ECONOMIC DEVELOPMENT AUTHORITY MEETING

MUNICIPAL CENTER COUNCIL CHAMBERS
1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

MONDAY, FEBRUARY 10, 2020
IMMEDIATELY FOLLOWING THE REGULAR COUNCIL MEETING

1. Call To Order

2. Roll Call

3. Adopt Agenda

4. EDA Consent Agenda Items

4.A. Minutes Of January 13, 2020 - Regular EDA

Documents:

01-13-20 EDA MINUTES.PDF

4.B. Minutes Of January 27, 2020 - EDA Work Session

Documents:

01-27-20 EDA WS MINUTES.PDF

4.C. Minutes Of January 27, 2020 - Regular EDA

Documents:

01-27-20 EDA MINUTES.PDF

5. Commissioner Comments

6. Public Hearing

7. New Business

7.A. Housing Rehab Loan Program And Contract With NeighborWorks, Inc.

Documents:

EDA REPORT - APPROVAL OF HOUSING REHAB LOAN PROGRAM AND CONTRACT WITH NEIGHBORWORKS, INC..PDF
ATT. - WSP EDA AND NEIGHBORWORKS CONTRACT 021020.PDF
ATT. - 100K HOMES WATCH AREAS 6.17.19.PDF
ATT. - NEIGHBORWORKS HOME PARTNERS, WSP PRESENTATION.PDF

8. Old Business

9. Adjourn

If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at 651-552-4108 or email ADA@wspmn.gov at least 5 business days prior to the meeting
www.wspmn.gov EOE/AA

City of West St. Paul
Economic Development Authority Minutes
January 13, 2020

1. Call to Order

President Napier called the meeting to order at 7:15 p.m.

2. Roll Call

Present:	President Dave Napier Commissioners Wendy Berry, Lisa Eng-Sarne, Anthony Fernandez, John Justen, and Dick Vitelli
Absent:	Commissioner Bob Pace
Also Present:	City Manager Ryan Schroeder City Attorney Kori Land Executive Director Jim Hartshorn Finance Director Char Stark City Clerk/Secretary Shirley Buecksler

3. Adopt the Agenda

Motion was made by Commissioner Berry and seconded by Commissioner Justen to adopt the agenda, as presented.

Vote: 5 ayes / 0 nays. Motion carried.

4. EDA Consent Agenda Items

Motion was made by Commissioner Berry and seconded by Commissioner Fernandez to approve the following items on the Consent Agenda, as presented:

A. Minutes of August 26, 2019 – EDA Work Session
B. Minutes of October 28, 2019 – Regular EDA

Vote: 5 ayes / 0 nays. Motion carried.

5. Commissioner Comments

Commissioner Justen said he tried the new Thai Pepper restaurant and said their food is fantastically good. He said it is spicy the way it should be and he highly recommends it.

Councilmember Vitelli said the city is growing economically and we should be proud.

Mayor Napier said that Sola Salon was very creative in where they are located. It is a nice building and well done. He also appreciates what Southview Animal Hospital has done with their new location. Mayor Napier said so many good things are happening in our community.

6. Public Hearings

A. Consider Sale of Property Located on Northern Side of Wentworth Place

President Napier opened the Public Hearing at 7:22 p.m.

Seeing no one wishing to speak, President Napier closed the Public Hearing at 7:22 p.m.

Motion was made by Commissioner Justen and seconded by Commissioner Vitelli to approve to deed 30 feet of property within Wentworth Place to Dakota County for trail easement.

Vote: 5 ayes / 0 nays. Motion carried.

7. New Business

There was no New Business to discuss.

8. Old Business

There was no Old Business to discuss.

9. Adjourn

Motion was made by Commissioner Berry and seconded by Commissioner Justen to adjourn the meeting at 7:23 p.m.

All members present voted aye. Motion carried.

David J. Napier
President
City of West St. Paul

City of West St. Paul
Economic Development Authority Work Session Minutes
January 27, 2020

1. Open Work Session

President Napier called the meeting to order at 6:00 p.m.

2. Roll Call

Present: President Dave Napier
Commissioners Wendy Berry, Lisa Eng-Sarne,
Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli

Absent: None

Also Present: City Manager Ryan Schroeder
City Attorney Kori Land
Lt. Matt Swenke
EDA Executive Director Jim Hartshorn
EDA Assistant Treasurer Char Stark
City Clerk/EDA Secretary Shirley Buecksler

Keith Dahl, Financial Specialist – Ehlers
Eric Omdahl, Senior Development Associate - Dominium

3. Agenda Items

A. Dominium Project Development Agreement Review

At the EDA Work Session on December 9, 2019, representatives from Dominium reviewed their analysis memo, which included traffic and market study information, sources and uses, and a proforma, which includes the creation of a 15-year tax increment district. They mentioned that this project would total approximately $100 million dollars and they would seek tax-exempt bonds from Dakota County, as well as 15 years of Tax Increment Financing (TIF) from the City of West St. Paul. Ehlers completed a review and felt the project could justify 12 years of TIF. The Board requested staff to continue working with Dominium and try to reach a subsidy conclusion that all parties could agree on. City Staff, representatives from Dominium and staff from Ehlers reviewed the project further and agree that 13 ½ years of TIF could be justified.

