

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue

AGENDA

June 14, 2017 at 7:00 P.M.

- A. CALL TO ORDER:
- B. ROLL CALL: LINDSTROM ___ HARRIS ___ BROWN THUNDER ___
FISCHER ___ GUSTAFSON ___
- STAFF PRESENT: THONGVANH___
- C. PRESENTATIONS:
1. League of Women Voters - Affordable Housing Study
 2. Surface Water Management Plan
- D. APPROVAL OF MINUTES:
1. May 5, 2017 Special City Council Meeting Minutes
 2. May 24, 2017 City Council Meeting Minutes
- E. PUBLIC HEARINGS:
1. St. Paul Academy and Summit School Project Conduit Bond - Approving the Issuance and Sale of Educational Facilities Revenue Refunding Notes
- F. CONSENT AGENDA:
1. General Disbursements through: 5/31/17 \$69,151.63
Payroll through: 5/31/17 \$21,795.68
 2. Approve Payment #2 to Valley Paving, Inc. for the 2017 Pavement Management Project (PMP) to Valley Paving, Inc.
 3. Donations for 2017 Parks Program Fund
- G: POLICY ITEMS:
1. Falcon Heights Task Force Inclusion Recommendations
 2. Ramsey County Sheriff's Office - Policing Services
 3. PUD Amendment: Proposed Senior Housing Development "The Hendrickson"
- H. INFORMATION/ ANNOUNCEMENTS:
1. Weekly Police Reports - Can Now Be Found At:
http://www.falconheights.org/index.asp?SEC=75B3E8BB-785B-4048-B543-995BAE0716A5&Type=B_BASIC
- I. COMMUNITY FORUM:
- J. ADJOURNMENT:

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A Place for Everyone

Recommendations for Housing Policy in Maplewood, Roseville, Little
Canada, Falcon Heights, and Lauderdale

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Michael Davis
Humphrey School of Public Affairs

For:
Roseville Area League of Women Voters



May 2017



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1

Introduction

A Place for Everyone

Chapter Outline

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Acknowledgements

We would like to thank the following people for their valuable contributions, support, and guidance in completing this project:

Neeraj Mehta, Humphrey School of Public Affairs

Mindy Greiling, Bonnie Koch, and Rebecca Bormann, Roseville Area League of Women Voters

Project Background

This report was prepared by Masters of Urban and Regional Planning and Masters of Public Policy students in fulfillment of their capstone project requirement for graduation from the Humphrey School of Public Affairs at the University of Minnesota – Twin Cities. The client for this capstone project is the Roseville Area League of Women Voters.

This report is designed to support the work of the Roseville Area League of Women Voters and complement their ongoing work on affordable housing in first-ring suburbs. Broadly speaking, this report serves three functions. First, this report seeks to describe the state of affordable housing in Falcon Heights, Lauderdale, Little Canada, Maplewood, and Roseville. Second, this report offers some targeted recommendations about how to improve the existing and future affordable housing stock and increase access to affordable housing units. These recommendations are timely, as the five cities studied in this report must return their updated comprehensive plans to the Metropolitan Council by December 2018. Finally, this report provides some recommendations to strengthen the Roseville Area League of Women Voters advocacy efforts.

There are no one-size-fits-all solutions to the challenges of affordable housing. Every city has a wide variety of housing needs, known as the continuum of housing, that reflect the specific circumstances and needs of the city's residents. A city's continuum of housing includes everything from emergency shelters to subsidized properties to traditional homeownership. In light of this range of needs, the policy recommendations included in this report seek to fill any existing gaps in each city's continuum of housing. Providing residents with the full continuum of housing options is integral to the health and wellbeing of residents and neighborhoods, and the overall quality of life throughout the city.

The policy and community engagement recommendations included in this report were developed using an equity lens and a framework of Targeted Universalism. A Targeted Universalism approach entails setting universal goals that include the needs of both dominant and marginalized groups while simultaneously acknowledging and addressing the differences between subpopulations in the community. Universal policies that fail to consider the many reinforcing constraints on certain subpopulations of the community often fail to produce improved universal outcomes. On the other hand, policies that reflect a deep understanding of the unique circumstances of targeted subpopulations, whether those fall along lines of class, gender, or income, are more likely to yield improved outcomes for the community as a whole. In the case of affordable housing, this means improving conditions for those with the least access to affordable housing.¹

Roseville Area League of Women Voters

Established in 1953, the Roseville Area League of Women Voters is a nonpartisan political organization that seeks to encourage responsible, informed participation in government.

¹ powell, john. "Poverty and Race Through a Belonginess Lens," *Policy Matters* 1(5). April 2012.

The Roseville Area League of Women Voters subscribes to the Minnesota League of Women Voters position on affordable housing, which reads,

“All people have a right to housing. The public and private sectors should work together to ensure that everyone has access to adequate, decent, affordable housing. [The League supports] an active role in providing long-term decent and affordable housing for very low-, low-, and moderate- income households. [The League will] specifically support programs that: Increase a community’s capacity to provide a full range of housing opportunities, preserve and expand the existing affordable housing stock, prevent homelessness, and promote rental housing subsidies.”

Introduction to Target Cities

Falcon Heights, Lauderdale, Little Canada, Maplewood, and Roseville

Before white settlers arrived in Minnesota, Dakota and Ojibwe tribes inhabited the cities of Lauderdale, Little Canada, Falcon Heights, Roseville, and Maplewood. These tribes traveled through what is now known as Ramsey County during the summer season, taking advantage of the lakes and open spaces for fishing and hunting. The earliest white settlers in Ramsey County were of French, Canadian, Irish, German, or Norwegian descent. In fact, the first school in Little Canada opened in 1850, and classes were taught in French.

Minnesota earned statehood in 1858, and the cities of Lauderdale, Little Canada, Falcon Heights, Roseville, and Maplewood were all formally incorporated as cities in the 1940s and 1970s.

All five of the Roseville Area League of Women Voters (RALWV) cities are known for their backgrounds in grain and dairy farming. Minnesota’s economy was largely built on the fur trade until the turn of the 19th century when railroads were built in Saint Paul. The five RALWV cities and much of northern Ramsey County, unlike in Saint Paul, remained farmland.

Towards the 1960s and 1970s, the five RALWV cities became more industrialized. The Maplewood Mall and what is now known as the Rosedale Mall in Roseville opened in the late 1960s and became centers for retail business. 3M decided to relocate its headquarters from Saint Paul to Maplewood in 1952 because of the proximity to highways and lower tax rate. In 1965, 3M made up one third of Maplewood’s tax base.

Since the 1990s, Asian and Asian American and Black or African American communities have tripled in Minnesota, and Hispanic communities have quadrupled. In total, according to 2015 data, 27 percent of residents in the RALWV cities identify as people of color. This is higher than the Minnesota state average of 18 percent reported in 2013 but still lower than the national average of 36 percent reported in 2010. According to estimates from the Minnesota State Demographic Center, Ramsey County will see a 64 percent increase in racial and ethnic minority populations between 2005 and 2035.

On average across the five RALWV cities, 8 percent of residents identify as Black or African American and 5 percent identify as Hispanic. These numbers are very similar to those found in Minneapolis and Saint Paul. Unlike in Minneapolis and Saint Paul, however, 14 percent of residents across the five RALWV cities identify as Asian, which is double what is reported in the Twin Cities.

Between 2011 and 2015, the leading countries of birth represented in Minnesota were Mexico, India, Laos, Thailand, Somalia, and Vietnam. Some immigrants from Laos and Thailand represent Hmong refugees, who have been resettling in Minnesota since 1975. Some immigrants from Thailand and Burma represent Karen refugees, who have been resettling in Minnesota since the early 2000s. Saint Paul is currently home to the largest U.S. Karen population. Three of the RALWV cities (Little Canada, Roseville, and Maplewood) ranked in the top 20 Minnesota cities with the highest percentage of foreign born residents in 2015.

Who Needs and Uses Affordable Housing?

Opponents of affordable housing have established a narrative that claims increasing affordable housing will result in more low-income people moving into those communities. But this is a myth. The truth is that every community already has residents that are poorly housed living in those communities. Rather than importing low-income people, increasing affordable housing will result in improvements for community members who already live in those communities. Affordable housing is the cornerstone of a vibrant local economy, a diverse community, and pleasant neighborhood appearances. To dispel myths about the effects of increased affordable housing, it is important to discuss the issue in human terms.²

Housing should be affordable for everyone regardless of their station in life or how much they earn. Residents in Lauderdale, Little Canada, Falcon Heights, Roseville, and Maplewood who live in or are in need of affordable housing are mothers, fathers, daughters, sons, grandparents, and aunts and uncles. They are part of these communities just like everyone else. They work as cashiers at the places residents shop for clothes, groceries, and home improvement products. They are teaching assistants at Luther Seminary or the University of Minnesota-Twin Cities Saint Paul Campus. They celebrate birthdays, anniversaries, religious holidays, and graduations with loved ones. They enjoy gardening and golfing, biking and playing soccer, and going to the lake or enjoying the outdoors in the summer. They go to school, volunteer with community organizations, and help their kids with their homework. They value safety and community, and are proud to live in these cities. They are valued members of these communities. It is imperative that all members of these communities recognize the diversity in their neighborhoods and appreciate the value that all residents bring to their cities.

² Burson, J. (2016, July 16). Who lives in affordable housing? Homeword Homeblog. Retrieved from <http://www.homeword.org/homeblog/who-lives-in-affordable-housing>.

2 Demographic and Housing Summary

Analysis of social and economic characteristics of residents and characteristics of existing housing stock

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Falcon Heights

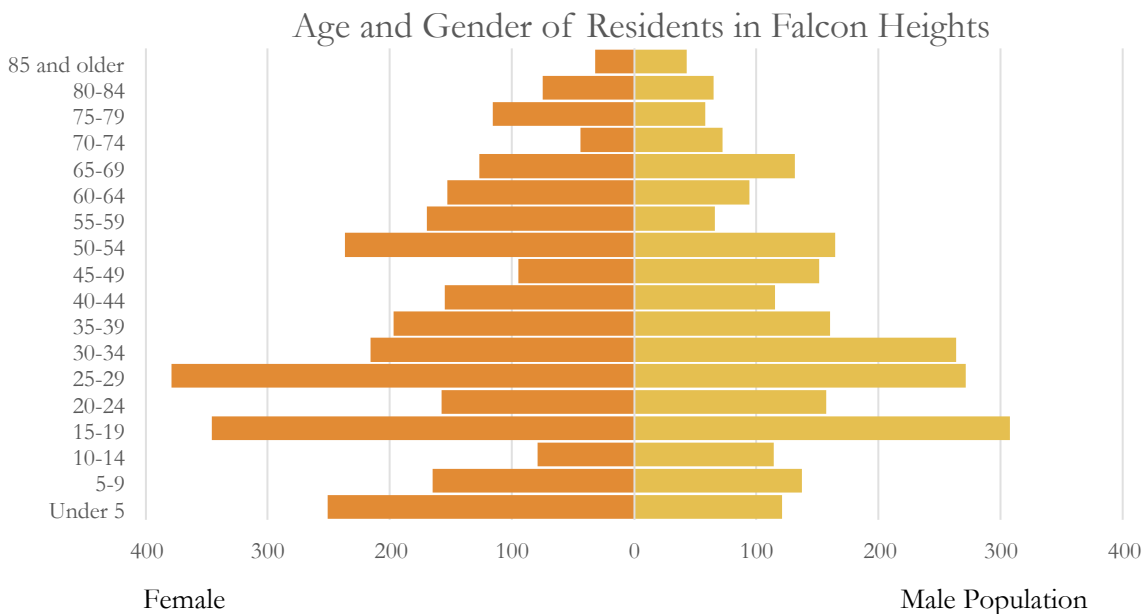
Key Differences from Twin Cities Metro

- Twice as many residents identify as Asian
- More likely to speak a language other than English at home
- Fewer units owner occupied
- Three times as likely to take transit to work
- Slightly higher household median income³

Vital Statistics

Falcon Heights is home to 5,484 people who are living in 2,170 different households. With a median age of 33, the population would be considered somewhat young. The percentage of the population that is school-aged is less than what is found in the surrounding region, but the percentage of households with school-aged children is only somewhat lower than the metro area. There is, however, a comparatively larger population of children under the age of 5, who are not quite yet old enough for school. Small portions of families with children are considered single parent families, meaning that the family is composed of an unmarried adult and the adult's children.

