

Planning Commission Housing Assistance Policy Sub-Committee

Agenda for Meeting #2

Tuesday May 7, 2013 @ 3:00 p.m. Trott Brook Room (Note Room Change)

Members

Randy Bauer
Joseph Field
Matthew Maul

Staff

Tim Gladhill, Development Services Manager
Tina Goodroad, Consulting Planner

Sub-Committee Purpose Statement

The Planning Commission has established an ad-hoc sub-committee to complete a draft Housing Assistance Policy directed by the City Council. The Policy will be considered for adoption by the City Council upon completion of the draft.

Background

The City Council has directed City Staff to prepare a Housing Assistance Policy to proactively guide review of requests for assistance related to housing developments. The Policy is intended to provide a framework for review to ensure that proposals meet the City's goals and implementation strategies related housing and makes good use of the limited resources available to the City. These resources include, but are not limited to, grants, levies, tax increment financing (TIF), etc.

Review of Meeting #1 Deliverables

1. Interim Policy Statement
2. Housing Assistance Policy Framework

Review Updated Housing Data

At the last meeting, the group directed Staff to prepare current housing data to refresh the information provided in Chapter 7 of Comprehensive Plan (Housing Plan). Staff will present this information at the meeting. If available, Staff will forward this information via email prior to the meeting.

Establish Housing Priorities

The housing types to discuss include, but are not limited to (in no particular order-see samples from peer communities):

1. Single-family detached
2. Single-family attached
3. Multi-family
4. Affordable
5. Market Rate

6. Executive
7. Senior Assisted
8. Senior Independent
9. Senior Skilled Nursing
10. Rental
11. Owner-Occupied
12. New Construction
13. Renovation
14. Redevelopment
15. Energy Efficiency

Establishment of Minimum Thresholds

Minimum thresholds would be categories that all proposals would need to meet. It is suggested that the Goals and Implementation Strategies from the Housing Action Plan serve as the baseline for discussion for the minimum thresholds. As time has progressed and variables have changed, this is an appropriate time to review the effectiveness of these goals and strategies. This process can help guide the next update to the Housing Action Plan. Staff recommends that proposals must indicate how their development will help achieve one of the agreed upon implementation strategies referenced above.

Deliverables

1. Housing Type Priorities
2. Minimum Thresholds

Planning Commission Housing Assistance Policy Sub-Committee

Interim Policy Statement

On March 26, 2013 the City of Ramsey began drafting a Housing Assistance Policy to help guide the City in analyzing requests for City Assistance for housing projects. While the policy is completed through the assistance of an ad-hoc sub-committee of the Planning Commission, the City hereby issues the following Interim Policy Statement to guide current and future requests until such time the formal Housing Assistance Policy is adopted. The final policy is anticipated to be completed in mid-year 2013.

It is hereby the Interim Policy of the City of Ramsey that assistance to housing projects will be considered for the following criteria:

1. Tax Increment Financing (TIF) will not be considered except for rehabilitation projects or redevelopment projects. In addition, any housing project that meets the criteria of the preceding statement must provide an increase of ___% of taxable market value to the community.
2. The City will consider the use of third-party funding such as grants or third-party fund balances.
3. The project must demonstrate that it will achieve at least one goal of the City's Housing Plan (Chapter 7 of the Comprehensive Plan). Successful achievement of the Housing Goal must be illustrated by the successful completion of at least one (1) implementation strategy of the identified Housing Goal.
4. The project must demonstrate its credit-worthiness. The Developer must submit a project pro-forma and a summarized Sources and Uses table.

Part 1: City of Ramsey Housing Assistance Policy- Minimum Thresholds

All applicants must meet one of the following minimum thresholds listed below. These are goals and implementation strategies from the City's Master Housing Plan, adopted as part of the City's 2030 Comprehensive Plan.

