

# Housing Assistance Policy

## Affordable Housing

3/20/2014

City of Ramsey



# Housing Assistance Policy – Affordable

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## Background

The City of Ramsey is committed to supporting well planned single family, multi-family development and redevelopment as a necessary element to achieve the goals for well-balanced housing inventory meeting the needs of residents during all life stages. The City Council and the Housing and Redevelopment Authority (HRA) of the City of Ramsey have determined that a policy is necessary to review requests for financial assistance related to housing projects to ensure any financially supported project meets Housing Polices of the Comprehensive Plan and housing priorities established by the City and reviewed on a regular basis.

## Housing Priorities

To maximize the impact of City and HRA involvement, a priority list was developed by the Ad-Hoc-Sub-Committee of the Planning Commission and is subject to City Council approval. This is a list of priorities that the City believes would qualify for or is in the highest need of assistance, if available. This is not a reflection of the amount of individual types of housing products that the City believes will develop overall.

This list is based off current market conditions, demographics and financial need for assistance. This list will evolve over time, and will be revisited at least annually. With each project completed, the priority for assistance will change. Priorities are listed below:

1. Senior Independent
2. Affordable/Workforce
3. Redevelopment
4. Energy Efficient
5. Rehabilitation of Existing
6. Amenity Rental (market rate)
7. Three plus bedroom Rental
8. Inclusion of Accessory Dwelling Units
9. Executive Single-Family (note: City funding not likely for this product)
10. Senior Skilled Nursing
11. Assisted Living/Memory Care
12. Condominium

## Scoring Process

Projects will be scored on a two (2) step process: 1) Minimum Thresholds and 2) Priority Scoring. Priority scoring is divided between *affordable housing projects* (targeting households below 80% of AMI and *market rate housing projects* (targeting households 80% and above AMI).

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All applicants shall meet at least one of the goals and related implementation strategies listed below. Please provide a check mark in the box and on a separate sheet provide a brief explanation as to how the proposed project will meet the goal.

Priority scoring will be used to gauge the quality of the project and used to rank projects in the event of multiple proposals. The City reserves the right to reject any and all applications if it deems necessary.

The amount of funds that may be provided will be based on several factors including:

1. Project meets a housing priority.
2. Ability to meet the minimum thresholds.
3. Priority scoring results and the overall quality of the proposed project.
4. Availability of funding. The City reserves the right to cap the maximum assistance given, if funds are available. Grant funding will be based on the grant type and related funding.
5. Third party review. Assistance is subject to third –party financial analysis and a ‘but-for’ analysis. Please contact City Staff for specifics on this analysis. Financial review is subject to look-back provisions traditionally found in Tax Increment Finance (TIF) analysis.

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## Project Brief

Please briefly describe your project. This section will be used as general background on the project, and is not intended to be a full analysis of the project. This project description will be used for short marketing pieces if assistance is approved.

PLEASE SEE ATTACHMENT #1

## Project Details

### Number of Units

	Market Rate	80% AMI	60% AMI	50% AMI	30% AMI	Total # of Units
# of Units	122					

### Minimum Threshold: PLEASE SEE ATTACHMENT #2

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 2009 Comprehensive Plan update. Check which threshold best matches your project and describe how your project will meet the implementation strategies.

	Applicant	City
<p>Goal 1: Provide a variety of housing options for people at all life stages and income levels to encourage existing residents, and attract new residents, to stay in Ramsey throughout their lives. Housing opportunities should include a mixture of rental and owner-occupied to provide life-cycle housing choices meeting a full spectrum of demographics. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ol style="list-style-type: none"> <li>1) Work toward developing various senior housing options including independent living, cooperatives, and assisted living facilities, both market rate and affordable.</li> <li>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.</li> <li>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.</li> </ol>		