Falcon Heights is home to the Saint Paul Campus of the University of Minnesota, which includes a 500-resident dorm building and a 484-unit family student housing cooperative in addition to students living off campus in Falcon Heights. Student housing contributes to the unique distribution of ages found in Falcon Heights, including the high proportion of the population that is of typical college age. The University also helps to explain the larger cohort of young children, since families in student housing are more likely to have young children than school age children. The median age in the census tract that includes the Saint Paul campus is 27, while the median age for the other census tract is 41.



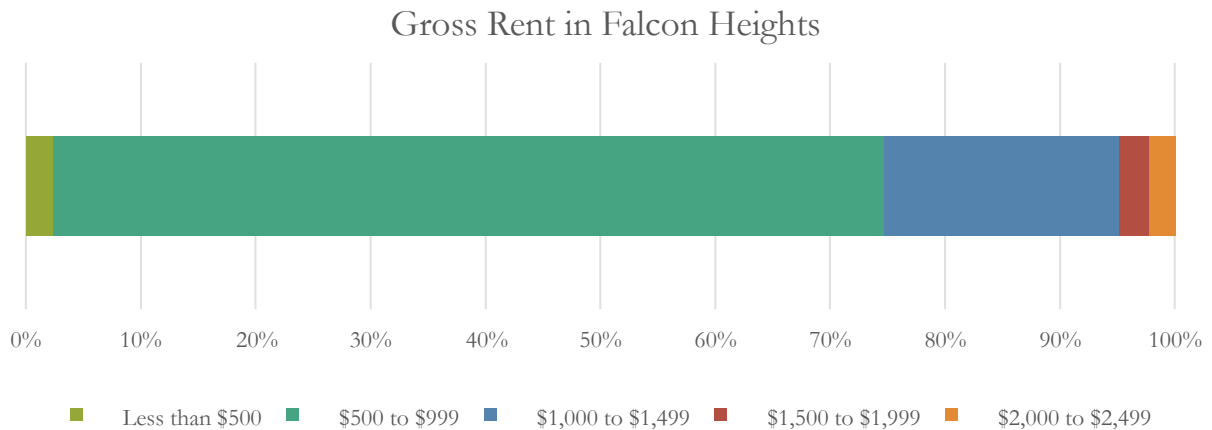
³ Unless otherwise noted, all data is from the American Communities Survey Five Year Estimates 2011-2015. All sources listed for Falcon Heights were also used for the other cities.

Housing Costs

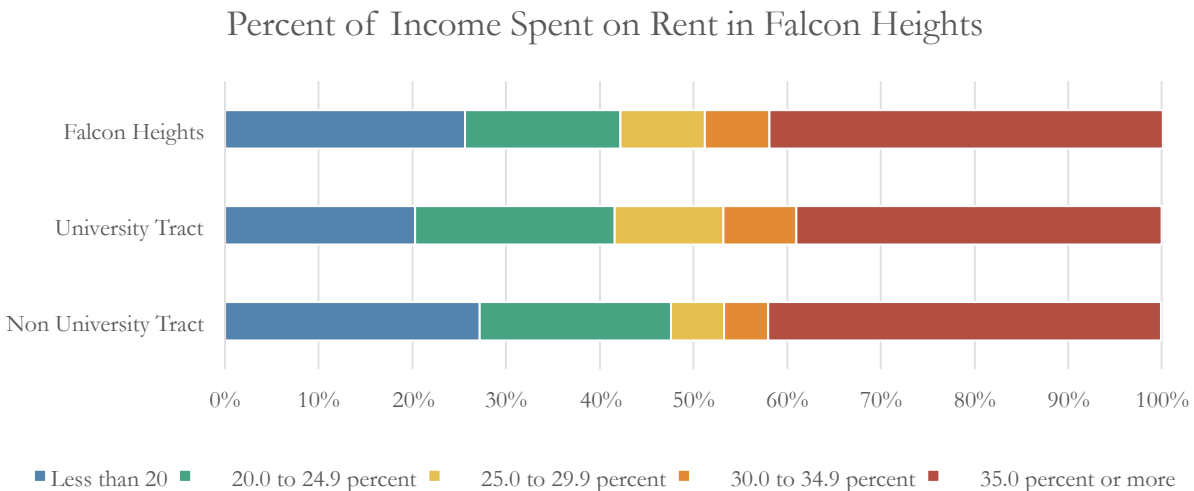
Housing cost data does not include college dormitories, but it does include the family student housing cooperative.

Rental Costs

Falcon Heights rental units are moderately priced with a median gross rent of \$871 per month. Over 70 percent of renters in Falcon Heights are paying between \$500 and \$999 dollars in gross rent.



In Falcon Heights overall, 47 percent of renters are paying over 30 percent of their income in rent, meaning they are cost-burdened. The differences found between the on-campus tract and the off-campus tract are minimal. In the off-campus tract, nearly 15 percent of rental units have a housing choice voucher.⁴

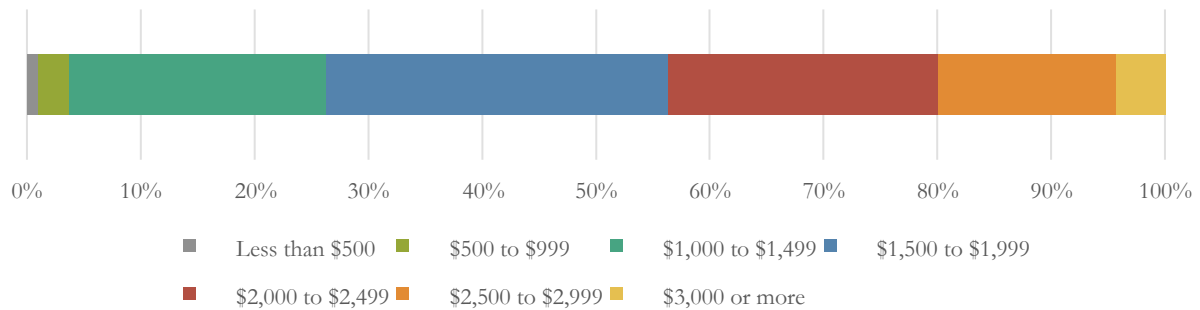


⁴ US Department of Housing and Urban Development, 2016

Ownership Costs

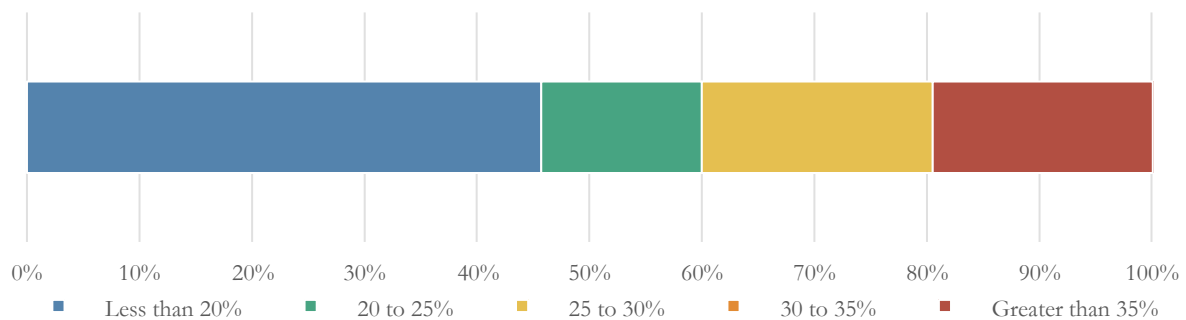
Our analysis of owner costs is confined to the 66 percent of homeowners in Falcon Heights that have a mortgage. Selected monthly owner costs in Falcon Heights are higher than the monthly costs associated with renting. The median owner cost is \$1,911 per month, and more than 45 percent of homeowners are spending more than \$2,000 per month in Falcon Heights.

Monthly Owner Costs in Falcon Heights



Overall, renters experience cost-burden more frequently than owners in Falcon Heights. Of the 66 percent of owners that have a mortgage, less than 20 percent are spending more than 30 percent of their income on housing. While more homeowners are spending an affordable amount of their income on housing, monthly ownership costs are still high.

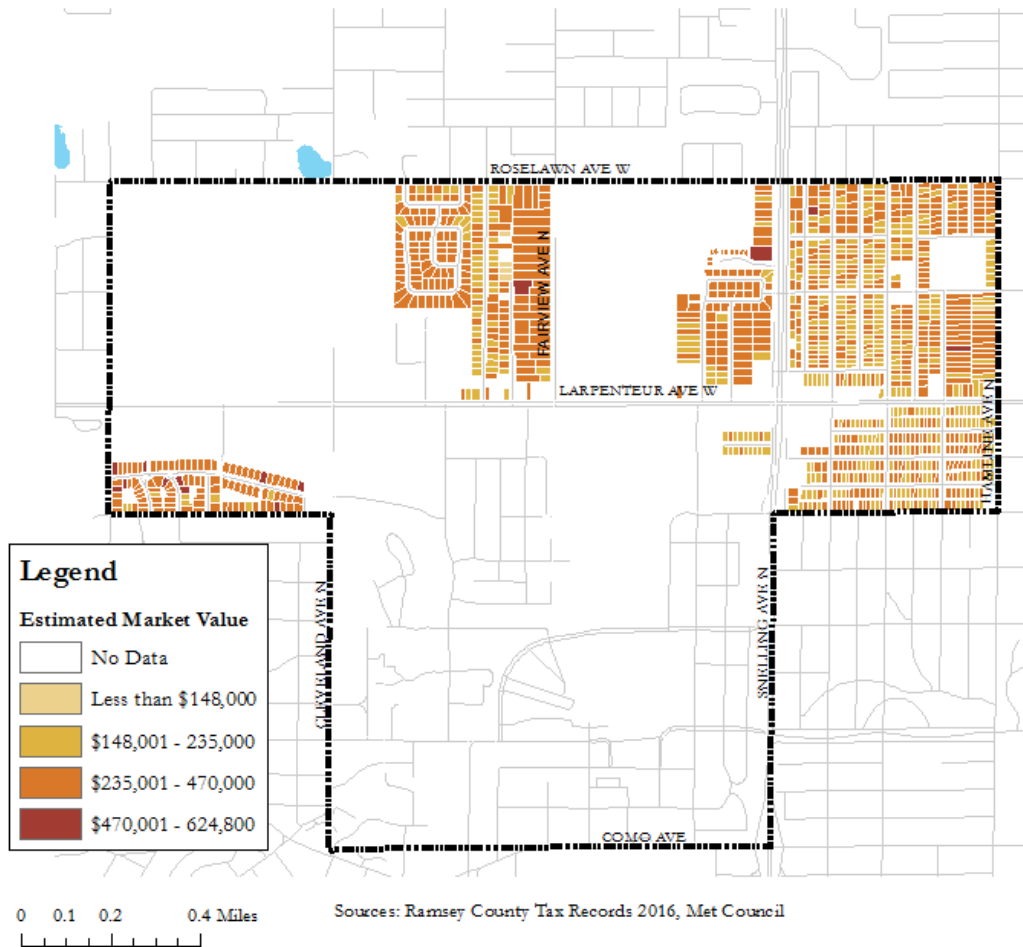
Percent of Income Spent on Owner Costs in Falcon Heights



Of the 1,163 single family homes in Falcon Heights, 12 have a 2015 Estimated Market Value (EMV)⁵ of less than \$148,000 and are affordable at or below 60 percent AMI. Moreover, 412 have an EMV between \$148,000 \$235,000 and are affordable to households at or below 80 percent of AMI.

⁵ Estimated Market Values are determined by the Ramsey County assessor. These records are helpful in comparing with each other, but tend to be lower than the selling price of the homes. This is especially true when the market is hot.