Check which threshold best matches your project and describe how your project will meet the implementation strategies:

Goal 1: Provide a variety of housing options for people at all life stages and income levels to encourage existing and future residents to stay in Ramsey throughout their lives and to achieve a balanced housing supply. [Describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]

Implementation Strategies

- 1) Work toward developing various senior housing options including independent living, cooperatives, and assisted living facilities, both market rate and affordable.
- 2) Focus on providing choices for empty-nesters, including aging in place and downsizing, to allow the majority of current residents to stay in Ramsey.
- 3) Provide opportunities for young adults to continue to live in Ramsey after leaving their parents' homes by supporting the development of quality rental housing.
- 4) Provide a balanced housing supply, with approximately 90% ownership housing and 10% rental housing, to expand options for workforce housing and housing for young professionals.
- 5) Continue to develop more affordable single family housing such as condominiums and small-lot single family homes.
- 6) Explore opportunities to attract executive level housing to provide a variety of housing choices and opportunities in the City.

Goal 2: Revitalize/rehabilitate areas where the housing is aging and in need of repair and where the land is underutilized. [Describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]

Implementation Strategies

- 1) Encourage residents to upgrade the functionality and marketability of their aging housing, and put quality additions on as they need more space.
- 2) Provide options for residents to subdivide and/or hook up to municipal services, if they so choose.

- 3) Encourage redevelopment where land is underutilized.

Goal 3: Maintain and improve the housing stock to preserve the character and quality of existing neighborhoods. [Describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]

Implementation Strategies

- 1) Encourage the development of homeowner's associations or common interest communities for areas of older multifamily housing and new subdivisions of smaller lot neighborhoods.
- 2) Develop and maintain a close relationship with existing homeowner's associations.
- 3) Investigate the creation of a homeowner rehabilitation program, and increase marketing efforts for existing county and state home renovation programs.
- 4) Enhance code enforcement efforts.
- 5) Educate Ramsey residents about the importance and value of maintaining their homes.
- 6) Partner with Anoka County to ensure that foreclosed homes that are vacant are maintained and secure.
- 7) Ensure that new housing developments provide appropriate density transition with existing established neighborhoods.
- 8) Update and enhance design standards for new developments and encourage housing construction that incorporates quality and diverse architecture.
- 9) Continue to administer the rental licensing program.

Goal 4: Provide a development environment that increases residential health and respects the natural environment. [Describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]

Implementation Strategies

- 1) Encourage development that incorporates environmentally sensitive site planning, resource efficient building materials and superior indoor environmental quality practices.
- 2) Evaluate additional sustainability standards, such as Minnesota Green Star Certification or LEED, for the Ramsey Town Center.

- 3) Encourage housing development that incorporates connections to existing pathways and creates natural and safe walkable areas.
- 4) Develop partnerships with utilities, banks and green building experts to develop financial incentives for incorporation of green building technologies.
- 5) Evaluate the cost and benefits of incorporating geothermal heating within new and existing housing developments.

End of Part 1

Part 2 (Ranking Threshold Continued on Separate Attachment)

DRAFT

MULTI-FAMILY HOUSING ASSISTANCE POLICY

The Economic Development Authority (EDA) is committed to supporting well-planned multi-family housing development, redevelopment and reinvestment as an important and necessary element of a healthy and vibrant community. The need for investment and reinvestment in multi-family housing will always surpass the ability of the EDA and/or other funding entities to fully finance and/or be a partner in such endeavors. To maximize the impact of EDA involvement, investment priorities have been established as illustrated in Attachment I. This investment priority list will be reviewed and updated by the EDA periodically.

The end objectives of multi-family investment efforts include:

1. Creating housing opportunities and choice for residents
2. Stabilizing and increasing the tax base
3. Removing negative influences that can or have affected a neighborhood and/or the community
4. Rejuvenating the appearance and perception of a given area
5. Leveraging private funding
6. Accomplishing the goals and objectives as specified in various planning documents

Projects will be considered for any combination of economic assistance, including but not limited to tax increment, conduit debt and other resources available to the EDA. The EDA recognizes that investment in multi-family housing projects can be complex and each project might demand a unique set of solutions.

Required Conditions:

1. The EDA supports a full range of housing choices based on best practices to create a vibrant community, maximize land use efficiency, and connect housing with jobs and transportation networks. Projects must include some or all of the *Community Site Principles* described in the 2009 Planning for Multi-family Housing Development report.
2. Projects must meet and exceed all city-established design guidelines.

