All meetings of the St. Louis Park City Council will be conducted by telephone or other electronic means starting March 30, 2020, and until further notice. This is in accordance with a local emergency declaration issued the city council, in response to the coronavirus (COVID-19) pandemic. Additionally, city facilities are closed to the public until May 4 in keeping with the April 8, 2020, Executive Order 20-33 issued by Gov. Tim Walz directing Minnesotans to Stay at Home April 8 - May 4.

Some or all members of the St. Louis Park City Council will participate in the April 13, 2020 study session by electronic device or telephone rather than by being personally present at the city council's regular meeting place at 5005 Minnetonka Blvd.

Members of the public can monitor the council meeting by video and audio at https://bit.ly/watchslpcouncil or by calling +1-312-535-8110 meeting number (access code): 359 770 50 for audio only. Cisco Webex will be used to conduct videoconference meetings of the city council, with council members and staff participating from multiple locations.

6:15 p.m. CONVENE LOCAL BOARD OF APPEAL AND EQUALIZATION (LBAE)

6:30 p.m. STUDY SESSION

Discussion items

<table>
<thead>
<tr>
<th></th>
<th>Time</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6:30 p.m.</td>
<td>COVID-19 pandemic update</td>
</tr>
<tr>
<td>2</td>
<td>8:00 p.m.</td>
<td>Future study session agenda planning and prioritization</td>
</tr>
</tbody>
</table>

8:05 p.m. Adjourn

Written reports

<table>
<thead>
<tr>
<th></th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>2019 housing activity report</td>
</tr>
<tr>
<td>4</td>
<td>Proposed sixth amendment to purchase and redevelopment contract with PLACE E-Generation One, LLC</td>
</tr>
<tr>
<td>5</td>
<td>Business terms for redevelopment contract with Sela Investments – Parkway Residences</td>
</tr>
<tr>
<td>6</td>
<td>Business terms for redevelopment contract with Cedar Partners, LLC – The Quentin</td>
</tr>
<tr>
<td>7</td>
<td>Proposed Small Business Emergency Assistance Program</td>
</tr>
<tr>
<td>8</td>
<td>Best Cleaners conditional use permit and variance extension</td>
</tr>
</tbody>
</table>

Auxiliary aids for individuals with disabilities are available upon request. To make arrangements, please call the administration department at 952.924.2525 (TDD 952.924.2518) at least 96 hours in advance of meeting.
Executive summary

Title: 2020 St. Louis Park Local Board of Appeal and Equalization

Recommended action: Mayor to convene the hearing, following agenda is suggested.
1. Convene the St. Louis Park Local Board of Appeal and Equalization
2. Roll call of board members – declaration of quorum – motion to appoint chair
3. Acknowledgement of trained member (Kraft and Rog)
4. a. Accept roster of appellants
   b. Call for any additional appellants
5. Set outline for reconvene meeting – virtual format
   a. Board direction... suggested... appellant and respondent to submit materials in writing
   b. Board direction... suggested... appellant and respondent to be available for board questions
   c. Motion to set date/time for reconvene meeting... April 27, 2020 prior to the study session
6. Instruct assessor to:
   a. Inform appellants of reconvene date/time and board process via telephone and (e)mail
   b. Inform appellants of the county board application date (May 20 requested)
   c. Re-inspect Discussion with appellant and re-appraise parcels under appeal
7. Completion of the local board certification form
8. Motion to recess

Policy consideration: Local and county boards are required by law. The Minnesota Department of Revenue (MN DOR) has provided guidance on inspection policies (highly discouraged), waiver of the 20-day rule, practical resolution of late appellants and allowance for a virtual meeting format.

Summary: Minnesota statute requires that all properties are valued at full market value. Property owners and those having an interest in real property are entitled to appeal their classification and market value. The property classification is determined by the actual use of the property. The market value is an opinion based on records for each property and the market conditions as of the date of assessment (Jan. 2).

In most jurisdictions and our historic practice, the St. Louis Park Board of Appeal and Equalization is accomplished in two meetings. The first meeting is used to convene the Board, set the Board process, accept the roster of appeals and announce that appeals are resolved at the reconvene meeting. The second meeting (reconvene) is used to decide the merit of each appeal. The Local Board process depends on active participation from all parties involved including the board members, the property owner and assessing staff.

Financial or budget considerations: Not applicable for budgeting from the perspective of the taxing jurisdictions. Changes made by the Board may affect the property owner’s share of the total property tax budget levy in the Pay 2021 tax period.

Supporting documents: Summary of duties and responsibilities

Prepared by: Cory Bultema, city assessor
Reviewed by: Nancy Deno, deputy city manager/HR director
Approved by: Tom Harmening, city manager
SUMMARY OF DUTIES AND RESPONSIBILITIES
Local Board of Appeal and Equalization

Most of the responsibilities listed under the Local Board of Appeal and Equalization are statutory, primarily found in Minnesota Statutes 274.01.

- **Timeline:** The assessment as of January 2, 2020 is set relative to market activity occurring prior to the date of assessment. The potential value influence arising from the Covid-19 pandemic will be reviewed from the perspective of market reactions in setting the 2021 assessment.

- The valuation notices shall be in writing and be sent by ordinary mail at least ten calendar days before the meeting of the board. The valuation notice will include the dates, places and times set for the meetings of the Local Board of Appeal and Equalization and the Hennepin County Board of Appeal and Equalization. For the 2020 Board, the use of a virtual format has been communicated by web site announcement and posting on City Hall public doors.

- The City Clerk shall give published and posted notice of the meeting. The meetings must be held between **April 1 and May 31** including reconvene meetings. The board must complete its work and adjourn within 20 calendar days. MN DOR has issued a state-wide waiver of the 20-day rule for the 2020 Board. In terms of practical compliance, the Local Board should not run later than May 11 to allow the County Board to effectively operate within its statutory time window.

- The Local Board of Appeal and Equalization is an official public meeting and cannot convene without a quorum. The local assessor and county assessor representative are required to attend.

- At least one member at each meeting of the Board must be certified as having completed the MN DOR Board of Appeal and Equalization training. Training status is listed on the MN DOR record.

- The Board, not the assessor, should run the meeting as a fair and impartial review of the appeals. The property owner is the appellant and the assessing staff act as the respondent. The Board may ask questions to clarify facts and background on the appeal. It is suggested that all appeals are reviewed before the Board begins deliberations on each.

- Local Boards of Appeal and Equalization must see that all taxable property is properly valued and classified for the current assessment year only. The Board has full authority to sustain, decrease or increase individual assessments. The Board may add a property to the assessment roll if it has been omitted. The Board does not have the authority to reopen prior assessments on which budgets have been levied and the taxes are due and payable.

- Although the Local Board of Appeal and Equalization has the authority to increase or decrease individual assessments, the total of such adjustment must not reduce the aggregate assessment by more than one percent. If the total reductions would exceed one percent, none of the adjustments may be made. The assessor shall correct any clerical errors without regard to the one percent limitation.

- The Local Board may not increase or decrease all assessments in a district of a given class of property. Changes by class may be made by the County Board of Equalization.

- Individual board members cannot participate in actions or discussions of appeals involving their own property, property of relatives, or property in which they have a financial interest.
The Local Board may not make a market value or classification change that would benefit the property in cases where the owner or other person having control over the property will not permit the assessor to inspect the property and the interior of any buildings or structures. For the purpose of the 2020 Board, this practice has been greatly relaxed – staff has engaged property owners in more detailed phone conversations and in some cases photos by electronic means.

If an assessment was made after the local Board meeting or if a taxpayer can establish not having received the notice of market value at least five days before the meeting, they can appeal to the County Board of Appeal and Equalization.

The Board may find instances of undervalued properties. Assessing staff will inform the owner when they are recommending an increase of assessed valuation. The Board must notify the owner of the property that the value is going to be raised. The property owner must have the opportunity to respond to that Board action if they so wish.

The local boards do not have the authority to address exemption issues. Only the county assessor (and the tax court) has the authority to exempt property. Local boards also have no jurisdiction over special programs for which an application process is required (Veterans Exclusion, Market Value Homestead Exclusion, Green Acres, etc.).

Per MN DOR guidelines, a property owner may appear in person, by council, or written communication to present his or her objection to the board. The focus of the appeal must review the estimated market value or classification placed on the property. The use of a virtual meeting format has been recognized by the DOR as an acceptable alternative for 2020.

Before adjourning, the Board should prepare an official list of the changes. The law requires that the changes be listed on a separate form. All assessments that have been increased or decreased should be shown on the form along with their market values.

Administrative Rules from the Department of Revenue beginning with the 2013 Local Board of Review: The Assessor may not make administrative changes to the valuation or classification less than 10 days prior to the Board. All contemplated changes should be brought to the Board for review and approval which may be accomplished by reading them into the record.

Directive from the Department of Revenue (April 2017) – the Board is required to review appeals activated after the published meeting date and prior to adjournment. The directive effectively eliminates roster closure until adjourned which is quite problematic. To comply with the directive, it is recommended that the Board decide late appeals on a case-by-case basis. For those so late to preclude effective review, simply add them onto the roster to preserve the owner’s right to be eligible for the County Board.

At the convene meeting on April 13, the Board will be given two outlines to assist you in conducting an efficient and productive meeting. One will be the Agenda as the Board process is quite specific in format. The other will be the Board roster which is updated at 4:30 pm.

Further reference, if you desire, can be provided via the MN Department of Revenue Board Training Manual (2018 update). This manual gives considerably greater detail as to the process and role of the Board in the assessment process.
Executive summary

Title: COVID-19 pandemic update

Recommended action: None currently. The purpose of this study session is to provide time for an update on the COVID-19 pandemic and answer council questions.

Policy considerations:
- Does the city council need additional information related to the COVID-19 pandemic?
- Is the council in agreement that additional time is needed at upcoming meetings to continue evaluating the long-term financial impacts due to COVID-19 pandemic?
- Does the city council agree to focus on basic core services and issues affecting socially vulnerable communities and adjusting the timeline of council priorities non-related to COVID-19?

Summary: 90 minutes have been allotted to this update. Staff will take about 50 minutes providing an update on core service delivery, financial forecasts, and REI with the remainder set aside for questions from the council.
- COVID-19 and fire department update (10 minutes)
- Police (5 minutes)
- Operations & recreation (5 minutes)
- Finance (10 minutes)
- Racial equity, inclusion & outreach (20 minutes)

Included in this report is an overview of the engineering capital improvement plan (CIP) and changes to project timelines.

Financial or budget considerations: The chief finance officer will provide an update to the council related to the budget during the meeting.

Strategic priority consideration: Not applicable.

Supporting documents: Engineering capital improvement plan update

Prepared by: Maria Solano, senior management analyst
Approved by: Tom Harmening, city manager
**Engineering Capital Improvement Plan update**

**Goal 1:** Adjust bond sale timing from now until this spring/summer and reduce amount of bond sale.

**Capital Improvement Plan (CIP) adjustments**

| Monterey Drive - Phase 1 (4020-1101) | Use MSA funds to pay for bikeway and sidewalk costs  
  • No change in construction schedule. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast bikeway (4018-2000)</td>
<td>Push council construction award from July to August- construct fall 2020</td>
</tr>
</tbody>
</table>
| Dakota bridge and bikeway (4019-2000) | Move council construction award from July to August  
  • Dakota south bikeway- construct fall 2020  
  • Dakota north bridge and bikeway- construction to start in fall 2020- project completion fall 2021  
  • Majority of bonding will be in 2021 approximately 20% 2020 and 80% 2021 |
  • Public process difficult due to physical distancing and gathering guidelines  
  • Difficult to make traffic management recommendations- Any traffic study would not accurately reflect “normal” traffic operations due to stay at home order and schools being closed  
  • Connect the Park bikeway segments located on streets in the project- council policy discussion to occur later in 2020  
  • Eliminates need to use bond proceeds to fund gap in franchise fee revenues. Allows franchise fee revenues to catch up with CIP funding. Analysis to see if franchise fee increase can be delayed.  
  • Consider moving 2022 commercial street rehabilitation project to 2021. During 2021 CIP process. |
| Louisiana Bridge Project (4018-1700) | Due to high prices, the Louisiana bridge project bids were rejected, the project will be going back out for bidding Fall 2020.  
  • Construction to start winter 2021  
  • Reduces the 2020 bond sale significantly |
Goal 2: Reduce cash outflows city-wide with decrease in revenues expected/anticipated in near term. All this while trying to ensure we have a healthy staff to deliver the projects in a timely manner.