Single Family Home Values

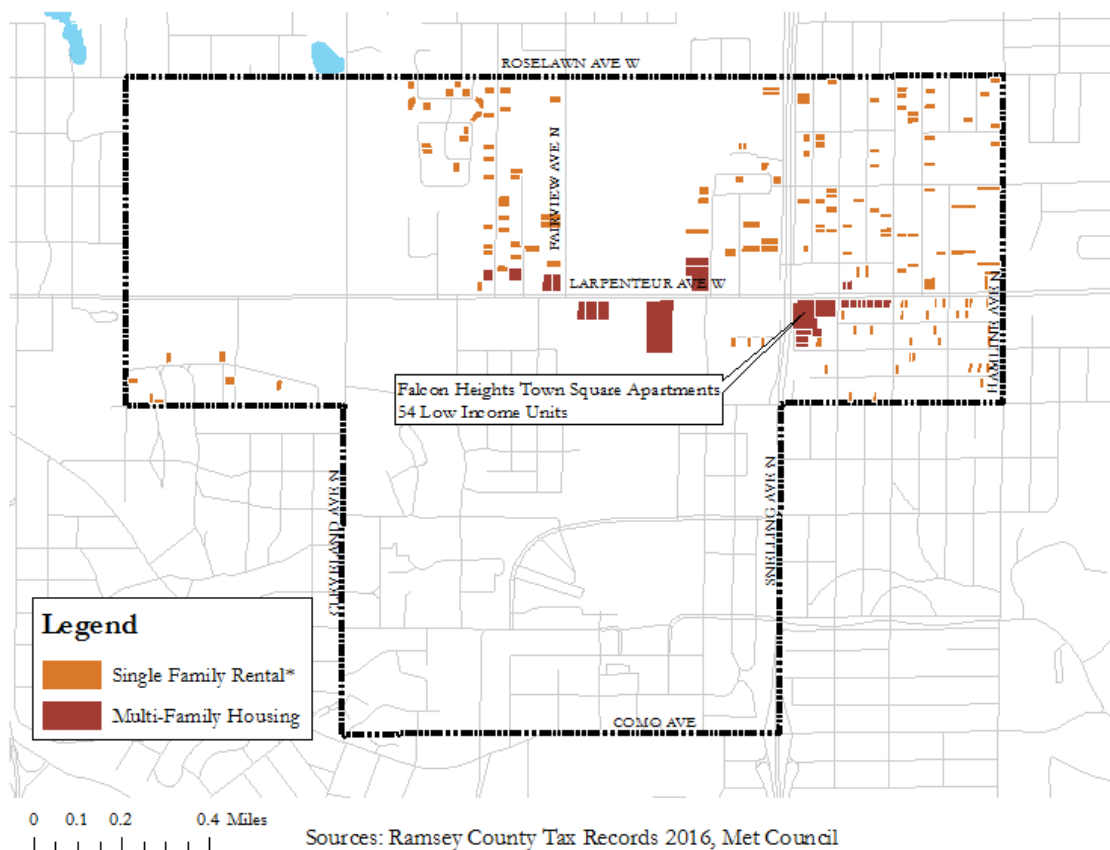


Housing Location, Type and Quality

Location

All multifamily housing is located on Larpentuer Avenue in Falcon Heights, while single family rental options are fairly evenly distributed across the city. The one federally subsidized building is located at intersection of Snelling Avenue and Larpentuer Avenue, which has excellent access to public transit.

Rental Housing

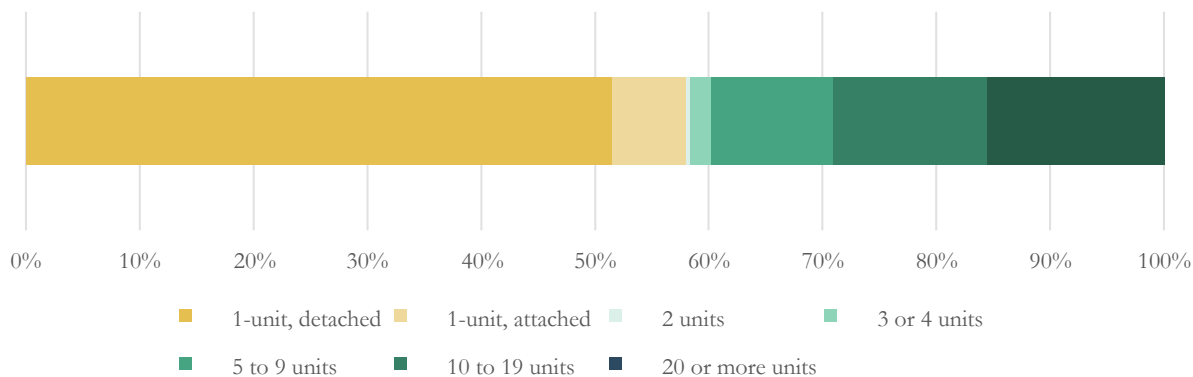


*Refers to single family units that are not homesteaded and may include owner occupied, non-homestead properties.

Type and Age

Over half of Falcon Heights households live in single family detached homes, with an additional 6 percent living in single family attached homes or townhouses. Nearly all of the households that are not living in single family homes live in apartment buildings with more than four units.

Type of Structure in Falcon Heights



The median unit has five and a half total rooms and two bedrooms, somewhat less than the regional medians of six total rooms and three bedrooms. Since a smaller portion of households have school-aged children, fewer households need more than two bedrooms. Most housing in Falcon Heights was built prior to 1960, with a substantial portion of single family homes built prior to World War II.

Quality

Crowding is not a problem in Falcon Heights. Fewer than 5 percent of households have more than one person per room and no households have more than one and a half people per room. A somewhat high percentage of housing units are primarily heated by electricity (20 percent), but fewer units are lacking in plumbing facilities, while relatively high number of units lack complete kitchen facilities (1.5 percent). Complete kitchen facilities include a sink with a faucet, stove or range, and refrigerator. Nationally speaking, the most common item to be missing from kitchen facilities is a stove.

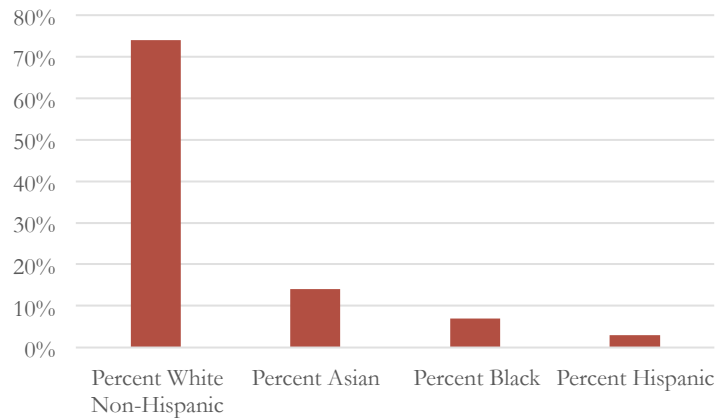
Race, Ethnicity, and National Origin

Race and Ethnicity

Over 70 percent of Falcon Heights residents identify as non-Hispanic Whites, while 14 percent of the population identifies as Asian. The non-white population includes more school-aged children.

Significant disparities exist between the white and non-white population in Falcon Heights. Black and Asian residents are unlikely to own their home, with 9 percent of Asian households and no black households residing in owner-occupied housing. Additionally, 58 percent of black households and 23 percent of Asian households have incomes under 100 percent of the poverty level.

Largest Racial and Ethnic Groups in Falcon Heights



	Percent Owner Occupied	Poverty Rate
White	69%	2%
Asian	9%	23%
Black	0%	58%

The people who work in Falcon Heights are less likely to be white than those who live in Falcon Heights. Eighty-nine percent of people employed in Falcon Heights are white, while 83 percent of employed residents of Falcon Heights are white.⁶

⁶ On The Map, a program of the US Census Bureau, 2014

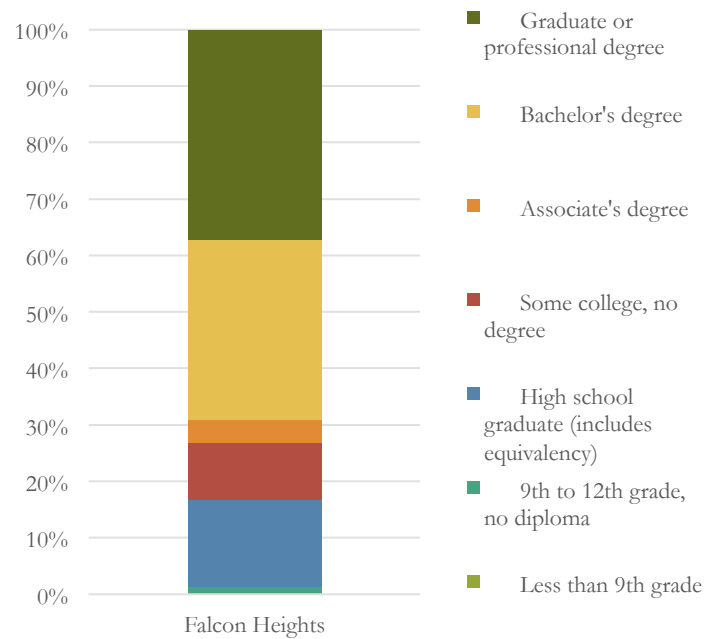
National Origin

One in five residents of Falcon Heights speak a language other than English at home and 18 percent of the city’s residents are foreign born. Nine percent of residents speak English less than very well. Of those born in a different country, around 36 percent have come to the U.S. since 2010 and 30 percent are naturalized citizens. Nearly two-thirds of these immigrants are from Asia, around 20 percent are from Africa, and nearly equal amounts are from Europe and Latin America.

Education

Falcon Heights has a well-educated population. Nearly all residents have at least a high school diploma, 70 percent have at least a bachelor’s degree, and 30 percent have a graduate or professional degree. The high education level is somewhat expected given the proximity to the University, since the undergraduate and graduate students have minimum education requirements and professors are also likely to live near the campus.

Educational Attainment in Falcon Heights



Fourth grade test scores of elementary schools serving Falcon Heights are rated between 34 and 48 out of 100. This is similar to if not higher than suburbs with similar proximity to the central city.

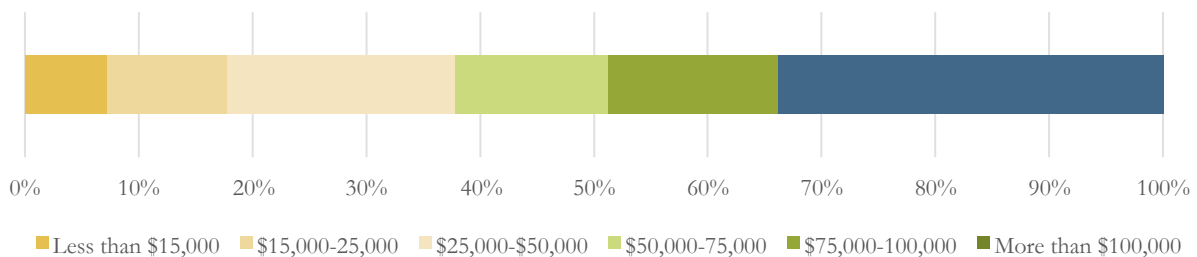
Income and Employment

Falcon Heights residents have moderate to high incomes compared with the rest of the metropolitan area. The median household income can support spending \$1,794 per month on housing, exceeding the median rental cost by more than \$900, but falling more than \$100 short of owner costs. Thirty-four percent of households have more than \$100,000 in income, which is similar to the region, but well above Ramsey County.

Median Household Income: \$71,765

Median Individual Income: \$31,927

Household Incomes in Falcon Heights



The poverty rate is also on par with the region at 11 percent as is the unemployment rate at 6 percent. Nearly one in 20 households have receive SNAP benefits in the last twelve months. More than a quarter of Falcon Heights residents work in Minneapolis while one sixth work in Minneapolis followed by Falcon Heights, Roseville, and Bloomington. A quarter of residents work in education followed by 12 percent working in healthcare and social assistance.

Disability and Health

Seven percent of Falcon Heights residents are disabled, three points below the region, but has a much higher rate of disability for adults over 65. The rate of disability for children is slightly higher than the state and region, while the 18-64 year olds is slightly lower. Two percent of households have received Supplemental Security Insurance in the last twelve months. Ninety-five percent of Falcon Heights residents have health insurance, slightly higher than what is found in the surrounding region.