3. Applicants must work with the City to develop and implement a community engagement strategy early in the design process. For new construction, the engagement process must include multiple approaches to obtaining community input in the project design. Initial community engagement steps must occur prior to the approval of a term sheet and must be consistent with the requirements outlined by the Planning Division.
4. As recommended by the 2009 Planning for Multi-Family Housing Development report, the EDA supports projects that include a healthy and sustainable mix of incomes and unit types. Projects serving families with incomes at or below 50% of area median income (AMI) should income restrict no more than 20% of the units. Projects serving families with incomes at or below 60% of AMI or higher should income restrict no more than 40% of the units.
5. The EDA will establish performance criteria for all supported multi-family projects. Criteria might include the number of police calls, management practices, or other factors that affect livability. Non performance would require the repayment of public funds. Specific criteria will be outlined for each project.
6. The EDA values working with developers and/or managers with local interests.

Assistance Requests:

The EDA will consider approving a term sheet that outlines an intention to provide economic assistance on a proposed project if the conditions listed above are met. Parties interested in economic assistance must submit a written report to the EDA that addresses the following project components:

1. Economic sustainability
2. Environmental sustainability
3. Unit mix (when developing new multi-family housing, must provide a market study demonstrating demand for housing units and proposed unit mix)
4. Traffic impacts (when adding over 150 new units, must provide a traffic study)
5. Community engagement strategy
6. Long-term management program for the development. At a minimum, the description must include qualifications for the party who will manage the property, how tenant screening and lease enforcement will be handled, and what funding will be provided for a maintenance reserve.

A community meeting must be conducted prior to the EDA considering a term sheet. If a term sheet is approved by the EDA for a project, the applicant must submit a deposit for legal and financial consultant fees in accordance with the EDA's Developer Fee Policy.

ATTACHMENT I – MULTI-FAMILY HOUSING INVESTMENT PRIORITIES

Primary Activities

- Projects that support the implementation of the City's Apartment Action Plan

Secondary Activities

- Projects that revitalize challenged neighborhoods
- Projects that provide a housing type that serves an unmet housing need in the City

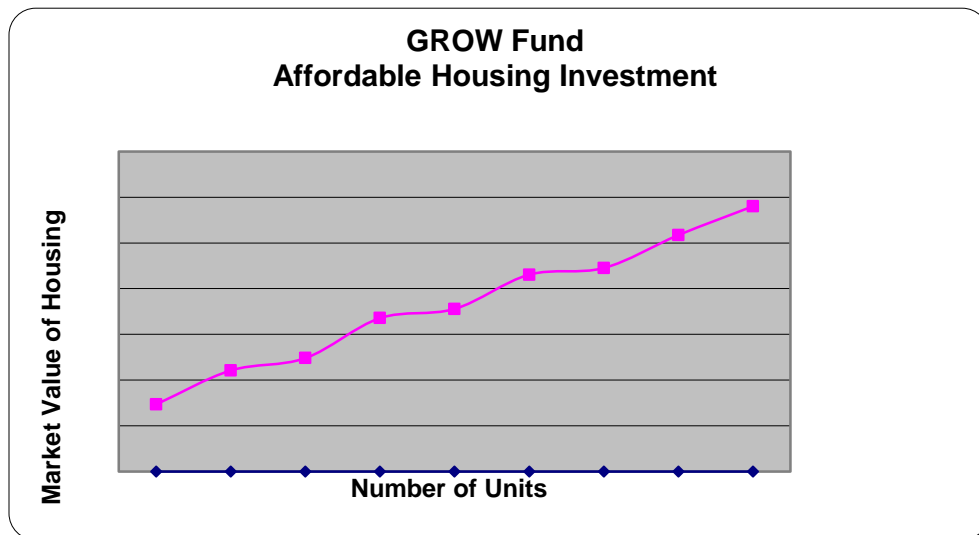


The GROW Fund

Gap Financing for Redevelopment and Rental & Owner Occupied Housing in Washington County

POLICY

Proposed Amendments



OVERVIEW

The Washington County Housing and Redevelopment Authority (the "Authority") is committed to the development of affordable rental and homeownership housing for low and moderate-income households and promoting redevelopment. The Authority will assist in the development, acquisition and rehabilitation, or acquisition and preservation of multifamily rental and single-family homeownership housing as well as redevelopment projects through the "Gap Financing for Redevelopment and Rental and Owner Occupied Housing in Washington County" fund or GROW Fund. GROW funds will be available to fill financing gaps for projects implemented by eligible public or private entities with the capacity to develop affordable housing and/or redevelop distressed property.

