ramsey County
 Ronna Woolery, Lamplighter Village Apartments & Saint Paul Resident
 Scott Thompson, Metro Transit
 Shann Finwall, City of Maplewood
 Shawn Wiski, Kraus Anderson
 Tilak Pokwal, Groceries & Nepali Kitchen
 Commissioner Trista MatasCastillo, Ramsey County
 Commissioner Victoria Reinhardt, Ramsey County

2016



City and community leaders from Saint Paul, Roseville, and Maplewood begin collaboration.

2018



Cities adopt Rice and Larpenteur Gateway Area Vision Plan.

2020



Community-Based Rice & Larpenteur Alliance is launched.

2021



Vision plan coming to life on the Rice & Larpenteur corridor.



- Completed MyThrift Store Parking Area and Parklet construction, including benches, landscaping, new sidewalk, lighting, and additional pedestrian enhancements.
- Hosted a tour of small businesses and conversations with business owners in the Rice & Larpenteur area with the Minnesota District - US Small Business Administration.
- Engaged community in conversations around The Enclave at Lake McCarrons; a new development of 20 single family homes and added pedestrian connection through development from Larpenteur Ave. to Lake McCarrons County Park.
- Initiated community and developer conversations around the future addition of affordable housing units at the Rice Street Gardens site at Rice and Roselawn.

- Adopted the Neighborhood Signage and Wayfinding Plan and raised funds towards the construction and installation of community signs.
- Created the Shop Local Guide to encourage support of local businesses.
- Supported the retention of naturally occurring affordable housing through engagement of area apartment managers and building owners; while working with city partners for safety and livability.
- Advocated with the Metropolitan Council and Metro Transit for Rice Street to become a future Bus Rapid Transit route—which will be a transformational infrastructure investment in the region.
- Worked closely with Ramsey County on the ReVision Rice Street community engagement project to determine the future road design for Rice Street from Pennsylvania to Wheelock Pkwy.
- Advocated for state bonding funds to begin planning for reconstruction of Rice Street from Wheelock Parkway to CR-B.



(2021 Highlights continued on next page)

“ Thank you for getting the three cities together into one neighborhood. It is so important for our common good, building peace, creating positive history and new good memories. ”
 THANK YOU!!

- Rice & Larpenteur Community Member





August 13, 2021

3rd annual Rice & Larpenteur summer block party in St. Paul to kickoff Saturday



November 11, 2021

How residents, business owners and elected officials are reimagining the corner of Rice and Larpenteur



November 27, 2021

Three east metro cities join forces to renew the intersection where they meet

2021 HIGHLIGHTS (CONT.)

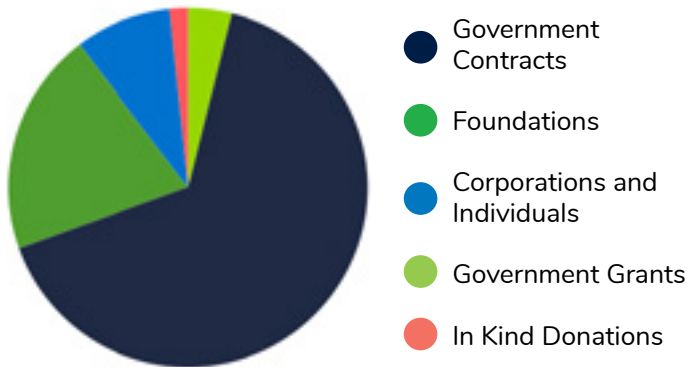
- Worked with artist Shakun Maheshwari, Arts Roseville, and Ramsey County to create a community-built mosaic mural at Lake McCarrons park titled, Community In Bloom.
- Celebrated Spring with the Community In Bloom event celebrating art and natural resources of Rice and Larpenteur.
- Executed the 3rd Annual Summer Block Party event, featuring local businesses, community resources, live music, and family fun in all three cities.
- Beat the cold with the Winter Warm-Up, an outdoor community building event with bonfires, giveaways, and hot cocoa.
- Supported Peace March with Mother’s Against Community Gun Violence to honor the life of Nia Black, implore the community to end senseless acts of violence, and call for accountability for The Lamplighter Lounge for unsafe conditions.
- Worked with business owners to continue maintenance of public garbage and recycling bins.
- Conducted a school supply giveaway as part of our Summer Block Party.
- Hosted a free mobile COVID-19 Vaccine Clinic near the parklet at the intersection.
- Launched the Connecting Community to Lake McCarrons Through Public Art program - solicited community ideas and designs and contracted with three public artists to create utility box designs highlighting our natural resources and watershed.



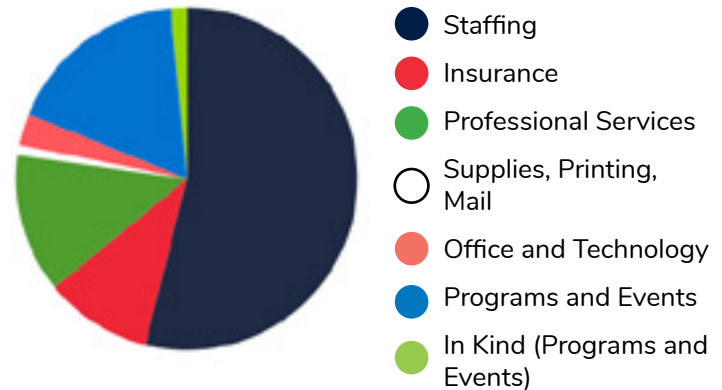
2021 FINANCIALS

The Rice & Larpenteur Alliance is funded primarily through a contract with the Cities of Maplewood, Roseville, and Saint Paul. In 2021, the Alliance also successfully secured an operating grant from the Saint Paul and Minnesota Foundation, and earned cash and in-kind donations from individuals and a growing list of local businesses. The operating budget for the year (March 2021-February 2022) was about \$200,000. This year, the Alliance made a significant investment in creating a community parklet as part of the MyThrift Store Parking Area renovation, spending down some of the organization's cash reserves. The largest expense continues to be professional services by the St Paul Area Chamber followed by programs, grants, events, and marketing.

RICE & LARPEUR REVENUE (MAR 2021 - FEB 2022)



RICE & LARPEUR EXPENSES (MAR 2021 - FEB 2022)



DONORS

The Rice & Larpenteur Alliance would like to thank our donors.

Government Contributors

City of Maplewood
City of Roseville
City of Saint Paul
Ramsey County

Foundations

Saint Paul and Minnesota Foundation

Annual Corporate Partners

American National Bank
Bix Produce
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JO Companies
PAK Properties
Xcel Energy

Corporations

Galilee Lutheran Church
Hilivate Consulting
Kraus Anderson
Labor Solutions
McCarron Lake Chiropractic
McDonald's
North End Laundry
Saint Paul Area Association of REALTORS
TSE, Inc.

Individual Donors

Andrea Caldwell
Barbara Garn
David May
Greg Simbeck
Kim O'Brien
Jason Etten
Marylee Abrams
Peggy Matthees
William Howell

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AE Sign Systems
Asia Fusion Kitchen
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Capitol Region Watershed District
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Community School of Excellence
Cub Foods Maplewood West
Do Good Roseville
Hamernick's Interior Solutions
Hearthside Pizza
Keystone Community Food Shelf
Kids In Need Foundation
Long's Auto
Maplewood Public Safety
McDonalds
Metro Transit
Mother's Against Community Gun Violence
Nepali Kitchen
North End Laundry

North End Neighborhood Organization
Ramsey County Environmental Health
Ramsey County ReVision Rice Street
Ramsey County Social Services
Roseville Church of Christ
Roseville Human Rights, Inclusion, and Engagement Committee
Roseville Police Department
Setzer's Pharmacy
St Paul Area Chamber
St Paul Library Bookmobile
St Paul Parks and Rec
St Paul Police Department
St Paul Regional Water Services
Thai Street Market
Wilebski's Blues Saloon

Get involved! The future of the Rice & Larpenteur Alliance will depend on participation from individuals and organizations who care. Volunteer and sponsorship opportunities are available!

Visit www.riceandlarpenteur.com or Contact Kim@stpaulchamber.com for more information.

WHAT WE DO

OUR COMMUNITY



Placemaking



Community Engagement



Economic Development



Community Safety & Livability

Rice and Larpenteur is a neighborhood at the intersection of three cities, bisected by two county roads. We are...

- Growing (~18K people)
- Diverse (>35% people of color)
- Global (~15% non-English speaking)
- Young (30% increase in children under 5)

*Based on census data from 2015 for tracts 416.02, 422.01, 304, 305.



“ It’s so awesome to see an organization put so much effort into a community in need. I believe the area is making great strides in just the short time we have been a part of it. ”

- Brian Welke, Owner of North End Laundry

STAY IN TOUCH

Sign-up for newsletters at www.riceandlarpenteur.com



Join the “Let’s Revitalize Rice & Larpenteur” Facebook Group



Follow us on Twitter and Instagram @AllianceRice



RiCE &
LARPENTEUR
ALLIANCE

www.riceandlarpenteur.com



OUR SHARED
VISION

The Rice & Larpenteur Area is a safe, engaging, and inviting neighborhood center that includes common spaces, a high-quality pedestrian environment, and robust reinvestment for the diverse people of the surrounding communities to live, conduct business, and play together.


ECONOMIC DEVELOPMENT AUTHORITY

Date: May 16, 2022
Item No.: 5c

Department Approval

Executive Director Approval

Janice Gundlach

Randy Trueman

Item Description: Consider Amendments to Roseville Revolving Loan Program

1
2 At the March 22, 2021 Roseville Economic Development Authority (REDA) meeting the board was
3 provided information on the existing Residential Revolving Loan Program and several proposed loan
4 programs the REDA could offer. On July 19, 2021 the REDA adopted a Senior Deferred loan, a
5 Manufactured Home Improvement loan, a Last Resort-Emergency Deferred loan and a Down Payment
6 Assistance Program exclusively for first generation homeownership. At that time, no changes were made
7 to the Roseville Revolving Loan Program.