Executive Director Hartshorn said Dominium's proposal includes purchasing 12 acres located on the northern side of the Signal Hills Mall. The project includes two

buildings, one of which is four stories with 137 units. The second building would be five stories with 232 units. This project would include the purchase of the Kmart and Signal Hills buildings. At the December 9 meeting, Dominium was seeking 20 years of TIF, then we had it down to 15 years. Ehlers reviewed and brought it down to 12 years. Dominium made good argument for bringing it somewhere in the middle. Right now, Hartshorn said he sent out the terms sheets this morning that explains the TIF district. It's a pay as you go, so there is no money up front. It is for 13 1/2 years and should be noted that there is currently a TIF district created by Dakota County in the 1990's with three years remaining of that. Hartshorn said we would have to approve a resolution for the decertification of that TIF district, which would have to be taken to the Board.

Mr. Dahl said we initially put together the terms sheet to guide the discussion and pass it along to the attorneys to draft the Development Agreement and the TIF Agreement. He said we wanted to put the high level information into this term sheet. TIF assistance would be 13 1/2 years with a present value of $3.64M. From what we initially recommended in December of $3.282M, this present value has increased with that 1 1/2 years. That's the main takeaway. We also put in the affordability requirement with 40% of the residential units meeting 60% of income. They had some initial conversations with Dominium and it sounds like some of the dates may change but the TIF assistance in that term will not change.

Mr. Omdahl said he wants to make it clear that last time we had ascertained that 15 years would be our position and the City was getting a recommendation from Ehlers at 12 years. We went back and want to make it clear that the current 13 1/2 years is in line with us. We can find ways to make these numbers work, he said. Some of the dates may change as we work towards TIF and Development Agreements. In reviewing item number 5, Requirements for Affordability, although it says 40% of the units would be affordable, it is our intent that 100% are affordable.

Commissioner Justen asked Mr. Omdahl if he is saying that all of their units will not exceed 60% of the median income. Mr. Omdahl said yes, 100% will be at or below the 60% median income.

Commissioner Vitelli said we have looked at a lot of projects. He asked about the quality of building materials. Mr. Omdahl said this would be in appearance of a market rate project with metal paneling, stone and brick on the exterior, and very high quality materials overall. A five story building with underground parking for seniors. The family building is four stories with underground parking. Flat roofs. Site plan is largely unchanged.

Commissioner Vitelli asked about countertops. Mr. Omdahl said within the apartments will be granite countertops, all GE white appliances, luxury vinyl plank flooring in the living room and bathroom areas, and carpet in the bedrooms.

Commissioner Pace referred this to City Manager Schroeder and asked if this is good. Schroeder said yes.

Commissioner Justen said to make these numbers work, you're not able to market the prevailing wage? Mr. Omdahl said agreed.

Commissioner Justen asked if anything we subsidize is required to be prevailing wage, or does this not count as a subsidy?

City Attorney Land said we have an ordinance on the books that whenever we use public subsidy including TIF, we have to include prevailing wage. She said she will check the ordinance to see if it applies to this project.

Based on the market value, President Napier asked what the tax revenue is to the City once that 13 1/2 years expires. We negotiated to make TIF work, so he said he wants to hear what the taxpayers of our city gained.

Mr. Dahl said that normally he would have it in front of him. After the district is paid off, he said the local taxes of the senior component would be $217,500 and the family component would be $128,400, give or take. He said it would be a total of a little under $350,000 going forward after the TIF district is done.

Commissioner Fernandez said the numbers look good and he is happy to move forward.

President Napier thanked Mr. Dahl and Mr. Omdahl for coming tonight.

Mr. Omdahl said they will be back once the TIF and Development Agreements are drafted.

Commissioner Justen asked if we need to clean up the situation with prevailing wage. President Napier said City Attorney Land will look at it and Staff will work on it.

Mr. Omdahl said he has done some research on what would trigger the prevailing wage requirement. On other projects with FHA and HUD, it was a requirement; however, they are planning to finance through Freddie Mac, which doesn't have that requirement. If we were subject to prevailing wage, he said it would increase the cost of construction substantially, which could warrant further discussion. At this point, he said he is fairly confident that we wouldn't need to.

4. Adjourn

Motion was made by Commissioner Justen and seconded by Commissioner Vitelli to adjourn the meeting at 6:15 p.m.

All members present voted aye. Motion carried.

