

EDA Members:
Dan Roe,
President
Jason Etten,
Vice President
Julie Strahan,
Treasurer
Wayne Groff
Robin
Schroeder



**Economic Development Authority
Meeting Agenda
Monday, May 15, 2023
6:00pm**

Address:
2660 Civic Center Dr.
Roseville, MN 55113

Phone:
651 - 792 - 7000

Website:
www.growroseville.com

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

www.cityofroseville.com/attendmeeting

1. 6:00 P.M. Roll Call
Voting & Seating Order: Strahan, Etten, Schroeder, Groff, and Roe
2. 6:02 P.M. Pledge Of Allegiance
3. 6:03 P.M. Approve Agenda
4. 6:04 P.M. Public Comment
5. Business Items (Action Items)
 - 5.A. 6:05 PM Receive 2022 Home Energy Squad Challenge Award
Documents:
[5A REPORT.PDF](#)
 - 5.B. 6:10 PM Adopt A Resolution Creating A Small Business Micro-Loan Pilot Program
Documents:
[5B REPORT AND ATTACHMENTS.PDF](#)
 - 5.C. 6:20 PM Consider Replenishment Of Funds For Various Home Loan Programs
Documents:
[5C REPORT.PDF](#)
6. 6:45 P.M. Adjourn To City Council

ROSEVILLE
ECONOMIC DEVELOPMENT AUTHORITY

Date: May 15, 2023
Item No.: 5.a

Department Approval

Executive Director Approval

Janice Gundlach

Paul J. Trueman

Item Description: Receive 2022 Home Energy Squad Challenge Award

BACKGROUND

The Center for Energy and Environment (CEE) developed the *Intercity Home Energy Squad® Challenge* in 2020 to challenge residents to learn how their home uses energy and identify energy-saving opportunities through a home energy visit for Home Energy Squad. By learning more about their home’s energy use, residents can be better stewards of our resources and increase their home’s comfort with energy efficient improvements. The Challenge tracks each city’s participation in Home Energy Squad (HES) visits as well as rebates earned. At the end of the year, the city with the highest participation and most rebates as a percentage of its housing, wins.

The City of Roseville entered the 2022 *Intercity Home Energy Squad® Challenge* to support implementation of its Energy Action Plan goals to increase residential energy efficiency, and to promote HES visits that are subsidized by the Roseville Economic Development Authority (REDA) for Roseville residents. Through event promotion of HES visits at community events and hosting an Xcel Energy/CEE-sponsored giveaway of free HES visits to Roseville residents, the City of Roseville achieved the highest number of HES visits per capita out of 26 other competing cities.

POLICY OBJECTIVE

Roseville’s Energy Action Plan aims to reduce greenhouse gas emissions from city-wide energy usage by 48,000 MTCO₂e by 2031. Residential energy efficiency projects recommended by HES auditors will help Roseville meet its carbon reduction goal.

BUDGET IMPLICATIONS

The REDA budgets \$12,000 annually for Home Energy Squad® visits to support Roseville residents in their home improvement and energy efficiency projects.

RACIAL EQUITY IMPACT SUMMARY

Roseville offers free Home Energy Squad visits to income-qualified households. Many of these households may also qualify for the Minnesota Weatherization Assistance Program. BIPOC households are overrepresented in communities that experience energy burden, where 6% or more of monthly household income goes towards home energy costs.

STAFF RECOMMENDATION

Receive the 2022 *Intercity Home Energy Squad® Challenge* award for most visits per capita on behalf of the City of Roseville.

35

36 **REQUESTED EDA ACTION**

37 Receive the 2022 *Intercity Home Energy Squad® Challenge* award for most visits per capita on behalf of
38 the City of Roseville.

39

40 Prepared by: Noelle Bakken, Sustainability Specialist, 651-792-7057
41 Jeanne Kelsey, Housing & Economic Program Manager, 651-791-7086
42


ECONOMIC DEVELOPMENT AUTHORITY

Date: May. 15, 2023
Item No.: 5.b

Department Approval

Executive Director Approval

Janice Gundlach

Paul J. Trueman

Item Description: Adopt a Resolution creating a small business micro-loan pilot program

BACKGROUND

At the March 13, 2023 Roseville Economic Development Authority (REDA) meeting a small business micro-loan program was presented for discussion. While the REDA was not asked to take any formal action at that meeting, feedback was sought on whether or not to proceed and what type of program parameters were acceptable. Based on the REDA’s feedback, no substantial changes were recommended to the program’s parameters as presented by staff (Attachment A). As such, the proposed Small Business Micro-Loan Pilot Program parameters and guidelines are as follows:

Program Parameters

Loan funds are only to be used for capital improvements. Eligible capital improvements include, but are not limited to: repair, renovation and rehabilitation of buildings; building code corrections; and façade improvements.

To be eligible for a small business micro-loan, a business must meet *all* of the following criteria:

- Employ no more than 5 full-time equivalent employees (including the business owner).
- Have a brick-and-mortar presence in Roseville. Home-based businesses are not eligible for funds, unless the funds are proposed to be used towards expansion into a brick-and-mortar location in Roseville.
- The business must use the micro-loan proceeds in connection with an expansion of the business’s operations that results in an increase of employees or be able to demonstrate that the funds are necessary to help prevent job loss.

Loan Structure

- Micro-loans would be forgiven if the business remains open in the City of Roseville for a period of 3 months.
- At the end of 3 months, the business must provide a statement describing how the assistance helped to expand the business, increase the number of employees, or retain employees.
- Micro-loan proceeds would be disbursed directly to the contractor who completed the capital improvements following receipt of a final invoice.
- Micro-loan recipients would enter into a forgivable loan agreement with, and deliver a promissory note to, the REDA. Micro-loan proceeds must be disbursed within 6 months of execution of the loan agreement.