8
9 The following is a summary of all the current programs, also summarized in Attachment A:

10
11 *Residential Revolving Loan Program*

12 This program provides loans from \$2,000 up to \$40,000 for home improvements at an interest rate
13 of 4% over 10 year amortization. The program does not require any income qualifications but does
14 require that the home value not exceed current median value in Roseville. The 2022 median value
15 is \$296,900. The program also allows for an adjustment up to 110% of median value, which
16 currently equates to \$326,590. The median value is annually adjusted based upon Ramsey County
17 Tax Assessor Records. This program has not been utilized since 2017 as the interest rate is not
18 competitive. Beyond the interest rate, it is possible the barrier of having to complete an energy audit
19 prior to the loan origination has also contributed to underutilization, especially in the last few years.
20 The program has remained in place with no substantial changes since 2015.

21
22 *Last Resort – Emergency Deferred Program*

23 This program funds an emergency, which is defined as a condition that makes the house
24 uninhabitable, extremely dangerous to the occupants, or is capable of causing severe health
25 problems. The loan would be deferred, but not forgiven, at an interest rate of 0%. The maximum
26 loan amount would be \$10,000. There is no debt-to-income ratio requirement and the loan would
27 be due upon sale of the home, or refinancing when taking cash out. No loans have been originated
28 since adoption of this program.

29
30 *Manufactured Home Improvement Program*

31 This program is designed to fund interior or exterior improvements to manufactured homes. The
32 loan would be amortized over a maximum term of 10 years at a 4% interest rate. The maximum
33 loan amount would be \$10,000. The loan would have debt-to-income and loan-to-value
34 requirements. No Loans have been originated since adoption of this program. Staff would note,
35 every manufactured home unit received a letter (in English & Spanish) advertising this loan

36 program.

37
38 *Senior Deferred Loan Program*

39 This program is designed to fund interior and exterior improvements. It is targeted to seniors, the
40 loan is deferred, at an interest rate of 0%. The maximum loan amount is \$25,000. There is no debt-
41 to-income ratio requirement, but a loan-to-value of 110% does apply. The loan is due upon sale of
42 the home. CEE conducts an inspection to prioritize improvements that should be done to the home.
43 Six loans have been originated to-date.

44
45 *Down Payment Assistance Program*

46 The program is designed to help underserved communities who seek to be first generation home
47 owners with a \$25,000 deferred loan. One of two qualifiers is that the parents have never owned a
48 home or the parent lost a home to foreclosure. In order to meet this criteria, the applicant signs an
49 affidavit representing their parent's status and if it is found to be a false statement, the charges could
50 result in a felony conviction, imprisonment for up to two years, and a monetary fine of up to
51 \$20,000. One loan has been originated to-date.

52
53 Staff would request that the EDA consider amendments to the Roseville Revolving Loan Program in order
54 to encourage reinvestment into properties in a manner similar to what we've recently seen through the
55 Senior Deferred Loan Program (Attachment B). Staff suggestions for amendments are discussed below:

56
57 *Proposed Amendments – shift the origination fee to the REDA, lower the interest rate, increase the*
58 *minimum loan amount, defer the energy audit, and require a home inspection*

59 The last amendment to this program was increasing the interest rate from 3% to 4% in 2017 to recoup
60 administration costs of the Center for Energy and Environment (herein after referred to as CEE), who
61 administers loans on behalf of the REDA. Loan administration fees include an origination fee of \$750,
62 setting up/onboarding fee of \$20, a satisfaction fee of \$30, and the monthly service fee of \$6 all on a per
63 loan basis. CEE's contract is due for renewal soon and all per-loan fees will go unchanged except the
64 monthly service fee will increase from \$6 to \$10 per loan per month. CEE's contract renewal will be
65 brought to the REDA for consideration at the July 18, 2022 meeting (although it's worth noting now there
66 isn't another viable option for loan administration). An amortization schedule with the increased fee is
67 provided as Attachment C. This illustrates that lower term and lower value loans are not able to recoup all
68 costs, but higher value and higher term loans still turn a profit. Recognizing this, and not wanting to raise
69 the interest rate further only to cover a few loans that aren't able to break even, staff suggests shifting the
70 \$750 origination fee of the loan and onto professional services of the REDA. Staff believes the REDA's
71 current budget for professional services would be able to accommodate this shift for the remainder of 2022.
72 Beyond 2022, the REDA's budget for professional services may only need to be adjusted upwards by
73 \$2,000 or less, depending on how many loans are originated. Making this shift would also allow the
74 REDA to lower the interest rate back down to 3% making the program competitive again and thus
75 incentivizing improvement. To off-set the lower interest rate, and recognizing that lower value loans are
76 harder to break even on, staff would suggest adjusting the minimum loan amount to \$10,000 (Attachment
77 D). Given only three active loans were for less than \$10,000, and in consideration of material and labor
78 costs, staff doesn't feel increasing the loan amount will be a barrier to those that wish to utilize this
79 program. Further, lower value loan needs may be serviceable under the Last Resort program, depending on
80 the improvement proposed.

81
82 The last modification the REDA may consider making would be to remove the requirement that a home
83 energy audit be completed *prior* to loan origination, but instead require the audit be *booked* upon loan

84 origination. Scheduling an energy audit for weekends or evenings is out two months. However, instead of
85 requiring the energy audit in advance of loan origination, staff would suggest a home inspection instead,
86 similar to the one that is required for the Senior Deferred Loan program. Such an inspection, in advance of
87 the loan origination, may benefit home owners as they consider their desired improvements. This allows
88 for prioritization of other work that is necessary to stabilize the home before cosmetic improvements are
89 done. These inspections cost \$250 and are funded by the EDA. The budget for these inspections has been
90 sufficient and staff doesn't anticipate needing additional funding if the EDA opts to require these
91 inspections prior to origination of a loan under the Revolving Loan Program.

92
93 Staff is seeking direction from the REDA on whether to pursue any of the suggested changes to the
94 Roseville Revolving Loan Program, as discussed herein, which include:

- 95 • Shift the \$750 loan origination fee from the loan to the REDA,
- 96 • Lower the interest rate from 4% to 3%,
- 97 • Increase the minimum loan amount from \$2,000 to \$10,000,
- 98 • Defer the required energy audit, and
- 99 • Require a home inspection prior to loan origination.

100
101 Jim Hasnik, Director of Lending Services from CEE will be present to answer any questions the REDA may
102 have.

103 **BUDGET IMPLICATIONS**

104 The REDA is using existing fund balance from the Revolving Loan Program for all of the loan programs
105 offered. If, at any time, CEE determines funds to administer any of the programs are running low, they
106 would advise staff so the REDA could identify additional funds to administer the programs or whether to
107 cease offering the programs if additional funds couldn't be identified.

108
109 Beyond program modifications, the REDA pays \$2,500 a year to CEE for loan services (no matter how
110 many loans CEE is servicing). That fee is proposed to increase upon contract renewal in 2023 to \$5,000 a
111 year. Staff does suggest factoring this increase into the 2023 REDA budget.

112 **STAFF RECOMMENDATION**

113 Discuss the proposed modifications to the Roseville Revolving Loan Program. If modifications are desired,
114 adopt a resolution authorizing staff to make amendments to the Roseville Revolving Loan Program based
115 on REDA discussion and direction (Attachment E).

116 **REQUESTED EDA ACTION**

117 Discuss the proposed modifications to the Roseville Revolving Loan Program. If modifications are desired,
118 adopt a resolution authorizing staff to make amendments to the Roseville Revolving Loan Program based
119 on REDA discussion and direction (Attachment E).

- 120
121 Prepared by: Jeanne Kelsey, Housing & Economic Program Manager, 651-791-7086
122
123 Attachments A: All current guidelines to all Roseville Loan Programs
124 B: Report on all loans originated since July 2021
125 C: Amortization Schedule with all of the fees in the loan program proceeds
126 D: Amortization Schedule without the Origination Fee
127 E: Resolution authorizing amending Roseville Revolving Loan Program based upon REDA direction

1
2 **PROGRAM GUIDELINES**
3
4

5
6 This document includes guidelines for the Roseville Economic Development
7 Authority
8 **REVOLVING LOAN PROGRAM**
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ROSEVILLE REVOLVING LOAN PROGRAM GUIDELINES

The Roseville Economic Development Authority (REDA) is making funds available for homeowners to make improvements to their properties. The Roseville Revolving Loan Program is designed to supplement existing loan programs available from MHFA, CEE, private lenders, and other housing resources. This program is not intended to be the sole source of improvement funds available to homeowners within the City. Center for Energy and Environment shall serve as the administrator for the Roseville Loan Program and will secure the most beneficial financing based on the borrower's needs independent of the funding source.

Home Improvement Loan

Interest Rate: 4% fixed

Amortization Type: Amortizing (Monthly Payments Required)

Loan Amount: Minimum of \$2,000 and Maximum of \$40,000.

Total Project Cost: The borrower must have sufficient funds necessary to cover the cost of the entire project (as outlined in the bid(s)).

Loan term: Generally, one year per \$1,000 borrowed. This will be somewhat flexible depending on the size of the loan and the borrower's ability to repay the loan. The minimum term is 1 year; the maximum term will be 10 years.

Eligible Properties: 1- to 4-unit owner-occupied properties located within the geographical boundaries of the City of Roseville. Townhomes and condominiums are eligible. Property must have an Estimated Market Value at or below the Roseville median single-family home value x 110%. Value is updated annually. The City of Roseville's median single family home value for 2021 is \$280,600, so the maximum Estimated Market Value for 2021 is \$308,600 (\$280,600 x 110% is \$308,600).

The property must be at least 25 years old.

Ineligible Properties: Dwellings containing more than 4 units, cooperatives, properties held in trust and properties used for commercial purposes.

Eligible Borrowers: All borrowers must be legal residents 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.