Section I—Fund Purpose

The GROW Fund is designed to provide financial resources to create or preserve affordable housing throughout Washington County for households whose incomes are below 80% of the area median income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD) for the Minneapolis / Saint Paul metropolitan area. Note that HUD adjusts AMI guidelines on an annual basis and GROW Fund income limits will adjust accordingly.

The Fund provides gap financing that can be used to leverage public and private sector funds for the construction of new or preservation of affordable housing units in Washington County and for the redevelopment of distressed property. The GROW Fund will be disbursed to qualified applicants as a term loan, deferred loan or forgivable loan for the following uses:

1. New Construction/Land Acquisition
2. Housing Rehabilitation/Acquisition/Preservation
3. Homeownership Opportunities—indirect or direct assistance
4. Redevelopment

Section II —Delegation of Authority

The Washington County Housing and Redevelopment Authority's Board of Commissioners has set guidelines to be used in accordance with the GROW Fund. Authority staff shall be responsible for ensuring that funds are provided only to eligible applicants and expended only for allowable costs. In addition to the establishment of the Fund, the Authority's Executive Director is further authorized to create documents and execute agreements necessary to implement the loan fund.

Section III — Capitalization of the GROW Fund

The GROW Fund consists of, but is not limited to, funding provided by the Authority.

1. **Capitalization of the GROW Fund:** The Authority has established the GROW Fund by appropriating \$150,000.00 to a gap financing program through their annual budget process as of January 1, 2005. Future funding via direct county appropriation will depend on the success of the Fund and the availability of funds through the Authority's levy of or other sources of revenue. The Authority will consider committing an additional monies to the GROW Fund upon demonstrated success of the fund.

2. **Fund Income:** The Fund will utilize a “Revolving Loan Fund” concept. Loan repayments and prepayments will be considered Fund Income and will be deposited back into the fund to make additional loans.
3. **Match Funding:** From time to time, the Fund may receive additional funds from outside sources. Moneys received from other sources will be deposited into the fund and used to make loans.

Section IV —Funding Availability and Notification to Eligible Applicants

The Authority will publicly advertise the availability of GROW funds via the Authority’s website and through direct contact with cities and those developers receiving funding from other affordable housing funds.

For the year 2005 the first funding will be awarded prior to the end of the calendar year. After 2005, funding will be awarded up to twice per year, depending on availability. Generally, the deadline for the first funding round will take place about 60 days prior to the Minnesota Housing Finance Agency's (MHFA) single family RFP process deadline. The second round of funding will take place about 60 days prior to MHFA's multi-family RFP process deadline. With these funding application deadlines, the Fund can work more effectively as financial leveraging tool for other funding programs. If available funds may be awarded outside of these funding cycles if it is determined that funding is necessary for a project that may be considered critical to the affordable housing needs of the County.

Applications will be accepted as noted in Section IV of this Policy. The application is attached in Appendix C. The fee schedule for the application is as follows:

FEE SCHEDULE FOR GROW FUND APPLICATIONS

<i>Total Development Cost</i>	<i>GROW Fund Fee</i>
Under \$250,000	\$250
\$250,001 to \$1,000,000	\$500
\$1,000,001 to \$5,000,000	\$1,000
\$5,000,001 +	\$1,500

After submission and review of an application, the Authority will make one of the following determinations:

1. The Authority may commit to fund the project in whole or in part.
2. The Authority may decline to fund the project in whole or in part.

The Authority will inform the applicant as to the basis for its decision. Recommendations will be presented by Authority staff to the Washington County Authority Board of Commissioners for final approval at a regularly scheduled meeting.

Section V —Threshold Eligibility Requirements for Beneficiaries

GROW funds will focus on those activities that create, preserve, or rehabilitate housing throughout Washington County for the benefit of those eligible households identified. To be eligible for funding through the GROW Fund, the following threshold requirements must be met:

1. **Income Requirements:** Income restrictions will be established according using HUD area median income (AMI) guidelines for the Minneapolis/St. Paul metropolitan statistical area (see appendix A) as follows:
 - a) Rental projects - Occupants must be at or below 60% AMI
 - b) Homeownership assistance - Buyers must be at or below 60%AMI
2. **Rent Requirements:** Rents are based upon the most current HUD AMI rent schedule (e.g. HOME Limits) for 65 percent, less applicable utility allowance (see Appendix A).