CIP adjustments

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Action Plan</th>
</tr>
</thead>
</table>
| Historic Walker Lake - Phase 2                   | Push council construction award from May to June 2020  
  (4018-1050)                                                    • Construction starts in late June. |
| Alley construction (4020-1500)                   | Move 2020 alley construction project to 2021                                                            |
| Pavement management (west Fern Hill) (4021-1000) | Move 2021 pavement management residential street rehabilitation to 2022 (see detail above)                |
| Louisiana bridge reconstruction (4018-1700)     | Request MSA reimbursement for engineering costs to date                                                    |
| Oregon pond maintenance (4018-4000)             | Change project bid from spring to Fall 2020- winter construction                                           |
| Sumter pond maintenance (4019-4000)             | Change project bid from spring to Fall 2020- winter construction                                           |
Executive summary

Title: Future study session agenda planning and prioritization

Recommended action: The city council and city manager to set the agenda for the regularly scheduled study session on April 27, 2020.

Policy consideration: Not applicable.

Summary: This report summarizes the proposed agenda for the regularly scheduled study session on April 27, 2020.

Also attached to this report is:
- Study session discussion topics and timeline

Financial or budget considerations: Not applicable.

Strategic priority consideration: Not applicable.

Supporting documents: Tentative agenda – April 27, 2020
Study session discussion topics and timeline

Prepared by: Debbie Fischer, administrative services office assistant
Reviewed by: Maria Solano, senior management analyst
Approved by: Tom Harmening, city manager
April 27, 2020

6:30 p.m.
Reconvene local board of appeal and equalization (LBAE) - *To be held via videoconference*

Immediately following the LBAE
Study session - *To be held via videoconference*

*Tentative discussion items*

1. **COVID-19 pandemic update** – Administrative services (30 minutes)
   Staff will provide an update to the city council on the state of the COVID-19 pandemic.

2. **Future study session agenda planning** – Administrative services (5 minutes)
   *Communications/meeting check-in* – Administrative services (5 minutes)
   Time for communications between staff and council will be set aside on every study session agenda for the purposes of information sharing.
<table>
<thead>
<tr>
<th>Priority</th>
<th>Discussion topic</th>
<th>Comments</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prioritizing transit options thru investments, and engineering and operations decisions</td>
<td>SS discussion 10/21/19. Next steps: staff reach out to Metro Transit, bench company, and Met Council rep. Update – staff met with Metro Transit Dec., 2019</td>
<td>In process</td>
</tr>
<tr>
<td>2</td>
<td>Climate crisis</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>3</td>
<td>Discuss public process expectations and outcomes</td>
<td>Staff is working on the approach for undertaking this discussion.</td>
<td>June 8, 2020</td>
</tr>
<tr>
<td>4</td>
<td>Revisit housing setback, FRA, &amp; more to maintain and create more affordable housing</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>5</td>
<td>Home-based businesses</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>6</td>
<td>Public forums at council mtgs</td>
<td>9/23/19 SS. Staff is doing research of other cities.</td>
<td>TBD</td>
</tr>
<tr>
<td>7</td>
<td>STEP discussion: facilities</td>
<td>Discussed on 1/14/19; city, STEP &amp; school toured Central Community Ctr and continuing discussions</td>
<td>TBD</td>
</tr>
<tr>
<td>8</td>
<td>Community and neighborhood sidewalk designations</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>9</td>
<td>Remove mint &amp; menthol exemption from existing flavored tobacco policy</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>10</td>
<td>Easy access to nature, across city, starting w/ low-income neighborhoods</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>11</td>
<td>Conversion therapy ban</td>
<td></td>
<td>TBD</td>
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<tr>
<td>12</td>
<td>Changes to sign ordinance</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>13</td>
<td>WHNC Access Fund</td>
<td>On hold pending direction from school district.</td>
<td>On hold</td>
</tr>
<tr>
<td></td>
<td>SEED’s community greenhouse/resilient cities initiative</td>
<td>On hold until Food Access and Security study is complete, and recommendations have been made.</td>
<td>March 9, 2020</td>
</tr>
<tr>
<td></td>
<td>Revitalization of Walker Lake area</td>
<td>Part of preserving Walker building reports: 8/28/17, 9/25/17, 1/22/18, design study 2/12/18, update 4/23/18, design study updates 8/27/18; SS discussion 2/11/19; SS discussion 5/28/19, planning commission to review ordinances for implementation Qtr. 3 &amp; 4 2019; parking ord. in process of council approval; construction of phase 1 completed; Planning for 2020 phase 2 construction work underway</td>
<td>In process</td>
</tr>
<tr>
<td></td>
<td>Crime free ordinance/affordable housing strategies</td>
<td>Discussed 5/14/18. 1st reading housing trust fund 10/1/18; Other affordable housing strategies/Crime Free Ordinance – Nov/Dec, 12/10 &amp; 12/17/18 &amp; 1/14/19 council discussion; Certain provisions of crime free ord. suspended; Work group formed; CFO work group discussed on 3/25/19; Work group had 1st mtg in May, two meetings in June, one in July and August. Meetings on Sept 26, Oct 9, Oct 30, Nov 13, Dec 4.</td>
<td>March 9 and 23, 2020</td>
</tr>
</tbody>
</table>
Executive summary

Title: 2019 housing activity report

Recommended action: The purpose of this report is to update council on housing programs and activity. This report is informational. No action is required.

Policy consideration: None at this time. Please inform staff of questions you might have.

Summary: The housing activity report has been presented to council since 2005. The executive summary provides a brief overview of the detailed report. The report provides information on new housing policies and initiatives, historical trends, program descriptions, affordable housing data and information on housing programs in St. Louis Park.

Financial or budget considerations: Not applicable

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: 2019 housing activity report

Prepared by: Marney Olson, assistant housing supervisor
Reviewed by: Michele Schnitker, housing supervisor/deputy CD director
                Karen Barton, community development director
Approved by: Tom Harmening, city manager
Executive summary
The purpose of this report is to provide city policy makers with an overview of housing program activity during 2019. The report provides information on new initiatives and updates as well as historical trends, program descriptions, and data on city and federally funded housing programs and activity that are in line with the city’s housing goals.

1. New initiatives and updates in 2019
   a. Inclusionary Housing (30%, 50% and 60% AMI)
   b. Crime-free, drug-free ordinance workgroup
   c. Lou Park enhanced vouchers
   d. Glenhurst energy efficient demonstration project

2. City housing policies
   a. Tenant Protection Ordinance (60% AMI and below)
   b. Housing Trust Fund
   c. NOAH preservation strategies:
      i. 4D tax incentive program (60% AMI and below)
      ii. Multifamily rental rehab program (60% AMI and below)
      iii. Legacy program (60% AMI and below)

3. Remodeling activity
   a. Housing rehab projects (general remodeling) remained strong in 2019. Most projects were financed without using city loans.
   b. The city’s Architect Design Services and Remodeling Advisor Services continued to be great tools for residents and usage is in line with previous years.
   c. Major remodeling projects continue to be strong with fewer home additions in 2019. There were 49 additions and 82 major remodels in 2019 with average valuations at $124,000 and $73,740 respectively.
   d. The Construction Management Plan program has been in place since November 2014. In 2019 26 neighborhood notification letters were sent for Construction Management (CMP) plan projects: 17 major additions, 8 demo/rebuilds, and 1 demo only. A map is included in the report showing the location of these projects. This is a decrease in the number of CMP projects with the lowest level since the inception of the program.

4. Affordable home ownership and Community Development Block Grants
   a. There were 24 buyers under the Live Where You Work (LWYW) program during its 10 year run. In 2019 the new Down Payment Assistance (DPA) program provided loans to 8 first-time homebuyers in St. Louis Park. (120% AMI)
   b. West Hennepin Affordable Housing Land Trust had a purchase agreement for their 17th home in St. Louis Park.
   c. CDBG funds were used to fund the Deferred Loan Program for low income residents in St. Louis Park and the West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach. (80% AMI)
d. The city provides an emergency repair grant for low income homeowners in St. Louis Park. There were 6 emergency repair grants issued in 2019. (50% AMI)
e. Maxfield Research completed their rental study in the end of 2017 and of the 7,000 rental units surveyed 49.3% are affordable at 60% AMI or below.
f. The 2019 affordable ownership purchase price was $254,500 and 35% of homes in St. Louis Park are at or below this affordability limit. These homes are comprised of single family, condos and townhomes.

5. Housing Matrix
   a. Owner occupied (no rental license) properties comprise 56% of the housing market with rental properties (units with a rental license) at 44%.
b. The single-family home ownership rate is 94%.
c. The Housing Development Project List is included in the report showing residential projects approved since 2010 including projects completed, under construction and approved.

6. Foreclosures
   a. The foreclosure rate remains extremely low with only 15 residential foreclosures in 2019.

7. Federally Funded Housing Programs
   a. The St. Louis Park Housing Authority affordable rental housing and rental assistance programs served approximately 500 households with rental assistance in 2019. Income eligibility limits are 50% AMI for the housing choice voucher (HCV) program, 80% for public housing although the majority of households in public housing are below 50% AMI. Both the HCV and public housing programs serve a significant number of households below 30% AMI.
b. Family Unification Program and Mainstream Vouchers (50% AMI and below)
c. The St. Louis Park Housing Authority, in partnership with Hennepin County, has continued administering the Stable HOME rental assistance program for Suburban Hennepin County which provides housing assistance to homeless or previously homeless individuals and families in Suburban Hennepin County. 52 households were served in 2019. (50% AMI)
d. 78% of households served by housing authority rental assistance programs are at or below 30% AMI and 18% are between 31-50% AMI.
e. Kids in the Park program – increased funding and is now serving 17 families. (50% AMI and below)
f. Lou Park – 32 tenants residing at Lou Park with project based vouchers were transitioned to tenant based vouchers administered by the HA. (50% and below AMI)

| Households served by housing authority rental assistance programs as of 12/31/2019 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Number of Households            | 30% AMI | 50% AMI | 60% AMI | 80% AMI | 100% AMI |
| 345                              | 79      | 9       | 6       | 5      |
| Percentage of Households         | 78%     | 18%     | 2%      | 1%     | 1%      |

8. Program Descriptions: This section gives detailed descriptions of the various housing programs.
1. New initiative and updates in 2019

Inclusionary housing
In June 2015 the city council adopted an Inclusionary Housing Policy that requires the inclusion of affordable housing units for lower income households in new market rate multi-unit residential developments receiving financial assistance from the city. The goal of the Inclusionary Housing Policy is to increase the supply of affordable housing and promote economic and social integration.

In May 2017 the city council approved increasing the percentage of required affordable units and added a requirement that developments covered by the policy must not discriminate against tenants who pay their rent with government provided Housing Choice Vouchers or other local rent subsidies.

In 2018 the city council approved increasing the percentage of required affordable units at 60% AMI, adding a 30% AMI option, and changing the ownership to requiring a payment in lieu. The income limit eligibility for existing tenants was amended in 2018 to be consistent with the tax credit income limits.

In 2019, in an effort to expand the eligibility of developments obligated to comply with the policy requirements and ensure that any NOAH units lost due to multi-family residential development are replaced, the policy was updated.

The inclusionary housing policy applies to market rate multi-unit residential developments that receive financial assistance from the city, seek PUD land use approvals or request a comprehensive plan amendment, and includes:

a) new developments that create at least 10 multi-family dwelling units; or

b) any mixed use building that creates at least 10 multi-family dwelling units; or

c) renovation or reconstruction of an existing building that contains multi-family dwelling units that includes at least 10 dwelling units; or

d) any change in use of all or part of an existing building from a non-residential use to a residential use that includes at least 10 dwelling units.