Ineligible Borrowers: Including but not limited to: - Foreign Nationals, Non-Occupant Co-Borrowers, business entities and properties held in trust.

Ownership/Occupancy: Owner-occupied only.

82 **Loan - to - Value Ratio:** The ratio of all loans secured by the property, including the new loan, should not exceed
83 110% of the property value. Half of the improvement value may be added to the initial property value.

84
85 **Income Limit:** No maximum income limit.

86
87 **Debt - to - Income Ratio:** 50%

88
89 **Credit Requirements:** 1) All mortgage payments must be current and reflect no 30-day late payments history in
90 the past 12-month period (without reasonable explanation). 2) All real estate taxes must be current. 3) No
91 outstanding judgments or collections. 4) Any prior bankruptcy must have been discharged for at least 18
92 months prior to loan closing. 5) The redemption period on prior foreclosures must have occurred at least 18
93 months prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit
94 report (without reasonable explanation). 7) No defaulted government loans.

95
96 **Multiple Loans per Property:** More than one loan per property is allowed; however, the outstanding balance(s)
97 cannot exceed \$40,000.

98
99 **Eligible Use of Funds:** Loans may be used to finance most interior and exterior improvements that improve the
100 basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping, and fences can
101 be repaired, replaced, or built as new construction. Contractors must be properly licensed, and permits must be
102 obtained when required.

103
104 **Ineligible Use of Funds:** Payment for work initiated prior to the loan being approved and closed, unless due to
105 emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas,
106 whirlpools, etc.), furniture, non-permanent appliances (unless part of a full kitchen remodel), and funds for
107 working capital, debt service, homeowner labor or refinancing of existing debts are NOT eligible.

108
109 **Bids:** A minimum of 1 bid is required; however, two bids are encouraged. All contractors must be properly
110 licensed.

111
112 **Sweat Equity / Homeowner Labor:** Work may be performed by property owners on a "sweat equity" basis.
113 Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds
114 cannot be used to compensate for labor.

115
116 **Home Energy Audits:** All homes are required to complete a Home Energy Audit through the Home Energy
117 Squad (HES) prior to loan closing. The energy audit (within the past 3 years) is required for any type of home
118 improvement, interior or exterior. Fees for the HES visit are not part of this program budget.

119
120
121
122
123 **Remodeling Advisor Visit (RAV):** The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice
124 upon request of the resident. The intent is to help residents improve their property by providing technical
125 assistance before and during the bidding and construction process. All residents are eligible for this service
126 regardless of whether they are applying for the Roseville Revolving Loan Program or not. This visit is not
127 required.

129 **Post Installation Inspection:** Permits must be obtained and signed off by a City inspector where required; when
 130 not required, a post-installation inspection will be performed by CEE to ensure the work has been completed
 131 before any funds will be released.

132
 133 **Loan Security:** All loans will be secured with a mortgage in favor of REDA. Borrower will pay all applicable title
 134 and filing fees, which may be financed in the loan amount.

135
 136 **Borrower Fees:** Borrower will be responsible for a 1% origination fee, document preparation fee, mortgage
 137 filing and service fees, flood certificate and credit report fees all which may be financed in the loan amount.

138
 139 **Underwriting Decision:** Applicants must have acceptable credit history. CEE will approve or deny loans based
 140 on a credit report, income verification and other criteria as deemed necessary through CEE's underwriting
 141 guidelines. CEE's decision shall be final. Appeals can be made to the Roseville Economic Development
 142 Authority.

143
 144 **Work Completion:** All work must be completed within 120 days of the loan closing. However, when warranted,
 145 CEE may authorize exceptions on a case-by-case basis.

146
 147

148

149

150

Senior Deferred Loan

151

152 **Interest Rate:** 0%

153

154 **Loan Amount:** Minimum loan is \$5,000. Maximum loan is \$25,000 within any time period.

155

156 **Loan term:** The loan is 100% due upon sale, transfer of ownership, cash-out refinance, or cessation of
 157 occupancy of the property as the borrower's primary residence.

158

159 **Eligible Properties:** Owner-occupied properties with up to 4 dwelling units located within the boundaries of the
 160 City of Roseville. Condominiums, manufactured homes, and townhomes are eligible.

161

162 **Ineligible Properties:** Dwellings that contain more than 4 units, cooperatives, properties held in trust and
 163 properties used for commercial purposes.

164

165 **Eligible Borrowers:** **At least one borrower must be at least 62 years of age.** All borrowers must be legal
 166 residents of the United States, as evidenced by a social security number, Including: U.S. Citizens, Permanent
 167 Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE

168

169 **Ineligible Borrowers:** Include, but are not limited to: nonresident owners, non-occupant co-borrowers,
 170 business entities and properties held in trust.

171

172 **Ownership / Occupancy:** Owner-occupied. Contracts for deed are eligible.

173

174 **Loan- to-Value Ratio:** 110%

175

176 **Income Limit:** No income limits.

177

178 **Debt- to-Income Ratio:** Not applicable

179 **Multiple Loans per Property/Borrower:** Multiple Senior Deferred Loans are allowed if the outstanding balance
180 is within the maximum loan limit.

181
182 **Eligible Improvements:** A property inspection is required to determine project eligibility. If there are no
183 outstanding code violations or health and safety concerns, the loan may be used to finance most interior and
184 exterior improvements that improve the basic livability of the property. Garages, decks, porches, retaining
185 walls, skylights, landscaping, and fences can be repaired, replaced, or built as new construction. Contractors
186 must be properly licensed, and permits must be obtained when required.

187
188 **Ineligible Improvements:** Work initiated prior to the loan being approved and closed. Personal property items,
189 including appliances, furniture, hot tubs, swimming pools, and other luxury items, exterior plumbing (e.g.,
190 sprinkler systems), non-permanent landscaping fixtures (e.g., potted plants, furniture, bird feeders), repairs to
191 property used for business or trade purposes, refinancing of existing indebtedness, and labor costs of borrowers
192 and/or residents are ineligible. CEE will refer the borrower to REDA whenever eligibility of an improvement
193 project is in question.

194
195 **Bidding:** 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and
196 any rebates. All contractors must be properly licensed.

197
198 **Sweat Equity:** Not permitted

199
200 **Property Inspection:** Required. Eligible improvements will be determined through an analysis of the inspection
201 of the property. A CEE representative will perform the analysis to prioritize the project eligibility.

202
203 **Post-Installation Inspection:** Properties are subject to a post-installation inspection by a CEE representative
204 when a permit is not required. Where a permit is required, the work must be signed off by a City inspector prior
205 to release of funds.

206
207 **Work Completion:** All work must be completed within 120 days of loan closing. Extensions may be granted by
208 CEE.

209
210 **Borrower Fees:** Borrower will be responsible for a 1% origination fee, document preparation fee, title work,
211 mortgage filing and service fees, flood certificate, credit report fees and any other applicable fees. All may be
212 financed in the loan amount.

213
214 **Underwriting Decision:** Borrowers must be current on all mortgage payments and property taxes.

215
216 **Loan Security:** All loans will be secured with a mortgage (lien for manufactured homes) in favor of REDA.

217
218
219
220 **Down-payment Assistance Deferred Loan**

221
222
223
224 **Interest Rate:** 0%

225

226 **Loan Amount:** Maximum of \$25,000.

227

228 **Total Project Cost:** It is the borrower's responsibility to obtain the amount of funds necessary to purchase the
229 property in accordance with the primary lender's mortgage guidelines.

230

231 **Loan term:** The Deferred Loan is 100% due when the borrower sells, transfers ownership or no longer occupies
232 the property as the borrower's primary residence.

233

234 **Eligible Properties:** Owner-occupied properties with up to 4 dwelling units located within the boundaries of the
235 City of Roseville. Condominiums and townhomes are eligible. Property must have an Estimated Market Value at
236 or below the Roseville median value x 110%. Value is updated annually. The current Roseville median value is
237 \$280,600, for a maximum value of \$308,600 (\$280,600 x 110% is \$308,600).

238

239 **Ineligible Properties:** Dwellings that contain more than 4 units, cooperatives, properties held in trust and
240 properties used for commercial purposes.

241

242 **Eligible Borrowers:** Borrower(s) must be a **First-Generation Homebuyer** and must sign the First-Generation
243 Homebuyer Affidavit. The homebuyer(s) **MUST** attend a Home Stretch workshop or other valid homebuyer's
244 course offered through a HUD approved counseling agency. All borrowers must be legal residents of the United
245 States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, and Non-
246 Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

247

248 **Ineligible Borrowers:** Include but are not limited to: Foreign Nationals, Non-Occupant Co-Borrowers, business
249 entities, and Properties held in trust.

250

251 **Ownership/Occupancy:** Owner- occupied only.

252

253 **Loan to Value Ratio** N/A

254

255 **Income Limit:** 100% AMI based on household size and adjusted gross income from the most recent tax return.
256 If a tax return is not required to be filed by the borrower(s) then income will be determined by projected
257 household income over the next 12 months.