36 Application Requirements

- 37 • Basic details about the business (who, what, where).
- 38 • Must be able to demonstrate the business has been in business for at least one year.
- 39 • Description of capital improvements to be funded.
- 40 • A statement of need, including whether access to traditional funding has been explored, and if yes,
- 41 why traditional funding was not pursued for the intended use of the micro-loan.
- 42 • A summary of the business’s monthly revenues & expenditures for the last 1-2 years.
- 43 • An explanation of how the micro-loan will help the business remain and expand in the City of
- 44 Roseville and/or create or retain jobs.

45
46 Businesses Not Eligible

47 The following businesses *are not* eligible:

- 48 • Businesses that do not have a physical address within the City of Roseville
- 49 • Non-profit organizations
- 50 • Businesses with annual gross revenues greater than \$1 million
- 51 • Chain retail
- 52 • Businesses that derive income from passive investments without operational ties to operational
- 53 businesses
- 54 • Businesses that engage in sexually explicit goods/services
- 55 • Businesses that engage in gambling enterprises
- 56 • Businesses that engage in activities prohibited by law
- 57 • Businesses that earn revenue from pyramid schemes, lending services and/or day trading/short term
- 58 investments
- 59 • Businesses that are not in compliance with all state and local laws and regulations pertaining to
- 60 licensing, building codes, zoning, and environmental requirements
- 61 • Businesses that have delinquent taxes, bills, fines or other charges due to the city

62
63 Anticipated Total Program Funding

- 64 • *Maximum micro-loan* funding per business would be \$5,000 (not to include Open to Business fees)
- 65 • Total program budget would not exceed \$30,000
- 66 • Administrative fees would not exceed \$5,000 (included in the \$30,000)
- 67 • Funding must be dispersed by December 1, 2024 (deadline for ARPA)
- 68 • Micro-loans would be administered through Open to Business
- 69 • Open to Business would be responsible for execution of loan agreements with loan recipients and
- 70 follow-up after 90 days regarding loan forgiveness criteria
- 71 • Open to Business would enter into an agreement with the REDA for program administration

72
73 Anticipated Minimum & Maximum Loan Amounts – loan award to be determined based on need*

- 74 • \$5,000 max (would result in no less than 5 recipients)
- 75 • \$1,500 min
- 76 • If costs of improvement exceeds micro-loan proceeds, then the business will need to show proof of
- 77 funds to complete improvements before award of loan.

78
79 *Loan award amount would be based upon need - businesses with the most demonstrated need would receive the maximum
80 funding and businesses not able to demonstrate need would not be funded. Total number of loans awarded, and loan amounts,
81 would be driven by available funding and number of qualified applicants.

83 As previously discussed at the March REDA meeting, this program is proposed as a pilot program due to
84 the type of funds being used (ARPA) and to gauge actual interest and use by Roseville businesses. The
85 attached resolution allows for the Executive Director to make modifications to implement the program
86 based on the following conditions:

- 87 • Amendments or consents do not materially adversely affect the interests of the REDA,
- 88 • Amendments or consents do not contravene or violate any policy of the REDA, the City or
89 applicable provision of law, and
- 90 • Amendments or consents are acceptable in form and substance to the counsel retained by the
91 REDA to review such amendments.

92
93 If the program is deemed successful, the REDA could consider continuing the program in some form at a
94 future date after all funds allocated to the pilot are extinguished. The pilot program will be reviewed based
95 on lessons learned through implementation. It should be noted that because the pilot program is being
96 funded with ARPA funds, a decision to continue the program would require that a funding source be
97 identified.

98
99 **POLICY OBJECTIVE**
100 The REDA’s role is to coordinate and administer housing, economic development and redevelopment
101 efforts for the City of Roseville.

102
103 **BUDGET IMPLICATIONS**
104 The REDA would utilize up to \$30,000 of ARPA funds for this pilot program.

105
106 **RACIAL EQUITY IMPACT SUMMARY**
107 No specific racial equity impacts have been identified related to this request. However, the need for this
108 program was discovered through the Choose Roseville program where outreach to BIPOC businesses was
109 prioritized. This suggests the likelihood a BIPOC-owned business may benefit from a micro-loan is high.

110
111 **STAFF RECOMMENDATION**
112 Approve the Small Business Micro-Loan Program.

113
114 **REQUESTED REDA ACTION**
115 By motion, adopt the Resolution provided as Attachment D, approving the Small Business Micro-Loan
116 Program.

117
118 Prepared by: Jeanne Kelsey, Housing & Economic Program Manager, 651-791-7086
119
120 Attachments A: Minutes from March 13, 2023 meeting
121 B: Forgivable Micro-Loan Program Guidelines and Application
122 C: Loan Agreement Micro-Loan Program
123 D: Resolution
124
125

built into the agreement versus terms that need to be adhered to. The end goal is to have a delivered facility and Ryan Companies is going in with eyes wide open with the possibility of concessions being made by both parties.

President Roe thanked Mr. Mueller and Mr. Bowen for the presentation and stated he is looking forward to the development of this area.

b. Discuss Small Business Micro-Loan Pilot Program

Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated March 13, 2023.

Member Groff thanked Ms. Kelsey for the presentation. He appreciated the point that the improvements made would stay with the building. He wondered regarding the ninety days because it is not always easy to get someone within that timeframe. He wondered if the ninety days is when the work is completed to get someone in or how will the timeline work.

Ms. Kelsey explained it would be upon the work completion that staff would do the follow-up to see what type of expansion this offered to grow their business.

Member Groff asked how much time there would be from the time of approval to get the work done.

Ms. Kelsey explained it is based upon reimbursement so the entity would have however long it takes to get the job done and based upon the entity submitting the invoices for reimbursement of costs. That means the invoice does not need to be paid but would need to be a cost related to the improvement and then it would be ninety days from that time period.