David J. Napier
President
City of West St. Paul

City of West St. Paul
Economic Development Authority Minutes
January 27, 2020

1. Call to Order

President Napier called the meeting to order at 9:41 p.m.

2. Roll Call

Present:	President Dave Napier Commissioners Wendy Berry, Lisa Eng-Sarne, Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli
Absent:	None
Also Present:	City Manager Ryan Schroeder City Attorney Peter Mikhail Executive Director Jim Hartshorn Finance Director Char Stark City Clerk/Secretary Shirley Buecksler

3. Adopt the Agenda

Motion was made by Commissioner Justen and seconded by Commissioner Berry to adopt the agenda, as presented.

Vote: 6 ayes / 0 nays. Motion carried.

4. EDA Consent Agenda Items

Motion was made by Commissioner Eng-Sarne and seconded by Commissioner Vitelli to approve the following items on the Consent Agenda, as presented:

A. Minutes of December 9, 2019 – EDA Work Session

Vote: 6 ayes / 0 nays. Motion carried.

5. Commissioner Comments

Mayor Napier welcomed Sports Clips to West St. Paul. They are located at 1617 South Robert Street.

6. Public Hearings

There were no Public Hearings.

7. New Business

A. 2020 Insurance Options for EDA

Motion was made by Commissioner Berry and seconded by Commissioner Eng-Sarne to adopt Resolution No. 20-02 Approving Non-Waiver of Statutory Tort Liability Limits.

Vote: 6 ayes / 0 nays. Motion carried.

B. Annual Meeting and Election of Officers

Motion was made by Commissioner Fernandez and seconded by Commissioner Pace to adopt Resolution No. 20-01 Electing Officers:

President:	Mayor David J. Napier
Vice President:	Councilmember Anthony Fernandez
Treasurer:	Mayor David J. Napier
Assistant Treasurer:	Finance Director Char Stark
Secretary:	City Clerk Shirley R Buecksler

Vote: 6 ayes / 0 nays. Motion carried.

C. Open to Business Program Review

D. JAVA Properties – Cancellation of Purchase Agreement

Motion was made by Commissioner Justen and seconded by Commissioner Vitelli to adopt Resolution No. 20-03 Terminating Contract for Private Development with Java Companies, L.L.C.

Vote: 6 ayes / 0 nays. Motion carried.

8. Old Business

There was no Old Business to discuss.

9. Adjourn

Motion was made by Commissioner Justen and seconded by Commissioner Berry to adjourn the meeting at 9:51 p.m.

All members present voted aye. Motion carried.

David J. Napier
President
City of West St. Paul

CITY OF WEST ST. PAUL

EDA Report

To: **Economic Development Authority Board**

From: **Ryan Schroeder, City Manager**

Jim Hartshorn, Community Development Director

Date: **February 10, 2020**

Approval of Housing Rehab Loan Program and Contract with NeighborWorks, Inc.

BACKGROUND INFORMATION:

For a number of years, Dakota County has been administering the Community Development Block Grant (CDBG) housing rehab program on behalf of West St. Paul. Each year, West St. Paul has been allocated around $100,000/year from the entitlement dollars the County receives to operate this program. On July 8, 2019, West St. Paul entered an agreement with the County for their continued operation of this program through 2022.

Between 2014 and 2017, West St. Paul was allocated $352,581 in total entitlement dollars. To that total, the County added Countywide CDBG funds or CDA levy funds such that total spent in West St. Paul over that four-year period was $703,561. Over that period, there were 36 total rehabs with five of the forgivable 0% loans going to households below 30% of AMI (Adjusted median income), another 4 to households between 30% and 50% AMI and the remaining twenty-seven loans to households from 50% to 80% AMI. The City's CDBG funds are used within 12-18 months of allocation. There are typically persons within the community on the waiting list, and the average wait time is 6-8 months.

The rehab program is primarily used for HVAC, roofs, siding, and windows. Usually roofs, siding and windows are done together. They have also used funds to make bathrooms handicapped accessible or update fixtures and plumbing in kitchens. Most of the loans are used for exterior and structural work. With an average loan around $20,000, they are limited in the amount of work that can be done. The CDBG program only serves income-eligible residents who meet program/federal requirements.

West St. Paul has also collaborated with Habitat for Humanity and the Dakota County CDA with their first time homebuyer programs. Over the past twenty-five years, there have been about 40 properties that have been purchased in West St. Paul through these programs. West St. Paul also has operated a Housing Replacement Program since 2000 within which 27 properties have been purchased, razed, and resold.