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<ul style="list-style-type: none"> <li>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.</li> <li>5) Continue to develop more affordable single family housing such as condominiums and small-lot single family homes that includes higher architectural variety and quality.</li> <li>6) Explore opportunities to attract executive level housing to provide a variety of housing choices and opportunities in the City.</li> </ul>		
<p>Goal 2: Revitalize/rehabilitate areas where the housing is aging and in need of repair and where the land is underutilized and/or has potential for future redevelopment consistent with the Comprehensive Plan. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ul style="list-style-type: none"> <li>1) Encourage residents to upgrade the functionality and marketability of their aging housing, and put quality additions on as they need more space.</li> <li>2) Provide options for residents to subdivide if consistent with and allowed by the Comprehensive Plan.</li> <li>3) Encourage redevelopment where land has potential for future development consistent with the Comprehensive Plan.</li> </ul>		
<p>Goal 3: Maintain and improve the housing stock to preserve the character and quality of existing neighborhoods. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ul style="list-style-type: none"> <li>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.</li> <li>2) Ensure that new housing developments provide appropriate density transition with existing established neighborhoods.</li> </ul>		

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<p>3) Update and enhance design standards for new developments and encourage housing construction that incorporates quality and diverse architecture.</p>		
<p>Goal 4: Provide a development environment that increases residential health and reduces energy consumption. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ol style="list-style-type: none"> <li>1) The development incorporates environmentally sensitive site planning, resource efficient building materials and superior indoor environmental quality practices.</li> <li>2) The development meets sustainability standards, such as Minnesota Green Star Certification or LEED.</li> <li>3) Use of sustainable development elements such as the use of storm water management BMP's to manage on site storm water</li> <li>4) The development incorporates connections to existing pathways and creates natural and safe walkable areas.</li> </ol>		

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## Rank Scoring

**Affordable Housing Project Scoring** –Projects must target occupants that are below 80% AMI

<b><u>Affordable Housing - Rental:</u></b>	Applicant Point Allocation	City Point Allocation
Points will be given for units rented at greater affordability levels. <b>Chose 1 (or chose all that apply) and insert total number and percent of units at each affordability level:</b>	N/A	
40% of units at 60% AMI = 5 points	N/A	
20% of units at 50% AMI= 5 points	N/A	

<b><u>Long-Term Affordability:</u></b>	Applicant Point Allocation	City Point Allocation
Projects that demonstrate the ability to serve tenants for longest period of time. <b>Chose 1 (or chose all that apply) and insert total number of units.</b>	N/A	
30 years or more= 10 points	N/A	
15 years = 5 points	N/A	

<b><u>Number of Bedrooms</u></b> If applicable, insert total number of units:	Applicant Point Allocation	City Point Allocation
At least 25% of units include three + bedrooms = 5 points 18 3 BR , 14 2BR + DEN (could be 3rd BR)	5	
At least 50% of units includes three + bedrooms total units= 10 points	N/A	

<b><u>Development of Senior Housing</u></b>	Applicant Point Allocation	City Point Allocation
Senior independent (rental or owner-occupied) = 5 points. <b>Insert total number of age restricted units.</b>	N/A	

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<b><u>Specialized Senior Housing:</u></b>		
At least 25% of total units include one (or combination) of specialized services. <b>Chose 1 (or chose all that apply) and insert total number and percent of total.</b> Maximum of 5 points		
Assisted Living units = 5 points	N/A	
Memory care units = 5 points	N/A	
Senior skilled nursing on site= 5 points	N/A	

<b><u>Mixed Income Development:</u></b>	Applicant Point Allocation	City Point Allocation
	N/A	
Inclusion of market rate and affordable within a single project (single or multiple buildings). All projects must have at least 50% of units at 80% AMI or above (market rate).	N/A	

<b><u>Proximity to Transit</u></b>	Applicant Point Allocation	City Point Allocation
Within quarter mile (.25) of Northstar Commuter Rail-Ramsey Station: 10 points.	Circle: <input checked="" type="radio"/> Yes / <input type="radio"/> No	10
Within one-half mile (.5) of Northstar Commuter Rail-Ramsey Station: 5 points.	Circle: <input checked="" type="radio"/> Yes / <input type="radio"/> No	5
<b><u>Proximity to Local Employment</u></b>	Circle: <input checked="" type="radio"/> Yes / <input type="radio"/> No	5
Within a two-mile radius of area zoned Employment= 5 points		

<b><u>Architectural Standards (check all that apply)</u></b>	Applicant Point Allocation	City Point Allocation
Use of Hardi-Board or equivalent= 2 points <b>NICHAARCH PANELS</b>	2	