Member Etten asked if there are any fees or interest that will be incurred within that ninety days.

Ms. Kelsey indicated at this point there will not be any fees or interest charged, this is a deferred loan without any interest.

Member Schroeder asked what administrative fees are included in this.

Ms. Kelsey explained Open to Business is charging the City for their services to work with the business from the beginning of taking the application, reviewing the application and the proposed improvement as well as reviewing the bids to make sure that it is an eligible expense and then from there a follow-up needs to be done and there will need to be a loan agreement administered and put in place with them, collect the data on the business and do the ninety day follow-up afterwards to release the loan agreement from the individual.

Member Schroeder asked if Open to Business charged a percentage.

Ms. Kelsey explained Open to Business charges a twenty percent fee, up to the one thousand dollars.

Member Groff asked if five thousand dollars enough to make a difference with the businesses Ms. Kelsey has talked to.

Ms. Kelsey explained for one business primarily that is the expense for doing one of the improvements and another business who has an expense of an electrical upgrade was eight thousand dollars so staff felt that five thousand dollars, for small business, is something that maybe is holding them back to make that improvement. If the EDA would like to go higher, that is up to them.

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

President Roe thought the question tonight is not necessarily an approval to put this in place but rather to initiate the process.

Ms. Kelsey explained that was correct and staff would bring this back based upon any direction the EDA gives them with a final resolution.

Member Strahan explained the EDA is looking at utilizing thirty thousand dollars and she wondered if this would be one time or re-utilization of the dollars when the loans are paid back.

Ms. Kelsey explained the loans would not be repaid and would be forgiven after ninety days.

Member Strahan indicated this would be a one time up to five thousand dollars per business.

Mr. Trudgeon explained this is using ARPA dollars to see how it work and then at the end of that if this is successful the City would need to look at some ongoing funding if the program is to be continued.

President Roe thought there should be some discretion built into the program to allow for more money for certain improvements to be made. Five thousand dollars would be the target but there could be an opportunity to get more. This would affect the ability of someone else to get one of these loans as well but the EDA also has the flexibility in terms of increasing the total funding. He believed the City was not pushing up against their limit of the ARPA funds.

Mr. Trudgeon indicated the City is getting there but still have enough money.

Member Groff indicated he would be interested in that because he knew the ability to get things done is higher than five thousand dollars almost on any project he has seen over the last couple of years. He would be interested in the flexibility on that number but was not sure how to go about doing that.

Member Etten indicated he was supportive of the program and appreciated the job component tied to it and appreciated who the City is working with and reaching out to. The flexibility does become an interesting thing and understood the point, but he would rather see if the City can impact some businesses using the five thousand dollar as a limit and then seek more funds later on if needed.

Member Schroeder supported the program and thought this is a positive thing to help work toward trust between the small business and the Government. She did like the positive attributes to this entire thing and supports it.

Member Strahan indicated she also supports this and appreciates that this applies to people who are renters. She did want to know how rigid adding new staff for a small business would be on that.

Attorney Fiorini explained this is a requirement that gets at the public purpose of the act. In order for the Government to expend public funds there needs to be a public purpose and one of the EDA's clear purposes is to create jobs and help businesses expand. One of her comments was this is tied to job creation and it helps provide support for why the EDA is doing this.

Groff moved, Strahan seconded, authorizing the next step in the process of setting up this proposes small business micro loan program

Ayes: 5

Nays: 0

Motion carried.

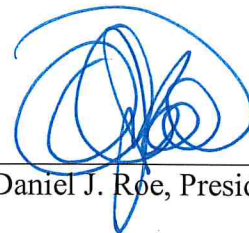
6. **Adjourn**

Etten moved, Schroeder seconded, adjourning the REDA meeting at approximately 6:57 p.m.

Ayes: 5

Nays: 0

Motion carried.



Daniel J. Roe, President

ATTEST:



Pat Trudgeon, Executive Director



Forgivable Micro-Loan Guidelines

The Roseville Economic Development Authority (“REDA”) is providing forgivable loans up to \$5,000 for small businesses with 5 or fewer full-time equivalent employees to assist the business with making capital improvements. Applications are on a first-come, first-served basis. Loans would be given to businesses to fund capital improvements that foster business growth and business expansions, help redevelop and improve aging commercial properties, and help create and retain jobs in the City of Roseville.

Program Parameters

Loan funds are only to be used for capital improvements. Eligible capital improvements include, but are not limited to: repair, renovation and rehabilitation of buildings; building code corrections; and façade improvements.

To be eligible for a small business micro-loan, a business must meet **all** of the following criteria:

- Employ no more than 5 full-time equivalent employees (including the business owner).
- Have a brick-and-mortar presence in Roseville. Home-based businesses are not eligible for funds, unless the funds are proposed to be used towards expansion into a brick-and-mortar location in Roseville.
- The business must use the micro-loan proceeds in connection with an expansion of the business’s operations that results in an increase of employees or be able to demonstrate that the funds are necessary to help prevent job loss.

Loan Structure

- Micro-loans would be forgiven if the business remains open in the City of Roseville for a period of 3 months.
- At the end of 3 months, the business must provide a statement describing how the assistance helped to expand the business, increase the number of employees, or retain employees.
- Micro-loan proceeds would be disbursed directly to the contractor who completed the capital improvements following receipt of a final invoice.
- Micro-loan recipients would enter into a forgivable loan agreement with and deliver a promissory note to the REDA. Micro-loan proceeds must be disbursed within 6 months of execution of the loan agreement

Application Requirements

- Basic details about the business (who, what, where).
- Must be able to demonstrate the business has been in business for at least one year.
- Description of capital improvements to be funded.
- A statement of need, including whether access to traditional funding has been explored, and if yes, why traditional funding was not pursued for the intended use

- of the micro-loan.
- A summary of the business's monthly revenues & expenditures for the last 1-2 years.
- An explanation of how the micro-loan will help the business remain and expand in the City of Roseville and/or create or retain jobs.