A housing development applying for GROW funds which receives a public or non-profit subsidy, tax credits or other assistance under a state or federal may contain market rate units, insofar, as permissible under those Funds. However, GROW funds may not be used to support market rate units.

Section VI - Funding Priorities

The funding priorities of the GROW Fund may vary from time to time depending upon current economic and housing market trends. Listed below are the specific types of projects that may be considered for GROW funding. All projects shall meet the affordability requirements listed in Section V above.

1. New construction of affordable rental units
2. Rehabilitation of existing affordable rental units
3. Preservation of existing affordable rental units
4. Conversion of market rate rental units into affordable rental units
5. Affordable Homeownership
6. Redevelopment projects designated by a municipality

Section VII - Eligible Activities / Costs

GROW Funds can be used for the following activities on either rental or homeownership projects:

1. Land acquisition
2. New Construction
3. Rehabilitation
4. Architectural & Engineering
5. Environmental Remediation
6. Site improvements (i.e. streets, sewer, water, lighting, landscaping)
7. Demolition
8. Homeownership Activities

Special Conditions on Homeownership Activities:

The applicant / developer may establish and administer a program to assist first time homebuyers with down payment and closing cost assistance provided they comply with the conditions listed below:

- a) Individual homebuyers may not apply directly to the GROW Fund for home buying assistance.

- b) GROW Funds shall not be a substitute for other downpayment or closing cost assistance programs. Other programs must be maximized before GROW Funds will be considered.
- c) GROW Funds may be used as downpayment or closing cost assistance for households earning less than 60% AMI, an agreement with a 20 year minimum term for affordability shall be required for any downpayment or closing cost assistance transactions. This agreement shall have provisions that maintain long term affordability of the housing unit similar to those typically used in a land trust model for affordability.
- d) Purchase price limits for first time homebuyers shall be tied to those limits set by MHFA first mortgage programs.
- e) Beneficiaries of the downpayment program would be required to repay GROW funds in the event that they would sell their home, go into default, refinance the home, or at the end of 20 years.

*******FOR REDEVELOPMENT PROPOSALS, SKIP TO SECTION XII.*******

Section VIII - General Requirements (Housing Proposals)

1. **Design Requirements:** Design of the project must comply with all applicable codes, rules and regulations including but not limited to zoning, building and energy codes, accessibility and other local, state, and federal requirements. Those developments in cities and municipalities, which have not adopted the State Building Codes, must design and construct the development to comply with the State Building Code.
2. **Density.** Projects must meet the density requirements of the local jurisdiction. The applicant must submit a zoning letter or other documentation that specifies allowable densities and/or or land use regulatory issues.
3. **Organizational Capacity:** Applications must be received from a duly created and validly existing corporation, partnership, or other entity. Applicants must also demonstrate that the skills and experience of the development team and the property management team (if applicable) are appropriate to the size and complexity of the project.
4. **Community Review/Letters of Support:** At the time an application is submitted for GROW Funds the applicant must include a letter from the city in which the development is located stating the current zoning and approval status.
 - a) In addition, the Authority will submit all applications for GROW funding to the city in which the development is located for review and comment. Cities will be given a reasonable period of time to review and submit comments. The Authority will not consider funding a development before a city has provided comments.
 - b) The Authority will not approve any request for funding where a community indicates that the development is not consistent with the community's plans, policies, or goals.
5. **Site Control:** Applicants must be able to provide, at the time the application is submitted, evidence of single owner site control. Evidence includes: deed of trust,

current and executed purchase agreement or sale agreement, current title showing applicant as owner, or option agreement.

6. **Relocation Plan:** If applicable, applicants must show that a relocation plan has been developed to ensure that comparable units within the community are available and the budget is adequate to cover relocation costs.
7. **Leverage:** Applications must be able to demonstrate a minimum of two dollars of other funds public or private to one dollar of GROW Funds (i.e. 2:1 ratio).
8. **Funding Request:** Requested GROW funding must be in the form of a loan or deferred loan. Grant requests will not be accepted.