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Horizontal siding accessory only = 2 points <b>TOP BAND</b>	2	
Minimum of 30% front elevation-brick or stone= 2 points	2	
50% brick or stone threshold = 2 points	2	
Building articulation= 2 points	2	
Roof articulation= 2 points	2	
Covered front porch > 50 square feet = 2 points	N/A	
Roof < 25% of front façade= 2 points	N/A	
2+ dormers (gabled ends to not count) for SF= 2 points	N/A	
Multiple dormers if townhome building or apartment building = 2 points	2	
Use of alley or internal drive for garage access (not visible from public street and HOA maintained) = 2 points	2	
Use of side loaded garages (SF and TH only) = 2 points	N/A	
House forward design (SF and TH only) = 2 points	N/A	
Architectural styled garage doors (15% of lots) (SF and TH only) = 2 points	N/A	
Anti-monotony elevation/color plan (applicable to developments with multiple buildings that have a minimum of three material colors that vary between buildings) = 2 points	2	
Four sided architecture (attached or detached) = 2 points	2	
High speed internet access in all units= 2 points	2	
Smoke free units/buildings= 2 points	2	

<u><b>Federal/Local or Philanthropic Partnerships:</b></u>	Applicant Point Allocation	City Point Allocation

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Project funds from the federal, county, or state unit of government, , area employer and/or a private philanthropic, religious or charitable organization. <b>If applicable, provide percentage:</b>		
20.1% and above of the development cost= 10 points	N/A	
15.1%-20%= 8 points	N/A	
10.1%-10%= 6 points	N/A	
5.1%-10%= 4 points	N/A	
2.1%-5%= 2 points	N/A	

<b><u>Project Amenities - Check all that apply.</u></b>	Applicant Point Allocation	City Point Allocation
Community room/gathering area= 1 point	1	
On-site fitness center= 1 point	1	
Terrace/Courtyard or Roof top gathering area= 1 point	1	
Indoor theatre= 1 point	1	
Outdoor facilities= 1 point per element: (i.e. walking trails, <sup>comm garden</sup> tennis/basketball courts, playground, others as proposed by applicant)	3	
Indoor or outdoor swimming pool= 1 additional point	N/A	
Use of shared parking to reduce total parking installed= 2 points	N/A	

<b><u>Development Standards (check all that apply)</u></b> <b><u>Sidewalks, trails and streetscaping</u></b>	Applicant Point Allocation	City Point Allocation
Sidewalks to each front door (SF and TH) or main entry (apartment building)= 2 points	N/A	
Sidewalks/ trail on both sides of public streets (SF and TH); or sidewalk / trail on one side if project consists of only a single building = 2 points	N/A	

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Installation of off-road trails within the development = 2 points	2	
Sidewalk “ bump-outs” or “chokers” = 2 points	2	
Trail connection beyond development (installed by developer)= 5 points	5	
Boulevard trees at 35 foot spacing (new installation provided by developer= 2 points	2	
Installation of development wide streetscaping and decorative lighting= 2 points	N/A	

<b><u>Energy Efficient Elements (check all that apply)</u></b>	<b>Applicant Point Allocation</b>	<b>City Point Allocation</b>
Storm water Best Management Practices= 2 points <b>CANNOT HAVE IN-GROUND SYSTEM, CREDITS</b>	2	
Energy efficient roofing material or colors = 2 points	N/A	
Buildings oriented on site to optimize passive solar and cooling= 2 points <b>ORIENTATION REQUIRED BY CITY, SOUTH/NORTH FACING</b>	2	
Installation of a green roof occupying a minimum of 30% of the total roof area= 2 points	N/A	
Use of resource efficient building materials= 2 points <b>NICHIA HAS RECYCLED CONTENT</b>	2	
Use of Green Star certified mechanical and appliances = 2 points	2	
Use of energy efficient windows/doors= 2 points	2	
Other energy efficient new technology as approved by the City= 2 points	N/A	

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### Total Points

	<b>Applicant Point Allocation</b>	<b>City Point Allocation</b>
Total Points Accumulated	77	

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## FINANCIAL REQUIREMENTS/INFORMATION

Financial award is based on availability of funds. Maximum funding is set based on actual project need after a detailed financial analysis of the Developer and the project. The City reserves the right to contract with a third-party for financial analysis, which costs of said analysis are the responsibility of the Developer unless otherwise waived by the City. Owner equity must be greater than 10%.