Businesses Not Eligible

The following businesses **are not** eligible:

- Businesses that do not have a physical address within the City of Roseville
- Non-profit organizations
- Businesses with annual gross revenues greater than \$1 million
- Chain retail
- Businesses that derive income from passive investments without operational ties to operational businesses
- Businesses that engage in sexually explicit goods/services
- Businesses that engage in gambling enterprises
- Businesses that engage in activities prohibited by law
- Businesses that earn revenue from pyramid schemes, lending services and/or day trading/short term investments
- Businesses that are not in compliance with all state and local laws and regulations pertaining to licensing, building codes, zoning, and environmental requirements.
- Businesses that have delinquent taxes, bills, fines or other charges due to the city.

REDA reserves the right to approve or reject any application on a case-by-case basis, taking into consideration factors considered appropriate by REDA, in addition to established policies, criteria, and potential benefits. Meeting the criteria does not guarantee an application will be approved. Approval or denial of an application is at the sole discretion of REDA.

Forgivable Micro-Loan Application

**Indicates required field*

Applicant Information

* First Name:

* Last Name:

* Primary Phone:

Secondary Phone:

* Email Address:

Business Information

*Business Legal Name:

*Business Operating Name (if different):

* Business Address:

*City:

*State: MN

*ZIP Code:

*Describe type of business and what services do you provide:

How many employees do you have?:

*Part-Time? ____ Full-Time including yourself?

*Date business opened in the City of Roseville?

* For what purpose will you use the forgivable loan? State your need. How exactly will the money be used?

*Description of Loan request

a. Loan amount requested: \$ _____

b. Estimate total cost of the proposed project: \$ _____

c. If the total cost of the proposed project, list the other sources of funds and how much each source will provide:

Applicant Equity: \$ _____

Bank Loan: \$ _____

Other (please describe): \$ _____

*Has your business sought other traditional funding sources? If yes, why weren't funding sources used?

* Will the funds be used to expand the business operations that will result in an increase of employees? If so, how many employees will be added?

*If no new jobs will be created, how will the funds otherwise help your business retain employees? How many employees will be retained due to the funds provided? What circumstances have led to your possible reduction in staffing in the last year and how will these funds help address this issue?

* What is your goal, and how will this loan help you retain the business or achieve business growth/job creation?

* What is your time frame for completing the project related to this forgivable loan?

*What was the business' annual gross revenue last year?

* Please provide a summary of the business's monthly revenues & expenditures for the last 1-2 years. *(optionally supply as an attachment)*

Gender (please select):

- Male
- Female
- Other

Ethnicity (please select):

- African
- African American
- Asian
- Native American
- White/Caucasian
- Hispanic/Latino/a
- Multi-racial
- Other

What is the highest education level you have completed?:

The data provided on this form will be used by the REDA to evaluate an application for financial assistance. I understand that this data may be subject to disclosure in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13. You are not required to provide the information requested in this application, but the REDA will not process an application without all requested information.

I hereby affirm that all the information above and information and documents provided in connection with this application are true and accurate to the best of my knowledge. I have read and fully agree to be bound by the Forgivable Micro-Loan Guidelines.

X

MCCD BUSINESS ADVISORS:

* Overall, how do you rate the applicant's level of confidence and outlook?

1. not positive
2. rarely positive
3. somewhat positive
4. often positive
5.

* Why do you recommend this client for a Roseville micro-forgivable loan?

**LOAN AGREEMENT FOR THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY'S
FORGIVABLE MICROLOAN PROGRAM**

This Loan Agreement (this "Agreement") is made this __ day of _____, 2023, between the Roseville Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("Lender"), and _____ [name of business], a Minnesota _____ [type of business entity, e.g. limited liability company, sole proprietorship, assumed name, etc.] ("Borrower").

RECITALS

A. Lender has created a small business forgivable loan program (the "Program") intended to diversify and strengthen the economic fabric of the City of Roseville, Minnesota (the "City") by (i) providing financial resources to small businesses located within the City that may struggle to obtain traditional financing, (ii) improving the odds of businesses successfully expanding in the City, (iii) redeveloping and improving commercial properties in the City, (iv) helping small businesses create and retain jobs in the City, and (v) providing opportunities for wealth building, and Lender has approved guidelines for the Program (the "Program Guidelines").

B. Borrower has submitted a loan application (the "Loan Application") and Lender has approved a forgivable loan to Borrower in the maximum principal amount of \$_____ (the "Loan") to pay a portion of the expenses described in Exhibit A attached hereto, in connection with Borrower's _____ [kind of business, e.g. restaurant, salon, etc.] located at _____ [address] in the City (the "Project").

C. Lender and Borrower wish to memorialize the terms of the Loan in this Agreement.

ACCORDINGLY, to induce Lender to make the Loan to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **The Loan Amount.** Subject to the terms and conditions of this Agreement, the Note (as hereinafter defined), the Program Guidelines, and the Loan Application, Borrower agrees to take and Lender agrees to make a loan in the principal amount of _____ Dollars and no/100 (\$_____.00) or so much thereof as is disbursed to Borrower in accordance with this Agreement. The Loan shall be evidenced by a promissory note (the "Note"), substantially in the form of Exhibit B attached to this Agreement. Proceeds of the Loan shall be disbursed in accordance with Section 2 hereof.