Section IX — Applicant / Developer Eligibility Requirements (Housing Proposals)

In order to be eligible to receive GROW Funds, upon approval all applicants must complete the Developers Qualifications form in Exhibit B. It is expected that Developers have successfully completed at least one affordable housing project prior to receiving GROW Funds. The Authority may apply for GROW funds as a developer or as a partner in a development project. Developers that have been disbarred from funding from U.S. Department of Housing and Urban Development or the Minnesota Housing Finance Agency will not be eligible for GROW Funds.

In addition to basic eligibility requirements, recipients of GROW funding must also comply with the following ongoing requirements.

1. **Monitoring:** Initially applicants must provide to the Authority a list of actual tenant rents and incomes and certify that the tenant rents and incomes are accurate and in compliance with the rent and income requirements established by the Fund. To fulfill this requirement the Authority will accept copies of reports submitted for the Tax Credit Fund, Bond Funds or other approved financing Funds. If funding is not received under Funds such as the Tax Credit, Bond Fund, or other approved financing Fund then the developer must generate and submit a report.

Additionally, the developer of a project receiving GROW funding will be required to certify to the Authority that the rental rates are within applicable limitations on an annual basis. The Authority will also require individual certifications of household income.

2. **Continuing Affordability:** For those projects assisted with GROW Fund funds, units must remain affordable pursuant to an established affordable housing Fund or if not funded pursuant to an established affordable housing Fund units shall remain affordable for a period of not less than 15 years.

The use of GROW Fund funds require that funds used for downpayment assistance be paid back at the time the home is sold or at the end of the mortgage term. Fund funds utilized for downpayment assistance will be returned to the Authority and the GROW fund, thereby nullifying the continuous affordability requirement.

3. **Participation in the Section 8 Fund:** Developers of multifamily rental units will be required to sign an agreement that while the loan is outstanding; it will participate in the Section 8 Rental Assistance Fund. Participation means that to the extent the developer

has units that meet the requirements of the GROW Fund, they will not exclude from consideration-qualified families receiving assistance through the Section 8 Fund.

Section X —Structure of GROW Fund Awards: Loan Limits & Terms (Housing Proposals)

A GROW Fund award to developer may be structured as either a:

1. Term Loan - Repayable given flexible terms and low interest rate
2. Deferred Loan - Repayable at a future date or on sale of property
3. Loan Guarantee - GROW funds may be escrowed in a third party account as a credit enhancement for a private or public lender.
4. Forgivable Loan - Loan that is not repaid unless conditions of the agreement are not met.

The first three options will be the most common with the forgivable loan considered under exceptional circumstances or special needs projects.

1. **Limits:** The maximum available to projects serving the eligible population may not exceed \$10,000 per unit or a maximum of \$250,000 per project.

In the case of multifamily projects, Authority staff will underwrite projects according to criteria in Section XI of this Policy to ensure GROW funds are needed to make the project financially feasible.

2. **Terms:** Funding awarded from the GROW Fund will be in the form of a term loan, deferred loan or forgivable loan. Terms of the loan will be based on the length of affordability and the ability of the developer to repay.

Repayment of a GROW FUND loan will be required on the date or dates on which any of the following occur:

- 1.) Any transfer or sale of the development (assignment may be considered);
- 2.) The date of any refinancing of any aspect of a project including bonds, loans, deferred loans or any other source of permanent financing;
- 3.) Upon occurrence of an event of default; or
- 4.) Upon prepayment of the loan as a result of foreclosure or the granting of a deed in lieu of foreclosure.

The owner shall pay to the Authority, as repayment in full of the GROW Fund loan and/or the aggregate amount of all advances made by the Authority or the GROW Fund loan amount.

3. **Additional Terms:** Where possible or feasible loans will be structured for partial repayment based on sharing of after tax cash flow. For downpayment assistance the Authority may choose to recoup some of the appreciation (e.g. "Shared Appreciation Model") of single family homes to recapitalize the Fund.