### Eligible Uses of Funding

Eligible uses of funding include; site acquisition, land improvements, building construction, and payment of development fees. The City will not waive development fees (park dedication, trail development, sanitary sewer, stormwater) or permit fees). The City and Developer will need to work together to identify a funding source for these fees if assistance is required specific to these fees.

### Required Information

1. Sources and Uses Statement (below)
2. Financial Scoring Scorecard
3. Organizational Financial Statements (2 years of P&L and Balance Sheet)
4. Personal Financial Statements of Stakeholders and Tax Returns (2 years)
5. Project Pro forma/Projections (two [2] year and fifteen [15] year projections)
6. Letter(s) of Commitment from other Funding Sources (terms, conditions)
7. Proof that the Property is not delinquent in Property Taxes

### Sources and Uses

The Developer shall provide a detailed sources and uses statement. This shall include all sources of financing for the project and how those funds will be used. The Applicant shall provide a detailed listing of each. Owner equity shall be equity above and beyond any tax credit or grant source of funding. The City will exclude any tax equity.

SOURCES	AMOUNT (\$)	USES	AMOUNT (\$)
Owner Equity	4,600,000	Land Acquisition	1,350,000
Bank Loan	13,800,000	Site Development	550,000
Other Loan		Construction	14,300,000
Fed. Grant/Loan		Engineering/Arch. Services	250,000
State Grant/Loan		Debt Service	800,000
TIF		Contingencies	300,000
Tax Abatement		Other	1,350,000
Revolving Loan Fund		<b>TOTAL</b>	<b>18,900,000</b>
Other	500,000		
<b>TOTAL</b>	<b>18,900,000</b>		

The City reserves the right to request additional data regarding the above required information as well as sources and uses. Review of sources and uses is subject to third-party financial analysis.

Attachment #2

Listing of Minimum Threshold Goals Scoring

Goal 1: Answer

- 1) N/A
- 2) The apartment will be inviting as empty nesters downsize and want to live in a place that has nice amenities, close to town and safe. Options for accessibility are numerous given the proximity to the light rail.
- 3) Young adults will be able to rent a place while they are establishing their careers. The trend is that young professionals do not dire to have the maintenance and upkeep of a single family home.
- 4) N/A
- 5) N/A
- 6) Our offering will diversify the housing choices in this area; busy executives will find our amenities desirable while having access to the metro area.

Goal 2:

- 1) N/A
- 2) N/A
- 3) N/A

Goal 3:

- 1) N/A
- 2) Our facility will transition the exterior aesthetics; there are townhomes to the north of this site and multi story commercial building to the south. We have incorporated materials from both adjoining building type which blends the transition.
- 3) We have incorporated the following latest building elements: Nichiha panels, non building penetrating balconies with a girder system, cultured stone, shed roofs, and dormers on the detached garages

Goal 4:

- 1) When we planned a building on this site we considered the density, and best use of the lot. The building has numerous jogs and breaks to give some definition. We are using materials that are maintenance free and energy efficient. LED lighting, Very high efficiency heating and cooling, and low-E glass throughout.
- 2) N/A
- 3) Elements of the storm water include BMP's and infrastructure that will settle out most contaminants before it reached the City's storm system
- 4) The site utilizes both interior pathways and connections to the existing pathways located in the COR

(Attachment #1)

## Parkview East Apartments overview

Parkview East, LLC is proposing to build a 122 unit Market Rate apartment in the COR development located in the City of Ramsey. This building will be a four story structure that will overlook The Draw Park. Our plan incorporates trail connection to existing walking trails that access the Draw Park and the boulevards that connect to the City's boulevards.

We have integrated many unique qualities in the exterior finishes we selected, the specs incorporate a high level of aesthetics. There is four sided architecture that consists will be over 50% of brick/cultured stone/Nichiha panels. The windows will have a mission style internal grid and will be energy efficient with multiple glazings. There will be two patios will gas grills and patio furniture for the tenants to use. The tenants will have access to a community garden that will be irrigated and can grow fresh vegetables. The complex will utilize both attached tuck under garages and detached garages that will use the same high level finishes as used in the apartment building.

Inside each rental unit we will incorporate the following items: Granite countertops and windowsills, Stainless Steel appliances, wood plank flooring, energy efficient front load washers and dryers, entry access key fobs, wood blinds. The community room will include dining room tables, sofas, coffee tables, oversized wall mounted TV, a Nintendo Wii, DVD/Blu Ray player, full kitchen and patio access. Tenants will have access to a fitness center with commercial exercise equipment, flat screen TV's and various small pieces of fitness equipment.