The City Council and the EDA have expressed an interest in expanding efforts in housing rehab, housing stabilization and the like. Toward that goal, we have allocated future Housing TIF development funds toward housing rehab from the Winslow Housing TIF District (DARTS/REE building). Also, as part of the 2020 EDA budget is included an allocation which is proposed toward housing rehab. Between 2013 and 2019, our EDA Business Subsidy budget has averaged about $50,600/year in actual non-reimbursed expenditures (ranging from an annual low of $10,000 up to about $105,000). In 2020,

the Business Subsidy budget is at $150,000 with the intent that $50,000 could reasonably be allocated toward housing rehab without reducing commercial rehab efforts. If 2020 turns out to be a typical year, available housing rehab dollars could perhaps double.

We have been in discussions with NeighborWorks Home Partners since October to work toward a collaboration with this non-profit to expand current housing rehab efforts. On the EDA workshop agenda this evening is an outline of a possible program administered by NeighborWorks. Brought to the EDA workshop is a program that would provide a Pilot Program for housing rehab loans as noted below (any changes or additions from the workshop discussion are intended to be brought forward to this discussion).

- Loan eligibility is for single family homesteaded property located south of Annapolis, north of Butler, east of Robert and West of Waterloo. It is anticipated that this boundary will be expanded in the future.
- Qualifying borrowers would be eligible for up to 15 year loans at an interest rate of 3.5%. The only cost to the borrower in other fees would be a $150 application fee refundable if the applicant is not loan qualified. Borrowers cannot exceed household income of 120% of Metro Area median income.
- Loan minimums are $5,000 and maximums are $15,000 which can be used to correct code deficiencies, complete exterior improvements to the home or complete systems improvements (HVAC, wiring, plumbing).

It should be noted that the Dakota County CDA loan program is continuing and West St. Paul property owners may also be eligible for the MHFA fix up loan fund or home equity loans through the private marketplace.

FISCAL IMPACT:

Estimated at $50,000 from the EDA Budget

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

By motion, authorize the housing rehab loan program, budget authorization and contract with NeighborWorks Home Partners.

LOAN ADMINISTRATOR AGREEMENT

THIS IS AN AGREEMENT entered into the _____ day of _____, 2020, by and between the **THE CITY OF WEST SAINT PAUL ECONOMIC DEVELOPMENT AUTHORITY,** a component unit of a Minnesota municipal corporation, ("the EDA"), and **NEIGHBORWORKS HOME PARTNERS**, a Minnesota non-profit corporation ("Consultant").

RECITALS

A. The Consultant has agreed to provide certain Services (as defined below) in connection with the City's housing programs.

B. The EDA desires to hire the Consultant to render this technical, professional, and marketing assistance in connection with housing programs of the EDA for the term as set forth in this Agreement.

C. Consultant is willing to provide such services on the terms and conditions set forth herein.

In consideration of the foregoing recitals and following terms, conditions and mutual promises contained herein, the parties agree as follows:

1. **Scope of Services**. The Consultant shall provide services as follows (the "Services"):

   a) Administer the EDA's Programs by:
      1) Providing information to residents about the Programs, upon request;
      2) Receiving and receipting loan applications;
      3) Processing, evaluating and underwriting loan applications;
      4) Providing homeownership counseling or referring interested parties to HUD-certified counseling agencies;
      5) Closing loans or coordinating loan closings of qualified applicants with a title company in accordance with the applicable Program;
      6) Overseeing the draw process for the funds, including, as necessary, reviewing draws, reviewing the progress of the work and collecting lien waivers and certificates of occupancy. Consultant may, for this purpose, rely on third-party representations and certifications;
      7) Providing monthly reports about the number of loans closed, demographic information of borrowers, pending loans and general application activity; and
      8) Coordinating the post-close components of the loan transactions with the EDA's loan servicer (currently the Community Reinvestment Fund).

   b) Assist West Saint Paul residents considering housing rehabilitation, including property visits, meeting with homeowners and potential contractors, suggesting alternatives for rehabilitation to homeowners, educating homeowners on the

construction bid process, assisting homeowners with evaluating bids and work completed and construction progress.

c) Provide referral and other support for West Saint Paul residents wishing to pursue financing via the Minnesota Housing Finance Agency.
d) Serve as a housing resource to West Saint Paul residents upon request, including provision of information and/or referrals regarding emergency assistance, housing rehabilitation and first time homebuyer options.
e) Have Consultant's staff visit residences as determined necessary by Consultant.

2. **Term.** This Agreement shall be in full force and effect from the date of execution and shall continue through December 31, 2020, unless otherwise terminated as set forth below. In addition, should both parties agree the terms and conditions of this agreement will automatically be extended for an additional year period unless written notice of termination is provided by either party on or before November 30, 2020.

3. **Compensation**.

a) Loan Administration. For services provided under this Agreement, the EDA shall pay to the Consultant the following, within 30 days of invoice:

i. 10% of the principal amount of any loan closed during the invoice period from West Saint Paul's Home Improvement Fund
ii. EDA shall pay the Consultant a fee of $75 for each application that will not close because the applicants have been denied.