2. Disbursement of Loan Proceeds.

(a) The Loan shall be disbursed in a single lump sum directly to the contractor who completes the Project (“Contractor”) upon delivery to the Lender of the following:

(i) Loan Documents. Executed copies of this Agreement and the Note;

(ii) Borrower’s Organizational Documents. Copies of Borrower’s organizational documents, including articles of incorporation or articles of organization, as applicable, a certificate of good standing issued by the Minnesota Secretary of State, and evidence that it has a city, state, or federal license to do business or relevant professional license;

(iii) Business Location Information. Borrower has submitted a copy of a fully executed lease or purchase agreement clearly indicating the Project is located within the City;

(iv) Other Funding Sources. If the Borrower is using other funding sources to complete the Project, the Borrower has provided evidence reasonably satisfactory to the Lender that all other sources of funding for the Project have been disbursed, which may include the submission of paid invoices, a bank closing statement, or written confirmation from the Contractor that it has received payment from other sources in an amount sufficient to complete the Project; and

(v) Contractor Documents. The final invoice, a lien waiver for all work done, verification that any City permit has been properly closed and an executed Certificate of Completion in the form attached hereto as Exhibit D.

(b) Upon receipt by Lender of the items required pursuant to this section hereof in the form and condition required therein, Lender agrees to disburse the Loan proceeds to the Contractor in an amount not to exceed the lesser of (a) the costs of the Project or (b) the Loan amount.

3. Representations and Warranties. Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized to sign, deliver, and perform this Agreement and to receive the Loan from Lender and constitutes its lawful and binding obligation, legally enforceable against it.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not violate or conflict with, or cause any default or event of default to occur under any agreement binding upon Borrower.

(c)

(d) Borrower agrees that it will keep and maintain books, records, and other documents relating directly to the receipt and disbursement of proceeds of the Loan and that any authorized representative of Lender, with reasonable advance notice, may have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Borrower related to the Loan for 6 years after the date hereof.

(e) To the best of Borrower's knowledge, Borrower has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the term of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to notify Lender of such noncompliance and take any necessary action to comply with the state or federal law in question.

(f) Borrower warrants that it will use the proceeds of the Loan made by Lender solely to finance the Project.

(g) Borrower will comply with all state and local laws pertaining to licensing, building codes, zoning, and environmental requirements. Borrower represents that it does not have delinquent taxes, bills, fines or other charges due to the City. Borrower represents and certifies that the Project is a conforming or legally nonconforming use under the current zoning regulations of the City.

(h) Borrower represents and certifies that is an eligible recipient of the Loan under the Program Guidelines. Borrower further represents and certifies that it is a small business with less than 5 employees and has annual gross revenues of less than \$1,000,000. The Borrower represents and certifies that the Project will be undertaken in connection with an expansion of its existing business resulting in the creation of jobs.

4. **Event of Default by Borrower.** The following shall be Events of Default under this Agreement:

- (a) failure to pay any principal or interest on the Loan when due;
- (b) any representation or warranty made by Borrower herein or in any document, instrument, or certificate given in connection with this Agreement or the Note that is false when made;
- (c) any breach or failure of Borrower to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; or
- (f) any breach by Borrower of any other agreement between Borrower or Lender relating to the Loan and/or the Project, including but not limited to a breach of a covenant by Borrower in the Note.

5. **Lender's Remedies upon Borrower's Default.** Upon an Event of Default by Borrower and after provision by Lender of written notice thereof, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

- (a) declare the principal amount of the Loan and any accrued interest thereon to be immediately due and payable;
- (b) suspend its performance under this Agreement; and
- (c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note.

6. **Lender's Costs of Enforcement of Agreement.** If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

7. **No Business Subsidy.** The parties agree that the Loan is not a business subsidy as defined in Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the "Business Subsidy Act"), because the assistance is in the amount of less than \$25,000.

8. **Forgiveness.**

(a) If Borrower (i) continues to operate its business in the City for a period of three (3) months from the date of disbursement of the proceeds of the Loan (the "Required Operations Period") and (ii) provides a summary to Lender describing how the funds helped it expand its business and increase or retain its number of employees as required by the Program Guidelines in substantially the form set forth in Exhibit B (the "Summary") on the three (3) month anniversary of the date hereof (the "Deadline Date"), then the Loan shall be forgiven upon written confirmation from Lender.

(b) If Borrower (i) ceases to operate its business during the Required Operations Period or (ii) fails to submit the Summary by the Deadline Date, then the Loan shall not be forgiven, and Lender may by written notice to Borrower declare the Loan due and payable (the "Default Notice"), whereupon the Loan and all amounts owing with respect to this Agreement and the Note shall immediately become due and payable. In such event, Lender may proceed to exercise any right or remedy under the Note. Borrower shall repay the Loan with interest as follows:

(i) The principal amount of the Loan to be repaid shall equal the amount of the Loan disbursed to Borrower in accordance with this Agreement commencing on the date of the Default Notice.

(ii) Payments of principal and interest shall commence on the 15th day of the first month following the date of the Default Notice and continue each and every month on the 15th day of each month through and including the 15th day of the 24th month after the Default Notice or such other repayment term as agreed to by the Executive Director of the Lender.

9. Indemnification.

(a) Borrower shall and does hereby agree to protect, defend, indemnify and hold Lender and the City, and their officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender or the City by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment by Lender of any portion of the Loan.

10. Miscellaneous.

(a) **Waiver.** The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by Borrower and Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

(b) **Assignment.** This Agreement is binding upon the parties. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender.

(c) **Governing Law.** This Agreement is made and shall be governed in all respects by 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.

(d) **Severability.** If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(e) **Notice.** All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Lender: Roseville Economic Development Authority
2660 Civic Center Drive
Roseville, MN 55113
Attn: Executive Director

To Borrower: [Borrower address]

Attn: _____

(f) **Termination.** If the Loan is not disbursed pursuant to this Agreement within 6 months hereof, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement, then Borrower shall pay to Lender all reasonable attorneys' fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note.