Table 1: Inclusionary housing policy requirements

<table>
<thead>
<tr>
<th></th>
<th>Initial Policy</th>
<th>Current Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Projects</td>
<td>• 10 % of units at 60% AMI</td>
<td>• 20% of units at 60% AMI</td>
</tr>
<tr>
<td></td>
<td>• 8% of units at 50% AMI</td>
<td>• 10% of units at 50% AMI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 5% of units at 30% AMI</td>
</tr>
<tr>
<td>Ownership Projects</td>
<td>10% of units at 80% AMI</td>
<td>Payment in lieu</td>
</tr>
</tbody>
</table>
Table 2: Affordable units created and approved

<table>
<thead>
<tr>
<th>Development</th>
<th>Total Number of Units</th>
<th>Total Number of Affordable Units</th>
<th>Affordability Level</th>
<th>0 bedroom Affordable Units</th>
<th>1 bedroom Affordable Units</th>
<th>2 bedroom Affordable Units</th>
<th>3 bedroom Affordable Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shoreham</td>
<td>148</td>
<td>30**</td>
<td>50%</td>
<td>4</td>
<td>13</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>4800 Excelsior</td>
<td>164</td>
<td>18</td>
<td>60%</td>
<td>1</td>
<td>10</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Central Park West Phase 1</td>
<td>199</td>
<td>6*</td>
<td>60%</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Under construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elan Central Park West Phase 2</td>
<td>164</td>
<td>5*</td>
<td>50%</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Via Sol (PLACE)</td>
<td>217</td>
<td>22</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elmwood</td>
<td>70</td>
<td>17</td>
<td>60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approved</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platia Place (approved 2018)</td>
<td>207</td>
<td>15</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxe Residential (approved in 2018)</td>
<td>207</td>
<td>8*</td>
<td>60%</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

*Central Park West Phase 1 and Phase 2 and Luxe were not subject to the Inclusionary Housing Policy but voluntarily included affordable units

**Shoreham is a tax credit property resulting in 20% of units affordable at 50% AMI

**Crime-free, drug-free ordinance workgroup**

The St. Louis Park City Council selected applicants from various stakeholder groups to form a crime-free, drug-free ordinance workgroup (workgroup). The workgroup was created to conduct a comprehensive review and evaluation of the effect of the crime-free, drug-free rental housing ordinance in order to:

- Determine its effectiveness
- Identify any unintended consequences or concerns
- Make recommendations to the city council on possible modifications to the ordinance

The workgroup began meeting in April 2019. The workgroup recommendations will be discussed by the city council in 2020.

**Lou Park enhanced vouchers**

Lou Park is an apartment complex in St. Louis Park owned and managed by Bigos Management. Bigos notified tenants that in 2018 they would be completing an 8bb contract transfer of their 32 project-based units to another property. As of July 1, 2019, tenants were eligible to request to move to the new property or remain at Lou Park using a tenant protection or enhanced voucher administered by the St. Louis Park Housing Authority. This added 32 additional vouchers to the HAs allocation. Initially, 31 tenants chose to utilize the tenant protection voucher at
Lou Park. As of December 31, 2019, 28 remained at Lou Park, 3 had chosen to use their voucher to move to a different unit.

**Glenhurst energy efficient demonstration project**

To further the city’s housing goals of providing affordable home ownership opportunities and supporting the city’s climate action plan strategies and goals, funding was included in the 2019 Housing Rehab budget for the acquisition of a single-family home. The intent of the program was to acquire a single-family home to rehab and demonstrate how energy efficient improvements can be made to the typical home found in St. Louis Park.

3611 Glenhurst Avenue South is a tax forfeited property which the city purchased in 2019 at a below-market value to implement affordable housing. The city partnered with West Hennepin Affordable Housing Land Trust (WHAHLT)/ dba Homes Within Reach on the energy efficient and other improvements to the home. After the city uses the home as a demonstration project the home will be sold by WHAHLT as an affordable home using the land trust model.
2. **City housing policies**
The City of St. Louis Park has undertaken new initiatives and updates to current policies to address affordable housing needs in the community.

**Tenant Protection Ordinance:** The city council adopted a tenant protection ordinance in 2018. The tenant protection ordinance requires a three-month period following the ownership transfer of a NOAH multifamily residential property during which the new owner would be required to pay relocation benefits to tenants if the rent is increased, existing residents are rescreened or non-renewals are implemented without cause. NOAH properties would be defined as buildings where at least 18% of the units have rents affordable to households with incomes at or below 60% Area Medium Income (AMI).

The ordinance does not prohibit a new owner from taking the management actions listed above; however, the owner would be required to provide resident relocation benefits if they do take any of those actions during the tenant protection period and a tenant decides to move as a result. The three-month protection period provides a period of time for residents to work with housing support resources and seek alternative housing if they are facing unaffordable rent increases, new screening criteria requirements that would be problematic for them, or a thirty day non-renewal without cause notice to vacate. The ordinance requires the new owner of a NOAH building to provide notice of the ordinance protections to tenants of affordable housing units within 30 days of the sale of the building. The three-month tenant protection period begins once the notice has been given to the tenants.

NOAH properties required to comply with the tenant protection ordinance:
- 9 in 2018
- 3 in 2019

**Local housing trust fund:** The city council approved establishing a local affordable housing trust fund in 2018. Housing trust funds are distinct funds established by city, county or state governments that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing. Housing trust funds can also be a repository for private donations.

The Minnesota Legislature passed a bill in 2017 that allows local communities to establish housing trust funds. The housing trust fund may be established by ordinance and administered by the city. Money in a housing trust fund may only be used to:
- pay for administrative expenses not to exceed 10% of the balance of the fund;
- make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
- match other funds from federal, state, or private resources for housing projects; or
- provide down-payment assistance, rental assistance, and homebuyer counseling services.

The city may finance the fund with any money available to a local government, unless expressly prohibited by state law. The proposed primary source of funding for the city’s trust fund is an annual budgeted allocation of HRA Levy funds, which will be available beginning in 2020. The local housing trust fund guide was approved in 2019.

**Land banking**
Land banking is the practice of aggregating parcels of land for future sale or development. The Economic Development Authority (EDA) has purchased parcels near the Beltline and Wooddale stations to facilitate future redevelopment which will include housing. The EDA also purchased one single-family home on Minnetonka Blvd in 2018, one in 2019 and is completing the purchase of two additional homes in 2020 for future redevelopment purposes.
NOAH Preservation (Naturally Occurring Affordable Housing)
Housing staff continued to participate in a Regional Housing Workgroup to review and discuss strategies for preservation of NOAH. Additional preservation strategies including the multifamily rental rehab program, Legacy program and 4D were approved in 2018 and implemented in 2019 to preserve NOAH properties.

Legacy program – 60% AMI and below
Investors are buying NOAH apartment properties across the Twin Cities, often renovating the properties and increasing the rents. The City of St. Louis Park created the legacy program to encourage multifamily NOAH property owners in our community who are thinking about selling their property to consider connecting with a socially driven investor who will preserve the affordability of their development.

The city created a legacy program brochure outlining how an owner can make a difference by providing a legacy of affordable housing in St. Louis Park. The brochure was mailed to all B and C class multifamily rental properties.

4d - 60% AMI and below
St. Louis Park’s 4d affordable housing incentive program helps preserve affordable homes in the city by providing financial incentive to qualify apartment owners for state property tax reductions if they agree to keep 20 percent or more of their rental units affordable. The program also offers grants to help owners make energy efficiency and safety improvements to their properties.

This program was developed, approved and marketed in 2018 to preserve affordable housing in St. Louis Park. One apartment applied for 4d in 2019.

Multifamily rental rehab program - 60% AMI and below
The multifamily rental rehab program provides moderate rehabilitation assistance to eligible owners of St. Louis Park multifamily residential rental properties with 3 or more units. The targeted properties are NOAH properties that have been maintained, are in good standing, and wish to make improvements to their properties. Buildings must be at least 30 years old and meet the St. Louis Park definition of a NOAH property. The maximum loan amount per qualified rent restricted unit is $5,000 with a maximum loan per building/development of $50,000. Loans have 0% interest and are due upon the sale of the property. Owners must restrict the rents for a 10-year term or until the sale or transfer of the ownership of the property.

The goal of this program is to provide a rehab incentive for NOAH properties to improve their property without raising rents above the 60% AMI rent level. No properties participated in this program in 2019.
3. REMODELING ACTIVITY
Residential permitted activity measures remodeling and maintenance activity. This section shows historical trends of remodeling activity. Residential properties include apartments.

Permit Trends

- **“Alteration Residential” or General Remodeling**
  General remodeling work includes residential projects with permit valuations less than $37,500. The average value per job in 2019 is $8,600. Permits include a wide range of projects including remodeling of existing spaces, window and door replacement, drain tile, insulation, foundation work, etc.

  **Chart 1: Trend of General Remodeling Permits valued under $37,500**

- **Roofing and Siding Activity**
  Reroofing and residing permits are tracked separately. Almost 60% of the homes in the city had roofs replaced between 2008 and 2011 due to storm damage.

  **Chart 2: Reroofing and Residing Permits**
- **Additions and Major Remodeling**

  The number of major remodeling permits (valued at more than $37,500) and additions continues to be strong. The average permit valuation for additions during 2019 is $124,000. The 2019 average valuation for major remodels is $73,700, a decrease of approximately $10,000 compared to 2018.

**Chart 3: Number of Addition and Major Remodeling Permits**

![Addition and Major Remodel Permit Activity Chart](image)

- **Permit Valuation**

  The following chart shows historical remodeling permit valuation for additions, major remodels, remodeling and maintenance, garages/decks, reroofs, and siding. Permits with additional valuations were issued for plumbing, heating, and electrical work (not shown here).

**Chart 4: Permitted Residential Remodeling**

![Residential Remodeling Permit Valuation Chart](image)
City Housing Improvement Services, Loans Trends and Program Descriptions

Home Improvement Services.
The city’s architectural design service, remodeling advisor and Home Energy Squad Visits are great programs for residents who are considering a remodel or energy improvements to take advantage of. The home energy squad visits peaked in 2014, but residents continue to use the program and benefit from the recommendations and installation of materials such as door weather stripping, water heater blankets and programmable thermostats.

Chart 5: Technical, Design and Home Energy Visits

Construction Management Plan
Major additions (second story additions or additions of 500 square feet or more), demolitions and new construction projects need to comply with the Construction Management Plan (CMP). In 2018 the following neighborhood notifications were sent: 17 major additions, eight demo/rebuilds and one demo only. The total permit valuation for CMP projects in 2019 was $7,386,539.

Chart 6: CMP Activity
Construction Management Plan
January 1- December 31, 2019

Legend
- Addition
- Demo
- Demo New Build

St. Louis Park
MINNESOTA
Experience LIFE in the Park
- **Home Remodeling Fair and Tour**
  Both the Home Remodeling Fair and Tour continue to be popular events with residents. Approximately 300 residents visited each of the six tour homes in May and over 1,000 visitors attended the Annual Remodeling Fair in 2018. The city continues to serve as the fiscal agent for the West Metro Home Remodeling Fair.

- **City Loans and Rebates**
  The following chart shows the number of Move Up Loans, Discount Loans and Energy Rebates issued in recent years. There were six move up and six discount loans in 2019. The number of Discount Loans is low; however, CEE notes that discount home improvement loan use is slow in their service area and there are other loan options that do not have an income limit.

  **Chart 7: Use of City Financial Incentives**

  ![Chart showing use of city financial incentives]

  Move-Up in the Park loans are deferred until the sale of the home or forgiven after thirty years.

  **Table 3: Move-Up Loans Paid off**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Loans Paid Off</th>
<th>Amount of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2</td>
<td>$23,957</td>
</tr>
<tr>
<td>2015</td>
<td>4</td>
<td>$78,246</td>
</tr>
<tr>
<td>2016</td>
<td>4</td>
<td>$97,970</td>
</tr>
<tr>
<td>2017</td>
<td>3</td>
<td>$80,909</td>
</tr>
<tr>
<td>2018</td>
<td>3</td>
<td>$66,432</td>
</tr>
<tr>
<td>2019</td>
<td>1</td>
<td>$16,250</td>
</tr>
</tbody>
</table>
Table 4: Move-Up Participation and Costs Since 2005