4. **Termination**. Notwithstanding any other provision hereof to the contrary, this Agreement may be terminated as follows:

a) The parties, by mutual written agreement, may terminate this Agreement at any time. Upon termination of this agreement there shall be no other compensation paid to Contractor for work in progress or services performed other than payments already made under the provisions of paragraph 3 herein.
b) EDA may terminate this Agreement upon the breach by Consultant of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by Consultant of a written notice from EDA, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that Consultant cannot reasonably cure same in the thirty (30) day period, Consultant shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by Consultant of such written notice. In the event of termination by EDA hereunder, Consultant shall be entitled to fees due to the date the notice of breach is sent by the EDA.
c) If Consultant or EDA (as applicable) (i) files a voluntary petition in bankruptcy (ii) files a voluntary petition for reorganization under any bankruptcy law, statute or regulation or other similar statute or regulation, (iii) is adjudicated a

bankrupt, (iv) makes an assignment for the benefit of creditors or applies for or consents to the appointment of a receiver or trustee as part of or in conjunction with a "creditor plan" with respect to any substantial part of its assets, or (v) a receiver or trustee is appointed, or an attachment or execution levied with respect to any substantial part of its assets, and said appointment is not vacated, or the attachment or execution not released, within sixty (60) days, then this Agreement shall, effective as of such date, without notice or further action by either party, immediately terminate.

d) Consultant may terminate this Agreement upon the breach by EDA of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by EDA of a written notice from Consultant, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that EDA cannot reasonably cure same in the thirty (30) day period, EDA shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by EDA of such written notice. In the event of termination by Consultant hereunder, Consultant shall be entitled to retain the entire fee under this Agreement.

5. **Insurance**.

a) During the term of this Agreement, the Consultant shall obtain and maintain workers compensation, comprehensive general liability, and automobile liability insurance. Comprehensive general liability insurance shall have an aggregate limit of Two Million Dollars ($2,000,000.00).

b) Upon request by the EDA, the Consultant shall provide a certificate or certificates of insurance relating to the insurance required. Such insurance secured by the Contractor shall be issued by insurance companies licensed in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess.

c) Such insurance shall be in force on the date of execution of an Agreement and shall remain continuously in force for the duration of the Agreement.

6. **Indemnification**.

a) Notwithstanding anything to the contrary in this Agreement, the EDA, its officers, agents, and employees shall not be liable or responsible in any manner to the Consultant, the Consultant's successors or assigns, the Consultant's subcontractors, or to any other person or persons for any third party claim, demand, damage, or cause of action of any kind, nature, or character, including intentional acts, arising out of or by reason of the performance of this Agreement by Consultant. The Consultant, and the Consultant's successors or assigns, agree to protect, defend and save the EDA, and its officers, agents, and employees, harmless from all third party claims, demands, damages, and causes of action, to the extent caused by the negligence or wrongful acts of Consultant,

and the costs, disbursements, and expenses of defending the same, including but not limited to, attorney's fees, consulting services, and other technical, administrative or professional assistance.

b) Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation of any immunity or limitation on liability to which the EDA is entitled under Minnesota Statutes, Chapter 466, or otherwise.

7. **Assignment**. This Agreement shall not be assigned, sublet, or transferred, in whole or in part without the prior written approval of the EDA.

8. **Conflict of Interest**. The Independent Contractor shall use best efforts to meet all professional obligations to avoid conflicts of interest and appearances of impropriety in representation of the EDA. In the event of a conflict, the Independent Contractor, with the prior written consent of the EDA, shall arrange for suitable alternative services.

9. **Compliance with Laws**. The Consultant shall comply with all applicable Federal, State, and local laws, rules, ordinances, and regulations at all times and in the performance of the services pursuant to this Agreement.

10. **Notices**. Any notices permitted or required by this Agreement shall be deemed given when personally delivered or upon deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to:

Consultant:	NeighborWorks Home Partners 533 Dale Street North St. Paul, MN 55103
EDA:	City of West Saint Paul 1616 Humboldt Avenue West St. Paul, MN 55118

Or such other address as either party may provide to the other by notice given in accordance with this provision.

11. **Entire Agreement**. This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between the EDA and the Consultant, and supersedes any other written or oral agreements between the EDA and the Consultant. This Agreement can only be modified in writing signed by the EDA and the Consultant.

12. **Third Party Rights**. The parties to this Agreement do not intend to confer on any third party any rights under this Agreement.

13. **Counterparts**. This Agreement may be signed in one or more counterparts but all of which taken together shall constitute one instrument.

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

15. **Data Practices Act Compliance**. Data provided to the Consultant or created by the Consultant under this Agreement shall be administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as amended.

16. **Agreement Not Exclusive**. The EDA retains the right to hire other housing program consultants, in the EDA's sole discretion.

