



Roseville Economic Development Authority (REDA)

January 16, 2018

Meeting 6:00 p.m.

City Council Chambers

- 6:00 p.m. **1. Roll Call**
 Voting & Seating Order: McGehee, Willmus, Laliberte, Etten
 and Roe
- 2. Pledge of Allegiance**
- 3. Approve Agenda**
- 6:01 p.m. **4. Public Comment**
- 5. Business Items (Action Items)**
- 6:05 p.m. a. Election of Officers
- 6:15 p.m. b. Adopt a Preliminary Development Agreement with
 2785 Fairview Avenue, LLC (McGough Construction
 Co., LLC) for a Redevelopment Project (Hagen Parcel)
- 6:25 p.m. c. Review TIF Districts and Balances
- 6:45 p.m. d. Review Draft Economic Development and Housing
 Chapters for the 2040 Comprehensive Plan
- 6. Board and Executive Director Communications, Reports,
 and Announcements**
- 8:00 p.m. **7. Adjourn**

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



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 01/16/2018
Item No.: 5.a

Department Approval

Executive Director Approval

[Handwritten signature: Kai E. Collins]

[Handwritten signature: Sam Trudgeon]

Item Description: Elect REDA officers

BACKGROUND

State Statute 469.096, Subdivision 2 requires an Economic Development Authority to elect a President, a Vice President, a Treasurer, Secretary and an Assistant Treasurer at an annual meeting. The by-laws designate that the office of Secretary be held by the Executive Director and the Assistant Treasurer be held by the City's Finance Director. A Commissioner may not serve as President and Vice President at the same time, but the other offices may be held by the same Commissioner. The offices of President, Vice President and Treasurer must be held by a Commissioner. The by-laws provide for the office of Secretary to be held by the Executive Director, who may delegate duties to other City staff as required. The following is what the board elected for 2017.

- President - Member Dan Roe
Vice President - Member Robert Willmus
Treasurer - Member Jason Etten
Secretary - Patrick Trudgeon
Assistant Treasurer - Chris Miller

POLICY OBJECTIVE

State Statute 469.096 Subdivision 2 requires the annual election of officers.

STAFF RECOMMENDATION

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

- President
Vice President
Treasurer
Secretary
Assistant Treasurer

28 **REQUESTED REDA BOARD ACTION**

29 Motion to elect a President, Vice President, Treasurer, Secretary and Assistant Treasurer
30 of the Roseville Economic Development Authority.

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

Attachment A: State Statue 469.096

469.096 OFFICERS; DUTIES; ORGANIZATIONAL MATTERS.

Subdivision 1. **Bylaws, rules, seal.** An authority may adopt bylaws and rules of procedure and shall adopt an official seal.

Subd. 2. **Officers.** An authority shall elect a president, a vice-president, a treasurer, a secretary, and an assistant treasurer. The authority shall elect the president, treasurer, and secretary annually. A commissioner must not serve as president and vice-president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Subd. 3. **Duties and powers.** The officers have the usual duties and powers of their offices. They may be given other duties and powers by the authority.

Subd. 4. **Treasurer's duties.** The treasurer:

(1) shall receive and is responsible for authority money;

(2) is responsible for the acts of the assistant treasurer;

(3) shall disburse authority money by check only;

(4) shall keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements; and

(5) shall file the authority's detailed financial statement with its secretary at least once a year at times set by the authority.

Subd. 5. **Assistant treasurer.** The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

Subd. 6. **Treasurer's bond.** The treasurer shall give bond to the state conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the authority and filed with the secretary. The bond must be for twice the amount of money likely to be on hand at any one time, as determined at least annually by the authority provided that the bond must not exceed \$300,000.

Subd. 7. **Public money.** Authority money is public money.

Subd. 8. **Checks.** An authority check must be signed by the treasurer and one other officer named by the authority in a resolution. The check must state the name of the payee and the nature of the claim that the check is issued for.

Subd. 9. **Financial statement.** The authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities in a form required for the city's financial statements. The authority shall examine the statement together with the treasurer's vouchers. If the authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

History: 1987 c 291 s 97



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/16/2018
Item No.: 5.b

Department Approval

Executive Director Approval

Item Description: Consider Adopting a Preliminary Development Agreement with 2785 Fairview Avenue, LLC (McGough Construction Co., LLC) for a Redevelopment Project (Hagen Parcel)

BACKGROUND

On October 17, 2017 the Roseville Economic Development Authority (REDA) received a presentation from McGough Construction Company, Inc. (“McGough”), outlining plans for a new headquarters location at 2785 Fairview Ave N. On October 23, 2017 the REDA adopted a resolution expressing support for the creation of a redevelopment Tax Increment Financing (TIF) District and other financial assistance requested by McGough Construction Co., LLC for the redevelopment of the property.

In order for the redevelopment of 2785 Fairview Avenue to be eligible for TIF reimbursement the REDA and McGough should enter into a Preliminary Development Agreement laying out terms of what both parties will agree to in order to secure eligible expenses for TIF and costs associated with other financial assistances.

Once the developer has completed their due-diligence to determine complete costs associated with redeveloping 2785 Fairview into McGough Construction’s new headquarters, then staff will bring forward a final development agreement that lays out all terms and conditions of the financial assistance needed to assist with the redevelopment.

BUDGET IMPLICATIONS

The REDA has committed to providing an amount not to exceed \$1.5 million of subsidy to the redevelopment of 2785 Fairview, LLC into McGough Construction headquarters.

STAFF RECOMMENDATION

Adopt a Preliminary Development Agreement with 2785 Fairview Avenue, LLC for redeveloping 2785 Fairview Avenue (Hagen Parcel).

23 **REQUESTED EDA ACTION**

24 Motion to adopt a Preliminary Development Agreement with 2785 Fairview Avenue, LLC for
25 redeveloping 2785 Fairview Avenue (Hagen Parcel).

26

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

28 Attachments: A: PDA for 2785 Fairview Avenue, LLC

PRELIMINARY REDEVELOPMENT AGREEMENT

THIS PRELIMINARY REDEVELOPMENT AGREEMENT (this “Agreement”), dated _____, 2017, by and between the Roseville Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”) and 2785 Fairview, LLC, a Minnesota limited liability company (the “Redeveloper”);

WITNESSETH:

WHEREAS, the Authority desires to promote redevelopment of certain property within Redevelopment Project No. 1 (the “Project”) in the City of Roseville (the “City”), located at 2785 Fairview Avenue North (the “Property”); and

WHEREAS, the Redeveloper has acquired the Property for the purposes of redeveloping a portion of the existing industrial building and constructing a two-story office addition and related parking in order to relocate McGough Construction Co., LLC’s headquarters to the Property (the “Redevelopment”); and

WHEREAS, the Redeveloper has requested that the Authority explore the use of tax increment financing under Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “Tax Increment Act”) and/or other public financial assistance to offset a portion of the public costs of the Redevelopment; and

WHEREAS, the Authority and the Redeveloper are willing and desirous to undertake the Redevelopment if (i) a satisfactory agreement can be reached regarding the Authority's commitment for public costs necessary for the Redevelopment; (ii) satisfactory mortgage and equity financing, or adequate cash resources, for the Redevelopment can be secured by Redeveloper; (iii) the parties reach a satisfactory resolution of zoning, land use, public infrastructure, and site design issues; and (iv) the economic feasibility and soundness of the Redevelopment and other necessary preconditions have been determined to the satisfaction of the parties; and

WHEREAS, the parties wish to enter into this Agreement setting forth their respective responsibilities in connection with the Property.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the Authority and the Redeveloper hereby agree as follows:

1. During the term of this agreement, the Authority agrees to negotiate solely with the Redeveloper, and its agents, representatives and consultants, relative to the redevelopment of the Property.
2. The parties agree to work cooperatively towards defining the Redevelopment and its components (including but not limited to site design, building plans and specifications, square footage, building stories and height, , storm water management, sidewalks, and all other necessary public infrastructure improvements), determining its financial feasibility, the infrastructure necessary to service it, and the approvals necessary to bring it to fruition, as well as to negotiate in good faith

toward a definitive Contract for Private Redevelopment (the “Contract”) and a related planning development contract between the Redeveloper and the City in connection with the Redevelopment.

3. Redeveloper shall prepare a project pro forma (including a detailed list of various revenue sources and respective amounts necessary to bring the Redevelopment to fruition) and submit it to the Authority for its review.

4. Redeveloper shall work to secure satisfactory mortgage and equity financing, and additional forms of financing necessary to bring the Redevelopment to fruition.

5. The Authority shall research the availability of and apply for relevant grants for necessary environmental remediation activities on the Property. The Redeveloper agrees not to commence construction or remediation activities on the Property unless the Authority has received notification from all potential grantors as to the approval or denial of its grant applications or unless both the Authority and Redeveloper determine that such grants are not essential to financing the Redevelopment and agree to reduce the amount of the non-tax increment-based public financing accordingly.

6. Redeveloper agrees to work with the Authority to explore compatible uses for the properties located at 2737 and 2711 Fairview Avenue.

7. The Authority will determine the municipal regulatory approvals required for the Redevelopment, including, but not limited to, land use amendments to the Comprehensive Plan, zoning changes, permits, and any other necessary municipal approvals.

8. The Authority agrees to provide guidance to the Redeveloper on its applications for any approvals or land use guidance and zoning changes as may be required in connection with the Redevelopment. However, the Authority makes no guarantees as to any approvals or land use guidance and zoning changes as may be required in connection with the Redevelopment.

9. The Authority will review any existing traffic studies pertinent to the Redevelopment and undertake any additional traffic studies deemed necessary by the Authority in its sole discretion, and the Redeveloper agrees to place sufficient funds in escrow to pay for the Authority’s out of pocket costs for any such studies, upon request by the Authority.

10. The Authority acknowledges receipt of an Application for Tax Increment Finance Assistance (the “Application”), and the required application fee by the Redeveloper.

11. The Authority agrees to direct its staff and legal and financial consultants to review and analyze the Application and the Redevelopment’s pro forma and help determine the terms of tax increment and/or other financial assistance required for the Redevelopment.

12. The Authority agrees to undertake an analysis to determine the feasibility of creating a tax increment financing district in connection with the Redevelopment and Property, and Redeveloper agrees to place sufficient funds in escrow to pay for any such analysis. The Redeveloper will cooperate

with the Authority's review and analysis, and provide to the Authority all documents and information requested by the Authority in connection with that effort.

13. If, in the Authority's sole discretion, the Redevelopment is feasible and public financial assistance is indicated, the Authority and the Redeveloper will negotiate towards a definitive Contract providing generally for (a) pay-as-you-go tax increment assistance in an amount determined by the Authority to be necessary to make the Redevelopment financially feasible; (b) disbursement of any additional Authority funds necessary to make the Redevelopment financially feasible; and (c) timely construction of the Redevelopment by Redeveloper. Any definitive Contract is subject to approval by the Authority's board of commissioners. It is expressly understood that the Contract, when executed, will supersede this Agreement in all respects. Execution and implementation of the Contract shall be subject to:

(a) A determination by the Authority in its sole discretion that its undertakings are feasible based on (i) the projected tax increment revenues and any other revenues designated by the Authority, including grants; (ii) the purposes and objectives of any tax increment, redevelopment, or other plan created or proposed for the purpose of providing financial assistance for the Redevelopment; and (iii) the best interests of the City and Authority.

(b) A determination by the Authority that any financial assistance is reasonably necessary in order to make the Redevelopment financially feasible, and that any such assistance is limited to the amount necessary to achieve financial feasibility based on Redeveloper's pro forma and review of all the facts and circumstances.

(c) A determination by the Redeveloper that the Redevelopment is both market and economically feasible and in the best interests of the Redeveloper, and that the Redeveloper is able to meet all the requirements of the Contract.

14. The Authority acknowledges receipt from Redeveloper of \$15,000, which will be held in escrow to be used to reimburse the Authority for all out-of-pocket costs incurred by the Authority in connection with review and analysis of the Redevelopment. Such costs include fees paid to attorneys, the Authority's financial advisor, and any planning, environmental, and engineering consultants retained by the Authority in connection with review of the Redevelopment. If the Authority incurs costs in excess of the escrowed amount, the Redeveloper must reimburse the Authority for such additional costs within 10 days after receipt of a written invoice from the Authority describing the amount and nature of the costs to be reimbursed.

15. This Agreement may be terminated (a) by either party at any time upon 10 day's written notice to the other party; (b) by mutual written agreement of all parties hereto; or (c) pursuant to paragraph 16 hereof. Upon such termination, no party shall have any further obligations to the others under this Agreement, except that Redeveloper remains obligated to pay any costs payable under paragraph 14 that were incurred by the Authority before the effective date of termination.