Transportation

Falcon Heights residents have greater vehicle availability, but are more likely to use transit than the region and the other target cities. Only 5 percent of households have no vehicle available. Falcon Heights residents have excellent transit availability. Met Council designates the entire city as transit market area 2, meaning it is served by a dense network that is less frequent than the downtown regions of the central cities. The city is served by the State Fair transit center and two stops on the A-Line bus rapid transit.

Lauderdale

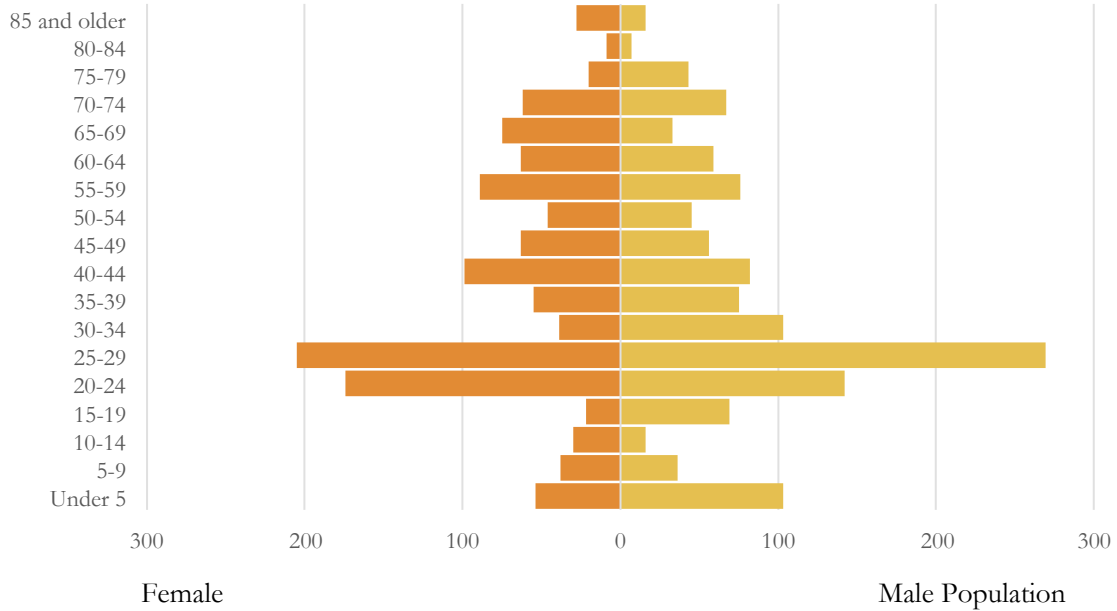
Key Differences from Twin Cities Region

- Half as many households have children, few school age children
- Lower median age
- Three times as many residents are Asian
- Twice as likely to speak a language other than English at home
- More likely to have less than a high school diploma
- Household income is two-thirds as much as metro area
- Less than half of units are owner occupied
- Three times as likely to take transit to work

Vital Statistics

Lauderdale is home to 2,468 individuals in 1,176 households with a small average household size of 2.1 people. With a median age of 32, Lauderdale is the youngest of the five target cities. The population has a high percentage of residents between the ages of 20 and 30, a large portion of which can be explained by Luther Seminary, which is located in the southeastern portion of the city and includes student housing. Only 7 percent of the population is made up of school-aged children and 15 percent of households include children under 18.

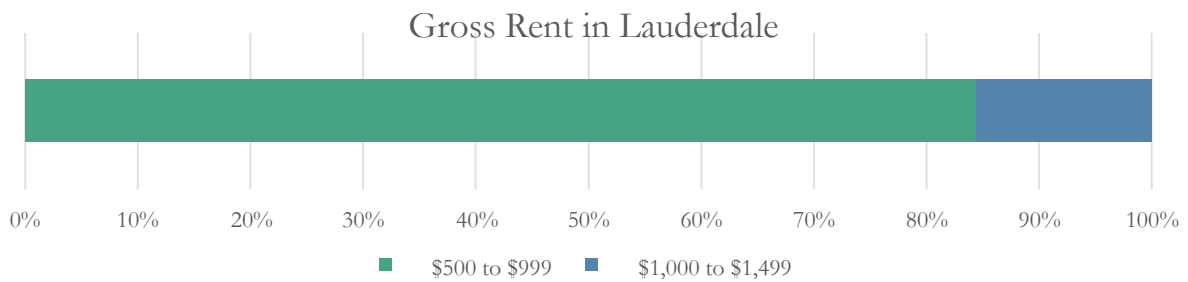
Age and Gender of Residents in Lauderdale



Housing Costs

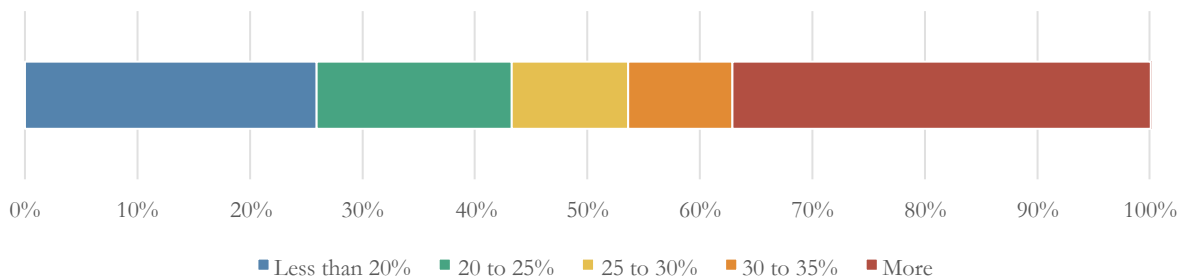
Rental Costs

All rental units in Lauderdale have gross rents between \$500 and \$1,000. The median rent is \$816, well below the regional median of \$931.



While rents paid are low compared to the region, 49 percent of renters are paying more than 30 percent of their income on rent.

Gross Rent as a Percent of Income in Lauderdale

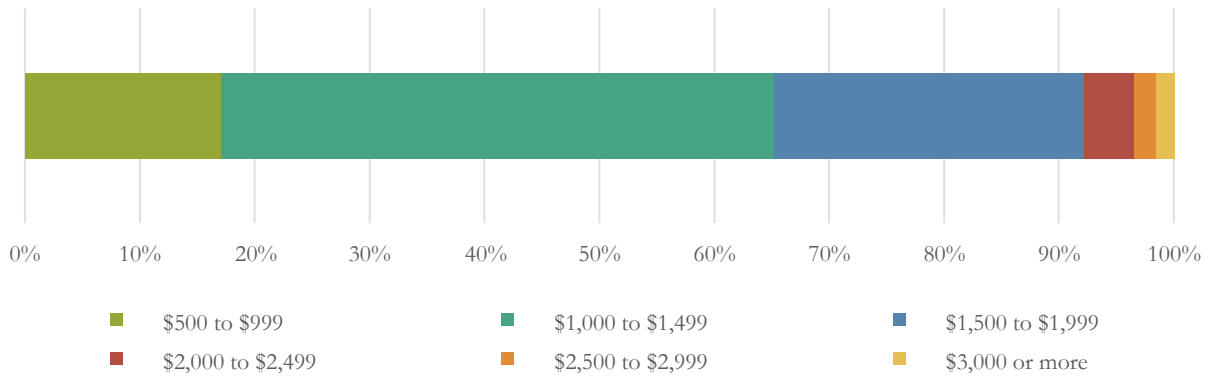


Data on Housing Choice Voucher usage is suppressed by HUD for the census tract that encompasses Lauderdale. No federally subsidized housing exists in Lauderdale.

Ownership Costs

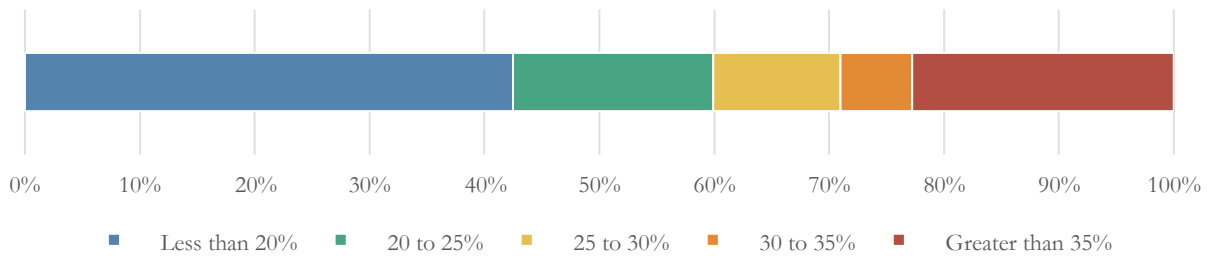
Of the 60 percent of homeowners with mortgages, less than 10 percent spend more than \$2,000 on housing. Approximately 65 percent of owners with mortgages in Lauderdale are spending between \$500 and \$1,500 per month on housing, the range that all rental occupied housing is in. The median owner cost is \$1,345, about \$300 less than the median for the Twin Cities region.

Monthly Owner Costs in Lauderdale



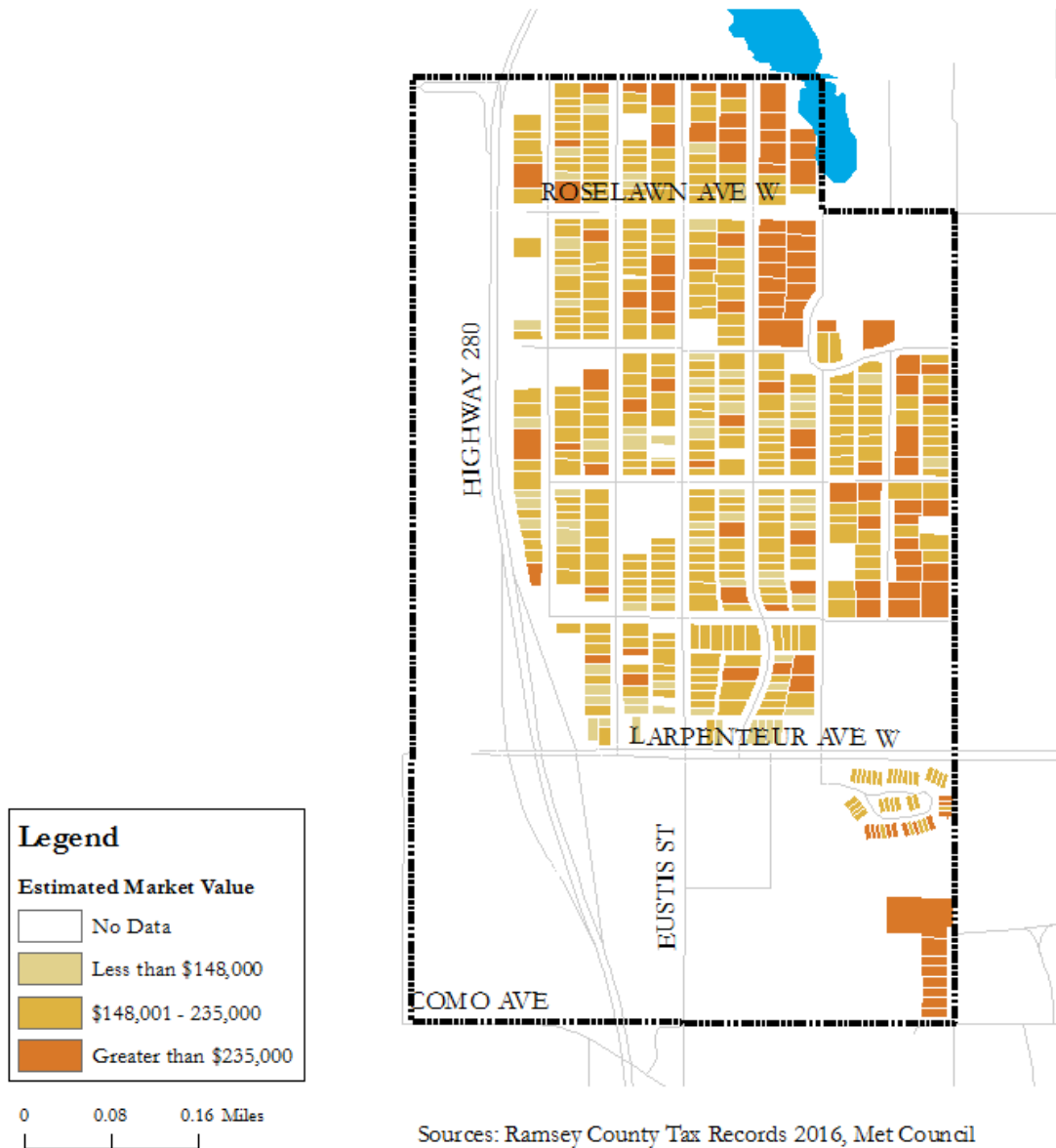
Overall, 29 percent of Lauderdale homeowners with mortgages are spending more than 30 percent of their income on housing.