17. **Records – Availability and Retention**. The Contractor agrees that the EDA or any of their duly authorized representatives at any time during the normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Contractor and invoice transactions relating to this Agreement. Contractor agrees to maintain these records for a period of three (3) years from the date of termination of this Agreement. The EDA can, at the EDA's expense obtain copies of any of the Contractor's records relevant to this Agreement.

18. **Nondiscrimination**. During the performance of this Agreement, the Contractor agrees to the following:

    No person shall, on the grounds of race, color religion, age, sex, disability, marital status, public assistance status, criminal record, creed or national origin be excluded from full employment rights in, participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement on the respective dates indicated below.

EDA:

By: _____

Its: President_____

Date: _____, 2020.

By: _____

Its: Executive Director_____

Date: _____, 2020.

CONSULTANT:

NEIGHBORWORKS HOME PARTNERS

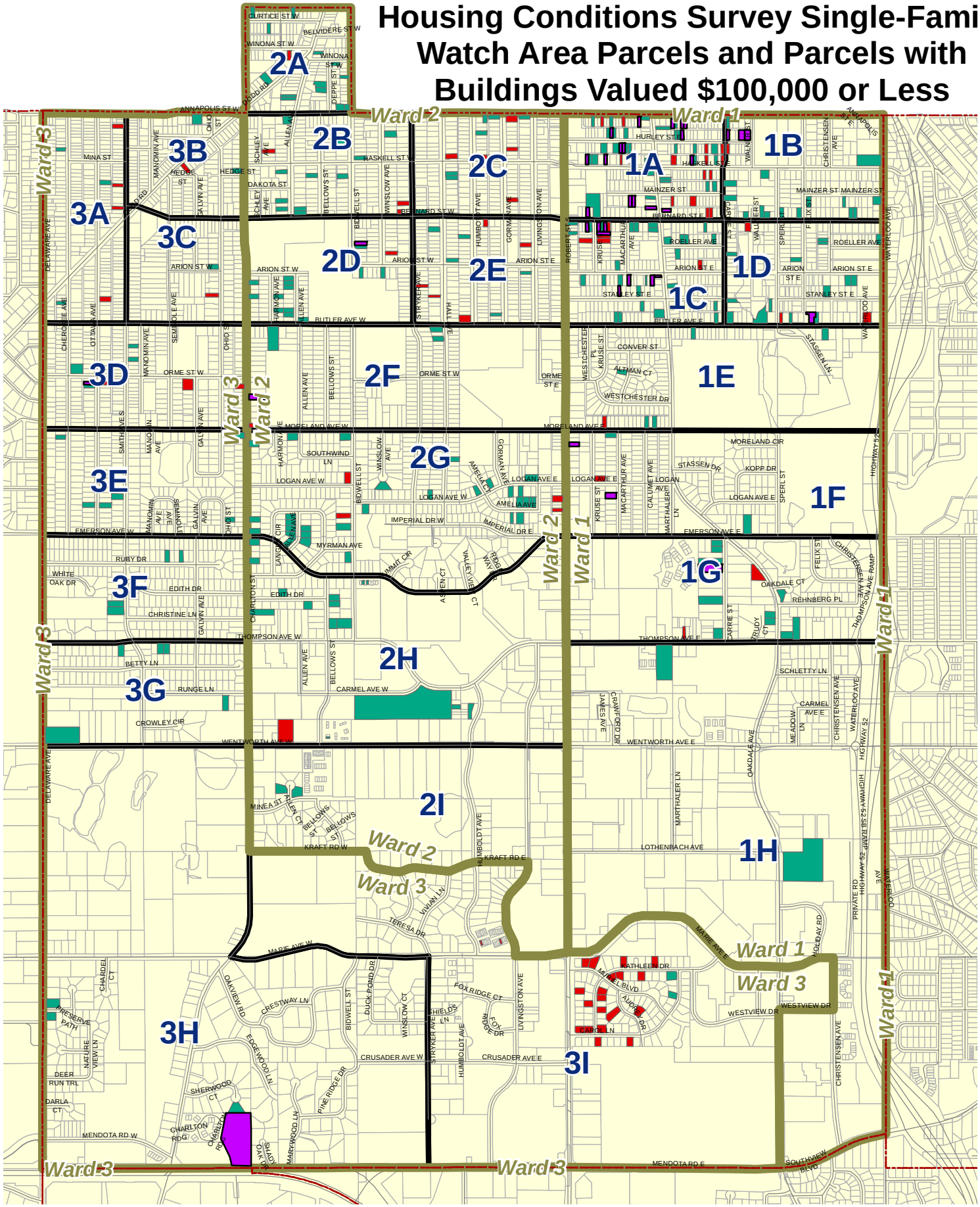
By: _____

Its: Executive Director_____

Date: _____, 2020.

City of West St. Paul

Housing Conditions Survey Single-Family Watch Area Parcels and Parcels with Buildings Valued $100,000 or Less



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Map Dated June, 2019.