258

259 **Documentation Requirements:**

260

- Copy of purchase agreement
- Commitment letter/approval for first mortgage
- Copy of Title Commitment
- Copy of Initial Loan Estimate for first mortgage
- Value of home (property tax or appraisal)
- Certification of Home Stretch Homebuyers (or another valid course) course completed

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6

272 **Disbursement Process:** Loan funds will be made payable and delivered to the title/closing agent. The down
273 payment and closing cost assistance deferred loan will be signed at closing of the purchase mortgage.
274
275

276 **Manufactured Home Loan**

277
278

279
280
281 **Interest Rate:** 4% fixed
282

283 **Amortization Type:** Amortizing (Monthly Payments Required)
284

285 **Loan Amount:** Minimum of \$500 and Maximum of \$10,000.
286

287 **Total Project Cost:** It is the borrower's responsibility to obtain the amount of funds necessary to finance the
288 entire cost of the work. In the event the final cost exceeds the requested loan amount, the borrower must
289 obtain the additional funds and show verification of the additional funds to be approved for the loan.
290

291 **Loan term:** Generally, one year per \$1,000 borrowed. This will be somewhat flexible depending on the size of
292 the loan and the borrower's ability to repay the loan. The minimum term is 1 year; the maximum term will be
293 10 years.
294

295 **Eligible Properties:** Residential manufactured homes located with the geographical boundaries of the City of
296 Roseville.
297

298 **Ineligible Properties:**

- 299 • Non-owner-occupied
- 300 • Properties used for commercial purposes
- 301 • Properties held in trust
302

303 **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security
304 number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX
305 IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.
306

307 **Ineligible Borrowers:** Include but are not limited to: Foreign Nationals, Non-Occupant Co-Borrowers, business
308 entities, and Properties held in trust.
309

310 **Ownership/Occupancy:** Owner- occupied only.
311

312 **Loan - to - Value Ratio:** N/A
313

314 **Income Limit:** No maximum income limit.
315

316 **Debt - to - Income Ratio:** 50%.
317

318 **Credit Requirements:** 1) All mortgage or lien payments must be current and reflect no 30-day late payment
319 history in the past 12-month period (without reasonable explanation). 2) All lot rent payments must be current.
320 3) No outstanding judgments or collections. 4) Bankruptcy must have been discharged for at least 18 months
321 prior to loan closing. 5) The redemption period on prior foreclosures must have occurred at least 18 months
322 prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit report
323 (without reasonable explanation). 7) No defaulted government loans.

324
325 **Multiple Loans per Property:** More than one loan per property is allowed; however, the outstanding balance(s)
326 cannot exceed \$10,000.

327
328 **Eligible Use of Funds:** Loans may be used to finance most interior and exterior improvements that improve the
329 basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping, and fences can
330 be repaired, replaced, or built as new construction. Contractors must be properly licensed, and permits must be
331 obtained when required.

332
333 **Ineligible Use of Funds:** Payment for work initiated prior to the loan being approved and closed, unless due to
334 emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas,
335 whirlpools, etc.), furniture, non-permanent appliances (unless part of a full kitchen remodel), and funds for
336 working capital, debt service, homeowner labor, or the refinancing of existing debts are NOT eligible.

337
338 **Bids:** 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any
339 rebates. All contractors must be properly licensed.

340
341 **Sweat Equity / Homeowner Labor:** Work may be performed by property owners on a “sweat equity” basis.
342 Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds
343 cannot be used to compensate for labor.

344
345 **Remodeling Advisor Visit (RAV):** The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice
346 upon request of the resident. The intent is to help residents improve their property by providing technical
347 assistance before and during the bidding and construction process. All residents are eligible for this service
348 regardless of whether they are applying for the Roseville Revolving Loan Program. This visit is not required.

349
350 **Post-Installation Inspection:** Permits must be obtained and signed off by a City inspector where required; when
351 not required, a post-installation inspection will be performed by CEE to ensure the work has been completed
352 before any funds will be released.

353
354 **Loan Security:** All loans will be secured with a lien in favor of REDA.

355
356 **Borrower Fees:** Borrower will be responsible for a 1% origination fee, document preparation fee, lien filing and,
357 flood certificate and credit report fees all which may be financed in the loan amount.

358
359 **Work Completion:** All work must be completed within 120 days of the loan closing. However, when warranted,
360 CEE may authorize exceptions on a case-by-case basis.

361
362

363

364

365

366

Emergency Deferred Loan

367 **Interest Rate:** 0%

368

369 **Loan Amount:** Minimum loan is \$500. Maximum loan is \$10,000 within any time period.

370

371 **Loan term:** The loan is 100% due when the borrower sells, transfers ownership or no longer occupies the
372 property as the borrower's primary residence.

373

374 **Eligible Properties:** Owner-occupied properties with up to 4 dwelling units located within the boundaries of the
375 City of Roseville. Condominiums, mobile homes, and townhomes are eligible.

376

377 **Ineligible Properties:** Dwellings containing more than 4 units, cooperatives, properties held in trust and
378 properties used for commercial purposes.

379

380 **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security
381 number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX
382 IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE. The borrower must not be eligible for any other
383 financing administered by CEE in order to obtain an Emergency Program loan.

384

385 **Ineligible Borrowers:** Include, but are not limited to: nonresident owners, non-occupant co-borrowers,
386 business entities and properties held in trust.

387

388 **Ownership / Occupancy:** Owner-occupied. Contracts for deed are eligible.

389

390 **Loan- to-Value Ratio:** 110%

391

392 **Income Limit:** Household income must be less than 115% of HUD Area Median Income based on household size
393 and adjusted income from most recent tax return. If a tax return is not filed, the income will be based on
394 projected annual gross income.

395

396 **Debt- to-Income Ratio:** Not applicable

397 **Multiple Loans per Property/Borrower:** Multiple Emergency Deferred Loans are allowed if the outstanding
398 balance is within the overall maximum loan limit.

399

400 **Eligible Improvements:** An emergency is defined as an existing condition that makes a house uninhabitable, is
401 dangerous to the occupants, or is capable of causing severe health problems. Repairs that will remedy such
402 emergency repairs are eligible. Examples of eligible repairs include, but are not limited to, water lines, sewer
403 service, fire hazards, repair to exterior steps, railings, retaining walls, water seepage into basement, structural
404 problems, or replacement of a furnace or water heater.

405

406 Repairs that remedy code violations, and those needed to address home repairs before they significantly de-
407 value the home and become much more serious problems, are also eligible whether or not the city has issued a
408 code violation. Examples of eligible repairs include, but are not limited to, leakage around windows, rotting
409 fascia, holes in siding, roof leakage, crumbling brick or concrete and deteriorated retaining walls. CEE will
410 determine eligibility of projects.

411

412 **Ineligible Improvements:** Work initiated prior to the loan being approved and closed. Personal property items,
413 including appliances, furniture, hot tubs, swimming pools, and other luxury items, exterior plumbing (e.g.,
414 sprinkler systems), non-permanent landscaping fixtures (e.g., potted plants, furniture, bird feeders), repairs to

415 property used for business or trade purposes, refinancing of existing indebtedness, and labor costs of borrowers
 416 and/or residents are not eligible. CEE will refer borrower to REDA whenever eligibility of an improvement
 417 project is questionable.

418
 419 **Bidding:** 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and
 420 any rebates. All contractors must be properly licensed.

421
 422 **Sweat Equity:** Not permitted

423
 424 **Property Inspection:** Required. Eligible improvements will be determined through an analysis of the emergency
 425 condition of the property. A CEE representative will perform the analysis to determine the project eligibility.

426
 427 **Post-Installation Inspection:** Properties are subject to a post-installation inspection by a CEE representative
 428 when a permit is not required. Where a permit is required, the work must be signed off by a City inspector prior
 429 to release of funds.

430
 431 **Work Completion:** All work must be completed within 30 days of loan closing. Extensions may be granted by
 432 CEE.

433
 434 **Borrower Fees:** Borrower will be responsible for a 1% origination fee, document preparation fee, title work,
 435 mortgage filing and service fees, flood certificate, credit report fees and any other applicable fees. All may be
 436 financed in the loan amount.

437
 438 **Underwriting Decision:** Borrowers must be current on all mortgage payments and property taxes. CEE will
 439 review the application and submitted documentation for consideration for other home improvement programs
 440 prior to considering the application for the Emergency Deferred Loan. CEE will approve or deny loans based on
 441 income verification and other criteria. This is a last resort program. The borrower must not be eligible for any
 442 other financing administered by CEE to obtain an Emergency Deferred loan. CEE's decision shall be final.

443
 444 **Loan Security:** All loans will be secured with a mortgage (lien if a manufactured home) in favor of REDA.

445
 446
 447 **General Program Guidelines**

448
 449 **Application Processing:** Loans will be distributed on a first-come, first-served basis as borrowers qualify.
 450 **Applicants must provide a completed application package including the following to be considered for**
 451 **funding.**

- 452 ➤ Completed and signed application form
- 453 ➤ Proof of income
- 454 ➤ Bids or estimates for proposed projects
- 455 ➤ Other miscellaneous documents loan officers may require.

456
 457 **Contractors/Permits:** Contractors must be properly licensed to work in the City of Roseville. Permits must be
 458 obtained when required by city ordinance.

459
 460 **Program Costs:** Loan origination, post installation inspection and remodeling advisor visit fees will be paid out
 of the Program Budget. Loan program marketing efforts will be billed directly to REDA and are a separate

461 expense should the REDA choose to commission CEE for marketing support. Borrowers will pay all mortgage
462 filing fees and related closing costs.