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Move-Up Loans</th>
<th>Discount Loans</th>
<th>Architectural Design Services</th>
<th>Remodeling Advisor Services</th>
<th>Energy Efficient Rebates</th>
<th>Home Energy Squad Enhanced Visits</th>
<th>Down Payment Assistance Loan</th>
<th>Total City Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>7</td>
<td>$182,806</td>
<td>76</td>
<td>$45,636</td>
<td>68</td>
<td>$15,300</td>
<td>221</td>
<td>$28,730</td>
</tr>
<tr>
<td>2006</td>
<td>27</td>
<td>$591,264</td>
<td>88</td>
<td>$186,205</td>
<td>102</td>
<td>$22,950</td>
<td>157</td>
<td>$20,410</td>
</tr>
<tr>
<td>2007</td>
<td>27</td>
<td>$620,000</td>
<td>50</td>
<td>$74,000</td>
<td>62</td>
<td>$12,400</td>
<td>179</td>
<td>$23,270</td>
</tr>
<tr>
<td>2008</td>
<td>18</td>
<td>$330,937</td>
<td>55</td>
<td>$114,129</td>
<td>49</td>
<td>$11,025</td>
<td>130</td>
<td>$16,900</td>
</tr>
<tr>
<td>2009</td>
<td>17</td>
<td>$329,650</td>
<td>52</td>
<td>$106,000</td>
<td>12</td>
<td>$7,200</td>
<td>126</td>
<td>$16,380</td>
</tr>
<tr>
<td>2010</td>
<td>9</td>
<td>$209,769</td>
<td>64</td>
<td>$86,263</td>
<td>30</td>
<td>$6,750</td>
<td>89</td>
<td>$11,510</td>
</tr>
<tr>
<td>2011</td>
<td>10</td>
<td>$226,877</td>
<td>22</td>
<td>$29,213</td>
<td>29</td>
<td>$6,525</td>
<td>82</td>
<td>$10,250</td>
</tr>
<tr>
<td>2012*</td>
<td>6</td>
<td>$106,232</td>
<td>26</td>
<td>$31,276</td>
<td>29</td>
<td>$6,525</td>
<td>69</td>
<td>$8,970</td>
</tr>
<tr>
<td>2013</td>
<td>6</td>
<td>$145,071</td>
<td>22</td>
<td>$33,063</td>
<td>37</td>
<td>$8,325</td>
<td>69</td>
<td>$8,970</td>
</tr>
<tr>
<td>2014</td>
<td>6</td>
<td>$138,740</td>
<td>17</td>
<td>$26,079</td>
<td>41</td>
<td>$9,225</td>
<td>95</td>
<td>$12,350</td>
</tr>
<tr>
<td>2015</td>
<td>7</td>
<td>$173,000</td>
<td>13</td>
<td>$17,577</td>
<td>22</td>
<td>$4,950</td>
<td>69</td>
<td>$15,525</td>
</tr>
<tr>
<td>2016</td>
<td>10</td>
<td>$231,057</td>
<td>11</td>
<td>$27,001</td>
<td>31</td>
<td>$6,975</td>
<td>76</td>
<td>$17,100</td>
</tr>
<tr>
<td>2017</td>
<td>6</td>
<td>$137,950</td>
<td>6</td>
<td>$5,907</td>
<td>33</td>
<td>$7,425</td>
<td>76</td>
<td>$17,100</td>
</tr>
<tr>
<td>2018</td>
<td>3</td>
<td>$75,000</td>
<td>5</td>
<td>$12,904</td>
<td>39</td>
<td>$8,775</td>
<td>83</td>
<td>$18,865</td>
</tr>
<tr>
<td>2019</td>
<td>6</td>
<td>$142,350</td>
<td>6</td>
<td>$16,577</td>
<td>52</td>
<td>$11,700</td>
<td>51</td>
<td>$11,475</td>
</tr>
</tbody>
</table>

Detailed descriptions of each Move-Up Program are listed at the end of the report.
4. AFFORDABLE HOME OWNERSHIP AND COMMUNITY DEVELOPMENT BLOCK GRANTS

Home ownership - down payment assistance program - 120% AMI and below
The city reviewed and evaluated the Live Where You Work program and determined that it was not meeting the goal of the program. 24 LWYW loans were issued in the 10 years the program was offered.

The new down payment assistance program (DPA) provides down payment/closing cost assistance to first-time homebuyers, or those that have not owned a home in the last three years, for purchasing a home in St. Louis Park. Employees of St. Louis Park businesses may be eligible for additional funds to encourage them to live where they work. The loan is a zero percent interest deferred loan up to $15,000, not to exceed five percent of the purchase price. An additional $5,000 is available for employees of St. Louis Park businesses. Income restrictions apply. Eight DPA loans were administered in 2019 which was the first year of the program.

Housing Improvement Area (HIA) - No HIAs initiated in 2019, two associations exploring an HIA
The HIA is a finance tool to assist with the preservation of the city’s existing townhome and condominium housing stock. An HIA is a defined area within a city where housing improvements are made and the cost of the improvements are paid in whole or in part from fees imposed on the properties within the area. The Association borrows low interest money from the city, improvements are completed, and unit owners repay the loan through fees imposed on their properties and collected with property tax payments. To date, seven HIA’s have been established and over twelve million dollars of improvements has been made to 1100 units. There were no new HIA’s in process in 2019; however, two associations began exploring the possibility of an HIA in 2019.

Community Development Block Grant (CDBG) (80% AMI)
The CDBG calendar year runs from July 1 – June 30th. FY2019 CDBG allocations included:
- $127,000 for the Low-Income Deferred Loan Program administered by Hennepin County
- $30,000 for West Hennepin Affordable Housing Land Trust

Emergency Repair Grant (50% AMI)
The emergency repair grant that had previously been funded using CDBG funds is now funded with housing rehab dollars. Six emergency grants were issued in 2019.

West Hennepin Affordable Housing Land Trust, dba Homes Within Reach (HWR) - One purchased in 2019 (80% AMI)
Homes Within Reach is a program of West Hennepin Affordable Housing Land Trust that purchases properties, rehabilitates and then sells the home to qualified low to moderate income households. Buyers pay for the cost of the home only and lease the land for 99 years. City funds are leveraged with CDBG, Hennepin County Affordable Housing Incentive Fund (AHIF), HOME Partnership, Metropolitan Council, Minnesota Housing and other funds.

Homes Within Reach uses the community land trust model to create and preserve affordable homeownership for families in suburban Hennepin County. To date, Homes Within Reach has purchased, rehabbed and sold 17 homes in St. Louis Park, two of which were foreclosed and two were tax-forfeited properties.

Twin Cities Habitat for Humanity (80% AMI)
The city has partnered with Habitat over the years to acquire nine blighted properties for rehab or tear-down for new construction. The city last assisted Habitat with the purchase of a property in 2011. Twin Cities is expanding their services to include financing which may serve more St. Louis Park residents than their traditional program.
5. HOUSING MATRIX AND DEVELOPMENT
The housing matrix shows the numbers and percentages of housing types, tenure (owner or rental), affordable units, senior designated units and large single-family homes. The matrix is a guide to evaluate future housing development proposals.

- 10,883 units (44% of units) in St. Louis Park have a rental license.
- The chart shows percentages of rental vs. owner occupied units over time. Prior to 2017 the chart reflects homestead vs. non-homesteaded properties. In 2017 the chart uses rental licenses to count the number of rental properties in St. Louis Park since not all non-homesteaded properties are rental.
- 94% of single-family detached homes were owner occupied (did not have a rental license) and 81% of condos/townhomes were owner occupied (no rental license) in 2018.
- The city hired Maxfield Research to update the city’s comprehensive housing analysis. The report was completed and presented to council in 2018.

Chart 8: Percentage of Owner-Occupied Units

*Rental license data used beginning in 2017

Family-size single-family homes
One of the city’s housing goals is to increase the number of family-size homes available in the city. “Family-size single-family homes” are being defined as exceeding 1,500 square feet of living space, having 3 or more bedrooms, 2 or more baths, and at minimum a 2-car garage. According to the Assessing Department, 2,371 – or 20% – of SLP single family homes meet this threshold. This is an increase of 42 homes since 2018 (due to additions and demo/rebuilds). Although this size home is not considered large when compared to newly constructed housing, in St. Louis Park 74% of single-family homes have a foundation size less than 1,200 square feet and 46% of single-family homes have less than 1,200 square feet above ground.

Affordable Housing
The Metropolitan Council sets the 2019 affordability limits for ownership and rental housing at 80% of the area median income for both rental and ownership housing. In 2019, the metro area median income
(AMI) for a household of four is $100,000. Under these limits, a family of four can earn up to $75,500 (80% AMI) to qualify for affordable housing.

Below is a chart showing the number of market-rate affordable (naturally-occurring affordable housing) multifamily rental units in St. Louis Park with affordable levels from 30% AMI to 80% AMI based on the Maxfield Research update from 2017. The city will update this information at least every five years.

Among the over 7,000 market-rate units that were inventoried by Maxfield Research by unit mix and monthly rents, only 7.9% of the units are naturally-occurring affordable housing to householders at 50% AMI. However, together with 41.4% of the naturally-occurring units affordable at 60% AMI, 49.3% of the market-rate rental housing inventory is naturally-occurring affordable at 50% to 60% AMI.

The St. Louis Park Housing Choice Voucher (HCV) program has approximately 300 vouchers that can be utilized in market-rate rentals reducing the rents to 30% of a voucher holder’s income, and the average HCV income is below 30% AMI.

### Table 5: Multifamily market-rate rental units by AMI

<table>
<thead>
<tr>
<th># of bedrooms</th>
<th>30% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
<th>80% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>0</td>
<td>106</td>
<td>204</td>
<td>123</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>20</td>
<td>370</td>
<td>2466</td>
<td>807</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>19</td>
<td>198</td>
<td>879</td>
<td>929</td>
</tr>
<tr>
<td>3 bedroom</td>
<td>6</td>
<td>20</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>680</td>
<td>3559</td>
<td>1906</td>
</tr>
</tbody>
</table>

Source: Maxfield Research & Consulting, LLC

Owner Occupied

- The 2019 **affordable ownership** purchase price is **$254,500** or less. The housing matrix shows the number of single-family homes, condos and townhomes with an assessed value of $254,500 or less. The matrix also shows the data for single family homes, condos and townhomes valued at $199,500 or less which is the 60% AMI affordable ownership purchase price.

- In 2019, 4,969 homes are considered affordable at or below 80% AMI based on valuation data from assessing which is 35% of the single-family homes, condos and townhomes in St. Louis Park. This is an increase of 835 affordable units compared to 2018. The affordable ownership purchase price increased by $20,000 over 2018.
### Table 6: St. Louis Park Housing Matrix

December 31, 2019

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Housing Units</th>
<th>Net Units added in 2019</th>
<th>Owner Occupied (No Rental License)</th>
<th>Rental Licenses</th>
<th>2019 Affordable Market Rate (NOAH) SF, Condo and TH Units 60%</th>
<th>2017 Maxfield Research Affordable Market Rate (NOAH) Rental Units 60%</th>
<th>Rent restricted units</th>
<th>Senior Designated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Detached</td>
<td>11,698</td>
<td>46%</td>
<td>0</td>
<td>2371</td>
<td>269</td>
<td>2325</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Duplex</td>
<td>430</td>
<td>2%</td>
<td>0</td>
<td>245</td>
<td>266</td>
<td>282</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Condos and townhomes</td>
<td>3557</td>
<td>14%</td>
<td>0</td>
<td>2892</td>
<td>1649</td>
<td>2644</td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>Apartments</td>
<td>9277</td>
<td>37%</td>
<td>-5*</td>
<td>9277</td>
<td>4278</td>
<td>6184</td>
<td>453*</td>
<td>958</td>
</tr>
<tr>
<td>COOPs</td>
<td>114</td>
<td>&lt;1%</td>
<td>0</td>
<td>114</td>
<td></td>
<td></td>
<td></td>
<td>106</td>
</tr>
<tr>
<td>Totals</td>
<td>25,076</td>
<td>-5</td>
<td>14,068</td>
<td>10,883</td>
<td>1918</td>
<td>4969</td>
<td>4278</td>
<td>6184</td>
</tr>
</tbody>
</table>

In 2018, the rental unit numbers are coming directly from the rental licenses through the inspections department. The percentage of owner occupied (no rental license) units to rental (units with a rental license) units is 56% to 44% of units with a rental license.

*Although there was a decrease in rental apartments in 2019, hundreds of additional units were under construction in 2019 so there will be an increase in 2020.

Met Council revised the affordable housing income standards and now considers both rental and owner occupied housing units affordable at 80% AMI. This chart shows all single family homes, condos and townhomes with an assessed value based on 60% and 80% AMI. The chart also shows multifamily rental units affordable at 60% AMI and 80% AMI based on Maxfield Research data. More data is on the previous page related to affordable rents based on the number of bedrooms in a unit.

Rent restricted units include project based vouchers, public housing, and inclusionary housing units. This does not include the tenant based vouchers (Section 8), Kids in the Park, or Stable HOME vouchers which are not tied to a specific unit.