0 0.25 0.5 Miles

Legend

- 2015 Single-Family Watch Areas
- Buildings Valued $100K or Less
- Parcels in Both Categories

Prepared for the West St. Paul Community Development Department by the Dakota County Office of GIS.

NeighborWorks®
HOME PARTNERS

creating homeowners | building community

Our Mission:

Empowering **individuals** and **communities** by helping people **buy**, **fix** and **keep** their homes.

We deliver innovative services dedicated to:

- **Improving homes with affordable lending products.**
- **Eliminating the homeownership disparity gap.**
- **Empowering customers with knowledge to buy, fix, and keep their homes.**
- **Developing homes to enhance neighborhoods and better the lives of our homebuyers.**
- **Creating access to homeownership with down payment assistance.**

Our Programs

Community Lending Programs

- Home Improvement Loans
- Down Payment Loans
- Lead Window Replacement

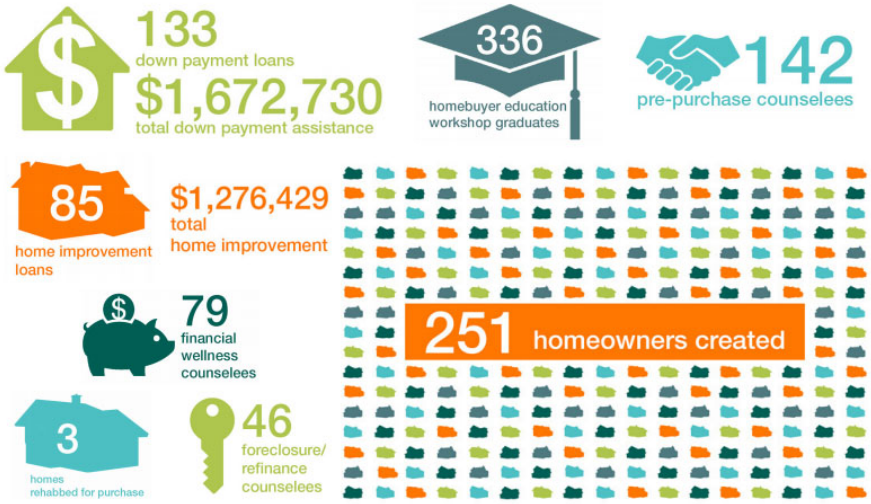
Housing Development

- Rehabilitation
- New Construction
- Community Land Trust

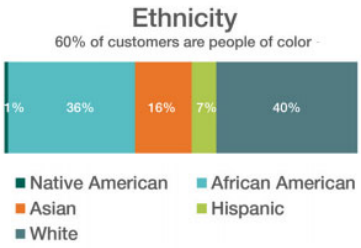
Counseling/Education

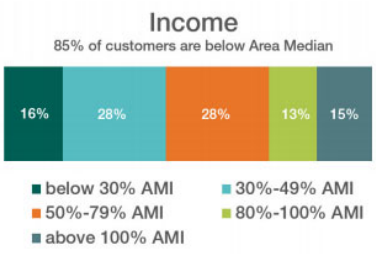
- Homebuyer Education
- Pre-Purchase Mortgage Counseling
- Foreclosure Counseling
- Financial Literacy Support

Our Programs – 2019



Who We Serve – 2019





Our Impact

Over the last five years, in the Twin Cities, our work has:

- **Helped over 4,450 families on homeownership needs**
- **Helped 1,287 families buy a home**
- **Preserved housing for 280 families**
- **Resulted in $250,772,227 of investment into our community**

Our Partnerships

We are an affiliate of NeighborWorks America, which represents and supports over 245 community organizations nationwide to support homeownership and community stabilization.

We are certified by the Department of the Treasury as a CDFI lending institution, one of 35 in Minnesota.

What Sets Us Apart

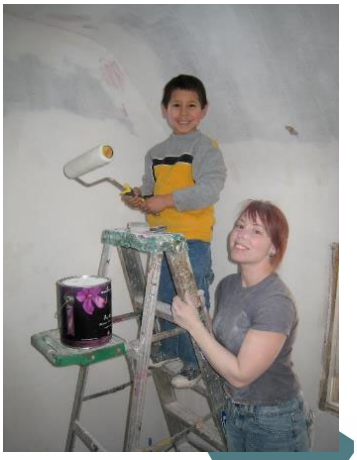
- **NeighborWorks Home Partners takes a holistic approach to supporting successful homeownership by helping families *BUY*, *KEEP*, and *FIX* their home.**
- **We utilize an on-line customer portal that allows clients 24/7/365 access as well as the ability to apply for a loan, schedule an appointment, securely submit documents, etc… when it is convenient for them.**
- **We work with communities to help craft impactful programs that are responsive to their needs.**
- **We leverage funding from a number of sources to increase investment within a community.**

Home Improvement Lending at NeighborWorks Home Partners

- We provide attentive, proficient support for the client **every step of the way**.
- NWHP lending staff has extensive experience and training in residential lending including construction and home improvement loans. Lending staff help clients complete their application and determine the best program to fit their needs and budget. NWHP staff originate and close loans in-house.
- Our Construction Management team has over 30 years experience. A construction specialist visits the home to determine the scope of work, help secure contractor bids, and verify that work is done correctly.
- NWHP escrows funds in-house and does not pay contractors until work has been verified that it is complete.