463
464 **Disbursement Process:** Payment to the contractor (or owner in sweat equity situations) will be made upon
465 completion of work. An inspection will be performed by a City Inspector and/or CEE to verify the completion of
466 the work. The following items must be received prior to final disbursement of funds:

- 467 • Final invoice or proposal from contractor (or materials list from supplier);
- 468 • Final inspection verification by a City Inspector (or CEE);
- 469 • Completion certificate(s) signed by borrower and contractor;
- 470 • Lien waiver for entire cost of work;
- 471 • Evidence of City permit (if required)



CEE Loans Closed For the Period 7/1/2021 - 5/5/2022

Printed Thursday, May 5, 2022

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Program Roseville

Pool Down Payment Assistance

Loan #	Name	Address	Amt Fin.	Orig Fee	Int Sub	Entered	Closed	Doc	Improvements	CRF
21-024256	.		25,000.00	750.00		10/14/2021	1/11/2022	1/5/2022	Down Payment Assistance	

Total Loans: 1 Total Amt Financed: 25,000.00 Total Orig Fee: 750.00 Total Interest Subsidy:

Pool Senior Deferred Loan

Loan #	Name	Address	Amt Fin.	Orig Fee	Int Sub	Entered	Closed	Doc	Improvements	CRF
21-023897	.		18,311.00	750.00		9/9/2021	10/7/2021	10/7/2021	Roof	
21-024032	.		25,000.00	750.00		9/22/2021	11/15/2021	11/15/2021	Roof Water Heater Windows, Doors, Storm Wind	
21-024605	.		25,000.00	750.00		11/29/2021	12/21/2021	12/21/2021	Garage	
21-023974	.		25,000.00	750.00		9/17/2021	12/29/2021	12/29/2021	Windows/Doors/Storm Windo	
21-024633	.		25,000.00	750.00		12/2/2021	1/4/2022	1/4/2022	Insulation Windows/Doors/Storm Windo Flooring/Carpet/Tile	
22-025187	.		25,000.00	750.00		2/10/2022	4/21/2022	4/21/2022	Landscaping Windows/Doors/Storm Windo Electrical Insulation Foundations/Basement	

Total Loans: 6 Total Amt Financed: 143,311.00 Total Orig Fee: 4,500.00 Total Interest Subsidy:

Total Closed Loans: 7 Total Amt Financed: 168,311.00



LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$10,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	ORIG FEE	NEW LOAN FEE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$10,000.00	36	3.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$469.99	-\$690.01
\$10,000.00	48	3.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$625.43	-\$654.57
\$10,000.00	60	3.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$782.19	-\$617.81
\$10,000.00	120	3.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$1,589.13	-\$410.87
\$10,000.00	180	3.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$2,433.31	-\$166.69
\$10,000.00	36	4.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$629.64	-\$530.36
\$10,000.00	48	4.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$839.20	-\$440.80
\$10,000.00	60	4.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$1,051.29	-\$348.71
\$10,000.00	120	4.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$2,151.97	\$151.97
\$10,000.00	180	4.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$3,318.63	\$718.63



LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$20,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	ORIG FEE	NEW LOAN FEE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$20,000.00	36	3.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$939.95	-\$220.05
\$20,000.00	48	3.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$1,250.73	-\$29.27
\$20,000.00	60	3.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$1,564.51	\$164.51
\$20,000.00	120	3.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$3,178.29	\$1,178.29
\$20,000.00	180	3.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$4,866.53	\$2,266.53
\$20,000.00	36	4.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$1,259.30	\$99.30
\$20,000.00	48	4.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$1,678.41	\$398.41
\$20,000.00	60	4.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$2,102.69	\$702.69
\$20,000.00	120	4.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$4,304.13	\$2,304.13
\$20,000.00	180	4.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$6,637.30	\$4,037.30



LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$15,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	ORIG FEE	NEW LOAN FEE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$15,000.00	36	3.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$704.97	-\$455.03
\$15,000.00	48	3.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$938.13	-\$341.87
\$15,000.00	60	3.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$1,173.36	-\$226.64
\$15,000.00	120	3.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$2,383.64	\$383.64
\$15,000.00	180	3.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$3,649.77	\$1,049.77
\$15,000.00	36	4.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$944.50	-\$215.50
\$15,000.00	48	4.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$1,258.79	-\$21.21
\$15,000.00	60	4.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$1,576.97	\$176.97
\$15,000.00	120	4.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$3,228.05	\$1,228.05
\$15,000.00	180	4.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$4,978.30	\$2,378.30



LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$40,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	ORIG FEE	NEW LOAN FEE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$40,000.00	36	3.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$1,879.94	\$719.94
\$40,000.00	48	3.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$2,501.57	\$1,221.57
\$40,000.00	60	3.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$3,128.93	\$1,728.93
\$40,000.00	120	3.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$6,356.47	\$4,356.47
\$40,000.00	180	3.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$9,733.44	\$7,133.44
\$40,000.00	36	4.00	\$750.00	\$20.00	\$360.00	\$30.00	\$1,160.00	\$2,518.62	\$1,358.62
\$40,000.00	48	4.00	\$750.00	\$20.00	\$480.00	\$30.00	\$1,280.00	\$3,356.77	\$2,076.77
\$40,000.00	60	4.00	\$750.00	\$20.00	\$600.00	\$30.00	\$1,400.00	\$4,205.37	\$2,805.37
\$40,000.00	120	4.00	\$750.00	\$20.00	\$1,200.00	\$30.00	\$2,000.00	\$8,608.26	\$6,608.26
\$40,000.00	180	4.00	\$750.00	\$20.00	\$1,800.00	\$30.00	\$2,600.00	\$13,274.43	\$10,674.43

LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$10,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	NEW LOAN FEE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$10,000.00	36	3.00	\$20.00	\$360.00	\$30.00	\$410.00	\$469.99	\$59.99
\$10,000.00	48	3.00	\$20.00	\$480.00	\$30.00	\$530.00	\$625.43	\$95.43
\$10,000.00	60	3.00	\$20.00	\$600.00	\$30.00	\$650.00	\$782.19	\$132.19
\$10,000.00	120	3.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$1,589.13	\$339.13
\$10,000.00	180	3.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$2,433.31	\$583.31
\$10,000.00	36	4.00	\$20.00	\$360.00	\$30.00	\$410.00	\$629.64	\$219.64
\$10,000.00	48	4.00	\$20.00	\$480.00	\$30.00	\$530.00	\$839.20	\$309.20
\$10,000.00	60	4.00	\$20.00	\$600.00	\$30.00	\$650.00	\$1,051.29	\$401.29
\$10,000.00	120	4.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$2,151.97	\$901.97
\$10,000.00	180	4.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$3,318.63	\$1,468.63

LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$20,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	NEW LOAN FEE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$20,000.00	36	3.00	\$20.00	\$360.00	\$30.00	\$410.00	\$939.95	\$529.95
\$20,000.00	48	3.00	\$20.00	\$480.00	\$30.00	\$530.00	\$1,250.73	\$720.73
\$20,000.00	60	3.00	\$20.00	\$600.00	\$30.00	\$650.00	\$1,564.51	\$914.51
\$20,000.00	120	3.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$3,178.29	\$1,928.29
\$20,000.00	180	3.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$4,866.53	\$3,016.53
\$20,000.00	36	4.00	\$20.00	\$360.00	\$30.00	\$410.00	\$1,259.30	\$849.30
\$20,000.00	48	4.00	\$20.00	\$480.00	\$30.00	\$530.00	\$1,678.41	\$1,148.41
\$20,000.00	60	4.00	\$20.00	\$600.00	\$30.00	\$650.00	\$2,102.69	\$1,452.69
\$20,000.00	120	4.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$4,304.13	\$3,054.13
\$20,000.00	180	4.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$6,637.30	\$4,787.30


LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$15,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	NEW LOAN FE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$15,000.00	36	3.00	\$20.00	\$360.00	\$30.00	\$410.00	\$704.97	\$294.97
\$15,000.00	48	3.00	\$20.00	\$480.00	\$30.00	\$530.00	\$938.13	\$408.13
\$15,000.00	60	3.00	\$20.00	\$600.00	\$30.00	\$650.00	\$1,173.36	\$523.36
\$15,000.00	120	3.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$2,383.64	\$1,133.64
\$15,000.00	180	3.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$3,649.77	\$1,799.77
\$15,000.00	36	4.00	\$20.00	\$360.00	\$30.00	\$410.00	\$944.50	\$534.50
\$15,000.00	48	4.00	\$20.00	\$480.00	\$30.00	\$530.00	\$1,258.79	\$728.79
\$15,000.00	60	4.00	\$20.00	\$600.00	\$30.00	\$650.00	\$1,576.97	\$926.97
\$15,000.00	120	4.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$3,228.05	\$1,978.05
\$15,000.00	180	4.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$4,978.30	\$3,128.30


LOAN PROCEEDS VS LOAN COST CALCULATION FOR \$40,000.00 AMORTIZING LOAN

LOAN AMOUNT	TERM	INT RATE	NEW LOAN FE	SERVICING FEES	SATISFACTION FEES	TOTAL LOAN COST	INT PROCEEDS	PROFIT/LOSS
\$40,000.00	36	3.00	\$20.00	\$360.00	\$30.00	\$410.00	\$1,879.94	\$1,469.94
\$40,000.00	48	3.00	\$20.00	\$480.00	\$30.00	\$530.00	\$2,501.57	\$1,971.57
\$40,000.00	60	3.00	\$20.00	\$600.00	\$30.00	\$650.00	\$3,128.93	\$2,478.93
\$40,000.00	120	3.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$6,356.47	\$5,106.47
\$40,000.00	180	3.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$9,733.44	\$7,883.44
\$40,000.00	36	4.00	\$20.00	\$360.00	\$30.00	\$410.00	\$2,518.62	\$2,108.62
\$40,000.00	48	4.00	\$20.00	\$480.00	\$30.00	\$530.00	\$3,356.77	\$2,826.77
\$40,000.00	60	4.00	\$20.00	\$600.00	\$30.00	\$650.00	\$4,205.37	\$3,555.37
\$40,000.00	120	4.00	\$20.00	\$1,200.00	\$30.00	\$1,250.00	\$8,608.26	\$7,358.26
\$40,000.00	180	4.00	\$20.00	\$1,800.00	\$30.00	\$1,850.00	\$13,274.43	\$11,424.43

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

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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 16th day of May, 2022, 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 AUTHORIZING STAFF TO AMEND
THE GUIDELINES FOR THE HOUSING REVOLVING
LOAN PROGRAM ADMINISTERED BY THE CENTER
FOR ENERGY AND ENVIRONMENT**

WHEREAS, the Roseville Economic Development Authority (“REDA”) has previously approved certain housing loan programs (the “Loan Programs”) in connection with an Amended and Restated Standard Agreement for Professional Services between REDA and the Center for Energy and Environment (“CEE”) on July 19, 2021 (the “Services Agreement”) and has previously authorized the REDA Executive Director to administratively execute any documents required to give effect to the Loan Programs; and

WHEREAS, REDA now wishes to make certain changes to the program guidelines for the Loan Programs (the “Guidelines”).