Data source: St. Louis Park Community Development, Building and Energy, and Assessing departments and Maxfield Research & Consulting.
<table>
<thead>
<tr>
<th>Project</th>
<th>Developer</th>
<th>Planning Approval</th>
<th>Type</th>
<th>Total Units</th>
<th>Affordable Units</th>
<th>Status/ Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Flats at West End 5310 16th St West</td>
<td>The Excelsior Groups</td>
<td>2010</td>
<td>Apartment</td>
<td>119</td>
<td></td>
<td>Completed 2013</td>
</tr>
<tr>
<td>Shaun Smith (Owner) 3605 Louisiana</td>
<td>Andrew Hewey Const. (Builder)</td>
<td>2010</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2011</td>
</tr>
<tr>
<td>Hoigaard Village Medley Row &amp; The Adagio 5650 W 36th St</td>
<td>Frank Dunbar</td>
<td>2011</td>
<td>Apartment &amp; Rowhomes</td>
<td>22 Rental Rowhomes / 100 unit Apt</td>
<td></td>
<td>Completed 2013</td>
</tr>
<tr>
<td>36 Park (Park Summit) 8801 Park Center Blvd</td>
<td>EJ Plesko</td>
<td>2011</td>
<td>Apartment</td>
<td>192</td>
<td>Unit Apt</td>
<td>Completed 2012</td>
</tr>
<tr>
<td>Eldridge 1st Addition</td>
<td>Rob Eldridge</td>
<td>2011</td>
<td>Single-Family</td>
<td>4 new SF lot (5 SF lots total)</td>
<td></td>
<td>Constructed 2012</td>
</tr>
<tr>
<td>Fretham 12th Add</td>
<td>Curt Fretham</td>
<td>2011</td>
<td>Single-Family</td>
<td>5 new SF lots (6 SF lots total)</td>
<td></td>
<td>Completed 2013</td>
</tr>
<tr>
<td>Gateway Assisted Living 7115 Wayzata Blvd</td>
<td>Viren Gori</td>
<td>2012</td>
<td>Assisted Living</td>
<td>22</td>
<td></td>
<td>Completed 2014</td>
</tr>
<tr>
<td>Calhoun Apt Homes Ely Rd 25 &amp; Inglewood Ave</td>
<td>Andrew Brenner</td>
<td>2012</td>
<td>Apartment</td>
<td>7</td>
<td></td>
<td>Completed 2014</td>
</tr>
<tr>
<td>R2 8920 Excelsior Blvd</td>
<td>Bader</td>
<td>2012</td>
<td>Apartment</td>
<td>58</td>
<td></td>
<td>Completed 2013</td>
</tr>
<tr>
<td>Kaiser Subdivision</td>
<td>Rob Eldridge</td>
<td>2012</td>
<td>Single-Family</td>
<td>2</td>
<td></td>
<td>Completed 2013</td>
</tr>
<tr>
<td>Fretham 14th Addition</td>
<td>Curt Fretham</td>
<td>2013</td>
<td>Single-Family</td>
<td>1 new lot created (2 SF lots total)</td>
<td></td>
<td>Completed 2014</td>
</tr>
<tr>
<td>Millenium at West End 1621 West End Blvd</td>
<td>DLC Residential</td>
<td>2014</td>
<td>Apartment</td>
<td>158</td>
<td></td>
<td>Completed 2015</td>
</tr>
<tr>
<td>Eldridge 5th Addition 7701 Edgebrook</td>
<td>Rob Eldridge</td>
<td>2014</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2015</td>
</tr>
<tr>
<td>5609 Wood Ln</td>
<td>Gavin May</td>
<td>2014</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2015</td>
</tr>
<tr>
<td>4101 31st St Apts 4101 31st St</td>
<td>Josh Brandsted</td>
<td>2014</td>
<td>Apartment</td>
<td>13</td>
<td></td>
<td>Completed 2015</td>
</tr>
<tr>
<td>4106 Forest Lane</td>
<td>ALTUS Architect/Sunny &amp; Tiffany Han</td>
<td>2015</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2016</td>
</tr>
<tr>
<td>4300 Brookside</td>
<td>JP Brooks</td>
<td>2015</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2017</td>
</tr>
<tr>
<td>Central Park West Phase 1 Apartment Building</td>
<td>DLC Residential</td>
<td>2015</td>
<td>Apartment</td>
<td>119 Units in St. Louis Park</td>
<td>6 units @ 60% AMI</td>
<td>Completed 2017</td>
</tr>
<tr>
<td>The Shoreham mixed-use building</td>
<td>Bader Development</td>
<td>2015</td>
<td>Apartment/comm.</td>
<td>148</td>
<td>30 units at 50% AMI</td>
<td>Completed 2017</td>
</tr>
<tr>
<td>4800 Excelsior</td>
<td>Weidner</td>
<td>2015</td>
<td>Apartment</td>
<td>164</td>
<td>18 units at 60% AMI</td>
<td>Completed 2017</td>
</tr>
<tr>
<td>Arlington Row Apartments West</td>
<td>Melrose Company</td>
<td>2015</td>
<td>Apartment</td>
<td>34</td>
<td>3 units at 80% AMI</td>
<td>Approved</td>
</tr>
<tr>
<td>Arlington Row Apartments East</td>
<td>Melrose Company</td>
<td>2016</td>
<td>Apartment</td>
<td>27</td>
<td>3 units at 80% AMI</td>
<td>Approved</td>
</tr>
<tr>
<td>Parkway 25</td>
<td>Paz Sela</td>
<td>2016</td>
<td>Apartments</td>
<td>112</td>
<td></td>
<td>Completed 2018</td>
</tr>
<tr>
<td>2915 Maryland Ave</td>
<td>Alliance Builders</td>
<td>2016</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2017</td>
</tr>
<tr>
<td>1404 Louisiana Ave</td>
<td>Anton Homchik</td>
<td>2016</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2017</td>
</tr>
<tr>
<td>2010 Flag Ave</td>
<td>JR Hultman Homes</td>
<td>2016</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2017</td>
</tr>
<tr>
<td>Via Sol</td>
<td>PLACE</td>
<td>2017</td>
<td>Mixed Use</td>
<td>217</td>
<td>22 @ 50% 130 @ 80%</td>
<td>Under Construction</td>
</tr>
<tr>
<td>2847 Zarthan Ave</td>
<td>Alliance Builders</td>
<td>2017</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2018</td>
</tr>
<tr>
<td>The Elmwood 36th Street LLC</td>
<td>36th Street LLC</td>
<td>2017</td>
<td>Mixed Use</td>
<td>70</td>
<td>17 @ 60% AMI</td>
<td>Approved 2017</td>
</tr>
<tr>
<td>2715 Monterey</td>
<td>Alliance Builders</td>
<td>2017</td>
<td>Single-Family</td>
<td>1</td>
<td></td>
<td>Completed 2018</td>
</tr>
<tr>
<td>The Elmwood 36th Street LLC</td>
<td>36th Street LLC</td>
<td>2017</td>
<td>SS+ apartments</td>
<td>70</td>
<td>17 @ 60% AMI</td>
<td>Under construction</td>
</tr>
<tr>
<td>Elan</td>
<td>Greystar</td>
<td>2018</td>
<td>Apartments</td>
<td>164</td>
<td>5 @ 50% AMI</td>
<td>Under construction</td>
</tr>
<tr>
<td>Urban Park Apartments</td>
<td>North Shore Development Partners, LLC</td>
<td>2019</td>
<td>Apartments</td>
<td>61</td>
<td>0</td>
<td>Under construction</td>
</tr>
<tr>
<td>Platia Place</td>
<td>SLP Park Ventures</td>
<td>2018</td>
<td>Apartments</td>
<td>149</td>
<td>15 @ 50%</td>
<td>Approved 2018</td>
</tr>
<tr>
<td>Luxe</td>
<td>DPRE</td>
<td>2018</td>
<td>Apartment</td>
<td>207</td>
<td>8 @ 60% AMI</td>
<td>Approved 2018</td>
</tr>
</tbody>
</table>

Total Units Approved since 2010

| Single Family               | 24 |
| Condo                       | 33 |
| Townhome Ownership          | 0  |
| Apartments                  | 2292|
| Senior Apartments           | 70 |
| Senior Assisted Living      | 22 |
| Senior Condos               | 0  |
6. FORECLOSURES

Foreclosures are measured by the number of sheriff sales. The number of residential foreclosures in St. Louis Park and throughout Hennepin County has been declining since 2010.

Chart 9: St. Louis Park Residential Foreclosures by Year

![Residential Foreclosures by Year](image)

The trend chart below shows foreclosure by housing type over time.

Chart 10: Residential Foreclosures by Housing Type

![Residential Foreclosures by Housing Type](image)

*Townhome & DB = Townhome and Double Bungalow/Duplex*
7. ST. LOUIS PARK HUD FEDERALLY FUNDED HOUSING PROGRAMS and rental assistance

The St. Louis Park Housing Authority (HA) administers programs that ensure the availability of safe and desirable affordable housing options in the St. Louis Park community. These programs include the Public Housing program, Housing Choice Voucher rental assistance program, the family self-sufficiency program, Stable HOME and Kids in the Park programs. The HA currently serves approximately 500 eligible, low-income households through their housing programs.

Public Housing – Restricted to households at or below 80% AMI; however, the majority of public housing residents have incomes below 50% AMI, with a significant number below 30% AMI

The HA owns Hamilton House, a low-rise apartment building (108 one-bedroom units and 2 two-bedroom caretaker units) built in 1975, and 37 scattered site single-family units (3 to 5 bedrooms) acquired or constructed between 1974 and 1996. Hamilton House is designated for general occupancy; however, priority is given to elderly and disabled applicants. The single-family scattered units house families with children. The HA also holds the HUD Annual Contributions Contract (ACC) and maintains a waiting list for 12 two-bedroom Public Housing apartment units located at Louisiana Court.

The average annual income for households at Hamilton House is just over $16,000 which is below 30% AMI. The average income for the scattered site single family homes and Louisiana Court MHOP units is $37,200. Family sizes in the houses range from 3 to 10 people per home. Approximately 57% of the households in the single-family homes have incomes below 30% AMI and 22% have incomes between 31 and 50% AMI. Annual income does not count some income that is excluded per HUD regulations. Public housing residents pay 30% of their income towards rent. The 2019 annual budget for Public Housing was $1,097,800 and $250,585 for the 2019 Capital Fund Program (CFP).

Table 8: Public Housing Occupancy

<table>
<thead>
<tr>
<th>Public Housing</th>
<th>Total Units</th>
<th>1-BR</th>
<th>2-BR</th>
<th>3-BR</th>
<th>4-BR</th>
<th>5-BR</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton House</td>
<td>108</td>
<td>108</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Scattered Site Single Family</td>
<td>37</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>17</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Louisiana Court, Metropolitan Housing Opportunity (MHOP) Units</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Total (bedroom size)</td>
<td>157</td>
<td>12</td>
<td>17</td>
<td>17</td>
<td>3</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Housing Choice Voucher Program (HCV) – 50% AMI or below

The HA is allocated a total of 323 Housing Choice Vouchers from HUD. This rent assistance program provides rent subsidies for low-income individuals and families in privately owned, existing market rate housing units. The rent subsidy is paid directly to the owner of the rental property by the HA with funds provided by HUD. The HA administers tenant-based, project-based and newly awarded special program vouchers as noted below. 41 vouchers of the HA’s allocation are designated for use in three privately owned developments (Excelsior & Grand, Vail Place, and Wayside) and are referred to as project-based vouchers. The average income of voucher holder households in St. Louis Park is $17,200 which is below 30% AMI. HCV participants pay 30% of their income towards rent and can choose to pay up to 40%. The 2019 annual budget for HCV was $2,162,643. Despite the number of HCV units allocated to a Housing Authority by HUD, HAs are limited in the number of vouchers that can be administered by the budget authority allocated by HUD.
New vouchers awarded to St. Louis Park Housing Authority – 50% AMI and below
The St. Louis Park Housing Authority applied for two grants in 2018 in order to serve more low-income households in St. Louis Park. Both grant applications were successful adding 23 new vouchers to the HA’s portfolio. These two voucher programs serve income eligible households that are at or below 50% AMI and voucher holders pay approximately 30% of their income towards rent.

Family Unification Vouchers (FUP)
The Housing Authority was awarded 15 Family Unification Vouchers (FUP) at the end of 2018. FUP is a program in which Housing Choice Vouchers (HCVs) are provided in order to lease decent, safe, and sanitary housing in the private housing market to:
- Families for whom the lack of adequate housing is a primary factor in either: the imminent placement of the family’s child(ren) in out of home care or the delay in the discharge of the child(ren) to the family from out of home care. There is no time limitation on family FUP vouchers, or
- Youth who are at least 18 years or and not more than 24 years old who: left foster care at age 16 or older to will leave foster care within 90 days and are homeless or at risk of homelessness. FUP vouchers used by youth are limited by statute to 36 months of housing assistance.

The HA is partnering with Hennepin County on this program. Applicants are provided through the Coordinated Entry process. 9 FUP vouchers were utilized in 2019.

Mainstream
The Housing Authority was awarded 8 Mainstream vouchers at the end of 2018. These vouchers provide vouchers to assist non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at serious risk of homelessness. It was designed to further to the goals of the Americans with Disabilities Act (ADA) by helping persons with disabilities live in the most integrated setting. Families or individuals on with a Mainstream voucher must have a household member at least 18 years of age and less than 62 years of age with a disability at the time of eligibility determination. 3 mainstream vouchers were utilized in 2019.