(g) **Entire Agreement.** This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) **Electronic Signatures; Execution in Counterparts.** The electronic signature of the parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the parties hereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(i) **Data Practices.** All data collected, created, received, maintained or disseminated for any purpose in the course of the Grantee's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

Lender:
ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Its President

By: _____

Its Executive Director

Borrower:

[Business name]

By: _____

Title: _____

[SIGNATURE PAGE TO LOAN AGREEMENT – BORROWER]

EXHIBIT A
LOAN ACTIVITIES

EXHIBIT B**PROMISSORY NOTE**

\$ _____ .00 _____, 2023

_____ [name of business], a Minnesota _____ [type of business entity, e.g. limited liability company, sole proprietorship, assumed name, etc.] (“Borrower”), for value received, hereby promises to pay to the Roseville Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota, its successors and assigns (“Lender”), at its designated principal office or such other place as Lender may designate in writing, the principal sum of _____ and No/100ths Dollars (\$ _____ .00) or so much thereof as may be advanced under this Note (the “Loan”), with interest thereon at the per annum rate of 0% as determined on or about the date Lender provides notice in writing to Borrower declaring the Loan due and payable (the “Default Notice”), accruing on the disbursed amount from the date of the Default Notice, in any coin or currency which at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal and interest of this Note is payable as follows:

1. On the fifteenth (15th) day of each month (each a “Payment Date”), commencing on the 15th day of first month following the date of the Default Notice, through and including the 15th day of the 12th month after the Default Notice, Borrower shall pay an amount equal to the accrued interest from the preceding Payment Date (or with respect to the first Payment date, from the date of the Default Notice) and a portion of the principal in an amount sufficient to fully amortize this Note based on a level monthly payment of principal and interest by the Loan Payoff Date (as hereinafter defined), provided, however, the entire balance of principal and accrued and unpaid interest as of 24 months from the date of the Default Notice (the “Loan Payoff Date”) shall be due and payable in full on the Loan Payoff Date, as provided in the amortization schedule to be prepared and attached hereto as Exhibit A at or about the time Lender provides the Default Notice to Borrower. If Borrower does not pay the amount due within 10 days after any Payment Date, a penalty of fifty dollars (\$50.00) will be added to the amount due.

2. Borrower shall have the right to prepay the outstanding principal and interest amount of this Note, in whole or in part, on any date without penalty.

3. As provided in the Loan Agreement (as hereinafter defined), if Borrower continues to operate its business in the City of Roseville, Minnesota (the “City”) for a period of three (3) months from the date of disbursement of the proceeds of the Loan (the “Required Operations Period”) and provide a written summary to Lender as set forth in the Loan Agreement, the Loan shall be forgiven; provided however if Borrower ceases to operate its business during the Required Operations Period, then the Loan shall not be forgiven, and the amounts payable under the Loan Agreement and this Note will immediately become due and payable. The Loan shall be repaid in accordance with the terms of Loan Agreement.

4. The Loan has been authorized pursuant to a resolution adopted by the Board of Commissioners of Lender approving the Program (as defined in the Loan Agreement) on May 15, 2023. This Note evidences the Loan and is given pursuant to the Loan Agreement, dated _____, 2023 (the “Loan Agreement”), between Borrower and Lender.

It is agreed that time is of the essence of this Note. If an Event of Default occurs hereunder or under the Loan Agreement then Lender may at its right and option, take all actions under the Loan Agreement.

5. The remedies of Lender as provided herein and in the Loan Agreement, shall be cumulative and concurrent and may be pursued singly, successively, or together and, at the sole discretion of Lender, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. The obligations of Borrower hereunder are unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against Lender, the City, or any government body or other person.

7. If any of the terms of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such terms to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each of the terms of this Note shall be valid and enforceable to the fullest extent permitted by law.

8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and governed by the laws of the State of Minnesota.

9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be duly executed as of the date first written above.

Borrower:

[Business name]

By: _____

Title: _____

EXHIBIT C

LOAN SUMMARY FOR THE ROSEVILLE EDA

Applicant Information

Name: _____

Business Legal Name: _____

Business Address: _____

How many employees do you have:

Part-Time? ____ Full-Time including yourself?

Is the business still operating in Roseville? Yes/No

What were the proceeds of the Roseville EDA financing used for?

How many employees were you able to add due to the Roseville EDA financing?

How did the Roseville EDA financing help your business expand?

If now new jobs were created, how did the Roseville EDA financing help your business retain job and remain in the City of Roseville? How many jobs were retained?

How did the Roseville EDA financing help your business achieve its goals including the goals listed in the application submitted in connection with the financing?

EXHIBIT D

CERTIFICATE OF COMPLETION

WHEREAS, the Roseville Economic Development Authority (the “Lender”) and _____ [name of business] (the “Borrower”) entered into a certain Loan Agreement (the “Agreement”) dated as of _____, 2023, wherein the Lender provided a forgivable loan to the Borrower in the maximum principal amount of \$_____ (the “Loan”) to pay all or a portion of the costs to complete the Project (as defined in the Agreement);

WHEREAS, the Borrower engaged _____ [name of contractor] (the “Contractor”) to construct the Project pursuant to the terms of the Loan Agreement;

NOW, THEREFORE, this is to certify that all construction and other physical improvements related to the Project specified to be done and made by the Borrower and the Contractor have been completed, and the Borrower maintains and affirms the representations and warranties in Section 4 of the Agreement, and this Certificate of Completion is intended to be a conclusive determination of the satisfactory termination of the Project, but any other covenants in the Agreement shall remain in full force and effect.

Dated: _____, 20__.