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The REDA Executive Director is hereby delegated the authorization to approve, execute and deliver future amendments to the Services Agreement and Guidelines and related consents thereto, subject to the following conditions: (a) such amendments are consistent with the desires of the REDA, as discussed and expressed at the meeting of Board of Commissioners on the date hereof; (b) such amendments or consents do not materially adversely affect the interests of the REDA; (c) such amendments or consents do not contravene or violate any policy of the REDA, or applicable provision of law; and (d) such amendments or

46 consents are acceptable in form and substance to the counsel retained by
47 the REDA to review such amendments. The authorization hereby given
48 shall be further construed as authorization for the execution and delivery
49 of such certificates and related items as may be required to demonstrate
50 compliance with the agreements being amended and the terms of this
51 Resolution. The execution of any instrument by the REDA Executive
52 Director shall be conclusive evidence of the approval of such instruments
53 in accordance with the terms hereof. In the absence of the REDA
54 Executive Director any instrument authorized by this paragraph to be
55 executed and delivered may be executed by the officer of the REDA
56 authorized to act in his or her place and stead.

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

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

and the following voted against the same:

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 May 16, 2022.

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 May, 2022.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: May 16, 2022
Item No.: 5d

Department Approval

Executive Director Approval

Janice Gundlach

Item Description: Discuss process for consideration of a Tenant Notification ordinance

BACKGROUND

At the September 20, 2021 Economic Development Authority (EDA) meeting the EDA was presented information regarding Just Cause, Inclusionary Housing, and Tenant Notification ordinances. At that time, the EDA signaled interest in pursuing a Tenant Notification ordinance and the item was tentatively scheduled for the first quarter of 2022.

As a reminder, Tenant Notification ordinances focus only on notification requirements to the tenant and city if rental housing is conveyed or otherwise transferred. The purpose of Tenant Protection ordinances are to ensure tenants and the city are provided adequate notification (typically 90 days) if leases are going to be terminated and/or not renewed, rent raised, implementation of use of new screening requirements, or other material changes to leases due to changes implemented by new ownership. These ordinances have requirements for mandatory relocation assistance if new ownership makes changes to the terms of a tenant’s rental arrangement within the 90 day notification period. These ordinances can also provide an avenue for City intervention to maintain affordability before the ownership change occurs. Staff would also note a Tenant Notification ordinance would only apply to licensed rental properties (so buildings of 5 or more units) given that is the only practical way to enforce the requirements.

While staff was preparing to advance a Tenant Notification ordinance to the EDA during the first quarter of 2022, a Racial Equity Toolkit has been in development related to efforts of the Strategic Racial Equity Action Plan. It was determined a working draft of the toolkit should be completed for the Tenant Notification ordinance given the toolkit is intended to guide decision making on new policies, programs, initiatives, and budget proposals. As a document intended to guide decision making, completion of the toolkit is an exercise for staff to pause and reflect on readily available data, professional expertise, and lived experience to consider potential impact to all identified stakeholders. The completed toolkit, as it relates to the proposed draft Tenant Notification ordinance, is provided as Attachment A.

Process & Next Steps

While a draft Tenant Notification ordinance has been developed (Attachment B), which mirrors ordinances in the cities of New Brighton and Brooklyn Park and is aligned with the Housing Justice Center’s model ordinance, and after completion of the Racial Equity Toolkit, staff felt an engagement process should be undertaken with stakeholders prior to bringing an ordinance forward for consideration.

33 Questions 7 and 8 of the completed toolkit speak to stakeholder engagement and feedback. Staff has
34 identified the following stakeholders:

- 35 • Renters
- 36 • Owners of rental property
- 37 • MN Multi-Housing Association
- 38 • Minnesota Association of Housing Code Officials (MAHCO)
- 39 • Housing Link
- 40 • HOME Line
- 41 • Housing Justice Center
- 42 • Roseville-area school district

43 Beyond the listed stakeholders, staff has established a goal of trying to interact with at least 5% of
44 Roseville’s rental households, which is approximately 250 persons. While 5% might seem low, actual
45 interaction with 250 persons may be difficult in practice. As such, staff intends to organize multiple
46 meetings throughout the summer and early fall, focusing on geographies and populations that are more
47 challenged from an income perspective, given those households would be most impacted by a Tenant
48 Notification ordinance. These meetings would be held as close to these households/neighborhoods as
49 possible, likely in the evening, in community rooms within apartment buildings (if they exist),
50 churches, or similar venues. Because staff wanted to obtain EDA feedback on this engagement
51 strategy, the actual number and location of these meetings has not been identified but would be based
52 on the 5% engagement goal. In order to meet this goal, there needs to be flexibility in the number of
53 meetings and timeline based on actual participation. If our engagement efforts suggest the public is
54 uninterested in this topic, the ordinance could be brought forward without meeting the 5% goal,
55 however, that is not staff’s intent.

56 In terms of the non-renter stakeholders, more typical meetings located at City Hall would be
57 undertaken with these groups. It is expected most of these groups will willingly provide feedback.

58 Once staff is satisfied the engagement goals have been met, we will work to make any necessary
59 revisions to the draft ordinance and advance the ordinance forward for consideration. While an exact
60 timeline is unknown given staff wants to make every effort possible to reach 5% of the rental
61 population, it is expected the City Council could be presented with a draft ordinance sometime in late
62 fall.

63 Based on IAP2 principles, staff intends to engage with the above listed stakeholders at the Inform and
64 Consult level, recognizing this topic is very narrowly focused and the purpose of engagement is to
65 provide the public with information and obtain feedback. Because this initiative has such a narrow
66 focus, the purpose of the engagement process isn’t to necessarily incorporate all stakeholder concerns
67 and aspirations into the Tenant Notification ordinance. Still, the feedback received could inform
68 revisions to the draft ordinance or inform future policies, programs and/or initiatives. Staff also
69 recognizes there will likely be a need to communicate not only what a Tenant Notification ordinance
70 provides (more time to secure housing if your current housing becomes unavailable due to
71 circumstances out of your control), but also what it doesn’t provide (such as rent control).

72 Since this item originated with the EDA, staff felt it was most appropriate to have the EDA consider
73 next steps. However, a Tenant Notification ordinance will ultimately fall under the purview of the
74 City Council. As such, moving forward, actions surrounding Tenant Notification will be brought
75 before the City Council.

76 **POLICY OBJECTIVE**

77 If such an ordinance were to be adopted, the policy objective would be to provide housing stability,
78 protection, and notification to tenants of rental housing during an ownership transition.

79 **BUDGET IMPLICATIONS**

80 None

81 **STAFF RECOMMENDATION**

82 Provide direction to staff on the process outlined for consideration of a Tenant Notification ordinance
83 and refer to the matter to the City Council moving forward.

84 **REQUESTED EDA ACTION**

85 Provide direction to staff on the process outlined for consideration of a Tenant Notification ordinance
86 and refer to the matter to the City Council moving forward.

Prepared by: Janice Gundlach, Community Development Director, 651-792-7071
Attachments: A: Racial Equity Toolkit
B: Draft Tenant Notification Ordinance

Racial Equity Toolkit

To Guide in Decision Making on Policies, Programs, Initiatives, and Budget Proposals

Racial Equity Narrative

The City of Roseville is dedicated to creating an inclusive community where the predictability of success is not based on race, ethnicity, or any other demographic factor.

The actions of government at the federal, state, and local level have created racial disparities that continue to harm our community. Rectifying these disparities is critical to the development of a vibrant community and a high quality of life for all residents.

All City Departments will prioritize racial equity in their planning, delivery, and evaluation of programs, policies, and services.

The City of Roseville is committed to taking tangible steps to normalize, organize, and operationalize racial equity principles and tools, with an eye toward impactful and sustainable outcomes that create a more equitable community.

Racial Equity Toolkit Instructions

This racial equity toolkit serves as a guide to developing an equity impact analysis through a 7-step process of answering questions focused on community and stakeholder impact. Through the 7-step process of understanding the outcomes of decisions on the community, you will end with an Equity Impact Analysis or summary of your findings to be included on the Request for Council Action (RCA).

STEP 1 – DESIRED RESULTS AND OUTCOMES (How does this decision help achieve our long-term goals?)

STEP 2 – WHAT DATA IS AVAILABLE AND WHO DOES THE DATA INDICATE IS IMPACTED? (Do any gaps exist in the available data?)

STEP 3 – HOW HAVE COMMUNITIES IN ROSEVILLE BEEN ENGAGED?
WHAT ARE PLANS FOR FUTURE COMMUNICATION OR ENGAGEMENT?

STEP 4 – RACIAL EQUITY CONSIDERATIONS

STEP 5 – WHAT IS YOUR PLAN FOR IMPLEMENTATION?

STEP 6 – HOW WILL YOU EVALUATE RESULTS AND
MONITOR PROGRESS IN THE FUTURE?

STEP 7 – EQUITY IMPACT ANALYSIS/
SUMMARY

TO COMPLETE THIS DOCUMENT, YOU WILL NEED DATA RELEVANT TO YOUR DECISION AND STAKEHOLDER FEEDBACK. A sample template can be found [here](#).

Racial Equity Toolkit

To Guide in Decision Making on Policies, Programs, Initiatives, and Budget Proposals

Tenant Notification/Notice of Potential Sale Ordinance

Title of Policy, Program, Initiative, or Budget Proposal

An ordinance that intends to provide housing stability, protection, and notification measures to tenants of rental housing during a period of ownership change. The ordinance would require notification to tenants and the City whenever title to property containing five or more units is conveyed or otherwise transferred. The ordinance would require a new owner to pay relocation benefits if the owner takes certain actions during a required three-month notification period and a tenant must move as a result of the new owner’s action(s). The ordinance would also require advance notice to the City before a rental property affordable to lower income households becomes available for sale so that it can make such information available to parties interested in purchasing the property with a goal of keeping rents affordable to lower income households.