Lou Park
Lou Park is an apartment complex in St. Louis Park owned and managed by Bigos Management. Bigos notified tenants that in 2018 they would be completing an 8bb contract transfer of their 32 project-based units to another property. As of July 1, 2019, tenants were eligible to request to move to the new property or remain at Lou Park using a tenant protection or enhanced voucher administered by the St. Louis Park Housing Authority. This added 32 additional vouchers to the HAs allocation. Initially, 31 tenants chose to utilize the tenant protection voucher at Lou Park. As of December 31, 2019, 28 remained at Lou Park, 3 had chosen to use their voucher to move to a different complex.
Table 9: HCV Lease-Up Report

<table>
<thead>
<tr>
<th>Housing Choice Voucher – Lease Report</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD Allocated Vouchers</td>
<td>323</td>
</tr>
<tr>
<td>Vouchers Issued</td>
<td>299</td>
</tr>
<tr>
<td>Unleased Project-Based (PB)</td>
<td>2</td>
</tr>
<tr>
<td>Vouchers Outstanding</td>
<td>17</td>
</tr>
<tr>
<td>Executed St. Louis Park Contracts:</td>
<td>223</td>
</tr>
<tr>
<td>Housing Choice Vouchers</td>
<td>144</td>
</tr>
<tr>
<td>Tenant Protection Vouchers</td>
<td>28</td>
</tr>
<tr>
<td>(Lou Park)</td>
<td></td>
</tr>
<tr>
<td>Excelsior &amp; Grand</td>
<td>18</td>
</tr>
<tr>
<td>Vail Place</td>
<td>8</td>
</tr>
<tr>
<td>Wayside Supportive Housing</td>
<td>13</td>
</tr>
<tr>
<td>Mainstream</td>
<td>3</td>
</tr>
<tr>
<td>FUP</td>
<td>9</td>
</tr>
<tr>
<td>Port-Ins</td>
<td>17</td>
</tr>
<tr>
<td>Port-Outs</td>
<td>49</td>
</tr>
<tr>
<td>Pending Port-Outs</td>
<td>10</td>
</tr>
<tr>
<td>Executed and Pending</td>
<td>267</td>
</tr>
<tr>
<td>Total Administered</td>
<td>269</td>
</tr>
<tr>
<td>Summary:</td>
<td></td>
</tr>
<tr>
<td>% Utilized, Pending, Outstanding &amp; Unleased PB</td>
<td>93%</td>
</tr>
</tbody>
</table>

Stable HOME Rental Assistance Program – 50% AMI
The Stable HOME program provides rent assistance to low-income singles and families who were homeless or would otherwise be at risk of homelessness. Rent assistance is limited to three years. During the three years, participants must establish good rental histories. They must also work to improve their earnings enough to where they do not need rental assistance. The program is administered by the HA, but participants are free to choose a rental unit anywhere in Hennepin County except Minneapolis. Participants are referred to the program by Hennepin County. This program is funded with federal HOME funds allocated to the county. 52 families throughout suburban Hennepin County were served by this program 2019.

Kids in the Park Rent Assistance Program – 50% AMI and below – city funded
Kids in the Park provides rent assistance to households with school-age children for up to four years. Participants receive a flat monthly rental assistance subsidy that decreases annually over the four-year period. Eligible households must have an income at or below 50% of the area median income, a child attending school in St. Louis Park, one parent or guardian that works a minimum of 28 hours per week, live in rental housing in St. Louis Park and comply with their lease. Families with disabled and elderly heads of household do not need to comply with the work requirement. The program was developed in partnership with the St. Louis Park Emergency Program (STEP) and the St. Louis Park School District. The Kids in the Park program began serving 9 families in December 2017. Funding was increased for 2018 to serve 14 and in 2019 we were able to serve 17 families.
8. PROGRAM DESCRIPTIONS

Technical, Design, and Conservation Services

Architectural Design Service – no income restrictions
This service provides an architectural consultation for residents to assist with brainstorming remodeling possibilities and to raise the awareness of design possibilities for expansions. Residents select an approved architect from a pool developed in conjunction with the MN Chapter of the American Institute of Architects. All homeowners considering renovations are eligible for this service; however, to ensure committed participants, residents make a $25 co-pay.

Remodeling/Rehab Advisor – no income restrictions
The intention of this service is to help residents improve their homes (either maintenance or value-added improvements) by providing technical help before and during the construction process. All homeowners are eligible for this service regardless of income. Resident surveys indicated that homeowners valued the service and would recommend it to others. The city contracts with the Center for Energy and Environment (CEE) for this free service to homeowners.

Home Energy Squad Enhanced Visit – no income restrictions
Home Energy Squad Enhanced program is a comprehensive residential energy program designed to help residents save money and energy and stay comfortable in their homes. The program which began in March 2012, is administered by the Center for Energy and Environment (CEE). The city pays $50 per resident visit which is leveraged with funds from Xcel Energy, Center Point Energy and CEE. The cost per resident is $50 per enhanced visit. Free home energy visits are available to low income households.

The home energy squad consultant evaluates energy saving opportunities and installs the energy-efficiency materials the homeowner choses including: door weather stripping, water heater blanket, programmable thermostat, compact fluorescent light bulbs, high efficiency shower heads and faucet aerators. They will also perform diagnostic tests including a blower door test to measure the home for air leaks, complete an insulation inspection, safety check the home’s heating system and water heater and help with next steps such as finding insulation contractors. All single family and duplex homeowners are eligible. Renters qualify for the installed visit ($30) without diagnostic tests. The Home Energy Squad Enhanced visits qualified residents for CEE’s low interest financing and utility rebates and they also notify residents of the city loan and rebate opportunities.

Annual Home Remodeling Fair
The cities and school district community education departments of St. Louis Park, Hopkins, Minnetonka, and Golden Valley co-sponsor the annual home remodeling fair. The fair provides residents an opportunity to attend seminars, talk with vendors and city staff about permits, zoning, home improvement loans, and environmental issues related to remodeling. The fair is a self-sustaining event and vendor registration fees cover the costs.

Home Remodeling Tour
The annual tour is designed to meet the housing goal to remodel and expand single-family owner-occupied homes. The self-guided tour of six homes provides a showcase of a variety of home remodeling projects to provide ideas, information, and inspiration to other residents considering remodeling.
Construction Management Plan
The city recognizes that many households are looking for larger homes and supports keeping families in the city. As a result, significant additions and/or tearing down of existing homes and rebuilding larger homes is becoming more common. Because St. Louis Park is a fully built community, these major additions and construction of new homes impacts the surrounding neighbors.

Effective November 15, 2014, major additions (second story additions or additions of 500 square feet or more), demolitions and new construction need to comply with a Construction Management Plan (CMP) per City Code 6-71. Major additions, tear downs and new construction are required to send a written neighborhood notification to neighbors within 200 feet of the property. Demolitions and/or new construction also require a neighborhood meeting and signage.

Financial Programs
In an effort to encourage growing families to stay in St. Louis Park the city has developed and implemented a number of programs toward this effort.

Discount Loan Program – serves households with incomes at or below $149,000
This program encourages residents to improve their homes by “discounting” the interest rate on the Minnesota Housing Finance Agency (MN Housing) home improvement loans. Residents must have a household income of $149,000 or less. Eligible improvements include most home improvement projects with the exception of luxury items such as pools and spas. The city contracts with CEE for loan administration. Implementation of discounting of MHFA loans began in late 1999 as a pilot project. In 2019 the city reduced the interest rates to 3% for households with incomes under $100,000 and 4% for incomes between $100,000 and $149,000.

Move – Up Transformation Loan – 120% AMI
The purpose of this loan is to encourage residents with incomes at or below 120% of median area income ($120,000 for a family of one - four) to expand their homes. The program provides deferred loans for 25% of the applicant’s home expansion project cost, with a maximum loan of $25,000. The revolving loan pool will continue to fund future expansions.

This loan requires significant upfront work by the residents, from deciding on the scope of the project to selecting contractors. Loan guidelines are:
- Only residents making significant expansions are eligible. The minimum project cost must exceed $35,000.
- The maximum loan amount is $25,000.
- The loan has 0% interest with a carrying cost fee of 3% paid by the borrower which covers the lender’s administrative fee.
- Loan is forgiven after 30 years if homeowner continues to live in the home.

Green Remodeling Program & Energy Rebates – no income restrictions
The Green Remodeling Program includes the Home Energy Squad Enhanced home visit program, use of energy rebates, and access to CEE’s Home Energy Loan. The city provides a match of 50% of gas and electric utility rebates for energy efficient furnaces, water heaters, air conditioners and qualifying air sealing and insulation. CEE also provided low interest loans to residents making qualifying energy improvements and St. Louis Park residents can take advantage of this loan. This energy improvement loan has no income restrictions and there is no cost to the city.

Emergency Repair Grant
The city offers emergency repair grants for households below 50% area median income to make immediate emergency repairs such as furnace replacement, roof repair, plumbing or electrical emergencies, etc. This program is administered by Sustainable Resources Center (SRC).
Executive summary

Title: Proposed sixth amendment to purchase and redevelopment contract with PLACE E-Generation One, LLC

Recommended action: Please provide staff with feedback on the proposed sixth amendment to the purchase and redevelopment contract with PLACE.

Policy consideration: Does the EDA support the partial termination of the purchase and redevelopment contract with PLACE as proposed?

Summary: On May 1, 2017, the EDA and PLACE E-Generation One, LLC (“PLACE”) entered into a Purchase and Redevelopment Contract for parcels located on the north and south sides of the planned SWLRT Wooddale Ave. Station. The Contract provided that the EDA would sell the parcels to PLACE, and that PLACE would construct a mixed-use development consisting of the North Components (North Apartments, North Commercial, and E-Generation facility) and South Components (Hotel and South Apartments). At the Nov. 18, 2019 study session, PLACE informed the EDA that it would not be able to meet certain requirements under the Contract to proceed with the South Components, but that it intended to continue with development of the North Components. As a result, the parties agreed to work toward a Sixth Amendment and Partial Termination to the Contract which would (among other things) bifurcate the north and south side projects.

The proposed amendment has subsequently been prepared and is summarized as follows:

1. The parties agree that all rights and obligations of the parties with respect to the South Parcel and South Components are terminated, including conveyance of the South Parcel by the EDA to PLACE, construction by PLACE of the South Components, and the issuance by the EDA of a TIF Note related to the South Components. The Sixth Amendment amends or terminates all provisions of the Contract in connection with the South Parcel or South Components.
2. The designation of the E-Generation facility is changed such that this component is included in the North Components and the legal description of the Redevelopment Property subject to the Agreement is amended to include only the North Parcels.
3. The construction completion date for the North Components is extended from December 31, 2020 to December 31, 2021.
4. The construction staging easement on the North Parcels will be terminated upon PLACE providing proof of financing for the E-Generation facility and approval of construction plans.

Financial or budget considerations: The EDA will continue incurring holding costs for the South Parcel until it is sold to another developer.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Greg Hunt, economic development coordinator
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, EDA executive director and city manager
Discussion

Background: On May 1, 2017, the EDA and PLACE E-Generation One, LLC (“PLACE”) entered into a Purchase and Redevelopment Contract for parcels located on the north and south sides of the planned SWLRT Wooddale Ave. Station. The Contract provided that the EDA would sell the parcels to PLACE, and that PLACE would build a mixed-use development consisting of various North Components (North Apartments, North Commercial, and E-Generation facility) and various South Components (Hotel and South Apartments). Over the course of the next 2-1/2 years, the Agreement went through five separate amendments, which among other things, divided up the conveyance of the parcels into two separate real estate closings for the North Parcels and the South Parcel, delayed the closing dates, changed the designation of the E-Generation Component from a North Component to a South Component, provided for a construction staging easement on a portion of the North Parcels to facilitate construction on the South Parcels on a separate timeline, and provided for separate TIF Notes for the North Components and South Components. The closing on the North Parcels occurred on Dec. 28, 2018. At the Nov. 18, 2019 study session, PLACE informed the EDA that it would not be able to meet certain requirements under the Contract to proceed with the South Components, but that it intended to continue with development of the North Components. In December of 2019, PLACE officially withdrew its application for an amended PUD related to the South Components. The parties agreed to work toward a Sixth Amendment and Partial Termination to the Agreement.