16. In expansion and not in limitation of paragraph 13 hereof, Redeveloper agrees to notify the Authority and to terminate this Agreement as soon as reasonably practicable if the Redeveloper determines that the proposed Redevelopment is not market and economically feasible and/or

Redeveloper is unable to secure the financing necessary for the Redevelopment, or if the Redeveloper for any reason is unable to bring the Redevelopment to fruition.

17. This Agreement shall terminate by its terms if the governing body of the Authority has not approved the Contract by April 30, 2018. Upon such termination, the Redeveloper remains obligated to pay any costs payable under paragraph 12 that were incurred by the Authority prior to such date.

18. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

(a) As to the Authority:

Roseville Economic Development Authority
2660 Civic Center Drive
Roseville, MN 55113

(b) As to the Redeveloper:

2785 Fairview, LLC
2737 Fairview Avenue North
Roseville, MN 55113
Attn: Andy McIntosh

19. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

20. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and its seal to be duly affixed hereto and the Redeveloper has caused this Agreement to be duly executed as of the date and year first above written.

2785 FAIRVIEW, LLC

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Its _____

Its President

Its Executive Director



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/16/2018

Item No.: 5.c

Department Approval

Executive Director Approval

Item Description: Review of Current Tax Increment Financing (TIF) District

1 **BACKGROUND**

2 Staff requested Ehlers, the EDA’s financial advisor, to review current TIF districts. An overview of
3 current TIF districts, outstanding obligations and balances, and expiration dates has been included
4 for EDA review as Attachment A. There are currently three active TIF Districts that are remaining
5 in the City (Attachment B). Two of the three districts are pay-as-you-go notes which limit the use of
6 the pooled funds once the obligation has been paid. Future TIF #17 funds have been obligated to
7 pay for Twin Lakes Parkway infrastructure. TIF #17A, a Hazardous Substance Sub district (HSS) is
8 designated for environmental clean-up and will be decertified by the end of 2018. The HSS has a
9 balance of funds that are dedicated to cleaning-up of the two remaining parcels that are eligible in
10 Twin Lakes (Attachment C).

11 **STAFF RECOMMENDATION**

12 Review the enclosed information and receive presentation from Ehlers.

13 **REQUESTED EDA ACTION**

14 Review the enclosed information and receive presentation from Ehlers.

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

- 16 Attachments:
- 17 A: Memo from Ehlers on TIF Balance
 - B: Map of existing TIF Districts
 - C: Map of remaining parcels in the HSS District



Memo

To: Kari Collins - Community Development Director
Jeanne Kelsey – Housing & Economic Development Program Manager

From: Stacie Kvilvang - Ehlers

Date: January 16, 2017

Subject: TIF District Fund Balance Analysis

You requested we provide the City with an update on the existing TIF districts, their outstanding obligations and use of current fund balance, if any. The City currently has three (3) active TIF districts (#17, #18 and #19) and two (2) TIF districts (#11 and #12) that had cash balances and were decertified at the end of 2016 (see chart below).

Category	TIF 11 Twin Lakes	TIF 1-12 NCR	TIF 17 & 17A Twin Lakes	TIF 18 Sienna Green	TIF 19 Applewood Pointe
District Type	Redevelopment	Redevelopment	Redevelopment & Hazardous Substance Sub District	Housing	Economic Development
Project/Costs Financed	Land acquisition/public improvements	Land acquisition/public improvements	Public Improvements/Roadways	50-unit apartment complex (rehab and new construction)	48-unit senior cooperative
Project Area	Development District 1	Development District 1	Development District 1	Development District 1	Development District 1
Certified	10/1/1992	4/20/1990	9/3/2005	12/22/2009	5/20/2011
Legal max term	12/31/2016	12/31/2016	12/31/2031	12/31/2038	12/31/2020
Anticipated term	Decertified	Decertified	12/31/2031	8/31/2026	8/1/2019
First Increment	1993	1991	2006	2013	2013
Current Obligations	None District Decertified	None - District Decertified and cash balance of \$781,000 transferred to Dale Street Redevelopment	\$3,246,065 GO TIF Bonds, Series 2015A	\$935,005 Pay-As-You- Go TIF Note	\$9695,0005 Pay-As-You-Go TIF Note
Pooling Amount	\$0	\$781,000	\$2,950,000	\$44,000 end of 2017 and up to \$235,000 at end of the District	\$156,000 end of 2017 and up to \$225,000 at end of the District
Use of Pooling Dollars	N/A	Redevelopment	Clean up of HSS parcels	Affordable Housing (Rental and/or Owner- Occupied)	Economic Development (Manufacturing/Warehouse)

TIF District #11

This was a redevelopment TIF district certified on October 1, 1992. Its statutory decertification date was December 31, 2016. The remaining cash balance (legal pooling) was transferred out to TIF district #17 to cover eligible redevelopment costs that included public improvements. There is not fund balance available for use.

TIF District Fund Balance Analysis
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TIF District #12

This was a redevelopment TIF district certified on April 20, 1990. Its statutory decertification date was December 31, 2016. There was a fund balance of approximately \$781,000 that was transferred to another fund (Dale Street Redevelopment) in 2016. These funds will need to be spent on qualified redevelopment costs which can include acquisition, demolition and remediation of blighted sites and public improvements required as part of a redevelopment project and need to be accounted for accordingly.

TIF District #17 & #17A (Hazardous Substance Sub District – HSS)

This is a redevelopment TIF district with a HSS district (takes base value to \$0) and was certified on September 3, 2005. The statutory decertification date for the redevelopment portion of the district is December 31, 2031 and for the HSS portion of the district is as soon as enough dollars have been set aside to cure the hazardous substance conditions that allowed the district to be certified. Currently it is anticipated that the HSS portion of the district should be decertified at the end of 2018.

Five Year Rule: At least 75% of tax increment revenues generated within the redevelopment portion of the District must be used to pay for qualified costs within the District. The State Legislature amended the five-year rule limit to increase it to ten years for Redevelopment or Renewal and Renovation districts certified after June 30, 2003 and before April 20, 2009. This District fits this timeline and its five-year rule was September 30, 2015. The City issued bonds prior to this date so those meet the 5-year deadline. Any future obligations would be limited to 25% of the TIF generated (legal pooling dollars) from their development (if the development is located on a HSS parcel, the fund balance in this portion of the District would be available for clean-up costs as well).

Obligation of the District: The City issued bonds in September 2015 (Series 2015A) in the amount of \$3,246,065 to pay for required roadway/public improvements.

Current Fund Balance: Current cash balance as of December 31, 2017 for the HSS portion of the District is approximately \$2.950 million and is restricted for use on remediating costs associated with clean-up of sites designated as HSS sites. There is a minimal cash balance in the TIF 17 redevelopment portion and these funds are restricted to repay existing obligations of the district. ***It is anticipated that there will be no funds available for pooling outside of the TIF district as all dollars will be needed to address current obligations.***

TIF District #18

This is a housing TIF district certified on December 22, 2009 and its statutory decertification date is December 31, 2038. The district was created to assist Aeon with the rehabilitation of an existing apartment community and the construction of additional apartment units (Sienna Green). Following are the details of the district:

Five Year Rule: Housing districts are exempt from the 5-year rule. Funds can be spent on qualified housing activities anywhere in the City (see details in Current Fund Balance below).

TIF District Fund Balance Analysis
 January 16, 2018
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Obligation of the District: The City provided a Pay-As-You-Go TIF Note in the principal amount of \$935,005 with an interest rate of 4.25%. The Note is paid with 95% of the TIF generated and is expected to be paid in full on August 2, 2036 (2 ½ years early).

Compliance requirements: The City is required to substantiate that the applicable income limitations and rent restrictions are being met on an annual basis for the project. Aeon has been submitting the required documentation on an annual basis and have continued to meet the requirement that 40% of the units are affordable to persons at or below 60% of the area median income.

Current Fund Balance: As of December 31, 2017, this District had a fund balance of approximately \$44,000. If the current fund balance and future TIF not needed for the Note continues to accumulate, at the end of the term of the District, the fund balance will be approximately \$235,000. Since the current Development Agreement only requires them to meet the income guidelines and report until the TIF Note is paid in full, the City would need to amend the Agreement with them to require reporting through 2038. If Aeon is unwilling, then the City would need to decertify the District when the obligation is paid in full (2036) and the cash balance the City would have available for the pooling would be approximately \$68,000.

This increment may be used to pay eligible costs for housing projects that are rental or owner-occupied and intended for occupancy by low and moderate-income families. The income guidelines are defined in MS 469.1761 as follows:

Rental Housing: 20% of the units occupied by families at 50% of median income (20/50) or 40% of the units occupied by families at 60% of median income (40/60).

Owner Occupied: Assistance to homeowners with an income at or below 100% of the median income for a family of two or less or 115% of the median income for a family of three or more.

Typically, TIF is utilized for capital expenditures, but may be used for non-capital expenditures on a limited basis. Examples of potential rental housing projects would include:

1. New affordable rental housing as part of redevelopment (20/50 or 40/60 election)
2. Renovation of an existing rental housing development (20/50 or 40/60 election)
3. Providing subsidy to an existing project that is earmarked for additional affordability (20/50 or 40/60 election)

Examples of potential owner-occupied projects would include:

1. Site acquisition and demolition for infill lots that will be sold for new housing construction
2. Acquisition of foreclosed homes for resale to income qualified buyers
3. Rehabilitation loans for home improvements
4. Second mortgages to qualified home buyers

TIF District Fund Balance Analysis
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If the income requirements are not met on any given year, the City will need to return that year's increment to the County for redistribution.

TIF District #19

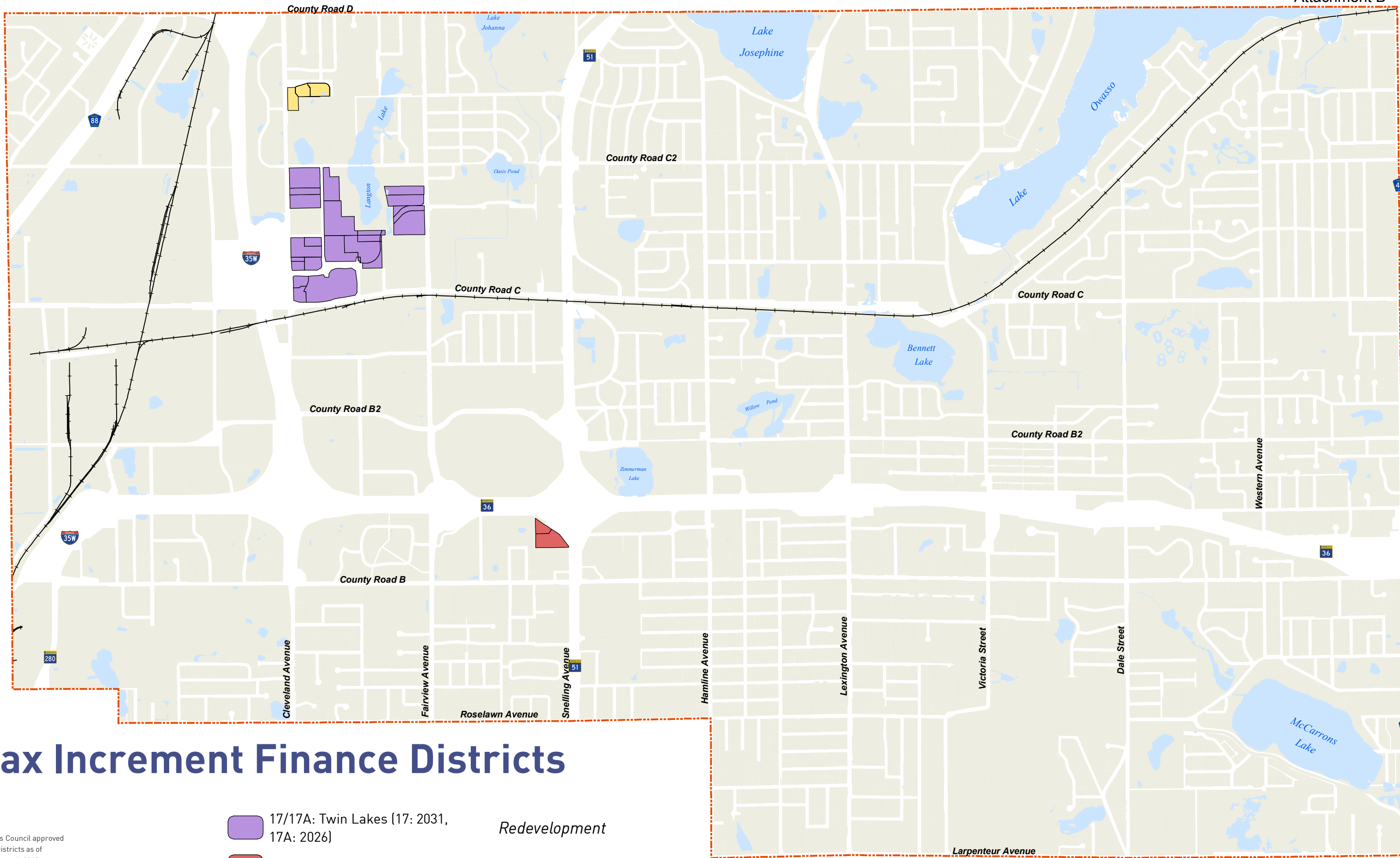
This is an economic development TIF district certified on May 20, 2011 and its statutory decertification date is December 31, 2020. The district was created to assist United Properties with the construction of a 48-unit senior cooperative (Applewood Pointe). Following are the details of the district:

Five Year Rule: Within five years of certification of the District (May 20, 2016) all obligations must be in place for the District and at least 80% of tax increment revenues generated must be used to pay for qualified costs within the district (City met this obligation by entering into a Development Agreement with United Properties). The City can utilize the remaining 20% for administrative costs (up to 10% that are documented) or other qualified economic development district costs.