Section XI —Underwriting Criteria & Selection of Projects for Awards (Housing Proposals)

In order to ensure that limited resources are utilized in the most effective manner, funding applications must meet the threshold eligibility requirements defined to receive further consideration. Threshold requirements include:

1. Compliance with the GROW Fund purpose and Authority mission.
2. Compliance with requirements in Sections IV through X of this document.
3. In addition to meeting the requirements and thresholds established in Sections IV through X of this policy, applications will be reviewed for:
 - a) Cost per unit
 - b) Reasonableness of Developer fee
 - c) Reasonableness of Consultant fee
 - d) Reasonableness of Development costs
 - e) Reasonableness of Maintenance and Operating costs
 - f) Level of Operating and Replacement reserves
 - g) Debt coverage ratio
 - h) Reliability and validity of Market analysis
 - i) Development experience
 - j) Management experience
 - k) Period of affordability

In order to rank applications, the Authority will assign points to each competitive priority prior to soliciting applications. Washington County Authority staff will review applications based on the following competitive priorities:

1. Affordability of rents or home purchase prices.
2. Leverage of outside dollars (e.g. private, nonprofit).
3. Demonstration of secure financing.
4. Readiness to proceed based on the status of zoning, permitting, FHA approval, funding and other commonly used indicators.
5. Project design in which maintenance free exteriors are used.

In the event of a tie between two applications, the Authority will select the project which best meets the applicable city's housing priorities.

Section XII - General Requirements (Redevelopment Proposals)

1. **Organizational Capacity:** Applications must be received from a duly created and validly existing municipality, economic development authority, housing and redevelopment authority, corporation, partnership, or other entity. Applicants must also demonstrate that the skills and experience of the redevelopment team and the property management team (if applicable) are appropriate to the size and complexity of the project.

A resolution of support and authorization to submit the application from the applicant city must be included with the application.

2. **Community Participation:** At the time an application is submitted for GROW Funds the applicant must include a letter from the city in which the development is located stating the current zoning and approval status. If the redevelopment does not comply with the current zoning, housing densities, and/or other land use requirements, the letter must state the city's support for approval of re-zoning or variances and expected timing of those approvals. The Authority will not approve any request for funding where a community indicates that the development is not consistent with the community's plans, policies, or goals.

The City shall also demonstrate its commitment to the project through some form of financial contribution including but not limited to waiving/reducing fees, land acquisition, demolition expenses, installation of public improvements, tax increment financing, or other types of expenditures documented by the City.

3. **Site Control:** Applicants must be able to provide, at the time the application is submitted, evidence of single owner site control. Evidence includes: deed of trust, current and executed purchase agreement or sale agreement, current title showing applicant as owner, or option agreement.
4. **Relocation Plan:** If applicable, applicants must show that a relocation plan has been developed to ensure that comparable units within the community are available and the budget is adequate to cover relocation costs.
5. **Leverage:** Applications must be able to demonstrate a minimum of two dollars of other funds public or private to one dollar of GROW Funds (i.e. 2:1 Other funds to GROW Funds)
6. **Funding Request:** Requested GROW funding must be in the form of a loan or deferred loan. Grant requests will not be accepted. The minimum funding request under the redevelopment criteria will be \$50,000.

Section XIII — Applicant / Developer Eligibility Requirements (Redevelopment Proposals)

In order to be eligible to receive GROW Funds, all applicants must complete the Developers Qualifications form in Exhibit B. It is expected that Developers have successfully completed at least one redevelopment project prior to receiving GROW Funds. The Authority may apply for GROW funds as a developer or as a partner in a redevelopment project. Developers that have been disbarred from funding from U.S. Department of Housing and Urban Development or the Minnesota Housing Finance Agency will not be eligible for GROW Funds.

If the proposed redevelopment project includes affordable housing, recipients of GROW funding must also comply with the following ongoing requirements.

1. **Monitoring:** Initially, applicants claiming points for affordable housing must provide to the Authority a list of actual tenant rents/purchase prices and incomes and certify that the tenant rents/purchase prices and incomes are accurate and in compliance with the rent/purchase price and income requirements established by the GROW Fund. To fulfill this requirement the Authority will accept copies of reports submitted for the Tax Credit Fund, Bond Funds or other approved financing Funds. If funding is not received under

Funds such as the Tax Credit, Bond Fund, or other approved financing Fund then the developer must generate and submit a report.

Additionally, the developer of a project receiving GROW funding will be required to certify to the Authority that the rental rates/purchase prices are within applicable limitations on an annual basis. The Authority will also require individual certifications of household income.