Description of Policy, Program, Initiative, or Budget Proposal

Community Development

Department

Janice Gundlach, Community Development Director

Primary Contact

STEP 1 – DESIRED RESULTS & OUTCOMES

- 1. Which of the Community Aspirational goals does this issue most align with?
[X] Welcoming, inclusive, and respectful [] Safe and law abiding
[X] Economically prosperous [X] Diverse and quality housing and neighborhoods
[] Environmentally responsible [] Active and Healthy
[] Well-connected through transportation and technology infrastructure
[X] Engaged in our community’s success
2. What are the desired outcomes in community? What issue or gap does this program or policy help to solve?

The desired outcome is to provide measures that create a more stable home environment for residents of households of lower socio-economic status. This ordinance intends to provide temporary relief to households who are forced to find new housing out of circumstances they didn’t create and/or can’t control, and which can cause housing instability due to the lack of housing options, and the cost to securing safe and habitable housing.

3. Are there any similarly related programs or policies already in place? Are there any similarly related RCA's that have been completed in the past?

There are no programs or policies in place regarding tenant notification. However, the following programs and/or policies have been undertaken related to affordable housing:

- The Economic Development Authority, through adoption of a Public Finance Assistance Policy in 2016, has used tax increment financing to support the preservation of existing affordable housing, and construction of new affordable housing, in recognition there is a lack of affordable units in Roseville.
- The Economic Development Authority created a Land Trust Partnership with Twin Cities Habitat for Humanity whereby direct financial support is provided in an effort to provide more affordable home ownership units throughout Roseville.
- The City adopted a Fair Housing Policy in 2018.
- The City updated its Zoning Code in November of 2021, which expanded the list of housing types allowed in low-density residential districts, in the hopes of creating more opportunities for construction of “missing middle” housing types, which have a greater likelihood of being affordable.

STEP 2 – WHAT DATA IS AVAILABLE AND WHO DOES THE DATA INDICATE IS IMPACTED?

4. Which geographical areas are/will be impacted?

Checkboxes for various Roseville neighborhoods – use [census tracts](#)

The entire City of Roseville would be impacted by this ordinance.

5. What are the racial demographics of those living in the areas impacted? Use the Demographic data provided by census tracts

- 32.6% of residents in Roseville are renters
- Home ownership in Roseville varies greatly by race. BIPOC households are much more likely to be renters:
 - 72.5% of Black households rent
 - 56.9% of Asian households rent
 - 26.7% of White households rent
- 39.8% of renters are paying more than 30% of their monthly gross income in rent, compared to 22% of homeowners with mortgage costs that meet or exceed 30% of their income

6. What other information or data is available to be considered related to this issue? Are there any gaps in the available data? What disparities were identified in the available data?

- 90.2% of Roseville’s homeowners are White compared to 2.2% are Black (4.3% Asian, 3.3% other races)
- Median household incomes are lower for renters and persons of color:
 - Median household income (owner-occupied): \$91,648
 - Median household income (renter-occupied): \$51,014
 - Median household income (White): \$76,297
 - Median household income (Black): \$47,283
- Roseville’s rental population is 3x more likely to experience housing instability given 6.1% of renters have moved a year ago or less, compared to 2.1% of homeowners

7. What feedback has been received from stakeholders so far? What is the communication strategy to keep stakeholders engaged? [Link to engagement strategies document](#)

At the September 20, 2021 Economic Development Authority meeting information was provided regarding Just Cause, Inclusionary Housing, and Tenant Notification ordinances. The EDA signaled interest in pursuing Tenant Notification. No other stakeholder feedback has been received at this point given engagement efforts have not been launched.

As a part of the ordinance consideration process, a community engagement plan will be drafted and presented to the City Council outlining the process to be undertaken and the goals sought from that process. The goal of engagement would be to:

- Inform the public of a draft tenant notification ordinance and what benefits would arise from adoption of the ordinance,
- Hear stakeholder concerns and determine if and/or how to address those concerns, either through modifications to the draft tenant notification ordinance or some other means,
- Outline the steps that will be taken related to official adoption of the ordinance, and
- Provide the public any other information relevant to questions or concerns that are raised during the engagement period.

Opportunities to meet with key stakeholders will be a major component of the engagement plan. The preliminary list of key stakeholders includes: renters, owners of rental housing, MN Multi Housing Association, Minnesota Association of Housing Code Officials, Housing Link, HOME Line, Housing Justice Center, and the Roseville-area school district. Other engagement considerations yet to be determined include how to provide notification of engagement opportunities, the time and location for planned meetings, and what electronic forms of engagement might be utilized.

8. Which voices in the community are underrepresented in the stakeholder feedback so far? Reflect on those that may be geographically impacted, economically disadvantaged, or more/less likely to benefit from the proposed policy or program.

As a part of the Zoning Code Update engagement efforts in the spring and summer of 2021, virtual meetings and interactive online forums were held to seek impact on Racial Equity & Inclusion in zoning. The majority of feedback received centered on affordable housing issues. Anecdotally, this feedback was received from homeowners, not renters, and only English-speaking persons. As such, a specific effort must be undertaken to engage with renters and non-English speaking persons.

Previous efforts were solely virtual due to the pandemic. In person engagement efforts must be made to reach renters in a location that is easily accessible to them.

STEP 4 – RACIAL EQUITY CONSIDERATIONS

9. How does this proposed policy, program, initiative, or budget proposal help to improve racial equity? Does it decrease racial equity at all? Reflect on the internal or external factors that are likely to be contributing to the disparity.

Because renters are more likely to be people of color, earn incomes at or below 80% of the area median income, and experience housing instability suggests the ordinance would improve racial equity. It is recognized this ordinance is only one tool the City can use to improve racial equity in housing and the City must continue its other efforts surrounding affordable housing, some of which is outlined in question three of this toolkit, to help remedy past governmental actions that have contributed to racial disparities in housing, including redlining, racially restrictive covenants, and zoning practices that codified institutional racism.

STEP 5 – WHAT IS YOUR PLAN FOR IMPLEMENTATION?

10. What ongoing measures are in place or should be put in place to minimize unforeseen harm to historically underrepresented communities?

Examples: collecting and storing data, conducting a future impact analysis, ongoing monitoring

The City intends to collect data regarding how many rental housing units were impacted by this ordinance and evaluate, over a period of time yet to be determined, if the ordinance is having the effect intended or if any revisions are necessary that may better achieve the desired outcome of creating opportunities for more housing stability. Specifically, the ordinance could require new owners to disclose how many tenants moved after the notification period ended as a result of new lease terms. Also, the City could track the percentage of renters who have moved in the last year to see if there is a decline.

STEP 6 – HOW WILL YOU EVALUATE RESULTS, MONITOR PROGRESS IN THE FUTURE?

11. It is important to evaluate our decisions and monitor our progress toward racial equity goals. Related to this area of impact, how will you evaluate the final decision, monitor impact, and ensure racially disaggregated data is available for future consideration? Consider creating a timeline to analyze impact; managing future expectations of desired outcomes, or community indicators that can determine success or opportunities

Since the ordinance requires City notification, in addition to renter notification, Community Development staff will be able to easily monitor implementation. Further, it is the intent to require the disclosure of how many leases were terminated specific to ownership transfer, which will allow City staff to develop a baseline of lease turnover related to ownership change.

EQUITY IMPACT ANALYSIS (SUMMARY) – add to RCA

12. In 1-3 paragraphs, how would you summarize the consideration of equity on this recommendation based on your Racial Equity Toolkit responses so far? Please include any relevant data (or if no data exists) and how this helps us achieve one or more of our City Aspirations identified in Step 1.

At minimum, this summary should be included under the Equity Impact Analysis of the RCA.

Securing safe and habitable housing is foundational to ensuring the success of Roseville’s residents/families. Demographically, in Roseville persons of color are two and a half times more likely to rent compared to Whites and persons of color earn median household incomes that are nearly 40% lower than Whites. Renters are also three times more likely to have moved a year ago or less, which collectively contributes to housing instability. When rental properties undergo an ownership change, tenants can be subjected to changes in lease agreements, including a rise in rental rates, which are of no fault to the renter. Often times, these situations result in renters having to find other housing in timeframes that can be as short as 30 days. Given the availability of affordable housing, and the cost of moving, regulations that provide greater housing stability are needed. By adopting a Tenant Notification Ordinance, the City can legislate an extended timeframe whereby new owners cannot subject tenants to new lease terms in timeframes that are unduly burdensome, or, impose relocation remedies in exchange for not providing an extended timeframe to find alternative, safe and habitable housing.

ORDINANCE NO. ____

AN ORDINANCE CREATING A NEW CHAPTER 910 TO THE ROSEVILLE CITY CODE, TENANT NOTIFICATION AND NOTICE OF POTENTIAL SALE WITH RESPECT TO LICENSED RENTAL PROPERTIES

The City Council of the City of Roseville does ordain:

Section One. Tenant Notification and Notice of Potential Sale. A new Chapter 910 is inserted into City Code that outlines the following requirements for licensed rental properties.

TENANT NOTIFICATION AND NOTICE OF POTENTIAL SALE WITH RESPECT TO LICENSED RENTAL PROPERTIES

SECTION:

- 910.01: Purpose
910.02: Definitions
910.03: Notice to the City of Proposed Sale
910.04: Post Sale Notice
910.05: Relocation Assistance
910.06: Tenant Complaints
910.07: Penalty

910.01: Purpose

The purpose of this Chapter is to provide housing stability, protection, and notification to tenants in rental housing during an ownership transition. This Chapter requires notice to both tenants and the City whenever title to property containing three or more rental housing units is conveyed or otherwise transferred. Under this Chapter, an owner of a housing building is required to pay resident relocation benefits if the owner takes certain actions during a required three-month tenant notification period, and the resident of the building needs to move as a result of the owner's action(s). In addition, this Chapter requires that when rental properties affordable to lower income households become available for sale, the City must receive notice of the potential sale so that it can make such information available to parties interested in purchasing the property with a goal of keeping rents affordable for lower income households.