Owner Costs as a Percent of Income in Lauderdale



Of the 524 single family homes in Lauderdale, 71 percent are affordable at or below 50 percent of AMI and 335 are affordable between 50 and 80 percent of AMI. No homes are valued above \$470,000, or twice the value deemed affordable to households making 80 percent of AMI.

Single Family Home Values

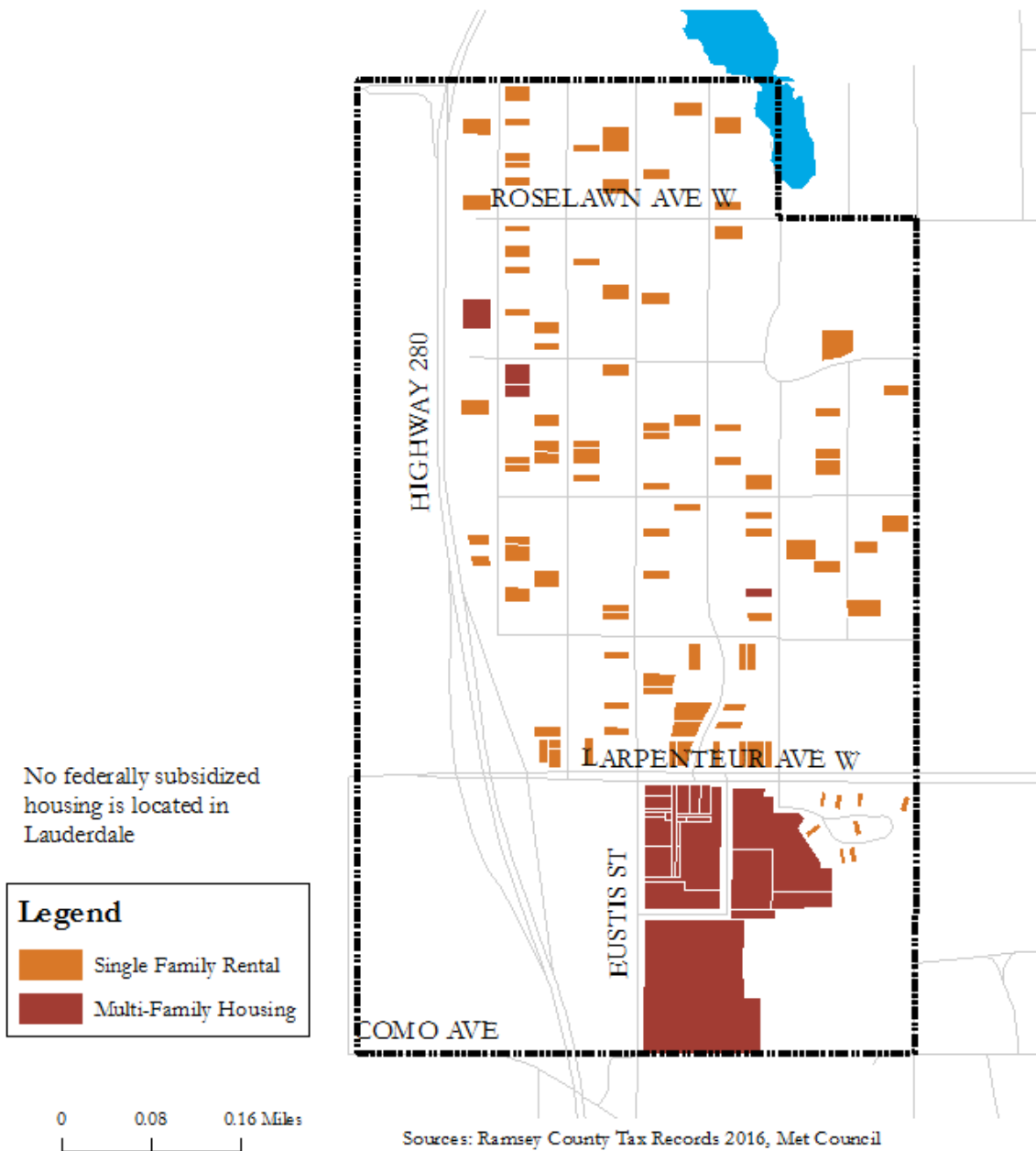


Housing Location, Type, and Quality

Location

Most multi-family housing is located at the corner of Eustis Street and Larpenteur Avenue near Luther Seminary. This is a prime location for transit usage as the intersection is served by two bus routes that reach both downtowns as well as North and Northeast Minneapolis.

Rental Housing

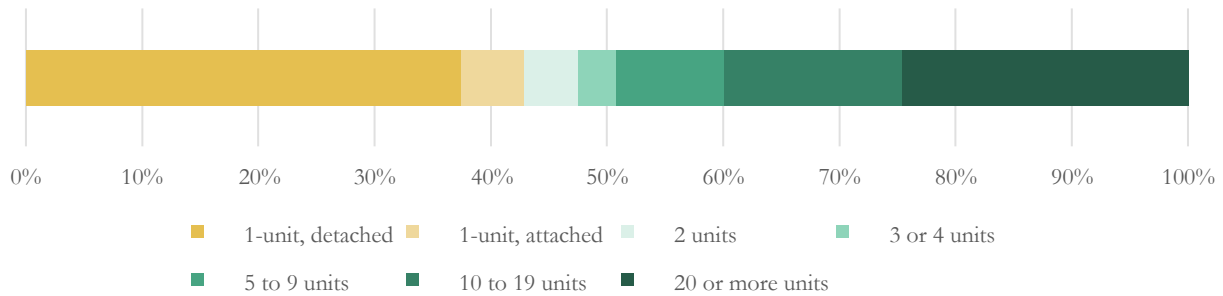


*Refers to single family units that are not homesteaded and may include owner occupied, non-homestead properties.

Type and Age

Less than half of Lauderdale residents live in single family homes, attached or detached. Just under half of residents live in apartment buildings with more than five units.

Type of Structure in Lauderdale



The median unit has four total rooms and two bedrooms, well below the regional median of six rooms and three bedrooms. Since few households have children, the lack of bedrooms and rooms in general is not surprising. Very little of the housing in Lauderdale was built after 2000. Nearly half of single family homes were constructed prior to 1950, with a quarter built prior to 1924.

Quality

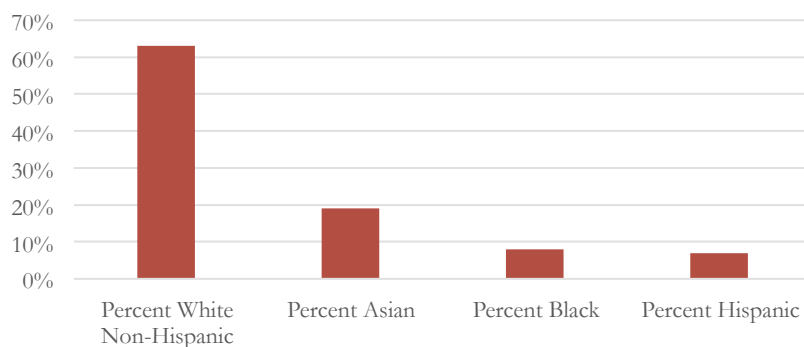
Crowding is not a concern in Lauderdale with 96 percent of households having less than one person per room. All units have complete plumbing facilities, and approximately 1 percent of units lack complete kitchen facilities, meaning they are lacking a range, sink with faucet, or refrigerator. Twenty-seven percent of units are heated with electricity, a relatively high percentage compared to the region.

Race, Ethnicity, and National Origin

Race and Ethnicity

Of the five target cities, Lauderdale has the most racial and ethnic diversity, with 63 percent of residents identifying as non-white or Hispanic. As in all of the target cities, the largest minority group is Asian, which makes up nearly one fifth of the population in Lauderdale.

Largest Racial and Ethnic Groups in Lauderdale



Due to the small size of Lauderdale, margins of error on variable combining race with other questions are large, so we are not providing the specific numbers. We can see that even with the most extreme margins of error applied, Whites in Lauderdale are more likely to live in owner occupied housing than Asians or

blacks. The poverty rate for Asians appears to be relatively similar to the poverty rate for whites, while the poverty rate for blacks is much higher. Eighty-four percent of individuals working in Lauderdale are white, compared to 80 percent of employed Lauderdale.

National Origin

Nearly one-third of residents in Lauderdale speak a language other than English at home and nearly 28 percent of the city’s residents are foreign born. Nineteen percent of residents speak English less than very well. Of those born in a different country, just over 36 percent came to the U.S. after 2010 and about 20 percent are naturalized citizens. Just over two-thirds of these immigrants are from Asia, and slightly more than 15 percent are from Africa and slightly less than 15 percent are from Latin America.

Education

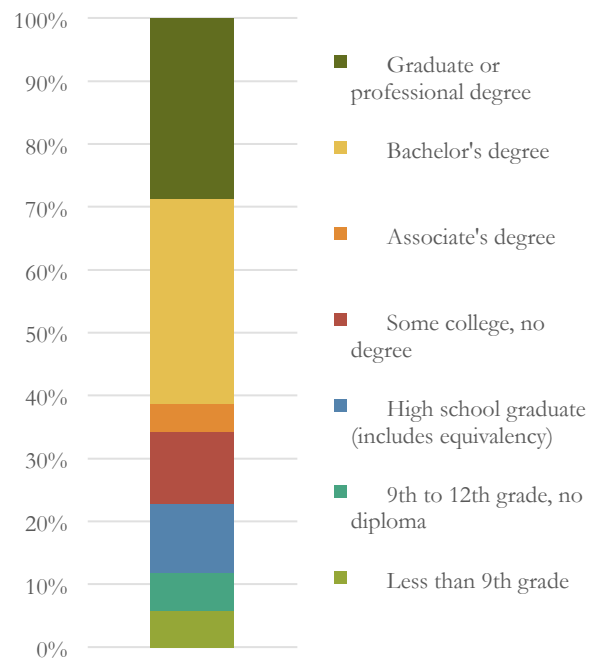
More than 10 percent of residents of Lauderdale, 25 years and older, have less than a high school diploma, while more than 40 percent of residents have at least a bachelor’s degree. Elementary schools serving Lauderdale receive a school proficiency score of 34 out of 100, similar to suburbs at comparable distance from the central cities.

Income and Employment

By all measures, Lauderdale residents have lower incomes than the other target cities and the region. The median individual income is nearly \$8,000 less than the region, while the median household income is approximately \$27,000 less than the region. The median household income can support monthly housing costs up to \$1,045, which while above the median rental costs, is \$300 short of the owner costs.

The poverty rate is high at 18 percent and 5 percent of households have received SNAP benefits in the last twelve months. Lauderdale residents are most likely to work in the areas of education or healthcare and social assistance. A large portion of residents work in the Twin Cities: 36 percent in Minneapolis and 17 percent in Saint Paul.