Obligation of the District: The City provided a Pay-As-You-Go TIF Note in the principal amount of \$659,000 with an interest rate of 7%. The Note is paid with 80% of the TIF generated and is expected to be paid in full on August 1, 2019 (1 ½ years early). ***The district will be required to be decertified early for pay 2020 and the City will need to return unused portion of 1st half 2019 TIF not needed to make the final payment and the 2nd half 2019 TIF received from the County for redistribution.***

Current Fund Balance: As of December 31, 2017, this District had a fund balance of approximately \$156,000. If the current fund balance and future TIF not needed for the Note continues to accumulate, at the end of the term of the District (2019), the fund balance will be approximately \$225,000. These funds can be retained by the City in the TIF account and spent only on **documented** administrative expenses (only projected to use 1.8% of the 10% maximum allowed) or for economic development purposes. If the City does not anticipate any economic development projects (manufacturing/warehouse), then the fund balance should be returned to the County for redistribution. If the City does the later, we anticipate that at the end of the District, the City's portion of the \$225,000 will be approximately \$76,000. Since these returned funds are non-restricted (not considered TIF) ***we would recommend that when the City receives them they place them in the EDA Fund for future redevelopment/development projects.***

Please contact me at 651-697-8506 with any questions.



Tax Increment Finance Districts

- 17/17A: Twin Lakes (17: 2031, 17A: 2026) *Redevelopment*
- 18: Sienna Green (2038) *Housing*
- 19: Applewood Pointe (2020) *Economic Development*

Map reflects Council approved TIF Districts as of January 1, 2018

Data Sources
 * Ramsey County GIS (12/5/2017)
 * City of Roseville Community Development
 * City of Roseville Finance Department

This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only. The City does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and the City does not represent that the GIS Data can be used for navigational, tracking or any other purpose requiring exacting measurement of distance or direction or precision in the depiction of geographic features. If errors or discrepancies are found please contact 651-792-7085. The preceding disclaimer is provided pursuant to Minnesota Statutes §466.03, Subd. 21 (2000), and the user of this map acknowledges that the City shall not be liable for any damages, and expressly waives all claims, and agrees to defend, indemnify, and hold harmless the City from any and all claims brought by User, its employees or agents, or third parties which arise out of the user's access or use of data provided.





REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: January 16, 2018
Item No.: 5.d

Department Approval

Executive Director Approval

Item Description: Review Draft Economic Development and Housing Chapter for the 2040 Comprehensive Plan

1 **BACKGROUND**

2 Economic Development Consultant, Jim Gromberg and Comprehensive Plan Consultant Erin Perdu
3 from WSB, will present the draft Economic Development Chapter and Housing Chapter for review and
4 feedback. The Roseville Economic Development Authority (REDA) provided direction in July and
5 October of 2017 and the feedback received has been incorporated into the draft. A draft of the
6 Economic Development chapter is included with this report as Attachment A. A draft of the Housing &
7 Neighborhoods Chapter in included with this report as Attachment B.

8 **POLICY OBJECTIVE**

9 The Roseville Economic Development Authority is the advising body related to the Economic
10 Development and Housing section of the 2040 Comprehensive Plan.

11 **BUDGET IMPLICATIONS**

12 There are no budget implications.

13 **STAFF RECOMMENDATION**

14 Provide feedback and direction to staff regarding the draft of the Economic Development and Housing
15 Chapters of the 2040 Comprehensive Plan.

16 **REQUESTED EDA BOARD ACTION**

17 Provide feedback and direction to staff regarding the draft of the Economic Development and Housing
18 Chapter of the 2040 Comprehensive Plan.

19
20 Prepared by: Kari Collins, Community Development Director, 651-792-7071
Attachments: A: Draft Economic Development Chapter for the 2040 Comprehensive Plan
B: Draft Housing Chapter for the 2040 Comprehensive Plan

CHAPTER 6: ECONOMIC DEVELOPMENT

INTRODUCTION

Roseville has made significant steps since the last comprehensive plan update in 2008. These steps include the creation of an Economic Development Authority, the completion of a priority setting process in early 2016, the identification of redevelopment of areas in the community that were underutilized, the creation of the “Grow Roseville” website and continued growth as a retail and commercial hub for the northeast metro area.

Successful economic development in Roseville will also support the regional outcomes of prosperity, equity, and livability as described in the Metropolitan Council’s Thrive MSP 2040 Plan. Roseville has identified areas with concentrations of low income households and/or minority populations as not always well positioned to take advantage of the opportunities in the community, but have the greatest need. The Southeast Roseville area is reflected in the sites identified for redevelopment to better serve those residents.

Roseville is cognizant of the fact that economic development is also tied to successful provision of workforce housing, businesses and services that can support a population that can live, work, shop, and enjoy life in the community. Economic development in Roseville promotes that prosperity and, in turn, livability and equity for all residents.

Based upon Goals and Policies identified for economic development, the community will continue to enjoy a higher standard of living with the creation of jobs, the support of innovation and new ideas, the creation of greater wealth, and an overall better quality of life.

CONTEXT

Key Industries and Centers of Employment

One of the ways that communities drive economic development is by identifying what types of businesses should be targeted to enhance the employment opportunities and attraction of new residents. The City of Roseville currently has an estimated 36,337 employees with an estimated population of 35,875 resulting in the community being a net importer of

Roseville 2040 Comprehensive Plan Chapter 6: Economic Development

workers. While many of these workers are in either the Retail Trades or Accommodations and Food services, which together account for 30.9% of the positions, the city also has a strong Healthcare and Social Assistance workforce with 12.5%, and Professional, Scientific & Tech Services making up an additional 6.4% of the available positions. The City also has a very healthy business community with more than 2,100 businesses located in Roseville. A complete breakdown of the types of businesses based on NAICS Codes can be found in Table 6.1 below.

TABLE 6.1- ROSEVILLE BUSINESSES AND EMPLOYEES BY NAICS CODES

Business and Employees by NAICS Codes	Business		Employees	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	2	0.1%	4	0.0%
Mining	1	0.0%	4	0.0%
Utilities	1	0.0%	30	0.1%
Construction	100	4.7%	1,019	2.8%
Manufacturing	79	3.7%	2,070	5.7%
Wholesale Trade	95	4.5%	1,741	4.8%
Retail Trade	387	18.3%	7,367	20.3%
Transportation & Warehousing	58	2.8%	1,925	5.3%
Information	66	3.1%	2,050	5.6%
Finance & Insurance	122	5.8%	847	2.3%
Real Estate, Rental & Leasing	128	6.1%	772	2.1%
Professional, Scientific & Tech Services	250	11.9%	2,332	6.4%
Legal Services	64	3.0%	482	1.3%
Management of Companies & Enterprises	3	0.1%	15	0.0%
Administrative & Support & Waste Management & Remediation Services	67	3.2%	1,049	2.9%
Educational Services	38	1.8%	1,968	5.4%
Health Care & Social Assistance	213	10.1%	4,531	12.5%
Arts, Entertainment & Recreation	30	1.4%	389	1.1%
Accommodation & Food Services	130	6.2%	3,855	10.6%
Accommodation	14	0.7%	318	0.9%
Food Services & Drinking Places	116	5.5%	3,537	9.7%
Other Services (except Public Administration)	206	9.8%	2,280	6.3%
Automotive Repair & Maintenance	29	1.4%	242	0.7%
Public Administration	31	1.5%	2,078	5.7%
Unclassified Establishments	102	4.8%	11	0.0%
Total	2,109	100%	36,337	100%

Breakdown of Retail Trade

Retail Trade	387	18.3%	7,367	20.3%
Motor Vehicle & Parts Dealers	25	1.2%	649	1.8%
Furniture & Home Furnishings Stores	22	1.0%	340	0.9%
Electronics & Appliance Stores	19	0.9%	300	0.8%
Bldg Material & Garden Equipment & Supplies Dealers	22	1.0%	276	0.8%
Food & Beverage Stores	34	1.6%	893	2.5%
Health & Personal Care Stores	43	2.0%	427	1.2%
Gasoline Stations	11	0.5%	72	0.2%
Clothing & Clothing Accessories Stores	109	5.2%	1,686	4.6%
Sport Goods, Hobby, Book, & Music Stores	35	1.7%	541	1.5%
General Merchandise Stores	21	1.0%	1,677	4.6%
Miscellaneous Store Retailers	39	1.8%	391	1.1%
Nonstore Retailers	7	0.3%	115	0.3%

Breakdown of Finance and Insurance

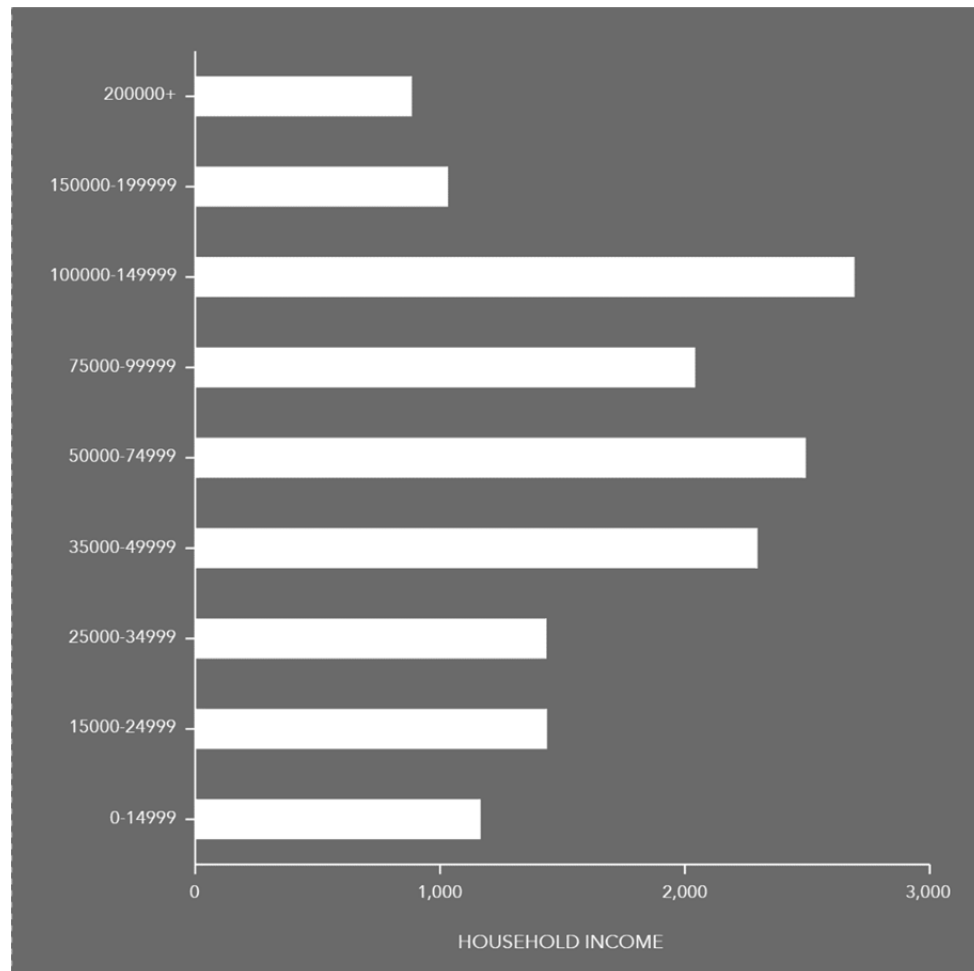
Finance & Insurance	122	5.8%	847	2.3%
Central Bank/Credit Intermediation & Related Activities	29	1.4%	337	0.9%
Securities, Commodity Contracts & Other Financial Investments & Other Related Activities	27	1.3%	176	0.5%
Insurance Carriers & Related Activities; Funds, Trusts & Other Financial Vehicles	66	3.1%	334	0.9%

Breakdown of Accommodations and Food Service

Accommodation & Food Services	130	6.2%	3,855	10.6%
Accommodation	14	0.7%	318	0.9%
Food Services & Drinking Places	116	5.5%	3,537	9.7%

The City's average unemployment rate is significantly lower than Minnesota's (3.2% vs. 4.3%), which also reflects Roseville's strong economy. In addition to the strong number of jobs, the city currently has a median household income of \$61,842 which is close to the state average of \$63,470. However, the picture changes when income is viewed as a per capita number with Roseville at \$37,693 compared to the state at \$33,397. This higher per capita income reflects the community's success in attracting positions that have a higher annual wage than most jobs in the State. Roseville will continue to focus on the creation and retention of jobs that have a pay scale to allow for the employees to reside in the community.

