



OPEN COUNCIL WORK SESSION

MUNICIPAL CENTER COUNCIL CHAMBERS

1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

MONDAY, MAY 22, 2023

Immediately Following EDA Meeting

Please note: Councilmember Gullev will be attending this meeting virtually from Harrison Branch Library located at 10398 New Haven Road, Harrison, OH 45030. This space will be open and accessible to the public.

1. Welcome and Note Attendance

2. Agenda Item(s)
 - A. NeighborWorks Loan Program Discussion

Documents:

[OCWS MEMO - NEIGHBORWORKS DISCUSSION.PDF](#)
[ATTACHMENT - NEIGHBORWORKS DISCUSSION.PDF](#)

- B. Public Safety Policy and Approach

Documents:

[OCWS ITEM - PUBLIC SAFETY POLICY AND APPROACH.PDF](#)

3. Regular Meeting Consent Agenda Review

4. 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.

Si usted desea que alguna parte del paquete de esta agenda sea traducida al Español, por favor solicítelo al social@wspmn.gov.

www.wspmn.gov EOE/AA

Subject: NeighborWorks Loan Program Discussion

Meeting Date: Monday, May 22, 2023	
Submitted/Presented by/Department: Ben Boike - Community Development	
Action Type	
<input type="checkbox"/> Consent Item	<input checked="" type="checkbox"/> Discussion/Direction
<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Informational Only
<input type="checkbox"/> Action/Motion	<input type="checkbox"/> Report
<input type="checkbox"/> Resolution	<input type="checkbox"/> Other:
Action	
Work Session Discussion	
Background	
<p>NeighborWorks Home Partners is a local non-profit lender whose mission is to help families buy, fix, and keep their homes. They were founded 42 years ago to serve the Westside of St. Paul and have since expanded to serve the Twin Cities Metro area. They currently operate programs in partnership with WSP, St. Paul, Minneapolis, Woodbury, Shoreview, North St. Paul and Vadnais Heights.</p> <p>NeighborWorks initially contacted WSP about the current home repair program in 2018 and officially launched the program in April of 2020. The current program provides low interest loans for home repair for the following:</p> <ol style="list-style-type: none"> 1. Exterior improvements to the home 2. Correct state of local code deficiencies 3. Complete system improvements such as HVAC, electrical and plumbing 4. Other repairs or replacements as approved by the EDA. <p>Since funding was capped at \$50,000 a year, the Council/EDA opted to limit the scope to areas north of Butler Avenue. In addition, income eligibility was set to a narrow band and loan amounts were capped at \$15,000. Based on the established criteria, interest has been limited with only one loan currently in process. The program has had roughly 10 inquiries with only one application meeting the limited criteria established.</p> <p>One of the Strategic Plan initiatives is to expand rehabilitation of existing homeowner properties. In effort to assist with this initiative, Staff is recommending consideration of expanding the program with the following suggestions:</p> <ol style="list-style-type: none"> 1. Increase the eligibility area to city wide 2. Expand the income limits by removing the income floor 3. Increase the loan amount from \$15,000 to \$25,000 	

Subject: NeighborWorks Loan Program Discussion

In doing do, Staff feels that the program will be better utilized and provide more opportunity for WSP residents. Staff also plans to expand marketing efforts moving forward.

Jason Peterson from NeighborWorks Home Partners will be in attendance to provide a summary of the program and discuss recommended changes as outlined.

Attachments

Loan Guidelines

Previous Relevant Actions

N/A

Alternatives

N/A

Financial

Budgeted: Yes

No Financial Impact

Fund: 209

Department: 41121

Account: 40495

Amount: \$50,000 Annually



creating homeowners
building community

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533 Dale Street North
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West St. Paul Economic Development Authority Home Improvement Loan Program

PROGRAM GUIDELINES

Program Description: This loan program is designed to assist homeowners to maintain and improve their properties by offering flexible below-market rate financing. The program is administered by the NeighborWorks Home Partners (NWHP).

Eligible Properties: All properties must be located in the City of West St. Paul, specifically in the project area which is north of Butler Avenue, east of Delaware Avenue and West of Waterloo Avenue. Only owner--occupied, single-family detached homes are eligible.