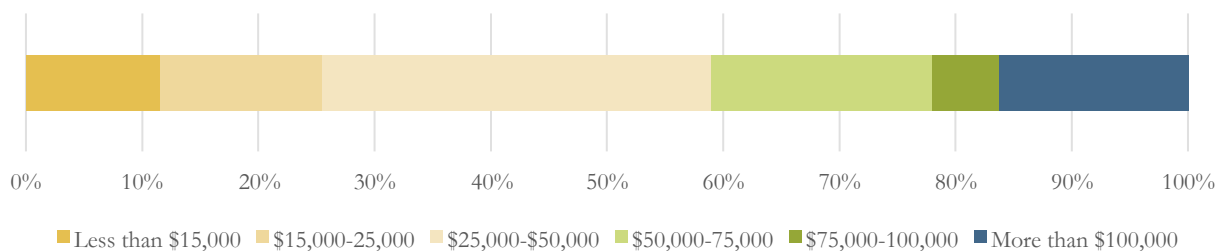
Educational Attainment in Lauderdale



Median Household Income: \$71,765

Median Individual Income: \$31,927

Household Income in Lauderdale



Disability and Health

Twelve percent of Lauderdale residents have a disability and 4 percent of households have received SSI in the last year, similar to the region, although the rate of disability for individuals over 65 is higher than the region. Ninety percent of residents have at health insurance coverage.

Transportation

Nine percent of Lauderdale households do not have a vehicle available. Three-quarters of employed Lauderdale residents drove alone to work, similar to the region. The city is well served by transit with two bus routes, although neither is high frequency. Met Council considers the area to be Transit Market Area 2, meaning it has dense service that is less frequent than in the center of Minneapolis and Saint Paul.

Little Canada

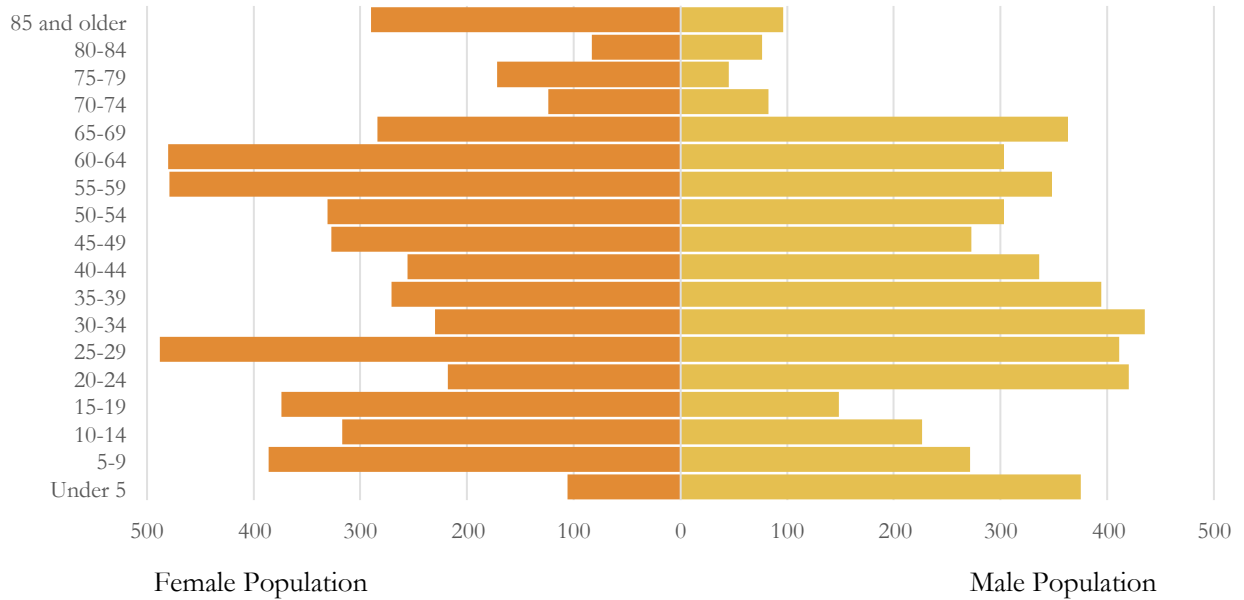
Key Differences from Twin Cities Region

- Fewer households with children
- Higher median age
- More seniors living alone
- Twice as many residents are Asian
- Household income \$18,000 less than metro
- One and a half times as likely to have disability

Vital Statistics

Little Canada is made up of 8,439 people in 4,479 households, with an average household size of 2.24 people, slightly below the regional average. Twenty percent of households are families with children. Of those, 75 percent are an unmarried parent with own child. Fifteen percent of residents are school-aged children. Fourteen percent of households are made up of individuals 65 years old or older living alone.

Age and Gender of Residents in Little Canada

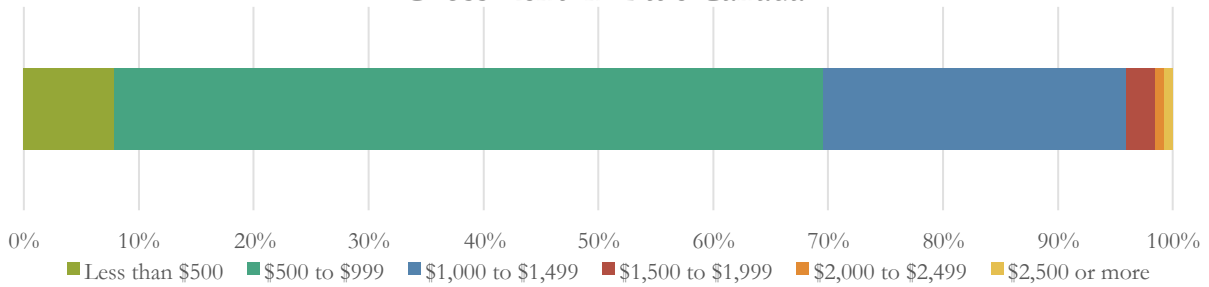


Housing Costs

Rental Costs

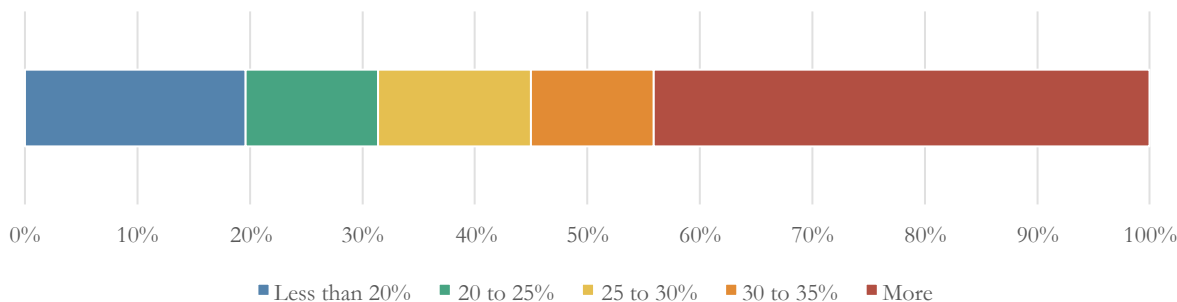
For the 38 percent of households who rent their homes, the median gross rent in Little Canada is \$854, \$60 less than the median rent in the region. Approximately 70 percent of renters are paying less than \$1,000 per month in rent.

Gross Rent in Little Canada



Approximately 55 percent of renters in Little Canada are cost burdened, about 5 percentage points more than in the region.

Rent as a Portion of Income in Little Canada

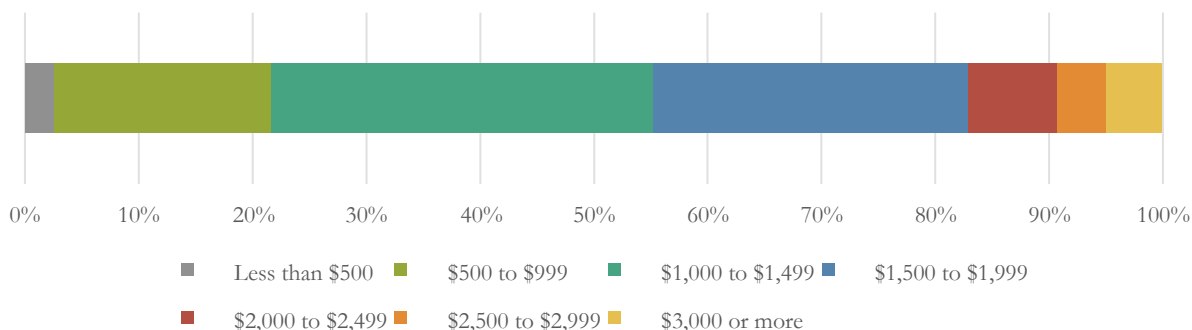


Housing Choice Vouchers are being used in 6-13 percent of rental units in Little Canada.

Ownership Costs

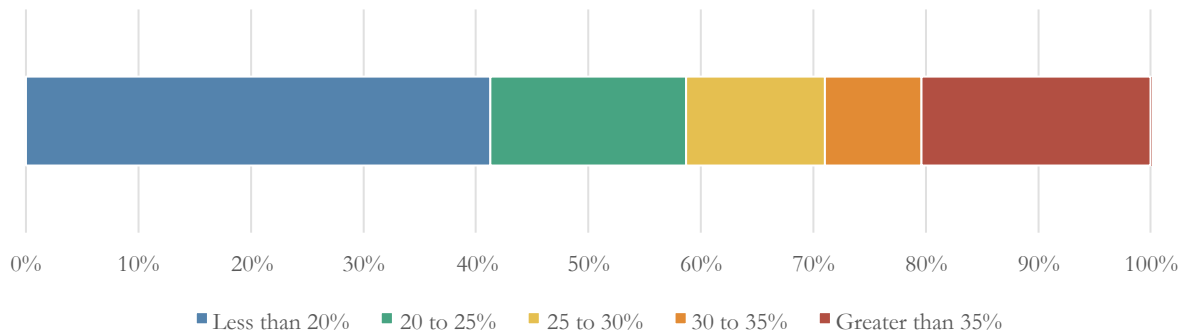
Of the 66 percent of homeowners with mortgages, about 45 percent are spending more than \$1,500 per month on housing. This figure includes mobile home fees, such as land rent. The median monthly expenditure on housing is \$1,432, about \$200 less than the median owner cost in the region.

Monthly Owner Costs in Little Canada



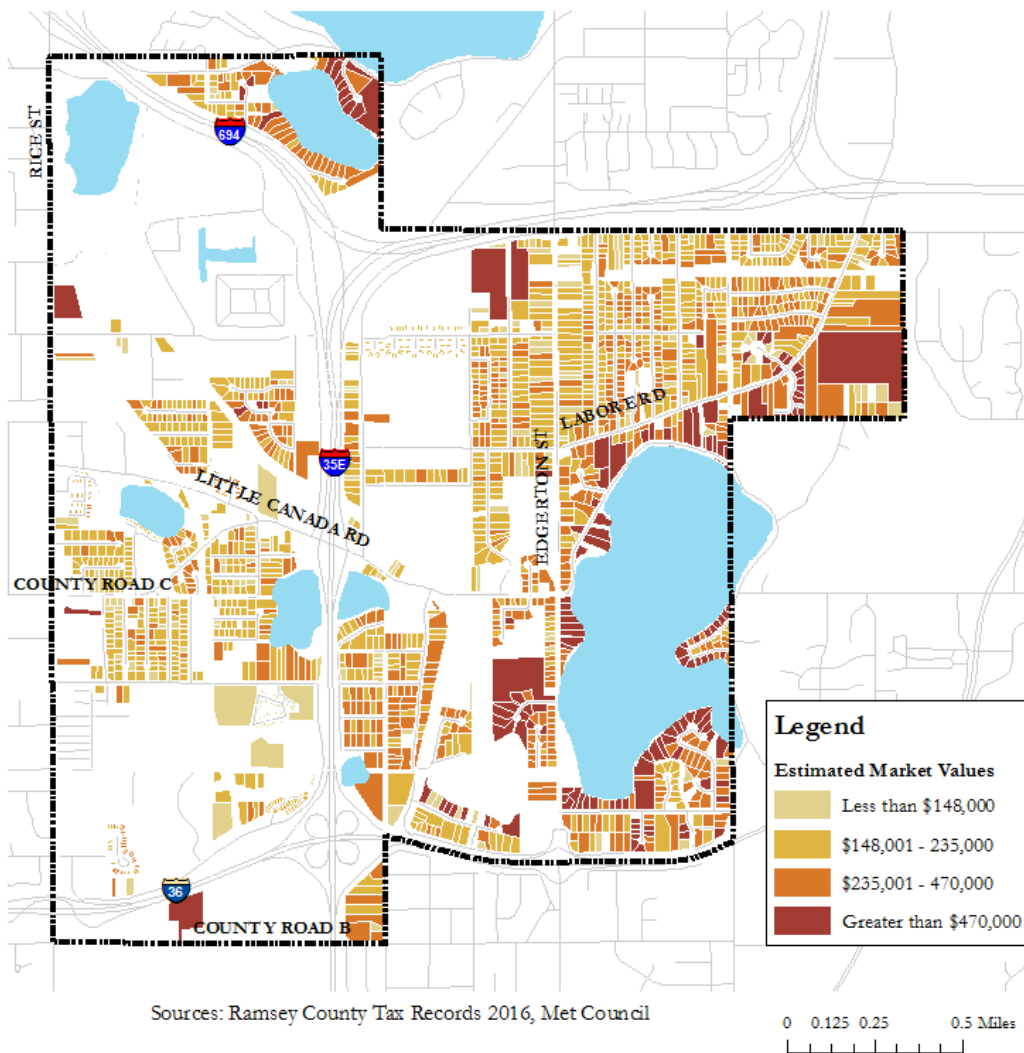
Overall, 29 percent of homeowners are cost burdened in Little Canada, similar to the region.