The proposed amendment has subsequently been negotiated and is summarized as follows:

1. The parties agree that all rights and obligations of the parties with respect to the South Parcel and South Components are terminated, including (among other things) conveyance of the South Parcel by the EDA to PLACE, construction by PLACE of the South Components, and the issuance by the EDA of a TIF Note related to the South Components. The Sixth Amendment amends or terminates all provisions of the Contract in connection with the South Parcel or South Components.
2. The legal description of the Redevelopment Property subject to the Agreement is amended to include only the North Parcels.
3. The designation of the E-Generation facility is changed such that this component is included in the North Components.
4. The construction completion date for the Minimum Improvements (i.e. North Apartments including commercial space and the E-Generation Facility), is extended from December 31, 2020 to December 31, 2021.
5. The construction staging easement on the North Parcels will be terminated upon PLACE providing proof of financing for the E-Generation facility and approval of construction plans.

The proposed Sixth Amendment has been prepared by the EDA’s legal counsel who recommends its approval.

Next steps: Pending EDA comments, the proposed Sixth Amendment will be scheduled for formal consideration by the EDA at its April 20, 2020 meeting.
Executive summary

Title: Business terms for redevelopment contract with Sela Investments – Parkway Residences

Recommended action: Review of proposed business terms for the redevelopment contract with Sela Investments (through one or more limited liability entities) related to its proposed Parkway Residences project scheduled for formal consideration at the May 18, 2020 EDA meeting.

Policy consideration: Are the proposed business terms for the provision of tax increment financing assistance to the Parkway Residences project consistent with the EDA’s expectations and are they acceptable?

Summary: Sela Investments (“redeveloper”) is proposing a multi-phase redevelopment called Parkway Residences along 31st Street West near Glenhurst Avenue South adjacent to its recently completed Parkway 25 project. The $92 million redevelopment entails the removal of 12 existing buildings and construction of four new multi-family housing buildings with up to 211 new units. The project also includes the rehabilitation of three existing apartment buildings that contain 24 units for a project total of 235 residential units. Of these units, 24 are naturally occurring affordable housing (NOAH) units which would continue to be affordable to households at or below 50% Area Median Income (AMI), and 6 new-construction units that would be affordable to households at or below 60% AMI. There are considerable extraordinary costs associated with preparing the Building 1 site for redevelopment which negatively impact the project’s financial feasibility. In order for the redevelopment to achieve a market rate of return, the redeveloper applied to the EDA for tax increment financing (TIF) assistance. The EDA/city council received a staff report detailing the Redeveloper’s TIF Application at the Feb. 24, 2020 study session along with a recommendation for the appropriate level of assistance.

Financial or budget considerations: The EDA’s financial consultant (Ehlers) analyzed the redeveloper’s project proforma and determined that the project is not financially feasible but for the provision of up to $3.35 million in tax increment assistance. Such assistance is necessary to offset a portion of Building 1’s $3.7 million in extraordinary site preparation costs. It is proposed that the EDA enter into a redevelopment contract with Sela Investments under which the redeveloper agrees to construct the proposed multi-phase redevelopment and be reimbursed for qualified site improvement costs up to $3.35 million in pay-as-you-go tax increment generated by the Building 1 site over approximately a 15-year term. That level of assistance would offset enough of the extraordinary site costs to enable the project to achieve a rate of return sufficient to proceed. The Contract also requires the redeveloper to reimburse the EDA for all administrative and consulting costs the EDA incurs in conjunction with the project.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Greg Hunt, economic development coordinator
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, city manager, EDA executive director
Discussion

**Background:** Sela Investments (“redeveloper”) is proposing a multi-phase redevelopment called *Parkway Residences* along 31st Street West near Glenhurst Avenue South adjacent to its recently completed *Parkway 25* project. The $92 million redevelopment entails the removal of 12 existing buildings and construction of four new multi-family housing buildings with up to 211 new units. The project also includes the rehabilitation of three existing apartment buildings that contain 24 units for a project total of 235 residential units. Of these units, 24 are naturally occurring affordable housing (NOAH) units which would continue to be affordable to households at or below 50% Area Median Income (AMI), and 6 new-construction units that would be affordable to households at or below 60% AMI. The Redeveloper has also agreed to include a number of energy efficient design features and components into the multi-phase redevelopment which exceed the city’s Green Building Policy requirements and supports the Climate Action Plan. The Second Reading of the Ordinance creating the PUD to allow construction of the proposed multi-phase redevelopment site was approved by the city council on Feb. 2, 2020.

**Redeveloper’s request for tax increment financing assistance:** The estimated total development cost (TDC) to construct the proposed Parkway Residences is approximately $92 million. Of that total, the TDC to construct the 95-unit apartment building (“Building 1”) within Phase I is approximately $38.4 million. There are considerable extraordinary costs associated with redeveloping the entire redevelopment site and the Building 1 site in particular. These include soil correction, excavation, shoring and grading work, stormwater management for the neighborhood, and underground parking. It is estimated that the entire development will incur about $7.6 million in extraordinary site preparation costs and the Building 1 site will incur approximately $3.7 million in such costs, preventing the proposed project from achieving a market rate of return. To enable the project to proceed, the redeveloper applied to the EDA for tax increment financing (TIF) assistance to offset a portion of these costs.

**TIF application process:** The EDA/city council received a [staff report](#) detailing the Redeveloper’s TIF Application at the Feb. 24, 2020 study session.

**Level and type of financial assistance:** In summary, the redeveloper’s sources and uses statements, cash flow projections, and investor rate of return (ROR) related to the proposed multi-phase redevelopment was reviewed by staff and Ehlers (the EDA’s financial consultant). Based upon its analysis of the redeveloper’s financial proforma, Ehlers determined that the redevelopment in general and Phase I in particular would not be reasonably expected to occur in the foreseeable future but for the provision of up to $3,350,000 in tax increment assistance.

The TIF assistance would be made available to reimburse the redeveloper for a portion of the qualified site preparation costs related to Building 1 exclusively. Upon completion of Building 1 and verification of the redeveloper’s qualified Public Redevelopment costs, tax increment generated from the increased value of the property would be provided to the redeveloper on a "pay-as-you-go" basis, which is the preferred financing method under the city's TIF Policy. It is projected that the TIF Note would be paid off in approximately 15 years with increment generated by Building 1 which is consistent with other redevelopments the EDA has previously facilitated.
Proposed business terms – Sela Investments’ Parkway Residences project: The following is a summary of the proposed key business terms between the St. Louis Park Economic Development Authority (“EDA”) and the redeveloper, which are consistent with EDA Policy, past practices and previous discussions with the EDA/city council. For clarification purposes, the Redevelopment Property consists of those properties shown in the aerial photo below outlined in red.

Properties comprising the Parkway Residences’ “Redevelopment Property”

1. The redeveloper agrees to construct a phased multifamily rental development on the Redevelopment Property consisting of the following “Minimum Improvements”:

   - Phase I, comprising of a four-story, 95-unit apartment building and two levels of underground parking (“Building 1”), the construction of a two-story, six-unit apartment building (“Building 2”), and the renovation of three apartment buildings with a total of 24 units (“Buildings 5a, 5b, 5c”);

   - Phase II, comprising of a four-story, 37-unit apartment building and one level of underground parking (“Building 3”);

   - Phase III, comprising of an 11-story, 73-unit apartment building and associated structured parking (“Building 4”).
2. The EDA agrees to reimburse the redeveloper for a portion of redeveloper’s Public Redevelopment Costs (defined as building demolition, soil mitigation, earthwork, radon mitigation, soil retention, excavation, shoring and site grading, as well as construction of storm water management systems and structured parking) associated with the Building 1 site through tax increment financing (TIF) up to $3,350,000. The TIF assistance will not constitute a business subsidy under Minnesota statutes because the assistance is for housing.

3. The EDA agrees to issue a tax increment revenue note to the redeveloper in the maximum principal amount of $3,350,000 (the “TIF Note”) payable from available tax increment, generated by Building 1 on a “pay-as-you-go” basis, over a period not to exceed 15 years. The TIF Note will bear interest at the lesser of 4% or redeveloper’s actual financing interest rate.
4. In order to provide the tax increment to the redeveloper, the EDA agrees to establish a new redevelopment TIF district including the following six parcels:

- 4000 W. 31st Street
- 4008 W. 31ST Street
- 4012 W. 31st Street
- 4020 W. 31st Street
- 4100 W. 31st Street
- 4108 W. 31st Street

5. The EDA will issue the TIF Note to the redeveloper upon redeveloper providing the EDA with a statement specifying the Public Redevelopment Costs incurred by the redeveloper related to Building 1 along with evidence that each identified Public Redevelopment Cost has been paid or incurred by the redeveloper.

6. A two-part "look back" provision will be incorporated into the proposed Contract. The lookback will be performed by Ehlers, the EDA’s financial consultant upon Buildings 1 and 2’s stabilization (the date they both achieve 93% lease-up). Under the provision, the redeveloper would be required to submit final project costs related to Building 1 and reports detailing Buildings 1 and 2’s actual financial performance. The look back provision ensures that if Building 1’s total development costs are lower or if Buildings 1 and 2 perform financially better upon stabilization than the redeveloper’s estimates, the EDA shares economically in the success of the project by reducing the amount of TIF assistance provided. In addition, the TIF Note will be subject to adjustment if the Redeveloper fails to commence construction of Phase II and/or III of the Minimum Improvements by specified dates. The principal amount of the TIF Note will be reduced by $550,000 for each Phase for which construction has not commenced by the date required under the Contract.

7. Construction of Phase I will commence by Aug. 30, 2020 and will be substantially completed by April 30, 2022; construction of Phase II will commence by June 30, 2022 and will be substantially completed by Sept. 30, 2023; and construction of Phase III will commence by Nov. 30, 2023 and will be substantially completed by May 31, 2025.

8. Redeveloper will comply with the city’s current Inclusionary Housing Policy. Specifically, redeveloper agrees to a 25-year covenant designating the 24 units within Buildings 5a, 5b, and 5c as affordable to households at or below 50% AMI and designating the 6 units of housing within Building 2 as affordable to households at or below 60% AMI. In addition, Redeveloper agrees to assist any current residents in the Buildings 5a, 5b, and 5c with relocation and moving and transition costs during the Phase I construction period.

9. In the construction of all Phases, redeveloper will comply with the city’s current Green Building Policy and incorporating sustainable features to include solar panels on Building 1, solar-ready roofs on Buildings 3 and 4; white roofs and partial green roofs throughout the Minimum Improvements; insulated underground parking structures and EV charging outlets in the majority of indoor parking spaces; and LED lighting. In addition,
redeveloper will construct Building 2 as a Demonstration Building, including a near net zero energy performance design, high-performance insulation and windows, energy-efficient lighting and mechanical systems, and solar roof panels.

10. The redeveloper will install public art and dedicated wired fiber optic connections for the Minimum Improvements in conformity with the city’s Planning Development Contract.

11. The redeveloper and EDA mutually agree to enter into a Minimum Market Value Assessment Agreement setting a minimum property tax value for Building 1.

12. The redeveloper agrees to pay reasonable administrative costs incurred by the EDA, including consultant and attorney fees, in connection with the project.

The above terms will serve as the basis for, and will be incorporated into, a redevelopment contract with the redeveloper. Such terms are subject to further definition, revision and/or refinement by the EDA’s legal counsel. A copy of the draft redevelopment contract will be available for review in the community development department.

**Next steps:** Staff will work with the EDA’s legal counsel and Sela Investments to finalize the formal redevelopment contract based on the proposed business terms and input received by the EDA. Approval of the proposed redevelopment contract is scheduled for consideration by the EDA on May 18, 2020.
Executive summary

Title: Business terms for redevelopment contract with Cedar Partners, LLC – The Quentin

Recommended action: Review of proposed business terms for the redevelopment contract with Cedar Partners, LLC, related to its proposed project called The Quentin scheduled for formal consideration at the May 18, 2020 EDA meeting.

Policy consideration: Are the proposed business terms for the provision of tax increment financing assistance to The Quentin project consistent with the EDA’s expectations and are they acceptable?

Summary: Cedar Partners, LLC proposes to redevelop three parcels (4905 & 5005 Old Cedar Lake Road and 34900 Cedar Lake Road) located along Quentin Avenue South between Old Cedar Lake Road and Cedar Lake Road with a 5-story, 79-unit apartment building that includes two levels of structured parking. In compliance with the city’s inclusionary housing policy, 10% (8) of the units would be affordable to households at or below 50% Area Median Income (AMI). In order for the redevelopment to achieve a market rate of return, the redeveloper applied to the EDA for tax increment financing (TIF) assistance. The EDA/city council received a staff report detailing the Redeveloper’s TIF Application at the March 9, 2020 study session along with a recommendation for the appropriate level of assistance.