We anticipate a diverse make up of the type of tenants, which will include: Seniors downsizing their housing, new families with small children, single professionals, handicapped individuals, and most any other type of tenant that does not wish to live in a single family home. This complex will be a Market Rate building which is grossly lacking within a 5 mile radius from this site. Tenants will also desire to live here given the close proximity to the Northstar Commuter Rail, people may work downtown and take the light rail to work.

In conclusion, we feel we are proposing exactly what this area needs. For far too long the needs of the middle section of the rental market is not being addressed. By having all of these amenities in close proximity to both a park and light rail, tenants will find this location ideal.



720 Broadway Street  
PO Box 309  
Alexandria, Minnesota 56308-0309  
phone: 320-763-6622  
fax: 320-763-7274

September 3, 2015

Matt Kuker  
Parkview Apartments, LLC  
7533 Sunwood Dr #315  
Ramsey, MN 55303

Mr. Kuker;

This letter is to confirm Bremer Bank's (Bank) interest in continuing discussions on providing financing options for the proposed Parkview Apartments in Ramsey's COR area. Preliminary information provided, including a formal feasibility study, seem to support the demand for the project. A financing proposal will be subject to underwriting and due diligence similar to the recent projects the Bank has financed for your group.

The list of anticipated requirements below is not intended to be all inclusive but represents some of the items necessary to proceed.

- Financing amount to be 75% of cost or appraised value, whichever is *less*.
- Pro-forma projections (including realistic assumptions) confirming the project can expect to generate adequate cash flow to service debt and a return to investors of at least 7.5%-8.0%.
- Underwriting of partners that illustrates financial wherewithal acceptable to the Bank.
- Finished property managed by a qualified 3<sup>rd</sup> party property management company.
- Compliance with local zoning, platting, and permitting requirements.
- A general contractor experienced with similar projects and acceptable to the Bank.
- Adequate title insurance, construction draw monitoring and other terms customary to this type of financing which are acceptable to both Bank and borrower.

It has been a pleasure working with your group and I look forward to future communication leading to a more formal financing proposal. Please feel free to contact me at (320) 762-4743 or [jjpohlen@bremer.com](mailto:jjpohlen@bremer.com) at your convenience to discuss any questions or concerns you may have.

Regards,

Jason Pohlen  
Vice President



Carlson Advisors LLP  
Certified Public Accountants  
Business Consultants

September 8, 2015

City of Ramsey  
7550 Sunwood Drive  
Ramsey, MN 55303

To Whom It May Concern:

ParkView East, LLC is a Minnesota limited liability company formed in May 2015 and therefore has no historical financial statements.

If you have questions, please contact Darren Kray at 763.535.8150.

Sincerely

Respectfully submitted,

*Carlson Advisors, LLP*

CARLSON ADVISORS, LLP  
Minneapolis, Minnesota

[www.carlson-advisors.com](http://www.carlson-advisors.com)

SEATTLE

LOS ANGELES

MINNEAPOLIS

ST. CLOUD



Carlson Advisors <sup>LLP</sup>  
Certified Public Accountants  
Business Consultants

September 8, 2015

Ms. Stacie Kvilvang  
**EHLERS**  
3060 Centre Pointe Drive  
Roseville, MN 55113-1105

City of Ramsey  
7550 Sunwood Drive  
Ramsey, MN 55303

To Stacie and City of Ramsey,

ParkView East, LLC is a Minnesota limited liability company wholly owned by 8 OI, LLC. 8 OI, LLC is owned by Mathias A. Kuker, the James D. Deal Revocable Trust and the Pamela S. Deal Revocable Trust.

Carlson Advisors, LLP has been the outside accountants for Jim and Pam Deal and Matt Kuker for over twenty years. Based on our experience with Jim and Pam Deal and Matt Kuker, they have the financial wherewithal to make the \$4.6 million investment in the apartment complex proposed in Ramsey, Minnesota.

If you have questions, please contact Darren Kray at 763.535.8150.

Sincerely,

CARLSON ADVISORS, LLP  
Minneapolis, Minnesota

[www.carlson-advisors.com](http://www.carlson-advisors.com)

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