Household Income Breakdown



The City currently has a median home value of \$245,095 compared to the state's median value of \$213,894. Based upon traditional financing requirements, a family will need an annual income of approximately \$70,000 to afford a home in Roseville. With the median household income of \$61,842, a portion of workers may not be able to afford to live in the community. It may be unrealistic to only focus on the creation of jobs that have an annual salary of \$70,000 or greater (hourly rate of \$33.65 excluding benefits). However, when the information is extrapolated out, we find that a family with two wage earners would need to average about \$16.83 per hour which fits in the general range of the per capita income for the community. Nevertheless, it is important for the community to provide housing opportunities for the entire spectrum of positions and salary levels that are currently available in the community.

The Economic Development Authority has recognized the need for high paying jobs by listing it as one of the objectives for a business subsidy policy: “Retain local jobs and/or increase the number and diversity of quality jobs.” In the future, Roseville will continue to monitor the job balance to determine if the objective needs to be strengthened to continue to attract high quality jobs. The City will continue the development of lifecycle housing, including workforce housing, to allow for the development of a well-balanced community and to ensure that residents can live and work in the community. As Roseville, like the rest of the country, experiences a workforce shortage, it will become more important to allow for employees to have the opportunity to live nearby to where they work. As Roseville moves forward with working to attract new businesses, the readily available local workforce will aid these activities. Moreover, this ability to live and work in Roseville will allow for a strengthening of Roseville’s sense of community.

REDEVELOPMENT

Roseville has identified certain sites that will be the focus of redevelopment efforts over the next 10 years. While the city has identified three priority sites and 2 opportunity sites to focus on for redevelopment activities, should the opportunity arise to allow for the redevelopment of other sites, it will also work with owners and potential developers for those sites for redevelopment purposes. These sites have been identified through a community involvement process and input from elected officials. The ranking of the sites has also been a result of the community input process and reflect the direction the residents of the community want to see for Roseville.

The redevelopment site locations in Roseville are shown on the attached Exhibit. The sites are broken down into two categories: priority sites and opportunity sites. The distinction between the two categories would be the level of assistance and focus that the city will use to encourage their redevelopment. The priority sites were then ranked in the order of highest to least importance when compared to the other priority sites. The sites are listed below with a brief description.

Priority Sites: The City may use a higher level of assistance to encourage the redevelopment of the priority sites. Some of the possible assistance for these areas could include:

- Tax Increment Financing
- Special Taxing Districts
- Tax Abatement
- Special Assessments
- General Property Taxes
- Metropolitan Council Livable Communities Grant program
- Assistance with the application to county, state and federal grant programs that may fit the type of projects that are proposed for the area.
- The City may assist with the assembly of properties.
- The City may also consider the adjustment of the requirements for infrastructure to help the area redevelop in a pattern that supports current usage trends.

Site 1 – Twin Lakes Site: This site is the continuation of the redevelopment of the area that has been progressing for a number of years and is seeing significant success as the properties are redeveloped and repositioned. Many of the existing buildings are underutilized and underperforming when viewed based on tax generation.

Site 2 – Southeast Roseville Redevelopment Area: This area located in the southeast corner of the city at the intersection of Larpenteur Avenue and Rice Street is currently being studied to determine how the area can best be redeveloped in conjunction with Maplewood, St. Paul and Ramsey County which are all present at the intersection. Roseville has identified this area as a priority redevelopment area because of its location, cultural diversity and economic anxiety that is encompassed in the area. This area is one of the most economically distressed areas in the community and has a significant need for workforce type housing and development that better fits the aspirations of its residents. Any redevelopment plans and funding programs will be coordinated with the other studies that are currently being completed for the area.

Site 3 – HarMar Mall Area: This site includes an enclosed mall that was constructed in the early 60's with traditionally associated parking areas for retail interactions. The site is ideally situated to allow for significant access to both mass transit and the residential areas of the community. In the near-term, there are opportunities to adjust the uses; create better connections

between neighborhoods, transit and the mall; and increase activity on the site. The long-term plan for the area will be its revitalization to fully exploit the infrastructure that is readily available to the area. This redevelopment will occur as the retail market continues to mature and consumer behaviors adjust and change.

Opportunity Sites: These sites have been identified by the city as being important for redevelopment and providing a significant opportunity for redevelopment. However, these sites have a lower importance to the city for redevelopment which is reflected by a lower level of possible participation by the city. The City may use the same financial assistance tools for these sites as listed for the priority sites.

Site 4 – Lexington and Larpenteur Redevelopment Area: This area is located along the southern boundary of the city at the intersection of two main transportation routes. The area was developed as a small-scale strip retail area and is currently not seeing its full potential in use and tax revenue generation. This redevelopment area will be focused on the creation of community amenities to help meet the needs of the surrounding single family housing.

Site 5 – Pacal Facility: This area is located to the west of Highway 280 and consists of an older manufacturing facility that has been divided into different business operations. This area does have limited access, making the redevelopment more difficult than the other areas identified in Roseville. The City will work with the parties involved with any redevelopment if the goals for both the City and developer are in alignment for the area.

ADDITIONAL SITES

Roseville will continue the development of relationships with all the partners involved with the redevelopment areas. The City understands that those relationships will allow for the projects, and the ultimately successful redevelopment of the areas, to be completed in the most efficient and timely manner. The City will also work with the community to continue the development of economic opportunities for the entire community.

BUSINESS DEVELOPMENT

Roseville continues to be active in the attraction of new businesses, which is exemplified by the development of the new “Grow Roseville” website. This website allows for a significant amount of information to be made available to new businesses and site location professionals concerning the city being actively involved in business attraction. In a 2017 survey of site selectors and corporate executives conducted by Development Counsellors International, the respondents confirm that incentive information (57 percent) is ranked as the most-useful feature of an economic development organization’s website, followed by demographic information (48 percent), a searchable database of available buildings and sites (44 percent) and workforce statistics (43 percent). The Grow Roseville site covers all the top areas listed. The City will continue to keep the information current to allow for the utilization of the new website by site selection professionals.

In addition to the attraction of new businesses, Roseville has developed an ongoing Business Retention and Expansion program with regularly scheduled visits to the businesses in the community. The information that has been developed from these visits has been incorporated in the implementation plan for the community. This program fits with the national economic development surveys that show more than 85% of all projects result from expansion of existing businesses. This information also allows for the continued development of relationships between the City and business community.

The City has identified sites on the future land use map that will function as gateways to the city, in some cases these sites are included in the priority and opportunity areas for redevelopment. In other cases, they will be developed as those opportunities present themselves based upon market demands.

These Gateway sites will be complemented by the development of retail market areas that have a unique business mix, allowing for the creation of shopping districts to attract additional consumers. An example of this type of development is an area in Twin Lakes that has been identified as the “design district” by many home design businesses located in the area. Signage will be created to identify these types of districts to encourage their growth and development.

ECONOMIC INFORMATION, MONITORING, AND STRATEGIC INITIATIVES

In early 2016 Roseville completed a strategic planning process to develop some priorities for the newly created Economic Development Authority. Those priorities were then ranked by the group to create three rankings of High, Medium, and Low. When possible, a timeframe for the completion of the priority and any capacity needs were also listed. These priorities were then further condensed into five objectives that include many the priorities that were still being completed or scheduled for completion in the future.

These objectives were then used as the basis to create tasks to allow for their completion. The objectives were not put in any specific order because they include items from all three priority categories. The objectives and the tasks associated with those objectives will become the implementation guide for the economic development strategy. In some cases, the tasks may be completed or the priority may change, which will allow for the implementation plan and objectives to be adjusted accordingly. A good example of this is the creation of the Grow Roseville website that allows for businesses that are interested in expanding or relocating to the community easy access to the information for those activities. While not listed as a task for Objective 2, *“Develop a comprehensive marketing and branding strategy that will continue to attract desirable business tenants to the City promoting the business-friendly nature of the City”* is a task that could easily fit into that objective and allow for the city to expand the objective.

*Draft Roseville Economic Development Authority Strategic
Plan Objectives*

Goal 1 – Identify sites in the community for possible redevelopment, and create a plan for the acquisition and development process for sites that is in conformance with the comprehensive plan.

Policy 1 – Identify sites for redevelopment and level of City involvement for the different sites.

Policy 2 – Develop and implement a program for financial assistance for projects.

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Policy 3 – Engage property owners in the process for the redevelopment of their sites.

Policy 4 – Assist with the completion and creation of the following types of information: market analysis, clarifying stakeholder goals, and creating a revitalization vision.

Goal 2 - Develop a comprehensive marketing and messaging strategy that will continue to attract desirable business tenants to the City by promoting the business-friendly nature of the City.

Policy 1 – Identify and adjust regulations and policies that are not as efficient as possible and implement an online permitting application process.

Policy 2 – Develop and continue to implement the Business Retention and Expansion Program.

Policy 3 – Create a marketing plan to target specific industries and businesses to the city including the sites desired for redevelopment.

Policy 4 - Create an environment that is a destination and that enhances the City's tax base by increasing the amount of time shoppers, visitors and employees spend in the City.

Goal 3 – Utilize land use planning to enhance job growth and continued economic health throughout all areas of the city.

Policy 1 – Engage the business/property owners and residents to understand stakeholder goals and concerns.

Policy 2 – Develop programs and assist with the acquisition of funding and technical assistance for the completion of the projects.

Policy 3 - Identify the types of land uses and related building types that promote job generation and job retention to encourage economic growth in the city.

Policy 4 - Inventory, research, and analyze land areas of the city that appear to be underutilized, underperforming or antiquated. Create effective land use strategies for economic sustainability of the City.

Goal 4 - Identify workforce needs of City businesses and facilitate partnerships between the Chamber of Commerce, educational institutions, housing developers, and the business community to satisfy market demands.

Policy 1 – Create a roundtable discussion with specific business clusters to understand/address workforce issues affecting business operations.

Policy 2 – Promote art and cultural opportunities to attract, retain, and expand businesses that contribute to the City's creative economy.

Policy 3 – Create an environment that is a destination and that enhances the City's tax base by increasing the amount of time shoppers, visitors and employees spend in the City.

Policy 4 - Encourage and facilitate collaborations among local higher education institutions and business leaders to create educational programs aligned with the workforce development needs of area businesses.

Policy 5 – Encourage and facilitate the development of a broad range of workforce housing choices including both multi-family and single family formats.

Goal 5 - Create infrastructure necessary to retain and attract desirable businesses, and promote an innovative business environment through parking, technology, and multi modal opportunities.

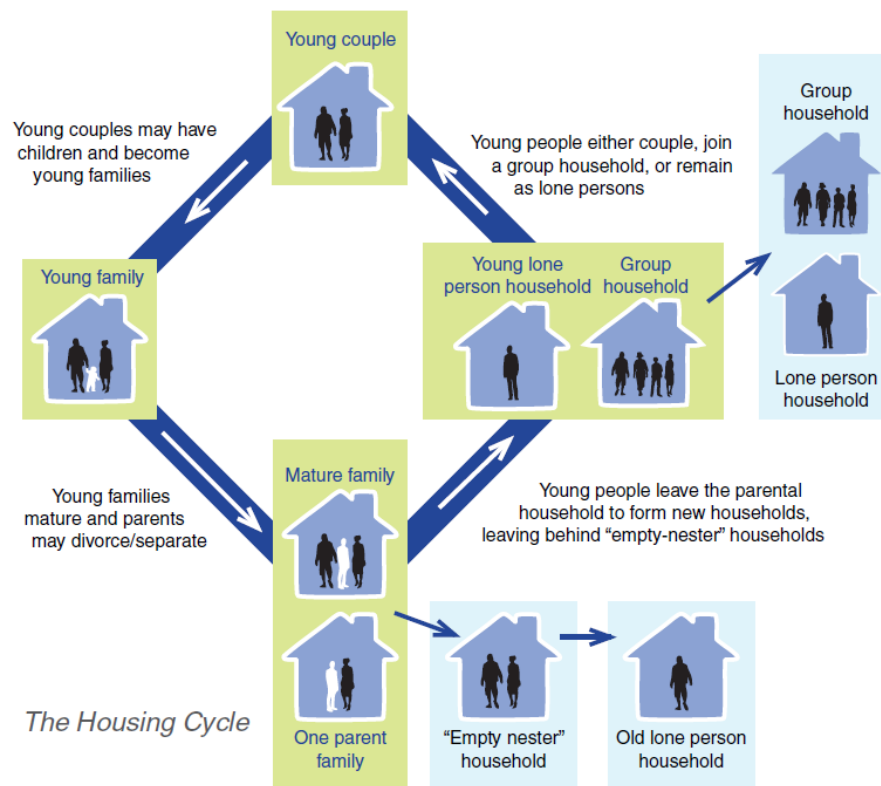
Policy 1 – Work with regional groups on the needs for specific types of businesses and industries to allow for the development of infrastructure.