Eligible Improvements: Eligible work shall include repairs or replacement to:

1. Improve the exterior of the property
2. Correct local or state code deficiencies
3. Complete system improvements such as HVAC, electrical and plumbing
4. Other repairs or replacements as approved by the EDA

Ineligible Improvements: Ineligible work shall include recreational or luxury improvements, such as a swimming pool or Jacuzzi, working capital, payment for owner's labor, debt service, refinancing existing debts and other work items determined by NWHP to be ineligible.

Loan Amount: The minimum loan amount is \$5,000. The maximum loan amount is \$15,000. A household may receive up to two loans concurrently for different projects, as long as they are current on their existing loan and the sum of the two loans does not exceed the maximum loan amount of \$15,000.

Interest Rate: The loans are offered at a below-market interest rate determined by West St Paul EDA.

Income Eligibility: The income limit ranges from 80-120% of Area Medium Income (AMI) adjusted by household size.

Loan Term: The maximum possible maturity on the loan is 15 years. Loan term can be flexible based on eligibility.

Loan Security: All loans will be secured by a Promissory Note and a Mortgage in favor of the West St. Paul Economic Development Authority (EDA).

Debt-to-Income Ratio: Applicants must have the ability to repay the loan. Applicants who have a potential debt-to-income ratio in excess of 50% will be denied.

Loan-to-Value Ratio: Applicants who have a potential loan-to-value (LTV) ratio in excess of 100% will be denied.

Underwriting: Applicant must be current on mortgage payments, property taxes and all consumer credit. The NWHP practices prudent underwriting and follows generally accepted industry standards.

Work by Owner: Work can be performed on a "sweat equity" basis. Loan funds are for materials only, not for labor or tools. The NWHP construction manager will determine if the owner has the ability to properly complete the work within the program time requirement. Material must be purchased and installed prior to the disbursement of the loan proceeds.

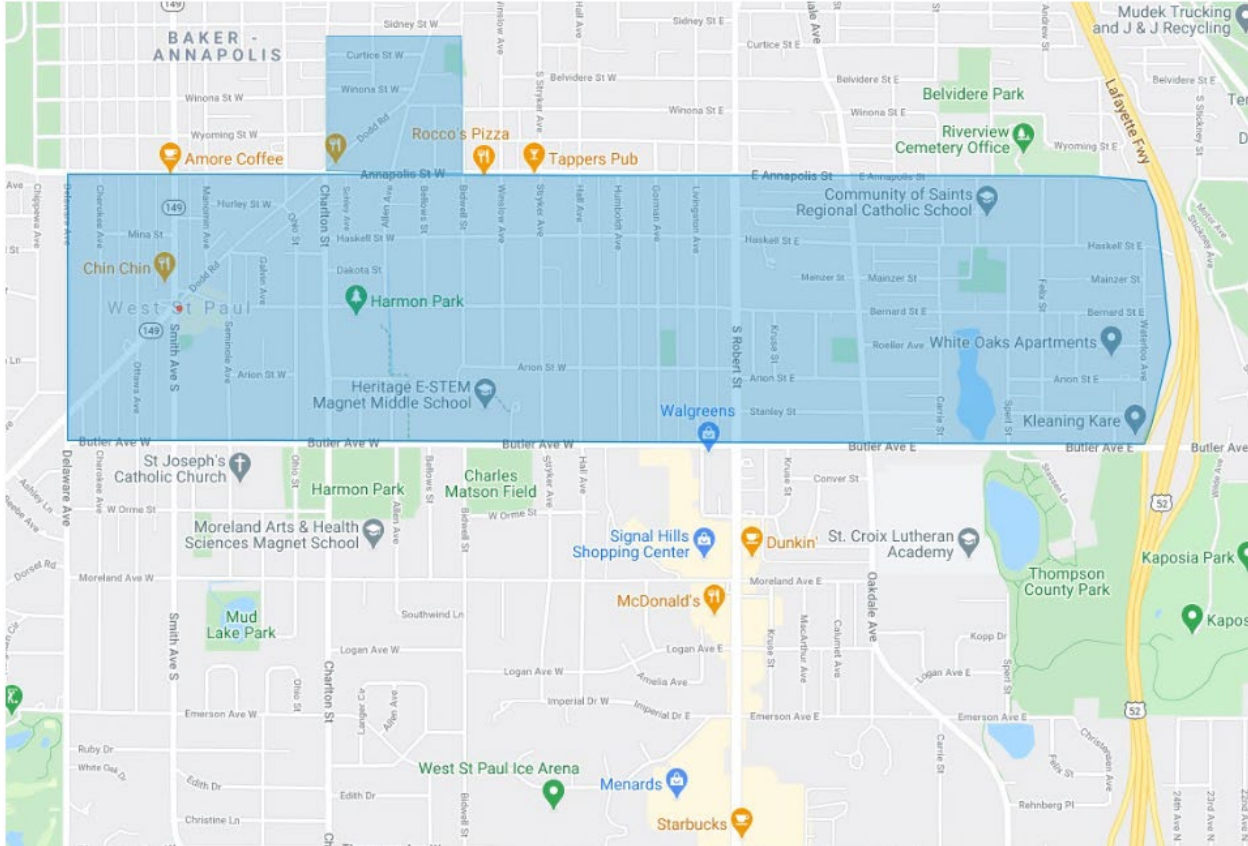
OTHER GENERAL CONDITIONS AND PROCEDURES:

- 1. Rehabilitation Consulting:** The NWHP construction manager will be available to borrowers to advise them about proposed projects prior to obtaining bids and will review all bids for reasonableness. Two bids must be obtained for all projects for which at least \$5,000 of funds will be spent.
- 2. Loan Costs:** A non-refundable credit report fee is due at the time of application: \$68.80 per married couple; \$34.90 per non-married borrower. An Owners and Encumbrance Report will be ordered to examine title. The cost of this report is \$125.00 and may be included in the loan amount. There will also be an origination fee of \$150 may be included in the loan amount. Mortgage filing fees and mortgage registration tax will be paid by the borrower at closing.
- 3. Initial Applications for Funding:** Applications will be accepted by the NWHP on an ongoing basis and processed on a first-come, first-served basis, as funds are available until all program funds are committed.
- 4. Contractors & Permits:** Contractors must be properly licensed by the state of Minnesota when required. Permits must be obtained when required by city code. **Do not sign a contract prior to the closing on your loan. Any work begun in advance of the loan closing will not be eligible to be paid for by the loan.**
- 5. Work Completion:** Weather permitting, all work must be completed within 120 days of the loan closing.

6. **Total Project Cost:** It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. If the final cost exceeds the loan amount, the borrower must obtain the additional funds. NWHP can direct borrowers to additional financing sources. The additional funds needed to complete the project must be paid to the contractor prior to NWHP release funding to the contractor.
7. **Custody of Funds:** Loan funds will remain in the custody of the NWHP until payment is made for completed work.
8. **Disbursement Process:**
 - a. Payment to the contractor (or owner) will be made after completion of the work. An inspection will be performed by the City and/or NWHP to verify the completion of the work.
 - b. The following items must be received before the funds can be released:
 - 1.) **Final Invoice** from each contractor showing all amounts paid and due
 - 2.) **Original Lien Waiver** from each contractor
 - 3.) **W-9** from each contractor
 - 4.) **Completion Certificate** signed by each contractor and the borrower
 - 5.) **Evidence of all Permits Closed Out**
 - 6.) **Material Receipts** for sweat equity projects
 - 7.) **Final Inspection** and approval by the NWHP. The above items must be provided to NWHP to begin the preparation of the check(s). Lien waivers must be provided before the funds will be released.
 - c. Payment checks may take up to 10 business days to prepare after the above items are received. Payments will only be made for work completed and approved.

West St. Paul EDA Home Improvement Loan Service Area

Program area: north of Butler Avenue, east of Delaware Avenue and West of Waterloo Avenue.