2. **Continuing Affordability:** For redevelopment projects with affordable housing units assisted with GROW funding, units must remain affordable pursuant to an established affordable housing Fund or if not funded pursuant to an established affordable housing Fund units shall remain affordable for a period of not less than 15 years.
3. **Participation in the Section 8 Fund:** Developers of multifamily rental units will be required to sign an agreement that while the loan is outstanding; it will participate in the Section 8 Rental Assistance Fund. Participation means that to the extent the developer has units that meet the requirements of the GROW Fund, they will not exclude from consideration-qualified families receiving assistance through the Section 8 Fund.

Section XIV —Structure of GROW Fund Awards: Loan Limits & Terms (Redevelopment Proposals)

1. A GROW Fund award to redeveloper may be structured as either a:
 - a) Term Loan - Repayable given flexible terms and low interest rate
 - b) Deferred Loan - Repayable at a future date or on sale of property
 - c) Forgivable Loan - Loan that is not repaid unless conditions of the agreement are not met.
2. **Limits:** The maximum available to projects serving the eligible population may not exceed \$10,000 per unit or a maximum of \$250,000 per project. The minimum request the Authority will review is \$50,000 per project.
3. **Terms:** Funding awarded from the GROW Fund will be in the form of a term loan, deferred loan or forgivable loan. Terms of the loan will be based on the length of affordability and the ability of the developer to repay.

Repayment of a GROW Fund loan will be required on the date or dates on which any of the following occur:

- a) Any transfer or sale of the property post-redevelopment (assignment may be considered);
- b) The date of any refinancing of any aspect of a project including bonds, loans, deferred loans or any other source of permanent financing;
- c) Upon occurrence of an event of default; or
- d) Upon prepayment of the loan as a result of foreclosure or the granting of a deed in lieu of foreclosure.

The owner shall pay to the Authority, as repayment in full of the GROW Fund loan and/or the aggregate amount of all advances made by the Authority or the GROW Fund loan amount.

4. **Additional Terms:** Where possible or feasible loans will be structured for partial repayment based on sharing of after tax cash flow.

Section XV —Underwriting Criteria & Selection of Projects for Awards (Redevelopment Proposals)

In order to ensure that limited resources are utilized in the most effective manner, funding applications must meet the threshold eligibility requirements defined to receive further consideration. Threshold requirements include:

1. Compliance with the GROW Fund purpose and Authority mission.
2. Compliance with requirements in Sections IV through VII and XII through XIV of this document.

In addition, applications will be reviewed and scored on the following criteria:

1. **Housing Affordability.** The HRA places greater priority on redevelopment projects that will result in new affordable housing in Washington County. Applicants should consider the inclusion of affordable housing in their redevelopment plans. Preference will be given to projects that include senior housing units and/or housing units targeted to persons experiencing long-term homelessness. To earn points under this criterion, applicants must demonstrate rents at or below 50% of the area median income or purchase prices at or below 80% of the area median income (maximum 20 points).
2. **Mixed-Use Development.** The HRA encourages redevelopment which promotes both economic and community development through a mixture of property types and uses. Points will be awarded to applicants demonstrating greater housing variety and density, compact development, pedestrian and bicycle friendly design, and/or recreation opportunities which will create a strong sense of community (maximum 20 points).
3. **Transit Oriented Development Principles.** The HRA encourages redevelopment supportive of public transit. Points will be awarded to redevelopment projects that include features to promote transit ridership and are located in close proximity to the proposed Gateway, Rushline or Red Rock corridors, an Express Bus station or park and ride, or in a Transit Improvement Area designated by MN Department of Employment and Economic Development (DEED). Redevelopment located in communities not served by public transit will be exempt from this criterion (maximum 20 points).
4. **Leverage.** Applications should include a variety of other funding sources committed to the project. Other funding sources could include CDBG, TIF, DEED, Metropolitan Council, City, or other public and private resources. City sources may include waived fees (maximum 15 points).
5. **Readiness to Proceed.** The applicant should be ready to proceed with the identified project upon funding award determined through financing commitments, land use approvals, property ownership, and other documentation (maximum 15 points).
6. **Sustainability.** The HRA encourages redevelopment which results in healthier communities. Consideration will be given to applicants using sustainable materials and

Sample Peer Policy for Ramsey Review

methods; adhering to Minnesota Green Communities principles; pursuing LEED certification; and/or otherwise improving the health and energy efficiency of the community (maximum 10 points).