Policy 2 – Encourage the expansion Metro Transit to employment centers and businesses and promote multi-modal opportunities.

Policy 3 – Review the development standards to allow for more flexibility for development based on changing market conditions.

CHAPTER 5: HOUSING

Housing and neighborhoods form the core of the identity of the City of Roseville. The City places a high priority on making sure that people can make Roseville their home at any stage of their life. That means that the City must plan for a diverse range of housing options for a diverse mix of family types, ages, and economic statuses. In this Chapter, we look at the existing housing stock and demographic trends to see where the future housing needs are for the City. We then conclude with goals and actions to help the City meet those needs.

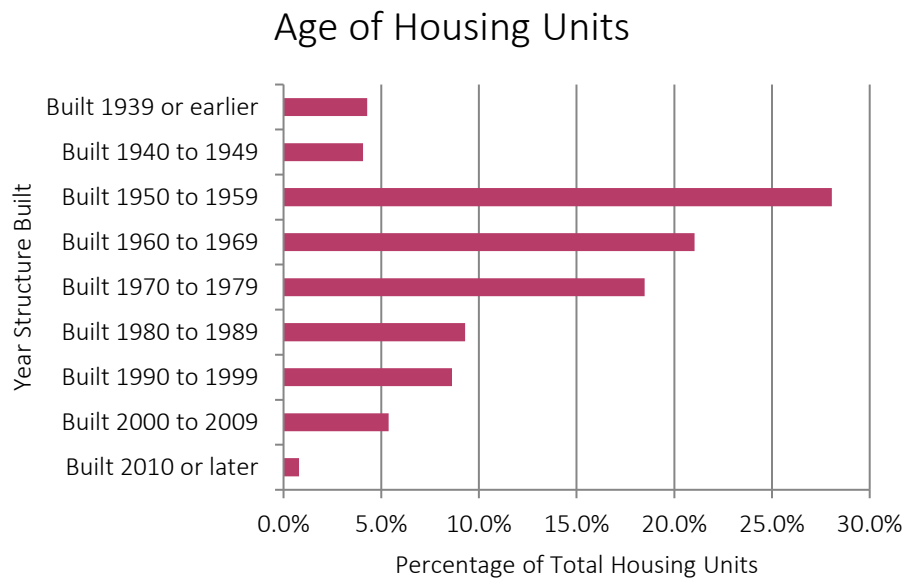


BACKGROUND

Roseville experienced a significant housing boom between the 1940s and 1970s with 83% of all owner-occupied units and 74% of all rental units being constructed during this period (Figure 5-1). This rapid development of housing over a relatively short time period has resulted in housing stock and neighborhoods that are reaching the age when they will concurrently

require significant investment. The ratio of owner-occupied housing to rental housing has remained consistent over the last two decades.

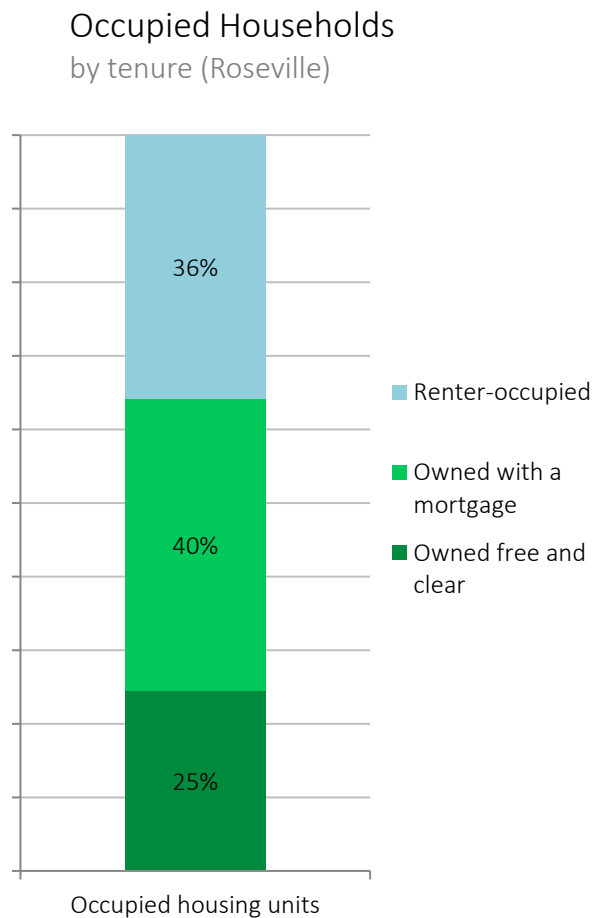
FIGURE 5-1



Data source: ACS 2011-2015 Estimates

According to U.S. Census data, approximately two-thirds of the city's housing stock is owner-occupied and one-third are rental units (Figure 5-2). This pattern began with construction in the 1990s and continues to be reflected in the existing housing stock.

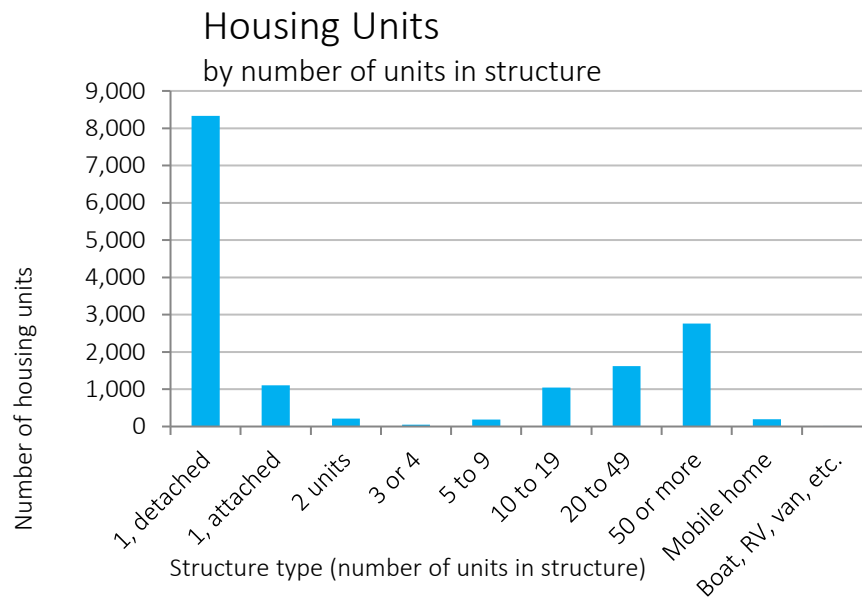
FIGURE 5-2



Data Source: ACS 2015 Estimates

The data on number of units per structure illustrates an interesting pattern in the existing Roseville housing stock. Figure 5-3 shows that approximately 54% of residential structures are single-family detached (one unit per structure) and approximately 36% are 5 units or more per structure, with the large majority of those being in structures with 50 units or more per structure (large multi-family buildings). There is relatively little in between. Many cities have the same pattern, mirroring a nationwide phenomenon known as the “missing middle”. The missing middle refers to a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living. These may include duplexes, fourplexes, bungalows, townhouses and more.

FIGURE 5-3

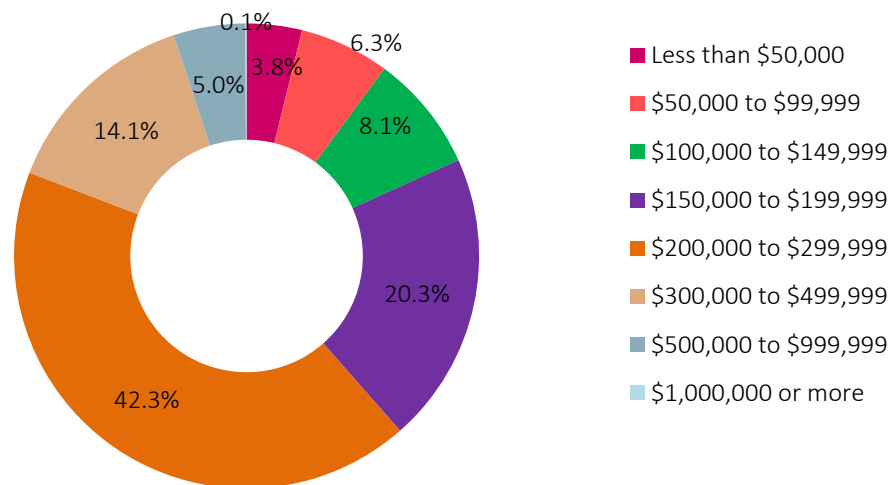


Data source: ACS 2011-2015 Estimates

As shown in Figure 5-4, nearly 60% of the city’s owner-occupied housing (including single-family) is valued at over \$200,000, with the largest share (42 percent) falling in the value category between \$200,000 and \$300,000. Approximately 18% of the owner-occupied housing stock is valued below \$150,000.

FIGURE 5-4

Value of Housing Units for owner-occupied housing



Data source: ACS 2010-2014 Estimates

2013 Housing Study

In 2013 a Comprehensive Multifamily Housing Needs Analysis was prepared by Maxfield Research, Inc. for the City of Roseville. That study included an examination of both rental and owner-occupied housing, as well as market rate and subsidized housing units in the city. Some of the study's key findings which are relevant to this Comprehensive Plan include:

- Due to the age and positioning of Roseville's rental housing stock, an estimated half of the total number of market rate units met HUD's definition of affordable housing; therefore they are naturally occurring affordable housing. Hence, older market rate properties in the City indirectly meet some of the need for moderate income or "workforce" housing.
- Between 2013 and 2025, demand exists for:
 - 187 units of affordable rental units
 - 126 units of subsidized rental
 - 271 market rate rental
 - 217 units of for-sale multi-family
 - 491 units of housing specifically for seniors (by 2018)
- In 2013, Maxfield documented no vacant units at three existing affordable housing developments in Roseville, indicating pent up demand for additional affordable units.

Existing Housing Types

The images shown below represent a sampling of the range of housing types that can be found in the City of Roseville.



Larger Single Family Homes. Many of the city's larger homes, such as the home shown here, are located on the larger lots located in the southwest part of the city and also near some of the lakes.

Smaller Single Family Homes. This home is more typical of smaller, more affordable single family homes built in the 1950s.

Apartments Buildings. Apartment complexes such as this one are common throughout the city and are generally built in an older walk-up style.

Condominiums. Like the apartment buildings pictured above, Roseville condominiums are generally older, smaller, more affordable and part of larger multi-family buildings.

Senior Living. Roseville is host to several senior-oriented housing complexes that offer a spectrum of specialized programming or care.

WHAT WE HEARD

Kick-Off Meeting

At the public kick off meeting held on March 7th, 2017, several common themes emerged that helped inform the housing chapter:

- Ensure the availability of resources and facilities to serve Roseville's seniors
- Provide amenities and services to support individuals and families with **low incomes**
- Provide resources to attract and retain **millennials**
- Address conflict between renters and owners regarding **property upkeep**

Online Survey

When asked what are the most significant issues facing the community, many responses to the online survey conducted as part of the visioning process included: affordable housing; the need for more flexibility in new housing development (specifically single-family housing); mixing affordable housing with higher-end developments; residential development (particularly higher densities) near transit; problems with constructing large apartment buildings in established neighborhoods; the proliferation of rental properties; small, aging homes; and the need for more affordable housing specifically for seniors.

When asked more specifically about whether development on vacant or under-used land should be encouraged, approximately 60% of respondents agreed or strongly agreed. Also, nearly 51% of respondents disagreed or strongly disagreed with the statement that Roseville needs more commercial areas.