Subject: Public Safety Policy and Approach

Meeting Date: May 22, 2023	
Submitted/Presented by/Department: Nate Burkett, City Manager	
Action Type	
<input type="checkbox"/> Consent Item	<input checked="" type="checkbox"/> Discussion/Direction
<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Informational Only
<input type="checkbox"/> Action/Motion	<input type="checkbox"/> Report
<input type="checkbox"/> Resolution	<input type="checkbox"/> Other:
Action	
NA	
Background	
<p>One of the Council's strategic initiatives for 2022-2024 was to create a public safety philosophy, which recognizes that public safety does not just come from reactive policing.</p> <p>The purpose of this conversation is to share what we are currently doing that supports this approach to public safety and to obtain the Council's ideas related to actions the Council wants to see related to implementing this public safety approach in to our normal business operations?</p> <p><u>What Makes People Feel Safe in a Community?</u></p> <p>Answering this question is complicated because there are so many different perspectives. For example; in our most recent community survey, senior citizens and longer term residents said by a large majority that an increased police presence and better street lighting were very important to make the community safer.</p> <p>Reviewing academic literature a general definition of safe community is when people in the community do not fear potential injury or loss when they are in or outside of their homes. When you think about all of the potential ways that people can experience injury or loss it does not all have to do with policing or fire protection. People can be injured in pedestrian, bike or auto accidents, they can be injured on a playground or they can be injured in their home. People may fear they will lose their child in a shopping mall or that if they leave their personal belongings unattended they will be taken. In addition, people can be afraid of other people. This may be because the crime rate is high or perceived to be high, or they perceive a threat from others. Thus, a comprehensive approach to community safety is needed to genuinely create a safe community.</p> <p>Most approaches to improving or maintaining community safety that can find in the academic literature or in various community safety plans prepared by other communities rightfully focus on crime and crime prevention. This is a reasonable approach because if people fear crime it is more consuming than fearing other potential loss or injury. When people fear crime they tend to stay out of the community, off of the sidewalks and trails, out of the parks and out of the</p>	

Subject: Public Safety Policy and Approach

commercial areas. When the average person does not engage in the community it has the perverse effect of reducing the fear of those who may commit crimes of being interrupted or apprehended. The suggestion here though, is to expand somewhat to recognize some of the unique demands and features of West St. Paul.

Philosophy/Policy Points for Consideration

Many of the concepts and actions listed below we are already thinking of or already doing. However, there is value in clearly stating the policy intent of what we are doing. There is also more that can be done, and more ideas to come if we state our intentions clearly.

- Proactive prevention - Proactive prevention is one of the easiest things people can do to both reduce the potential of injury or loss and support overall community safety.
- Programs and initiatives aimed at developing strong habits to avoid being a victim of crime (lock your car doors, lock your house doors, programs to install motion sensitive lighting)
- Programs and initiatives aimed at developing strong habits to avoid household accidents (change your smoke detectors, ladder safety, E-Bike safety)

Building community - Knowing and trusting your neighbors is one of the best and most fun things people can do to support overall community safety.

- Community events such as Cops in the Park, Explore WSP Days
- Encourage rental communities to join together and build community within their buildings and within the entire community

Environmental design - The design and maintenance of our streets, sidewalks, trails, parks and buildings is intended to bring people together, keep the community safer and dissuade potential crime from occurring.

- Continue to support maintenance standards for city infrastructure, businesses and private property
- Build in an intentional community safety review for all city infrastructure projects and private developments using Crime Prevention Through Environmental Design (CPTED)

Reliable access to critical services - Community-oriented, well-staffed, and exceptionally trained critical services teams including dispatch, police, fire, mental health and human services response are a vital component of community safety.

- Police Patrol and Fire/EMS Response
- Embedded social worker and mental health response programs

Managing perception - People should understand the reality of community safety through verified and trusted sources.

- Finding ways to be the go-to and trusted source about community safety in WSP
- Strategically dispelling rumors that negatively impact people's perception of safety

Subject: Public Safety Policy and Approach

Attachments	
Previous Relevant Actions	
Alternatives	
Financial	
Budgeted: <input type="checkbox"/> Yes	<input type="checkbox"/> No Financial Impact
Fund:	
Department:	
Account:	
Amount:	