Financial or budget considerations: The EDA’s financial consultant (Ehlers) analyzed the redeveloper’s project proforma and determined that the project is not financially feasible but for the provision of up to $500,000 in tax increment assistance. Such assistance is necessary to offset a portion of over $520,000 in extraordinary site preparation costs and $3 million in structured parking. It is proposed that the EDA enter into a redevelopment contract with Cedar Partners, LLC under which the redeveloper agrees to construct the proposed apartment building and be reimbursed for qualified site improvement costs up to $500,000 in pooled tax increments from the Ellipse and Eliot Park TIF districts. The tax increment would be disbursed to the redeveloper upon prove-up that sufficient public redevelopment costs had been incurred and a “lookback” analysis completed verifying the amount of TIF assistance was justified. Provision of the assistance would not impact the TIF pooling earmarked for affordable housing through the city’s affordable housing trust fund. The Contract also requires the redeveloper to reimburse the EDA for all administrative and consulting costs the EDA incurs in conjunction with the project.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Julie Grove, economic development specialist
Greg Hunt, economic development coordinator

Reviewed by: Karen Barton, community development director

Approved by: Tom Harmening, city manager, EDA executive director
Discussion

Background: Cedar Partners LLC ("redeveloper") is proposing a new development called The Quentin (originally called Cedar Place) in the Cedarhurst neighborhood along Cedar Lake Road and Quentin Ave South, directly east of the FIAT dealership. The proposed $21.3 million redevelopment entails the removal of three existing buildings and construction of a five-story, 79-unit apartment building that includes two levels of structured parking. In compliance with the city’s inclusionary housing policy, 10% (8) of the units would be affordable to households at or below 50% Area Median Income (AMI). The first reading of the Ordinance creating the PUD allowing construction of this redevelopment was approved by the city council on April 6, 2020. Second reading ordinance creating the PUD is scheduled on April 20, 2020.

Rendering of The Quentin looking NW from Cedar Lake Road

The Quentin will be designed to meet or exceed the requirements of the city's Green Building Policy and Efficient Building Ordinance. Notably the project will include a green roof on the east side of the parking pedestal; no-mow, native plants and drought/salt-tolerant landscaping; electric vehicle charging stations for residents and guests; and a solar array on the roof to offset common area electricity use. Internal building systems will include all LED lighting with motion sensors in low-use common and parking areas, smart thermostats, high-efficiency HVAC, Low-E glass, ventless dryers, low-flow showers, dual flush toilets, reflective blinds, and energy star appliances.

Redeveloper’s request for public financing assistance: The estimated total development cost (TDC) to construct the proposed apartment building is approximately $21.3 million. There is more than $500,000 in extraordinary costs associated with redeveloping the subject site, including: soil correction, asbestos abatement, excavation, shoring and grading work, as well as over $3 million in structured parking structured costs which adversely impact the proposed project’s pro forma to the point that it cannot achieve a reasonable market rate of return, rendering it financially infeasible without financial assistance. To enable the project to proceed,
the redeveloper applied to the EDA for tax increment financing (TIF) assistance to offset a portion of these costs.

**TIF application process:** The EDA/city council received a staff report detailing the redeveloper’s application for TIF Assistance at the March 9, 2020 Study Session. Provided the proposed business terms are deemed acceptable by the EDA, approval of the proposed redevelopment contract with Cedar Partners LLC will be scheduled for consideration on May 18, 2020.

**Level and type of financial assistance:** In summary, the redeveloper’s sources and uses statements, cash flow projections, and investor rate of return (ROR) related to the proposed redevelopment project was reviewed by staff and Ehlers (the EDA’s financial consultant). Based upon its analysis of the redeveloper’s financial proforma, Ehlers determined that the proposed redevelopment would not be reasonably expected to occur in the foreseeable future but for the provision of up to $500,000 in tax increment. That level of assistance would offset enough of the extraordinary site costs described above to allow the proposed project to proceed. Given the relatively modest amount of assistance needed and in order to save the time and expense of creating another TIF district, it is recommended that pooled increments from the Eliot Park and Ellipse TIF District TIF districts be utilized. This approach allows the full value of the redevelopment to be placed on the tax rolls upon its completion, for the immediate benefit of all underlying taxing jurisdictions.

The TIF assistance would be made available to exclusively reimburse the redeveloper for a portion of the qualified site preparation costs, noted above. Upon execution of the redevelopment contract, the pooled TIF assistance would be held in an escrow fund. After evidence of costs incurred and a lookback performed by Ehlers upon stabilization (defined as the date the Minimum Improvements achieve 90% occupancy or Dec. 31, 2022, whichever comes first) the pooled TIF funds would be distributed to the redeveloper. If actual qualified costs are less than the projected costs, the amount of TIF assistance would be reduced by the difference.

**Proposed business terms:** The following is a summary of the proposed key business terms between the St. Louis Park Economic Development Authority (“EDA”) and the redeveloper which are consistent with EDA Policy, past practices and previous discussions with the EDA/city council. For clarification purposes, the Redevelopment Property consists of those properties shown in the aerial photo below outlined in yellow.
1. The redevelopment property includes the following parcels:
   - 4900 Cedar Lake Road (contains a small one-story office building)
   - 4905 Old Cedar Lake Road (contains a single-family home)
   - 5005 Old Cedar Lake Road (contains an office building)

2. The project consists of the removal of the three existing buildings on the redevelopment property and construction of a new 79-unit, five-story multi-family apartment building and related structured parking.

3. The EDA agrees to reimburse the redeveloper for a portion of redeveloper’s Public Redevelopment Costs (defined as building demolition, site preparation, excavation, shoring, soil correction, asbestos abatement and environmental assessment), through tax increment assistance in an amount up to $500,000. The TIF assistance will not constitute a business subsidy under Minnesota statutes because the assistance is for housing.

4. The EDA agrees to issue a maximum of $500,000 in tax increment assistance to the redeveloper from pooled tax increments from two previously created redevelopment TIF districts. The TIF assistance funds will be disbursed to the redeveloper upon prove-up that sufficient public redevelopment costs had been incurred and a “lookback” analysis completed verifying the amount of TIF assistance was justified. The lookback would be performed by Ehlers, the EDA’s financial consultant upon stabilization (defined as the date the Minimum Improvements achieve 90% occupancy or Dec. 31, 2022, whichever is earlier). Under the provision, the redeveloper would be required to submit final project costs and reports detailing its actual financial performance. The look back
provision ensures that if the total development costs are lower or if the project performs better financially upon stabilization than the redeveloper’s estimates, the EDA shares economically in the success of the project by reducing the amount of TIF assistance provided.


6. Redeveloper will comply with the city’s Inclusionary Housing Policy providing 8 (10%) of the units affordable to households at or below 50% AMI.

7. Redeveloper will comply with the city’s Green Building Policy/Climate Action Plan requirements.

8. The Redeveloper will install dedicated wired fiber optic connections for the Minimum Improvements in conformity with the City’s Planning Development Contract.

9. Payment of reasonable administrative costs of the EDA by the redeveloper, including consultant and attorney fees, in connection with the project.

The above terms will serve as the basis for, and will be incorporated into, a redevelopment contract with Cedar Partners LLC. Such terms are subject to further definition, revision and/or refinement by the EDA’s legal counsel. A copy of the draft redevelopment contract will be available for review in the community development department.

Next steps: Staff will work with the EDA’s legal counsel and Cedar Partners LLC to finalize the formal redevelopment contract based on the proposed business terms and input received by the EDA. Approval of the proposed redevelopment contract with Cedar Partners LLC is scheduled for consideration on May 18, 2020.
Executive summary

Title: Proposed Small Business Emergency Assistance Program

Recommended action: It is proposed that the EDA consider creating a Small Business Emergency Assistance program to aid local small businesses adversely impacted by the COVID-19 pandemic.

Policy consideration: Does the EDA wish to consider the creation of a Small Business Emergency Assistance program to aid small businesses with reallocated funds from the Development Fund?

Summary: Over the last several weeks, staff has been engaging with local small businesses to facilitate discussions regarding the economic hardships resulting from the COVID-19 pandemic. Through these conversations, staff is aware that there is an immediate need from the small business community to access emergency funds to assist with rent/mortgage assistance, payroll and leave payments, employee health benefits, accounts payable and other immediate business expenses. While many small businesses qualify for the COVID-19 financial assistance programs currently available through the Small Business Administration (SBA) and the State of Minnesota Department of Employment and Economic Development (DEED), there remain many others that do not qualify or only partially qualify for such assistance. Additionally, some of these programs apply to only those businesses with existing banking relationships and the deployment of funds under these programs is taking some time. Small businesses with smaller cash reserves, such as those ordered to close or modify service delivery due to the governor’s Executive Orders and stay-at-home orders, are at a high risk of closing. In response to the more immediate short-term need, and in order to retain small businesses in the city, it is proposed that the EDA consider authorizing the creation of a Small Business Emergency Assistance Program.

The purpose of the program is to provide needed financing for local businesses to help them sustain their operations, preserve employment, and prevent business closures in an effort to promote long-term economic vitality in the community. Such a program could provide locally-owned and operated small businesses (those with 3 to 50 employees and under $1 million dollars in annual revenue) with a one-time emergency grant of up to $5,000 to be used for working capital purposes that can’t be paid as a direct result of the current health emergency.

Financial or budget considerations: To fund the proposed assistance program, it is recommended that the EDA reallocate $200,000 budgeted for the Revolving Loan Fund within the Development Fund.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Greg Hunt, economic development coordinator
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, EDA executive director and city manager
Discussion

**Background:** According to research by JP Morgan Chase, half of all small businesses have only 27 or fewer days of cash on hand. Extended temporary closures threaten the ability of the businesses to avoid permanent closure. The average restaurant only has 16 days of cash on hand. A typical independent micro-business has monthly revenues of $8,000 - $12,000 and take-home profits of only $2,000 (source: Metropolitan Consortium of Community Developers). A grant of $5,000 will make a significant impact on those business owners’ ability to survive a few months without needing to abandon their business to make ends meet.

The proposed small business emergency assistance program will provide qualified locally owned and operated small businesses (those with 3 to 50 employees and under $1 million dollars in annual revenue) with a much-needed one-time emergency grant of up to $5,000 to be used for working capital purposes defined as wages, employee health benefits, leave payments, mortgage/rent payments, utilities, and/or property taxes and other critical business expenses that can’t be paid as a direct result of the current health emergency.

To be eligible to receive Small Business Emergency Assistance funds, a business must demonstrate that it has been directly and adversely affected by the COVID 19 Health Pandemic and/or whose industry is named in Executive Orders 20-04 and 20-08 and provide proof of expense for eligible uses. Applicants would also be encouraged to provide proof of application submittal, acceptance, approval and/or denial of state and federal emergency financing programs. The amount of funds provided would be based on pre-determined scoring criteria. Upon a successful grant application being awarded funds, the applicant would be required to enter into a Grant Agreement with the St. Louis Park EDA under which the applicant agrees to abide by the program’s requirements. Funds would be available on a first-come, first-served basis until the funds available are exhausted. It is anticipated that awarded funds could be distributed within one to two weeks after application approval depending on how grant recipients elect to receive funds. All grant recipients, as a condition for receiving grant funding, would be required to submit a brief report to the EDA specifying how the entirety of the grant funds were utilized within 6 months of receipt of funds. Staff will follow-up with grant recipients over the six months following funding award to provide additional support and ensure the businesses are aware of resources and how to access them.

**Next steps:** Pending EDA feedback, a resolution authorizing the proposed program will be brought to the EDA for approval at its April 20, 2020 meeting. Staff plans to begin implementing the program immediately thereafter.
Executive summary

Title: Best Cleaners conditional use permit and variance extension

Recommended action: No action at this time. Staff will bring the formal request to allow Best Cleaners an additional year to act on their approved conditional use permit and variance on the April 20, 2020 consent agenda.

Policy consideration: Does the council wish to allow Best Cleaners an additional year to act on their conditional use permit and variance?

Summary: City council approved a conditional use permit (CUP) and variance for 8105 Minnetonka Boulevard on April 15, 2019 (Resolution 19-050). The CUP and variance allow for a building expansion and site improvements to Best Cleaners, the existing business on site.

Due to additional soil testing and mitigation, as well as the current health pandemic, construction at 8105 Minnetonka Boulevard is delayed. City code requires that CUP and variance applications be acted upon within one year of council approval, or the CUP and variance are no longer in effect. Council may grant an extension to this deadline.

Staff will bring the formal request to extend the deadline to act upon the CUP and variance to city council on the April 20 consent agenda.

Financial or budget considerations: Not applicable.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: None

Prepared by: Jacquelyn Kramer, associate planner
Reviewed by: Sean Walther, planning and zoning supervisor
Karen Barton, community development director
Approved by: Tom Harmening, city manager