Focus Groups

Two focus groups specifically related to housing were held in April, 2017 to discuss trends, issues and needs in the city. Highlights of the specific needs and challenges that were raised during those meetings included:

- Density is needed to make for financially viable affordable housing projects
- The loss of naturally-occurring affordable housing is an issue – it is getting redeveloped
- Much of the subsidized housing being developed is not the right size for families
- Non-traditional housing types should be considered (like tiny houses, co-housing, cooperative housing, etc)
- Entry barriers for first time home buyers
- Rents are high, along with demand
- Concern over rentals in single family neighborhoods
- Look at the future of multi-generational neighborhoods

CITYWIDE GOALS

Several of the Citywide Goals established in Chapter 2 relate to the topic of housing, including:

Roseville housing meets community needs

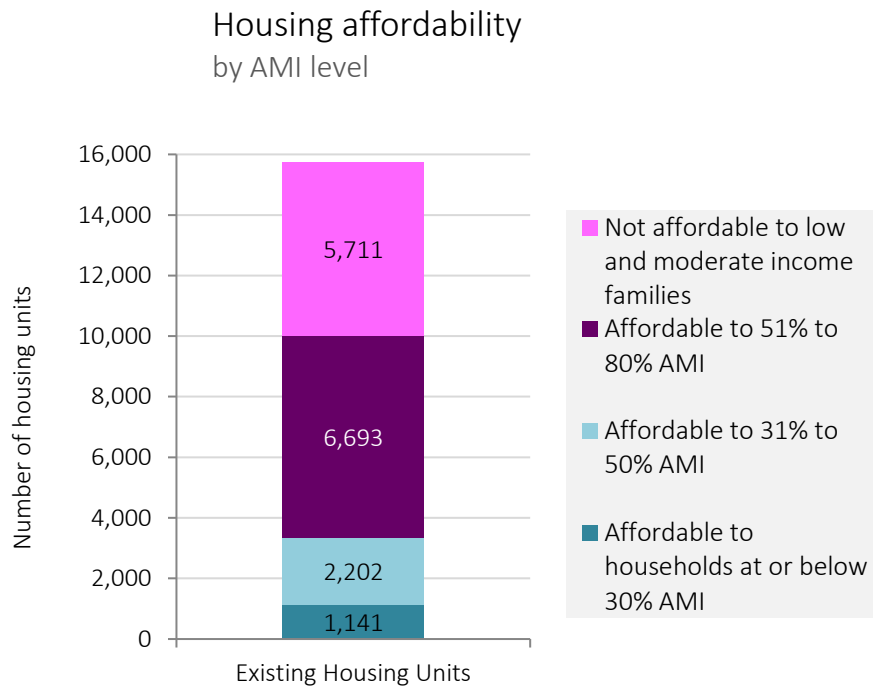
1. Develop a coordinated housing strategy for the City.
2. Provide mechanisms that encourage the development of a wide range of housing that meets regional, state and national standards for affordability.
3. Implement programs that result in safe and well-maintained properties.
4. Establish public-private partnerships to ensure life-cycle housing throughout that city to attract and retain a diverse mix of people, family types, economic statuses, ages, and so on.
5. Employ flexible zoning for property redevelopment to meet broader housing goals such as density, open space, and lot size.
6. Develop design guidelines to support new or renovated housing that contributes to the physical character of the neighborhood, healthy living, and environmental and economic sustainability.

EXISTING HOUSING AFFORDABILITY

The regional planning authority looks at housing affordability through lens of area median income, or AMI. For a family of four, regional AMI in the Twin Cities is \$85,800. Households that have an income at or below 80% of the regional AMI are the targeted population for affordable housing. Median household income in Roseville is \$62,464, which is 73% of the area median income for a household of four.

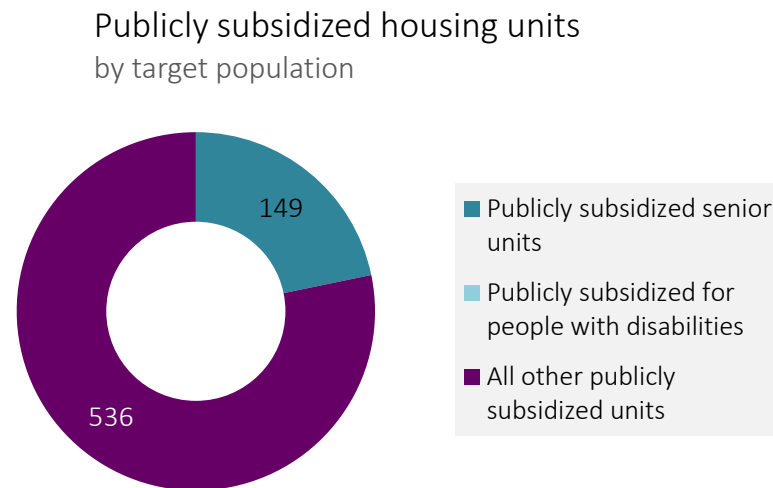
According to the Metropolitan Council's 2016 housing assessment, of the 9,174 total housing units in Roseville, around two-thirds are affordable to low or moderate-income households that are at or below 80% of AMI. As shown in [FIGURE 5-5](#), the affordability of existing housing in the city is spread across the affordability "bands" with approximately 43% affordable to those making between 51 and 80% of AMI, 14% making between 31 and 50% AMI. For those with yearly incomes of less than \$25,740, around 7 percent of Roseville's housing units are affordable. That leaves approximately one-third of the existing housing stock in the city that is not affordable to low and moderate income families.

FIGURE 5-5



Publicly subsidized units often comprise the most deeply affordable units in a community. There are 685 publicly subsidized housing units in Roseville, as shown in FIGURE 5-6.

FIGURE 5-6



Compared to its neighboring cities and the Twin Cities region overall, Roseville offers a comparable share of affordable housing that is somewhat more heavily weighted towards affordability in the highest income band (50 to 80% of AMI). Affordable housing in this upper income band is more likely to be owner-occupied and of a single-family style.

City	Existing Affordable Units			Total Affordable Units
	at <30% AMI	at 31-50% AMI	at 51-80% AMI	
Roseville	7%	16%	46%	69%
St. Anthony	9%	15%	33%	57%
Falcon Heights	1%	28%	33%	62%
Little Canada	20%	23%	37%	80%
New Brighton	7%	32%	36%	75%
Shoreview	6%	15%	38%	59%
<i>Twin Cities Region</i>	<i>6%</i>	<i>22%</i>	<i>40%</i>	<i>68%</i>

Source: Met Council Existing Housing Assessment 2016

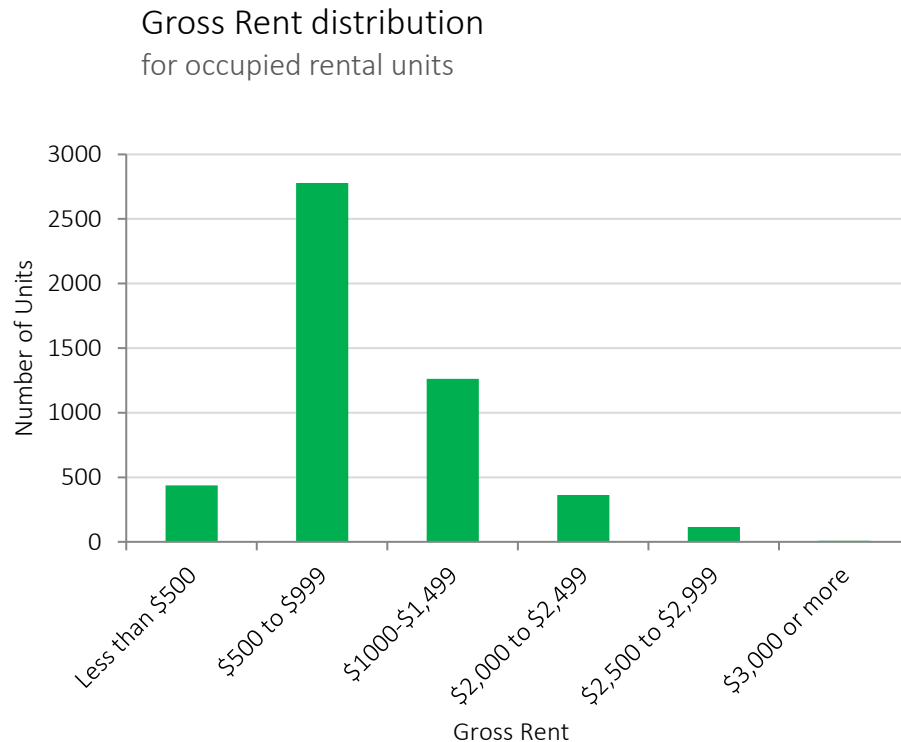
Rental Affordability

According to the 2013 Maxfield Study cited earlier, an estimated half of total market rate units in the City's rental stock function as affordable housing, meaning that they meet the rent guidelines of affordability established by the U.S. Department of Housing and Urban Development. This means that older, market-rate properties in the City meet a need for housing that is affordable to moderate-income households.

This "naturally occurring" affordable rental housing is a significant feature of Roseville's affordable housing landscape, but also present a significant challenge for Roseville when it comes to striking a balance between affordability and livability. Many of these naturally-occurring affordable units have deferred maintenance concerns, and may become targets for redevelopment and loss of affordability as they become outdated or obsolete. Strategies to manage naturally occurring affordable rental housing are an emerging topic inner-ring suburban communities across the metro, and Roseville will continue to monitor the policies and strategies being developed to counter the loss of naturally-occurring affordable housing across the Twin Cities region.

The chart below shows the distribution of gross rent costs for Roseville's rental stock. Roseville's median gross rent is \$900, which is only slightly higher than the Ramsey County median gross rent of \$865.

FIGURE 5-7



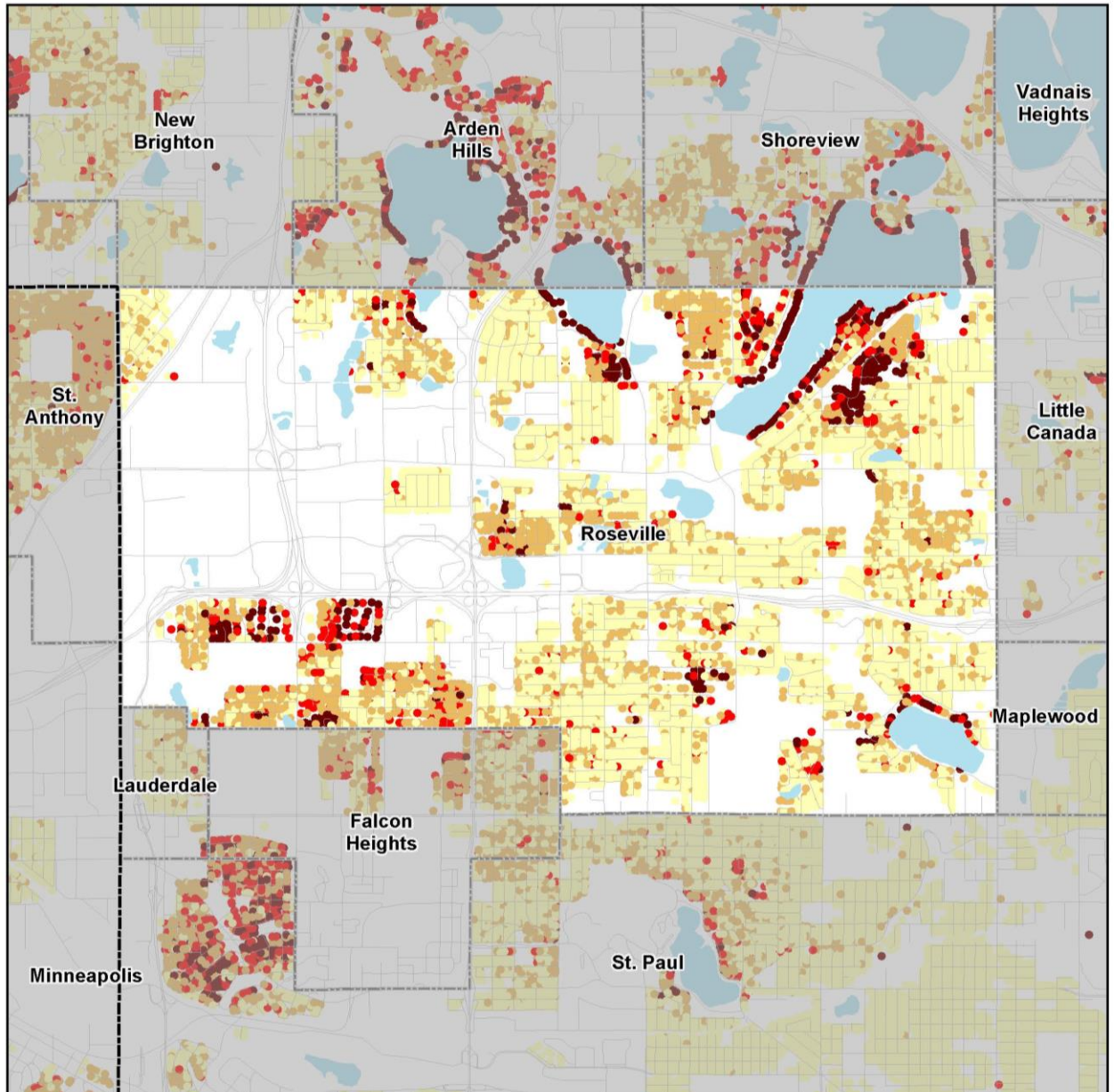
Data source: ACS 2011-2015 Estimates

Owner-Occupied Affordability

Approximately 80 percent of Roseville's owner-occupied housing stock is affordable to households making at or below 80% of Area Median Income. The map in [MAP 5-2](#) illustrates this visually, with all of the yellow areas on the map corresponding to housing at affordable levels. A high rate of owner-occupied affordability is not uncommon in first-ring suburban communities with an older housing stock that includes older housing styles built on smaller lots. In Roseville, housing in the northern and southwestern portions of the city, and those areas close to lakes, are generally on larger lots and are higher in value.