Down Payment Lending at NeighborWorks Home Partners

- We have been providing down payment assistance to help families buy a home for over 30 years.
- We are a HUD approved lender for down payment assistance and provide the wrap around HUD counseling services to help borrowers be successful homeowners.
- We work with borrowers and first mortgage providers to facilitate on-time and success loan closings.
- NWHP and our applicable staff are NMLS registered and licensed.



Lending at NeighborWorks Home Partners

- ***Over the last 36 months, we have closed 797 loans totaling $10,145,194***
- We operate a revolving loan fund – over 760 loans totaling over $10.4MM
- Funding sources include: CDBG, HOME, TIF, Levied funds, HTF, CDFI, NWA, FHLB, PRI and EQ2
- Act as loan administrator for the following parties:
  - Cities of St. Paul, Minneapolis, Woodbury, Shoreview, North St. Paul
  - Minnesota Housing – Fix-up Fund and RLP/ELP Program
  - Ramsey County
  - Northside Residents Redevelopment Council (North Minneapolis)
  - Sakan Community Resource

Municipality Partnerships

- Assist with creation of loan programs and guidelines.
- Respond to general inquiries and offer referrals, as needed.
- Receive, process, evaluate, underwrite and close loan applications in-house.
- Manage the construction process including oversight of the draw process, contractor payments, lien waiver collection and closing out permits.
- Post-closing duties including recording mortgages, assigning loans and forwarding pertinent information to loan servicer to receive payments.
- Reporting to multiple stakeholders including a number of City, County, State and Federal governmental entities.
- Fundraise for additional dollars when possible.

Lending at NeighborWorks Home Partners

"Working with NeighborWorks was a really great experience. They were professional, insightful, and amazing. I tried to go through home improvement on my own but it was frustrating. NeighborWorks took the stress out of it by helping with the bids and showing me what needed to be done."

An Her Ankhu-Ra
Home Improvement Client

"Having a program like this that gives families an opportunity to update and improve their house for the betterment of the whole community is a huge deal. We are thrilled with our updates!!! It makes me so happy every time I walk into the kitchen. It makes me want to stay in the house even longer."

- NWHP Home Improvement Customer

West St. Paul Single Family Housing Characteristics

- Over 9,000 total housing units with just under half single family homes
- Higher density than many other suburbs
- Owner occupancy is lower than many other suburbs
- Home prices are affordable and relatively low compared to other suburbs
- Majority of homes built before 1939 or between 1950-1959 – median year built is 1966
- Roughly 600 renovation permits issued annually – average value of $8,143
- Negative equity and foreclosure activity is similar to other suburbs

Table 3-1 - Average Score of Housing in West St. Paul
Scoring – 1 = excellent and 5 = deteriorated

Ward	Avg. Score of Single-family Home (SD)*	Avg. Score of Multi-family Home (SD)*
I	2.52 (.31)	2.38 (.38)
II	2.42 (.33)	2.38 (.31)
III	2.19 (.32)	2.18 (.23)
Total	**2.36**	**2.32**

Dakota County Home Improvement Program

- Administered by the Dakota County CDA utilizing Dakota County funds
- Zero percent interest - No monthly payments
- $15,000 loan minimum; $25,000 loan limit
- Repayable when ownership changes or you move from the property. May be required to repay the loan if you refinance or take out a home equity loan.
- Income must be at or below 80% AMI
- Must own home and have equity (110% max DTI)
- 580 credit score minimum and $60k asset limit

Household Size	Income Limit
1	$52,850
2	$60,400
3	$67,950
4	$75,500
5	$81,550
6	$87,600
7	$93,650
8+	$99,700

Dakota County Home Improvement Program

2014-2017

- $352,851 in CDBG dollars
- $350,980 in other dollars
- 36 families served
- Average loan size is $20,000
- 6-8 month waitlist for program

Year	Money Awarded
2010	$90,500
2011	$90, 200
2012	$75,000
2013	$82,804
2014	$81,906
2015	$81, 906
2016	$81,906
2017	$110,808
2018	$99,694

Questions to Consider

- Are services needed above what the Dakota County CDA is currently providing?
- If so, what services?
- What income served?
- What geography?
- How would they be structured?
  - Payback terms
  - Loan amount
- Who else is invested in housing in West St. Paul?

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