910.02: Definitions

The following definitions in this Section apply in Chapter 910. Defined terms remain defined terms, whether or not capitalized.

A. Affordable Housing Building: A multiple-family rental housing building having five or more dwelling units where at least 20 percent of the units rent for an amount that is affordable. Affordable shall mean no more than 30 percent of income to households at or below 80 percent of area median income, as most recently determined by the United States Department of Housing and Urban Development for Low Income Housing Tax Credit (LIHTC) purposes, as adjusted for household size and number of bedrooms.

[Type here]

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44 B. Available for Sale: The earliest implementation of any of the following actions: negotiating to enter
 45 into a purchase agreement that includes an affordable housing building, advertising the sale of an
 46 affordable housing building, entering into a listing agreement to sell an affordable housing building, or
 47 posting a sign that an affordable housing building is for sale.

48 C. Cause: The tenant or a member of the tenant's household materially violated a term of the lease or
 49 rental agreement, or violated an applicable federal, state, or local law or regulation.

50 D. Housing Building: A building with three or more rental units.

51 E. Housing Unit: A rental unit within a housing building.

52 F. Material Change: A change in the terms of a lease that significantly limits or restricts the tenants' use
 53 and enjoyment of a housing unit or the housing building.

54 G. Tenant Notification Period: The period that commences on the date when a written notice of the transfer
 55 of ownership of a housing building is sent to each housing unit tenant pursuant to Section 910.04 and ends
 56 on the last day of the third full calendar month following the date on which the notice was sent. In no
 57 case shall the tenant notification period be less than 90 days.

58 H. Transfer of Ownership: Any conveyance of title to an affordable housing building, whether legal or
 59 equitable, voluntary or involuntary, resulting in a transfer of control of the building, effective as of the
 60 earlier of the date of delivery of the instrument of conveyance or the date the new owner takes possession.

61 **910.03: Notice to the City of Proposed Sale**

62 A. Notice to the City: Any owner or representative of the owner who intends to make available for sale
 63 any affordable housing building shall notify the Community Development Director of the proposed sale
 64 by providing the notice required in this Section. The notice shall be on a form prescribed by the City
 65 stating the owner's intent to make available for sale the affordable housing building and which may
 66 include, at the City's sole discretion, some or all of the following information:

67 1. Owner's name, phone number, and mailing address;

68 2. Address of the affordable housing building that will be made available for sale;

69 3. Total number of dwelling units in the building; and

70 4. Number and type (e.g., efficiency, one bedroom, two bedrooms, etc.) of each of the affordable
 71 housing dwelling units in the building and the contract rent for every dwelling unit in the
 72 building.

73 B. Manner and Timing of Notice: The notice shall be mailed or hand delivered to the Community
 74 Development Director no later than 90 days prior to the affordable housing building being made available
 75 for sale. The notice shall also be delivered directly to all affected tenants and include the following

76 language requirement: “This is important information about your housing. If you do not understand it,
 77 have someone translate it for you now, or request a translation from your landlord.” This advisory must
 78 be stated in the notice in the following languages: English, Spanish, Somali, Karen, and Hmong. This
 79 notice shall be delivered to all affected tenants no later than 90 days prior to the affordable housing
 80 building being made available for sale. Upon request by the tenant, the owner must provide a written
 81 translation of the notice into the tenant’s preferred language if the language is listed above.
 82

83 C. Exclusions: This notice of potential sale requirement shall not apply to the sale or transfer of title of an
 84 affordable housing building already subject to federal, state, or local rent or income restrictions that
 85 continue to remain in effect after the sale or transfer; or with respect to the sale or transfer of a residential
 86 rental building in which the buyer contracts with the City to maintain the property in compliance with the
 87 definition of an “affordable housing building” as defined in this Chapter, for a period of no less than 10
 88 years. This exclusion does not apply if local rent or income restrictions will increase yet remain in
 89 compliance with the definition of an “affordable housing building” as defined in this Chapter.

90 **910.04: Post Sale Notice**

91 A. Notice to Tenants: Whenever title to property containing a housing building is conveyed or otherwise
 92 transferred, as a condition of receipt of a rental license, the new owner must within 30 days after the real
 93 estate closing, deliver written notice to each housing unit tenant that the housing building is under new
 94 ownership. The notice must include, at a minimum, the following information:

- 95 1. The name, mailing address, and telephone number of the new owner.
- 96 2. The following statement: “Roseville City Code provides for a three month tenant notification
 97 period to housing unit tenants when new ownership takes control of a property. A tenant may
 98 be entitled to relocation assistance from the new owner if, during the three month tenant
 99 notification period, the new owner:
 - 100 a. Terminates or does not renew the tenant’s rental agreement without cause;
 - 101 b. Raises the rent and the tenant terminates his or her rental agreement due to the rent increase;
 - 102 c. Requires existing tenants to be re-screened or comply with new screening criteria, and the
 103 owner or tenant terminates the tenant’s lease based on that re-screening or failure to meet
 104 those new screening criteria;
 - 105 d. Imposes a material change in the terms of the lease, and the owner or tenant terminates or
 106 does not renew the tenant’s lease because of those material changes; or
 - 107 e. Engages in construction activity at the property that would trigger federal, state, or local
 108 law regarding lead paint or asbestos safety.”
- 109 3. Whether there will be any rent increase within the three month tenant notification period and,
 110 if so, the amount of the rent increase and the date the rent increase will take effect.
- 111 4. Whether the new owner will require existing housing unit tenants to be re-screened or comply

112 with new screening criteria during the three month tenant notification period and, if so, a copy
 113 of the applicable screening criteria.

- 114 5. Whether the new owner will, without the tenant’s consent, impose a material change in the
 115 terms of the lease during the three month tenant notification period and, if so, the language of
 116 the material change and explanation of its effect.
- 117 6. Whether the new owner will terminate or not renew rental agreements without cause during
 118 the three month tenant notification period and, if so, notice to the affected housing unit tenants
 119 whose rental agreements will terminate and the date the rental agreements will terminate.
- 120 7. Whether the new owner intends to increase rent, require existing tenants to be rescreened to
 121 determine compliance with existing or modified residency screening criteria, terminate or not
 122 renew housing unit rental agreements, or impose a material change in the terms of the lease
 123 without cause within 30 days immediately following the tenant notification period.
- 124 8. Whether the new owner intends to engage in construction activity at the property that would
 125 trigger federal, state, or local law regarding lead paint or asbestos safety.
- 126 9. The date that the tenant notification period will expire.

127 B. Language requirement: Each notice required by this Section shall contain an advisory that reads as
 128 follows: “This is important information about your housing. If you do not understand it, have someone
 129 translate it for you now, or request a translation from your landlord.” This advisory must be stated in the
 130 notice in the following languages: English, Spanish, Somali, Karen, and Hmong. Upon written request by
 131 a tenant that identifies the tenant’s native language, the owner must provide a written translation of the
 132 notice in that language.

133 C. Notice to the City: The new owner must deliver a copy of the notice required by this Section to the City
 134 of Roseville Community Development Department at the same time that the notice is delivered to tenants.

135 D. Required tenant notification period: The new owner of a housing building must not terminate or not
 136 renew a tenant’s rental agreement without cause, raise rent, re-screen existing tenants, or impose a material
 137 change to the terms of the lease during the tenant notification period without providing the notices required
 138 by this Section.

140 **910.05: Relocation Assistance**

141 A. When Required: A new owner of a housing building must pay relocation assistance to housing unit
 142 tenants if, during the three month tenant notification period, the new owner:

- 143 1. Terminates or does not renew the tenant’s rental agreement without cause;
- 144 2. Raises the rent and the tenant terminates his or her rental agreement due to the rent increase;
- 145 3. Requires existing tenants to be re-screened or comply with new screening criteria and the
 146 owner or tenant terminates the tenant’s lease; or

147 4. Imposes a material change in the terms of the lease and the owner or tenant terminates or does
148 not renew the tenant’s lease.

149 B. Amount: Relocation assistance shall be in an amount equal to three months of the monthly rent pursuant
150 to the current lease.

151
152 C. When Paid: The new owner shall, when required, pay relocation assistance to the tenant of a housing
153 unit within 30 days after receiving tenant’s written notice of termination of the lease or within 30 days
154 after the owner notifies the tenant that the lease will be terminated or not renewed.

155 **910.06: Tenant Complaints**

156 A tenant of a housing unit who believes the new owner has not provided the tenant the notifications
157 required under this Chapter may submit a notice of violation to the City. The purpose of the notice is to
158 inform the City of an alleged violation of this Chapter to assist the City in determining whether to impose
159 an administrative penalty provided for in this Section. The City is not required to take any particular action
160 in response to a notice of violation, and any enforcement action it does take shall be on behalf of the City,
161 not the tenant. Filing a notice of violation does not prohibit the tenant from pursuing any remedy available
162 to the tenant under law.

163 **910.07: Penalty**

164 A. Violations: A violation of this Chapter is an administrative offense that may be subject to an
165 administrative citation and civil penalties as provided in Title 1 of the City Code. Notwithstanding any
166 provision of Title 1 of the City Code, the penalty for a violation of Sections 910.04 or 910.05 shall be the
167 sum of the applicable amount of relocation assistance plus \$500.

168 B. Number of Offenses: A violation of this Chapter shall constitute a separate offense for each dwelling
169 unit affected.

170
171 C. Transfer of Funds: Within 30 days after a person pays the penalty in Section 910.07.A to the City, the
172 City shall pay to the displaced tenant of the housing unit in which the violation occurred an amount equal
173 to the relocation assistance amount specified in Section 910.05.B.

174
175 D. Additional Redress: In addition, any tenant aggrieved by a landlord’s noncompliance with this Chapter
176 may seek redress in any court of competent jurisdiction to the extent permitted by law.

177 **Section Two. Effective Date.** This ordinance amendment to the City Code shall take effect upon passage
178 and publication of the ordinance.

179
180 Passed this ___ day of _____ 2022.

181