MAP 5-2

**Owner-Occupied Housing by Estimated Market Value
Roseville**



County Boundaries	Owner-Occupied Housing Estimated Market Value, 2015	1 inch = 0.8015 miles	
City and Township Boundaries	\$238,500 or Less		
Lakes and Major Rivers	\$238,501 to \$350,000		
Street Centerlines	\$300,001 to \$450,000		
	Over \$450,000		

Source: MetroGIS Regional Parcel Dataset, 2015 estimated market values for taxes payable in 2016.
Note: Estimated Market Value includes only homesteaded units with a building on the parcel.

Existing Cost-Burdened Households

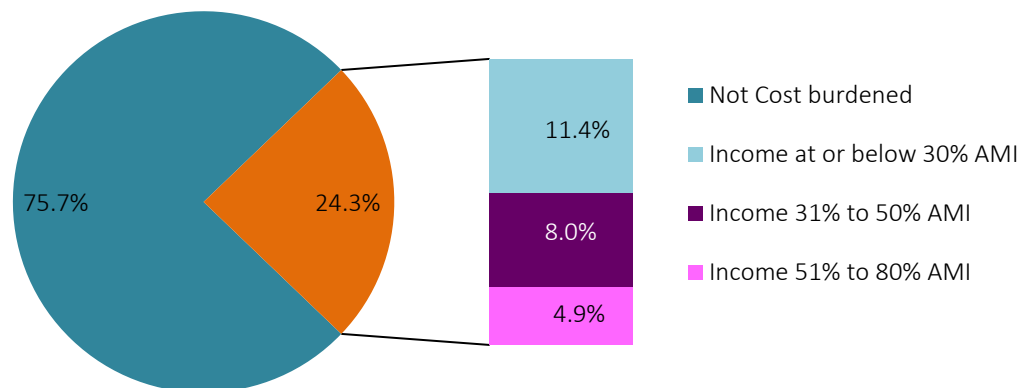
While the price of housing units relative to area median income is one measure of housing affordability in a community, another way to examine the impact of housing costs is by looking at **cost-burdened households**.

Households are “cost-burdened” if their housing costs are at or over 30 percent of their income. This is an indicator of households that are spending a disproportionate share of their income on housing. The implications of a housing cost burden are most severe for households in the lowest income tier.

FIGURE 5-8 illustrates the share of low-to-moderate income households that are cost-burdened in Roseville, by AMI income level. More than one-quarter of Roseville’s total households are cost-burdened. Among those cost-burdened households, the income ranges are spread fairly evenly through the AMI income level bands.

FIGURE 5-8

Cost-burdened households



With almost one in four households experiencing the phenomenon of cost-burdened housing in Roseville, the city’s cost-burdened rate is nearly identical to that of the overall region. In comparison to neighboring and comparable inner-ring suburb cities, Roseville’s cost-burdened share is about equal to that of surrounding communities. Similar to many other communities in the Twin Cities metro area, Roseville’s greatest share of cost-burdened households is in the lowest (<30% AMI) income tier. In this very low income category, the share

of Roseville's cost-burdened households exceeds its existing supply of affordable housing.

City	Cost-burdened households			
	at <30% AMI	at 31-50% AMI	at 51-80% AMI	Total percent cost-burdened
Roseville	11%	8%	5%	24%
St. Anthony	12%	8%	4%	24%
Falcon Heights	12%	9%	2%	23%
Little Canada	9%	12%	3%	24%
New Brighton	14%	8%	3%	25%
Shoreview	7%	6%	5%	17%
<i>Twin Cities Region</i>	<i>10%</i>	<i>8%</i>	<i>6%</i>	<i>24%</i>

Source: Met Council Existing Housing Assessment 2016

Meeting the Regional Affordable Housing Allocation Share

Roseville, along with every community in the metro area, is responsible for retaining an adequate regional share of affordable housing. The Housing Element of Metropolitan Council's *Thrive 2040* plan has determined the affordable housing requirement for every community by affordability level, as determined by a household's relationship to the Area Median Income (AMI).

Roseville's share of the region's affordable housing was determined by the Metropolitan Council based first upon the City's share of household growth in areas served by sewer. Then, with the goal of expanding household choice for low-income households and aligning low-income housing with low-wage jobs, the Met Council adjusted that initial allocation based on two additional characteristics: existing affordable housing and ratio of low-wage jobs to low-wage workers.

Roseville's affordable housing requirement is shown in the table below.

Affordable Housing Need Allocation, 2021-2030	
At Or Below 30% AMI	72
From 31 to 50% AMI	50
From 51 to 80% AMI	20
Total Units	142
<i>AMI = Area Median Income</i>	

Housing calculations from FIGURE 5-9 indicate that Roseville has guided sufficient high density land at a minimum of 12 units per acre to produce 1,221 units of housing at affordable densities in the 2021-2030 decade, which well exceeds the Metropolitan Council's affordable housing allocation of 120 units.

Land Use Category	Land Uses	Total 2040 Guided Residential Acres
Low Density Residential (1.5-8 units/acre)	<ul style="list-style-type: none"> • Detached housing units • Two-Family • Duplexes • Churches, schools and institutional uses • Small-lot detached single-family homes 	8,887
Medium-Density Residential (5-12 units/acre)	<ul style="list-style-type: none"> • Townhomes • Condominiums • Duplexes • Row houses • Churches, schools and institutional uses 	666
High-Density Residential	<ul style="list-style-type: none"> • Apartments • Lofts • Stacked Townhomes 	498
Community Mixed Use	<ul style="list-style-type: none"> • Attached housing similar to medium and high density categories above • Residential uses mixed with commercial uses at about 25% of site area. 	62

FIGURE 5-9 TOTAL GUIDED RESIDENTIAL ACREAGE IN WEST ST. PAUL 2040 FUTURE LAND USE PLAN.

Of the 10,113 acres guided residential (including 62 acres available for residential within the Community Mixed Use district) in Roseville, only 82 of these acres are expected to be redevelopable within the 2040 planning horizon. Affordable densities as defined by the Metropolitan Council are those at with a minimum range of 12 units per acre and above, which means that all high density residential and community mixed use redevelopment areas expected to develop within the 2021-2030 decade qualify as affordable housing – using the minimum density to calculate unit potential as directed by the Metropolitan Council. FIGURE 5-10 below summarizes the residential redevelopment potential from the land use chapter, and highlights with a red outline the units that would be considered affordable to meet Roseville's regional affordable allocation

FIGURE 5-10

Land Use Type	TOTAL Dev. Acres	Acres now-2030	Acres 2031-2040	Density Range			Yield %	Minimum Units 2030	Minimum Units 2040	TOTAL Minimum Units	Midpoint Units 2030	Midpoint Units 2040	TOTAL Midpoint Units	
				Min	Mid	Max								
2040 Future Land Use	Medium Density Res	14.92	7.46	7.46	5	8.5	12	100%	37	37	75	63	63	127
	High Density Res	26.16	13.08	13.08	13	24.5	36	100%	170	170	340	320	320	641
	Community Mixed Use	164.91	82.45	82.45	10	23	36	25%	206	206	412	474	474	948
Guided Total		82.30							413	413	827	858	858	1716

Total expected housing units	1,716
Units considered affordable (>- 12 du/ac in 2021-2030 decade)	376

Using minimum density to calculate unit potential, Roseville could potentially net 376 units of affordable housing in the decade from 2021-2030. This number is based purely on available land programmed for density at above 12 units per acre, which includes land in the high-density category and 25% of the land in the community mixed use category.

In practical terms, housing development above a particular density threshold does not guarantee housing affordability. The next section of this chapter will discuss the tools and strategies that Roseville can employ to help ensure that housing affordability goals are achieved.

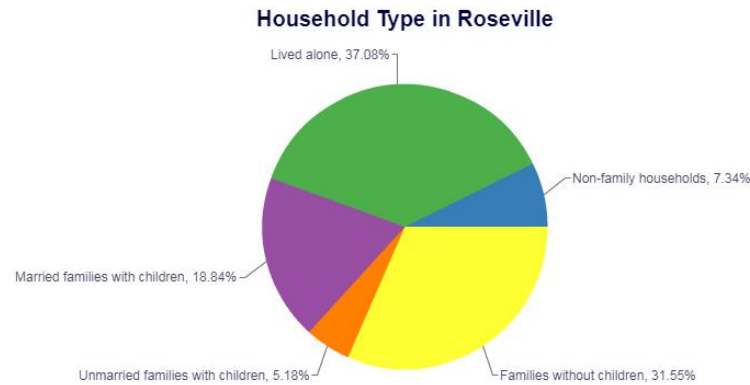
EXISTING HOUSING NEEDS

From this assessment of the physical and cost characteristics of the housing stock in Roseville, combined with the demographic analysis of the community, there are some features and trends of the housing landscape that are especially notable and will shape the actions Roseville will take to address housing in the coming decades. The following section summarizes the community's most critical housing needs as they relate to affordability and future demands on the city's housing supply. Each section contains a housing trend observation, a supplemental narrative and a subsequent "housing need goal" that arises out of this observation. Connecting each housing need goal to applicable tools and policies will occur in a later section entitled "Planning for Affordable Housing."

The most critical housing trends and needs in Roseville are as follows:

- **Household size is declining, and only one quarter of Roseville's occupied housing units contain families¹.**

¹ The U.S. Census Bureau defines a family as "a group of two people or more (one of whom is the householder) related by birth, marriage or adoption and residing together; all such people (including related subfamily members) are considered as members of one family."



This demographic shift toward smaller household sizes will be accompanied by a need for housing that accommodates smaller households. While the housing typical suburban housing norm has long been the image of a single-family house with a yard, over the coming decades the City can expect households to continue to become more “non-traditional” and increasingly composed of single adults, empty-nesters and unrelated adults living together. Currently the City’s housing stock is more than half composed of single-family detached homes, a share which may become decline in the coming decades due to demand for smaller and non-traditional housing options.

As an inner-ring suburban community located close to jobs and transit, Roseville should expect the overall demand for housing to be strong and the demand for smaller units to be maintained or increase in the coming decades. The regional forecasted trend predicts population movement back to the urban core and increasing preferences for rental housing due to cost considerations and lifestyle choices.

Housing need goal: *Explore opportunities to encourage smaller and more “non-traditional” housing development, including opportunities to address the lack of housing in the “missing middle” styles.*

- **A quarter of Roseville’s households are cost-burdened, spread evenly through the AMI bands.** One in four households in Roseville meet the definition of cost-burdened meaning they are paying more than 30% of their income on housing. A disproportionate share of these cost burdened households are lower-income households. As market challenges to the production of affordable housing persist, Roseville must prioritize support for affordable housing development by using the tools available at the City’s discretion and strengthening partnerships with other agencies to promote

affordable housing production (more on this in the “Planning for Affordable Housing” section below). Proactive partnerships and City support will be required to develop housing that is affordable at or below the 30% AMI affordability band, as this degree of affordability is typically only available through deep subsidies offered at higher levels of government.

Roseville should also consider how actions taken at the City level will impact housing costs and availability for existing residents, and will need to balance economic development interests with concerns over affordability and gentrification.

Housing need goal: *Reduce overall community housing cost burden, particularly by supporting those projects that provide affordability for households in the lowest income categories.*

- **The housing stock in Roseville is aging, and residents will have increasing maintenance and upkeep requirements in the coming decades.** Roseville’s affordable housing stock is largely located in smaller-lot single family areas developed in the 1950s, 60s and 70s that are beginning to age and may not be as attractive or suitable for modern households as they once were. The same is true for Roseville’s aging multi-family rental complexes. Developing strategies to maintain and support Roseville’s existing housing stock, particularly for those households with lower incomes and fewer resources, will remain a significant challenge in the decades to come, and will be important to continue to attract newcomers to the city.