Owner Costs as a Percent of Income in Little Canada



There are 847 single family homes affordable to households at 50 percent of AMI and 1037 homes affordable between 50 and 80 percent AMI, together accounting for nearly 70 percent of single family homes.

Single Family Home Values

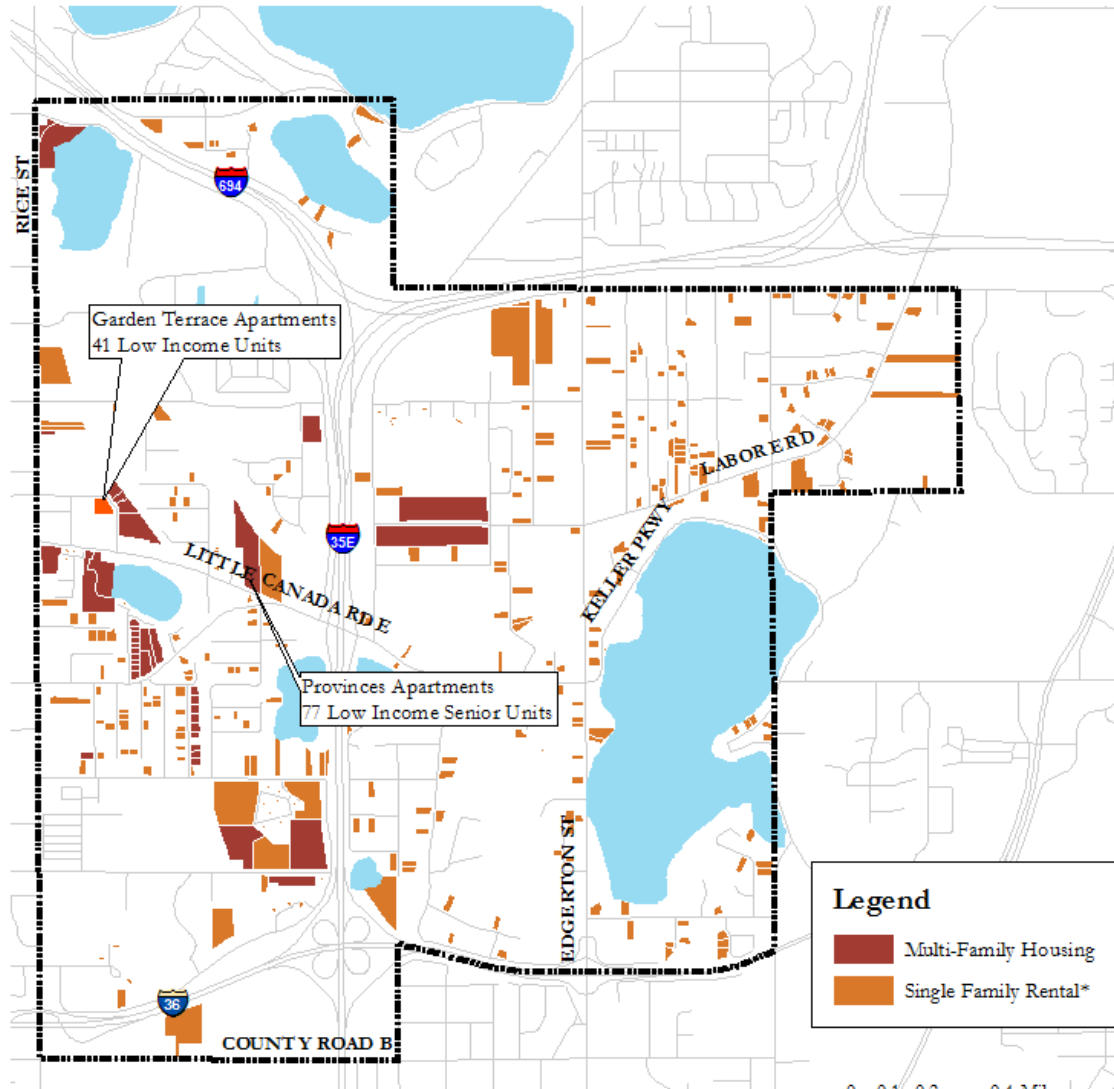


Housing Location, Type, and Quality

Location

Multi-family housing in Little Canada is primarily located in the western portion of the city. The two manufactured home parks in Little Canada are also located in the western portion of the city. Due to the concentration of multifamily housing in that part of the city, future development of affordable housing in the eastern portion of the city could provide a greater integration of incomes.

Rental Housing



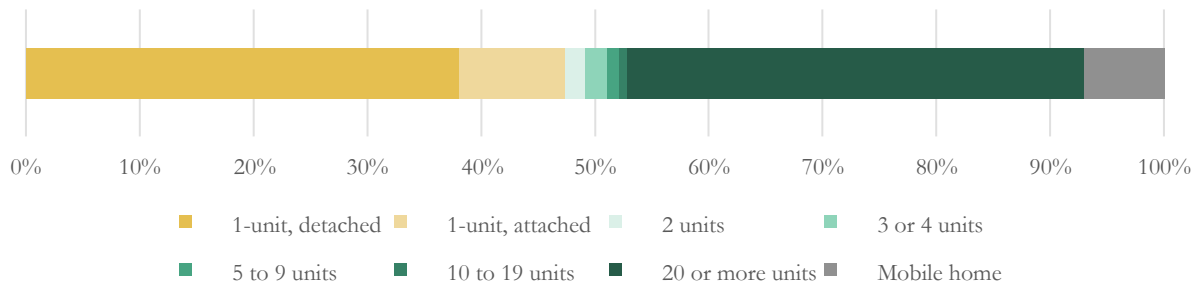
Sources: Ramsey County Tax Records 2016, Met Council

*Refers to single family units that are not homesteaded and may include owner occupied, non-homestead properties.

Type and Age

Less than half of occupied units in Little Canada are single family attached or detached homes, although an additional 7 percent of units are mobile or manufactured homes, which can be classified as a single family home. Forty percent of units are in large apartment buildings with at least 20 units.

Types of Structure in Little Canada



The median unit has 4.8 rooms including two bedrooms, each about one less than is typical in the region. Most housing was constructed between 1970 and 2000. Half of single family homes were built between 1971 and 1989, with a quarter each before and after the period.

Quality

Units in Little Canada are about twice as likely to use electricity for heat than regional units. No units were reported as lacking plumbing or kitchen facilities. Ninety-six percent of units have fewer than one person per room, which suggests that crowding is not a problem in Little Canada.

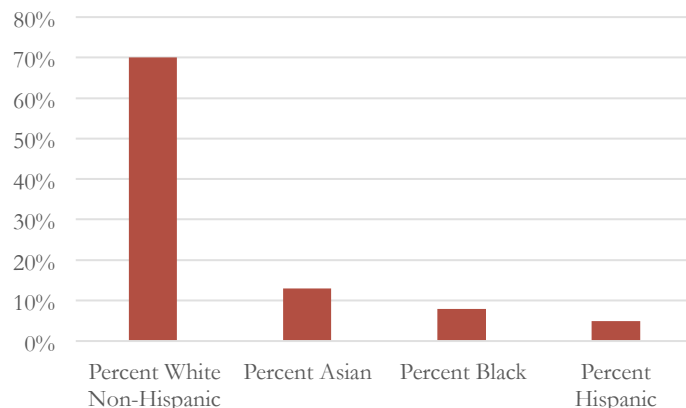
Race, Ethnicity, and National Origin

Race and Ethnicity

With 70 percent of the population identifying as white, Little Canada is somewhat more diverse than the Twin Cities metro area. The largest minority group is Asians at 13 percent.

Unlike other target cities, whites are not the most likely racial group to own homes in Little Canada. Seventy-two percent of Asian headed households own their homes, as opposed to 64 percent of white-headed households. Black-headed households still lag behind at 33 percent. The poverty rate is highest among Asian households at 13 percent, followed by white households at 8 percent, with nearly no black households in poverty. The black population in Little Canada has no more children than the white population, while three times as many Asians are under 18 year old than whites.

Largest Racial and Ethnic Groups in Little Canada



Seventy seven percent of employed Little Canada residents are white, compared to 86 percent of workers employed in Little Canada.

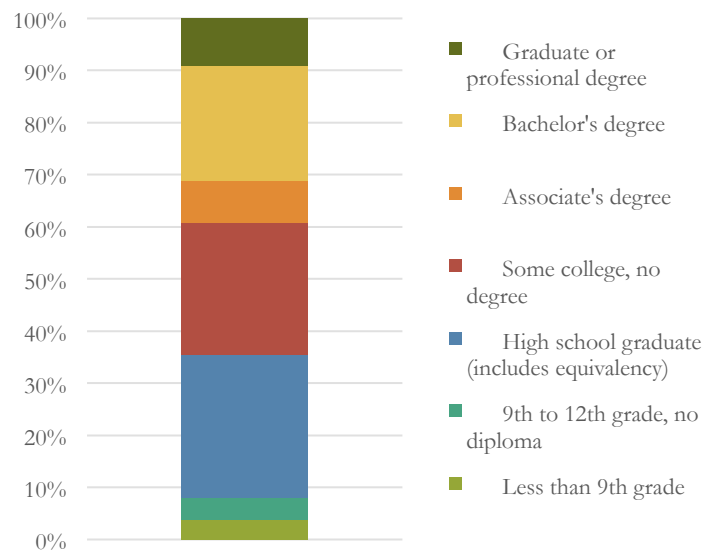
National Origin

Nearly one in five residents in Little Canada speak a language other than English at home and 14 percent of the city's residents are foreign born. Eight percent of residents speak English less than very well. Of those born in a different country, over 96 percent came to the U.S. before 2010 and 56 percent are naturalized citizens. Nearly half of these immigrants are from Asia, and around 20 percent are from Latin America and Africa.

Education

Nearly 25 percent of residents over the age of 3 are enrolled in school, and of those enrolled in school slightly more than 40 percent are in elementary school (grades 1-8) and nearly one-third are in college or graduate school. While over 90 percent of residents in Little Canada over the age of 25 have at least a high school diploma only around 30 percent have a Bachelor's degree or higher. The elementary schools serving Little Canada score between 42 and 54 out of 100 based on forth grade test scores.