BORROWER

By _____
Its _____

CONTRACTOR

By _____
Its _____

46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91

WHEREAS, in connection with the Program, REDA has prepared a model Loan Agreement and Promissory Note (the “Loan Documents”) to be executed in connection with the provision of each loan provided under the Program;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Board hereby approves the Program and the Board finds, determines and declares that it is in the public interest of the residents and businesses of the City that the Program be adopted.
2. The Board hereby approves any related documents necessary in connection with the Program, including without limitation, the Guidelines, the Application, the Loan Documents and all other documents or certifications referenced in or attached to the Guidelines and the Application (collectively, the “Program Documents”) and the REDA Executive Director (the “Executive Director”) is hereby authorized to execute the Program Documents on behalf of REDA, and to carry out, on behalf of REDA, REDA’s obligations thereunder when all conditions precedent thereto have been satisfied. The Board hereby delegates to the Executive Director the authority to administer the Program in accordance with the Guidelines including without limitation processing and approving Program applications and executing Program Documents pursuant to the Guidelines and the Application.
3. The Board authorizes the expenditure of available REDA general fund dollars for the implementation of the Program in the amount of up to \$30,000.
4. The approval hereby given to the Program Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to REDA and by the Executive Director prior to their execution; and the Executive Director is hereby authorized to approve said changes on behalf of REDA. The execution of any instrument by the appropriate officers of REDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Executive Director, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of legal counsel to REDA, may act on the Executive Director’s behalf.
5. The authority to approve, execute and deliver future amendments to the Program Documents is hereby delegated to the Executive Director, subject

92 to the following conditions: (a) such amendments or consents do not
93 materially adversely affect the interests of the REDA; (b) such
94 amendments or consents do not contravene or violate any policy of the
95 REDA, the City or applicable provision of law, and (c) such amendments
96 or consents are acceptable in form and substance to the counsel retained
97 by the REDA to review such amendments. The execution of any
98 instrument by the Executive Director shall be conclusive evidence of the
99 approval of such instruments in accordance with the terms hereof.

- 100
101 6. The Board authorizes and directs the Executive Director and REDA staff
102 to undertake and implement the Program and Program Documents as
103 provided therein and take all actions necessary in connection therewith.
104

105
106 The motion for the adoption of the foregoing resolution was duly seconded by Member
107

108 , and upon a vote being taken thereon, the following voted in favor thereof:
109

110 and the following voted against the same:
111

112 WHEREUPON said resolution was declared duly passed and adopted.
113

Certificate

114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regular meeting thereof on April 10, 2023.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this __ day of April, 2023.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority


ROSEVILLE
ECONOMIC DEVELOPMENT AUTHORITY

Date: May 15, 2023
Item No.: 5.c

Department Approval

Executive Director Approval

Janice Gundlach

Randy Trueman

Item Description: Consider replenishment of funds for various home loan programs

BACKGROUND

On July 19, 2021 the Roseville Economic Development Authority (REDA) adopted a Senior Deferred loan, a Manufactured Home Improvement loan, a Last Resort-Emergency Deferred loan and a First Generation Down Payment Assistance Program. Then, on May 16, 2022 changes were made to the Roseville Revolving Home Improvement Loan program, specifically a lowering of the interest rate from 4% to 3% and a change to how the origination and administrative fees were funded whereby these small, one-time costs were moved to the REDA's annual budget funds as opposed to being paid for out of the existing revolving loan fund. These changes were made in an effort to create a more competitive loan so that funds would be utilized for their intended purpose given the former program's parameters had become outdated, new loans were not being processed, and the balance in the revolving loan fund was growing. All of these home improvement loans were created or revised based upon the expertise of the Center for Energy and Environment (CEE), who serves as the loan programs' administrator.

The following is a summary of each loan program CEE administers on behalf of the REDA.

Residential Revolving Loan Program

This program provides loans from \$10,000 to \$40,000 for home improvements at an interest rate of 3% amortized over 10 years. The program does not have any income qualifications but does require that the home value not exceed the current median value in Roseville. The 2023 median value is \$335,400. The program allows for an adjustment up to 110% of median value, which currently equates to \$368,940. The median value is annually adjusted based upon Ramsey County Tax Assessor Records. Since revision of the interest rate on May 16, 2022 the program has closed on eighteen new loans.

Last Resort – Emergency Deferred Program

This program funds an emergency, which is defined as a condition that makes the house uninhabitable, extremely dangerous to the occupants, or is capable of causing severe health problems. The loan is deferred, but not forgiven, at an interest rate of 0%. The maximum loan amount is \$10,000. There is no debt-to-income ratio requirement and the loan is due upon sale of the home, or refinancing when taking cash out. No loans have been originated since adoption of this program in July of 2021.

Manufactured Home Improvement Program

This program is designed to fund interior or exterior improvements to manufactured homes. The

loan is amortized over a maximum term of 10 years at a 4% interest rate. The maximum loan amount is \$10,000. The loan has debt-to-income and loan-to-value requirements. No Loans have been originated since adoption of this program in July of 2021. Staff would note that every manufactured home received a letter (in English & Spanish) advertising this loan program shortly after it was created.

Senior Deferred Loan Program

This program is designed to fund interior and exterior improvements. It is targeted to seniors, is deferred, and has a 0% interest rate. The maximum loan amount is \$25,000. There is no debt-to-income ratio requirement, but a loan-to-value of 110% does apply. The loan is due upon sale of the home. CEE conducts an inspection to prioritize improvements that should be done to the home to ensure the loan proceeds fund appropriate/necessary improvements. Seventeen loans have been originated since creation of the program in July of 2021.