Housing need goal: *Support housing maintenance assistance programs, particularly for lower-income households.*

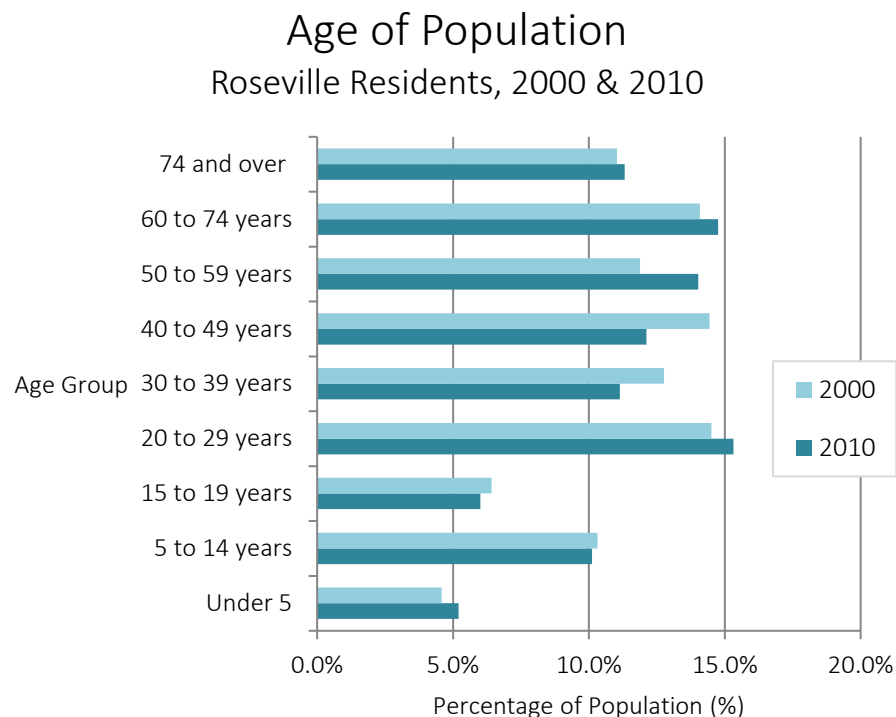
- **Roseville, along with many urban communities, is at risk of losing its naturally occurring affordable housing to redevelopment.**

Roseville has large share of housing that is considered affordable by way of “naturally occurring” means. Typically, naturally occurring affordable housing comprises older attached and multifamily housing that may have deferred maintenance needs or is of an older or obsolete style. Naturally occurring affordable housing is an important source of housing affordability in many Twin Cities urban communities but requires a careful, balanced approach. All residents have a right to live in safe and well-maintained housing, but maintenance and other upgrades (including redevelopment) can contribute to the loss of housing affordability in a community.

There are proactive steps that Roseville can take to recognize the important role that naturally occurring affordable housing plays in the community, typically supporting households between 30-80% AMI, and to pursue opportunities to preserve this housing and improve its safety and livability while maintaining its affordability.

Housing need goal: *Anticipate the need for creative strategies to manage naturally-occurring affordable housing within all affordability bands.*

- The City supports actions that make it possible for Roseville residents to age in place.



New senior housing units developed in the past 15 years have increased the number of housing options available to aging residents in Roseville. However, residents identified lack of available affordable options for aging or elderly residents as a significant challenge facing the community. Many lifelong residents want to remain in the community that they are familiar with or have grown up in. The City may consider exploring allowances for more diverse housing styles while supporting opportunities for senior and supported housing development to meet the demonstrated need in the community.

Along with the provision of adequate housing options for seniors, community members have identified a need for better access to senior supportive services including medical care and provision of basic needs for those living with limited incomes. Senior housing should be coupled with consideration of adequate access to, or co-location with, these critical services that support older residents.

Housing need goal: *Meet increased demand for senior housing and opportunities for residents to age in place.*

- Strategic development of housing can offer access to services and amenities to provide populations without a personal vehicle a method of transportation.

Roseville's proximity to two major urban centers and the presence of major roadway arteries like 35W, Hwy 36, Snelling and others, present opportunities for transit-oriented development, which can support populations who cannot or prefer not to own a personal vehicle. Prioritizing transit-oriented development projects will support seniors and lower-income households who traditionally have a higher demand for transit services.

Housing need goal: *Explore opportunities to increase transit-oriented development in strategic areas connected to major transit routes.*

- Monitoring and updating City ordinances can help to produce flexibility and diversity in housing opportunities.

Zoning codes provide dimensional and locational standards that dictate the built form of housing. A city that actively monitors and updates its zoning code may find opportunities to lessen regulatory barriers to producing the types of housing that meet the demands of residents or prospective residents, as well as the conditions of the market.

Housing need goal: *Update ordinances as necessary to maintain optimal housing functionality and livability and to address new technologies, market trends, and resident needs*

Planning for Affordable Housing

Affordable housing implementation toolbox

Simply guiding land at higher densities is not a guarantee that affordable housing will be produced. To increase the likelihood of affordable housing

development, Roseville has identified implementation tools that the City is willing and able to use to advance its housing goals.

However, there are areas in which cities have flexibility to enact financial and regulatory discretion. The provision of Tax Increment Financing (or TIF) is one of the most effective tools that cities have at their discretion to aid the production of affordable housing projects, and Roseville is open to financially assisting future affordable rental projects through TIF and other available means if and when they come forward.

Cities also have discretion over their zoning, regulatory, and land use policies. Roseville must systematically review its zoning and city code to ensure that the regulatory environment is favorable to affordable housing development, and consider amending policies that present barriers to affordable housing development. One of the strategies identified in the Land Use and Housing Action Items (Chapter 4) is to revise the commercial zoning districts to reflect the mixed-use development priorities expressed in this Plan. Another is to promote and support transit-oriented development and redevelopment near existing and future transit corridors. These and other policy strategies may be considered and provided directly by the city to help encourage affordable housing production.

Many other affordable housing tools and strategies require partnerships with outside entities, counties, HRAs, funding and granting agencies, and non-profits that offer programs, funding, and policies on a wider scale that support affordable housing. Tools that can be used to generate or maintain housing affordability can generally be grouped into the following categories:

- Local funding (city or county)
- Local policy or strategy
- Regional or Federal funding source
- Affordable housing preservation

An overview of citywide housing goals, identified housing needs and the tools that may be used to address them are shown in the matrix below (Table XX). The section that follows explains each of the affordability tools in greater detail, and gives more details about when these strategies might be used.

Roseville Housing Goals	Affordable Housing Tools																								
	Local Funding Options				State and Federal Programs				Local Policies and Programs										Preserve Long-term Affordability						
	Development Authorities	Housing Bonds	Tax Abatement	Tax Increment Finance	MN Housing Consolidated RFP	Community Development Block Grants	HOME funds	Neighborhood Stabilization Program Funds	Support homebuyer assistance programs	Encourage Repair & Rehab programs including Housing Replacement program	Support Foreclosure prevention programs	Support Energy Assistance programs	Support Rental Assistance programs	Livable Communities grant (Metropolitan Council)	Site assembly and/or land banking	Local Fair Housing Policy	Fee waivers or adjustments	Financial or procedural incentives to private developers	Zoning and subdivision policies	Effective referrals to available programs	4(d) tax program	Community land trusts	Support developer use of LIHTC	Public/private task force	Support public housing & project-based assistance
Citywide Housing Goals																									
Provide mechanisms that encourage the development of a wide range of housing that meets regional, state and national standards for affordability.	X	X	X	X				X						X		X	X	X	X		X	X	X		X
Implement programs that result in safe and well-maintained properties.							X	X	X	X	X									X					
Establish public-private partnerships to ensure life-cycle housing throughout that city to attract and retain a diverse mix of people, family types, economic statuses, ages, etc.					X										X		X								
Employ flexible zoning for property redevelopment to meet broader housing goals such as density, open space, and lot size.																		X	X						
Develop design guidelines to support new or renovated housing that contributes to the physical character of the neighborhood, healthy living, and environmental and economic sustainability.																			X						

Roseville Housing Goals	Affordable Housing Tools																							
	Local Funding Options				State and Federal Programs			Local Policies and Programs												Preserve Long-term Affordability				
	Development Authorities	Housing Bonds	Tax Abatement	Tax Increment Finance	MN Housing Consolidated RFP	Community Development Block Grants	HOME funds	Neighborhood Stabilization Program Funds	Support homebuyer assistance programs	Encourage Repair & Rehab programs including Housing Replacement program	Support Foreclosure prevention programs	Support Energy Assistance programs	Support Rental Assistance programs	Livable Communities grant (Metropolitan Council)	Site assembly and/or land banking	Local Fair Housing Policy	Fee waivers or adjustments	Financial or procedural incentives to private developers	Zoning and subdivision policies	Effective referrals to available programs	4(d) tax program	Community land trusts	Support developer use of LIHTC	Public/private task force
<i>Identified Housing Needs</i>																								
Explore opportunities to encourage smaller and more “non-traditional” housing development, including opportunities to address the lack of housing in the “missing middle” styles.	X	X	X	X	X									X	X		X	X	X		X		X	
Reduce overall community housing cost burden, particularly by supporting those projects that provide affordability for households in the lowest income categories.	X	X	X	X					X	X		X	X	X				X		X		X	X	X
Support housing maintenance assistance programs, particularly for lower-income households.					X	X	X	X		X	X	X	X											
Anticipate the need for creative strategies to manage naturally-occurring affordable housing within all affordability bands.																		X			X	X	X	X
Meet increased demand for senior housing and opportunities for residents to age in place.	X	X	X	X	X		X		X	X	X	X	X	X				X	X	X				X
Explore opportunities to increase transit-oriented development in strategic areas connected to major transit routes.	X	X	X	X										X	X			X						
Update ordinances as necessary to maintain optimal housing functionality and livability and to address new technologies, market trends, and resident needs																	X	X	X					

Affordability Category	Affordability Tool
Local funding for Affordable Housing	<p>Development Authorities (local HRA, CDA, or EDA) The City has its own HRA and can levy for \$; can even consider creating a savings for AH Trust Fund.</p>
	<p>Housing Bonds HRAs have the ability to issue housing bonds to provide affordable housing.</p>
	<p>Tax Abatement Cities may issue bonds to support affordable housing, using a portion of the property tax received (tax abatement) from the development to finance these bonds. This removes this property from paying taxes for the services needed for this property, its residents and the community in general.</p>
	<p>Tax Increment Financing Cities may create a tax increment financing (TIF) district. The TIF bonds issued on this district are to be used to support the construction of affordable housing and entire property taxes received above the original tax value from the development to finance these bonds.</p>
Local policies and strategies to promote access to affordable housing	<p>Effective referrals The City can support a goal of providing appropriate resources and education about existing housing support programs</p>
	<p>Fair Housing Policy Both Hennepin & Ramsey County HRA support Fair Housing Policies, and the City can support implementation of that policy.</p>
	<p>First time homebuyer, down payment assistance, and foreclosure prevention programs The City encourages residents to access existing programs available through Hennepin & Ramsey counties, as well as the Minnesota Homeownership Center.</p>
	<p>Participation in housing-related organizations, partnerships, and initiatives City staff or elected officials have a goal of getting involved in events on the topic of maintaining or furthering affordable housing, and encourage collaboration.</p>
	<p>Site assembly The City can state an intention of supporting policies that encourage land banking, reserving publicly owned properties, and other site assembly techniques for affordable housing.</p>
	<p>Zoning and subdivision ordinances City codes should encourage and streamline development of affordable housing. The City may consider proactive zoning policies that incentivize higher density or greater affordability.</p>
	<p>Rental license and inspections programs Not only to ensure tenants treated fairly, but also a data collection opportunity to keep tabs on rental properties.</p>

Regional & Federal funding for Affordable Housing	MHFA Consolidated Request for Proposals This is the big annual funding request from Minnesota Housing Finance Agency that supports AH developments
	Livable Communities Demonstration Account (LCDA) Met Council funding that supports innovative projects often involving affordable and connected housing
	Community Development Block Grant Funds (CDBG) Hennepin & Ramsey counties manage these funds, which can be used on a number of housing and revitalization projects. Apply through coordinated RFP.
	HOME Investment Partnerships Program (HOME) Offered through Hennepin & Ramsey County (construction or rehab). Apply through coordinated RFP.
	Hennepin communities: Affordable Housing Incentive Fund (AHIF) Financing supports acquisition, rehabilitation or new construction activities. Apply through coordinated RFP.
Affordable Housing preservation Strategies	Project Based Rental Assistance Affordability stays with the development. Typically HUD-funded. City may state the intent of support.
	Low Income Housing Tax Credit Properties Developers apply for tax credits to offset costs at the time of development. City may state the intent of support.
	4d tax program Non-subsidized properties may be eligible for a tax break if the owner of the property agrees to rent and income restrictions (serving households at 60% AMI or below) and receives “financial assistance” from federal, state or local government. City may state the intent of support.
	Private unsubsidized affordable housing May be naturally occurring, or supported through 4d tax program. City may state the intent of support.
	Community Land trusts Permanent affordability for income eligible, where homeowner owns the building and the CLT leases the land to the homeowner. Currently there is not an active CLT serving the City, but the City could pursue future partnerships or support CLT activities as they arise.
	Low-interest rehab programs
	Housing Improvement Areas (HIAs) A housing improvement area (HIA) is a defined area in a city in which housing improvements in condominium or townhome complexes may be financed with the assistance of the city (EDA, HRA)
	Manufactured Home Parks
	Public Housing Typically supported through Federal funding, but the City may state the intent of support.