Down Payment Assistance (DPA) Program

The program is designed to help underserved communities who seek to be first generation home owners with a \$25,000 deferred loan. One of two qualifiers is that the parents have never owned a home or the parent lost a home to foreclosure. In order to meet this criterion, the applicant signs an affidavit representing their parent’s status and if it is found to be a false statement, the charges could result in a felony conviction, imprisonment for up to two years, and a monetary fine of up to \$20,000. Three loans have been originated since creation of the program in July of 2021.

All programs have been funded using the existing account balance in the Roseville Revolving Home Improvement Loan fund. Due to the popularity of the newly created programs, and the adjustments to the Revolving Loan program, the existing account balance has been greatly reduced. In accordance with the commitments made at the time these loan programs were created, the REDA has been advised by CEE that funding is running low. Based on total funds originally available, REDA staff and CEE allocated funding levels to each program to ensure funds were available for each of the different loan programs. These allocations were based on CEE’s expertise and experience in administering these, and similar, loan programs. Below is what remains in the account balance and budget for use in each of the programs.

<u>Program</u>	<u>Funds Remaining</u>
Roseville Revolving Home Improvement	\$156,214.00
Sr. Deferred Loan	\$20,251.00
1st Gen DPA Loan	\$25,000.00
Manufactured Home Loan	\$30,000.00
Emergency Deferred Loan	<u>\$30,000.00</u>
TOTAL	\$261,465.00

Beyond loans that have closed, there are currently five loan applications in-process for the Roseville Revolving Home Improvement Loan.

If the REDA wishes to sustain these programs, additional funding must be identified. Staff has identified two sources of funding for the REDA’s consideration:

- Excess REDA operating fund balance. As of April 20, 2023, the current balance in the REDA operating fund is \$533,170. The target balance for this fund is 35% of the operating budget, which

83 for the current year is approximately \$182,000. This suggests there is approximately \$350,000 of
84 excess funds in the REDA operating fund.

- 85 • Housing Redevelopment Authority (HRA) funds from the multifamily account, which has a current
86 balance of \$1,761,849.

87
88 Based on the two sources identified above, staff suggests utilizing \$200,000 from the REDA operating fund
89 and \$300,000 from the multifamily account, for a total of \$500,000, to replenish the Roseville Revolving
90 Home Improvement Loan fund, which funds all the programs outlined earlier in this report. The additional
91 \$500,000 should be sufficient funding through at least 2023. The popularity of the various programs,
92 specifically the Revolving Home Improvement, Senior Deferred, and First Generation DPA is not likely to
93 sustain at the current level, which is a product of pent-up demand immediately following creation of the
94 programs and lowering of the interest rate.

95
96 If the REDA wishes to replenish funding for the various loan programs, staff seeks direction on budget for
97 each of the programs. After consultation with CEE, staff suggests the following budgets, assuming
98 \$500,000 of additional funding is deemed appropriate:

100 Roseville Revolving Home Improvement	\$280,000.00
101 Sr. Deferred Loan	\$145,000.00
102 1st Gen DPA Loan	\$75,000.00*
103 Manufactured Home Loan	no additional budget requested
104 Emergency Deferred Loan	<u>no additional budget requested</u>
105 TOTAL	\$500,000

106
107 *When Roseville adopted the DPA program, Ramsey County was in the process of reviewing their DPA
108 program as it was underutilized with the current market conditions. The County has revised their DPA
109 program and now offers two. The first is geared to first time buyers and provides a deferred loan up to
110 \$20,000. The second is for 1st generation homeownership and provides up to 25% of the purchase price and
111 is forgiven over 20 years. The current maximum purchase price for the first generation program is
112 \$372,600, thus offering up to \$93,150 of funds forgiven over 20 years. The Roseville DPA can be utilized
113 together with Ramsey County's programs. Given how the County has revised their DPA offerings since the
114 REDA-created DPA program went into effect, the REDA may want to consider if it's still appropriate to
115 fund a Roseville DPA program. Staff would note that one reason the REDA created the DPA program
116 currently in place was because the County did not previously offer a program specific to first generation
117 buyers. Also worth noting is the State of Minnesota, during the current legislative session, is proposing to
118 provide one time funding for a First Generation DPA program. If the REDA decides not to continue to
119 budget for DPA loans, the \$75,000 budget noted above could, instead, be allocated towards the Senior
120 Deferred loan.

121 **POLICY OBJECTIVE**

122 The REDA's role is to coordinate and administer housing, economic development and redevelopment
123 efforts for the City of Roseville.

124 **RACIAL EQUITY IMPACT SUMMARY**

125 There are no identified racial equity impacts related to this request.

126 **BUDGET IMPLICATIONS**

127 Excess REDA operating funds of \$200,000 and \$300,000 from the HRA levy multifamily account are
128
129
130

131 proposed to be utilized towards home improvement loans.

132

133 **STAFF RECOMMENDATION**

134 Staff recommends the REDA allocate an additional \$500,000 towards the Revolving Loan fund, based
135 on the following sources and budget:

- 136 • Transfer \$200,000 from the EDA operating fund
- 137 • Transfer \$300,000 from the HRA multifamily account
- 138 • Budget the newly allocated \$500,000 towards the following programs:
 - 139 ○ \$280,000 to the Revolving Home Improvement program
 - 140 ○ \$145,000 to the Senior Deferred program
 - 141 ○ Make a determination of whether to continue to fund the First Generation Down
142 Payment Assistance program. If the REDA wishes to continue to offer this program,
143 staff recommends allocating \$75,000 of additional funds. If it is determined the Ramsey
144 County programs are sufficient to meet Roseville’s needs, funds should be allocated to
145 the Senior Deferred program.

146

147 **REQUESTED EDA ACTION**

148 By motion, provide direction to staff on replenishment of the various home improvement loan
149 programs, including sources and levels of funding.

150

151 Prepared by: Jeanne Kelsey, Housing & Economic Program Manager, 651-791-7086