Educational Attainment in Little Canada



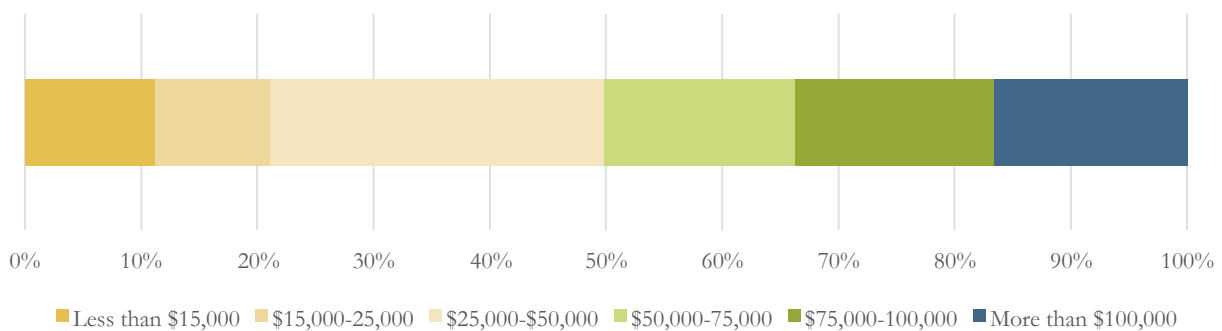
Income and Employment

Individual income is nearly \$4,000 less than the region while household income is over \$18,000 less. Approximately half of households earn less than \$50,000 per year, while about 15 percent of households earn more than \$100,000 per year. The median income can support monthly housing costs up to \$1,254 per month which is well above the median rental cost, but is about \$200 less than the median owner costs. The poverty rate is somewhat higher than the region at 12 percent.

Median Household Income: \$50,156

Median Individual Income: \$30,331

Household Incomes in Little Canada



The most common destinations for workers are Minneapolis at 20 percent and Saint Paul at 16 percent. About 5 percent of workers work in each Roseville and Little Canada. Sixteen percent of employed residents work in healthcare and social assistance, followed by 11 percent working in manufacturing.

Disability and Health

Fifteen percent of Little Canada residents have a disability. Seniors in Little Canada are 50 percent more likely to have a disability than seniors in the region. Five percent of households have received SSI in the past twelve months. Only 88 percent of Little Canada residents have health insurance.

Transportation

Little Canada residents have access to vehicles, and most workers use them to get to work. Less than 7 percent of households do not have access to a vehicle, less than what is found across the region. Seventy-six percent of workers drive to work alone and 5 percent use transit, both similar to the region. Little Canada is served by commuter and basic transit coverage. Several regular route buses stop within the city, although none are considered high frequency. Bus service includes midday and inter-suburban trips. A transit center is located on the western edge of the city.

Maplewood

Key Differences from Twin Cities Region

- Twice as many residents identify as Asian

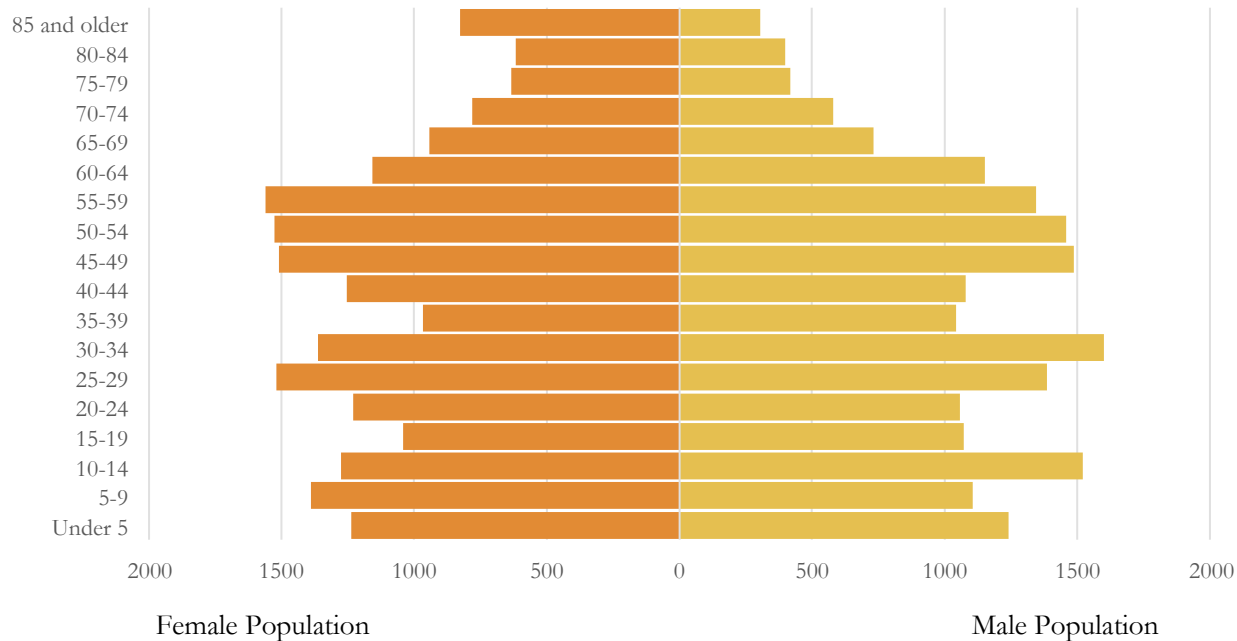
- More renters are cost burdened

- Slightly lower median incomes

Vital Statistics

The largest of the four cities, Maplewood has nearly 40,000 residents in 15,000 households with a household size of 2.56 people per household. The distribution of family types is typical for the region with 28 percent of households including related children and 17 percent of the population between five and 18 years old. Over half of families with children have an unmarried parent. Since Maplewood is larger, its distribution of ages and gender looks more like a typical population pyramid, although the youngest portion of the pyramid is smaller than the middle aged, pre-retirement age range.

Age and Gender of Residents in Maplewood

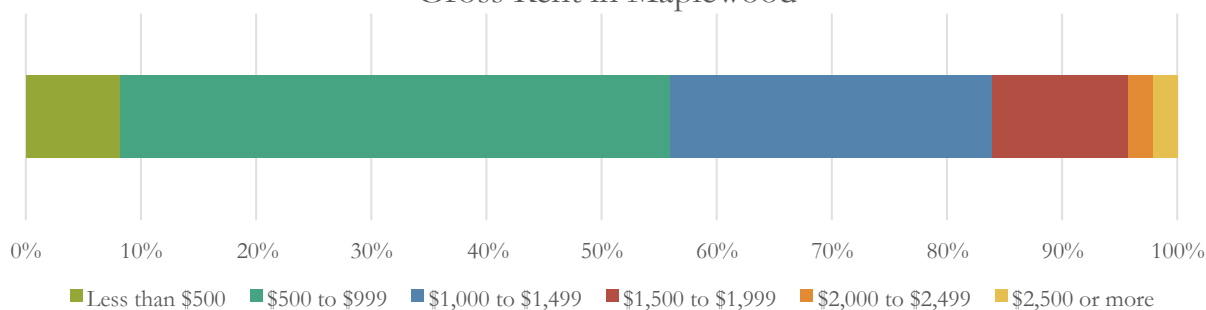


Housing Costs

Rental Costs

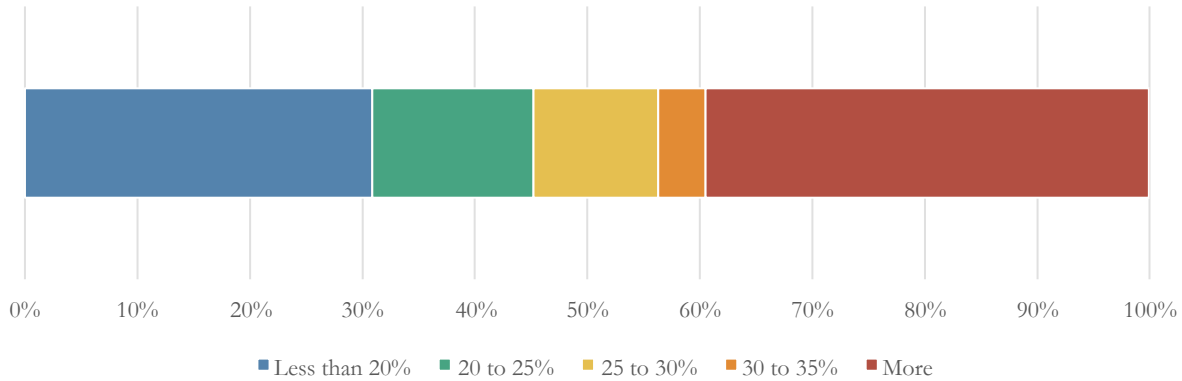
The median Maplewood renter is spending \$951 per month on rent and utilities, \$20 more than in the region. Fifty-five percent of renters are spending under \$1,000, while just over 15 percent are spending over \$1,500.

Gross Rent in Maplewood



Renters in Maplewood are less likely to be cost burdened than in the metro area, with 44 percent spending more than 30 percent of their income on rent.

Rent as Percent of Income in Maplewood

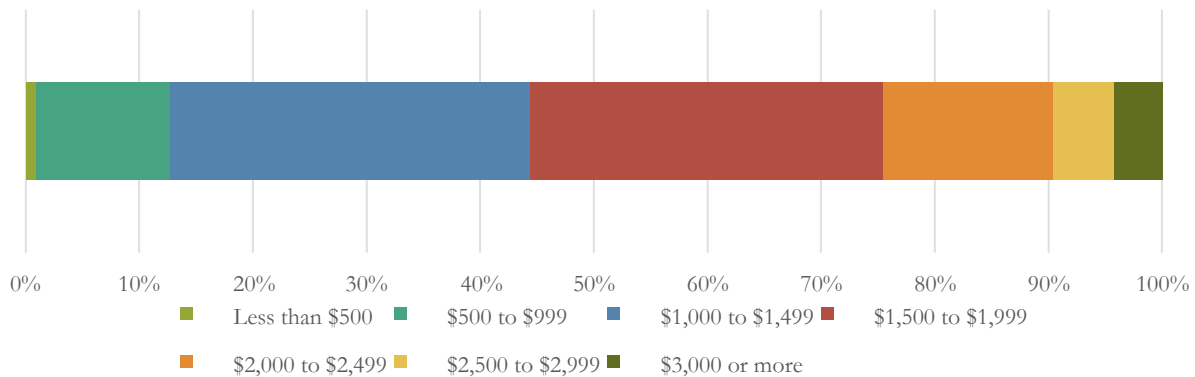


Renters in Maplewood are less likely to use Housing Choice Vouchers than the national average. In the census tracts making up the city 6-12 percent of rental units have a voucher in use. A portion of these vouchers are attached to specific units through project based Section 8.

Ownership Costs

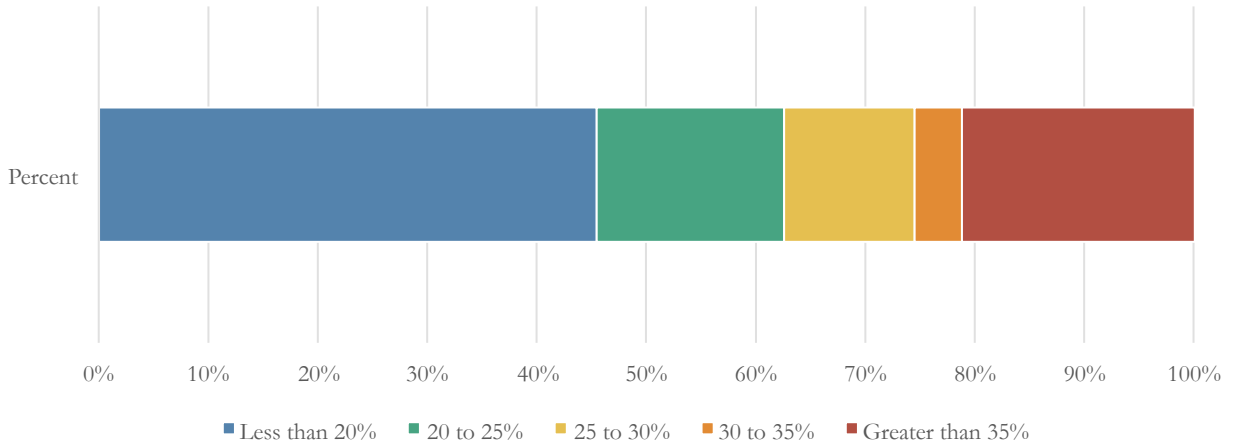
The median owner with a mortgage is spending \$1,568 per month on housing, about \$50 less than is typical in the metro area.

Monthly Owner Costs in Maplewood



In Maplewood, approximately 1,700 single family homes are affordable at or below 50 percent of AMI, while 5,700 are affordable between 50 and 80 percent AMI. Together, three-quarters of the single family homes in Maplewood are affordable to households at or below 80 percent of AMI.

Owner Costs as Percent of Income in Maplewood



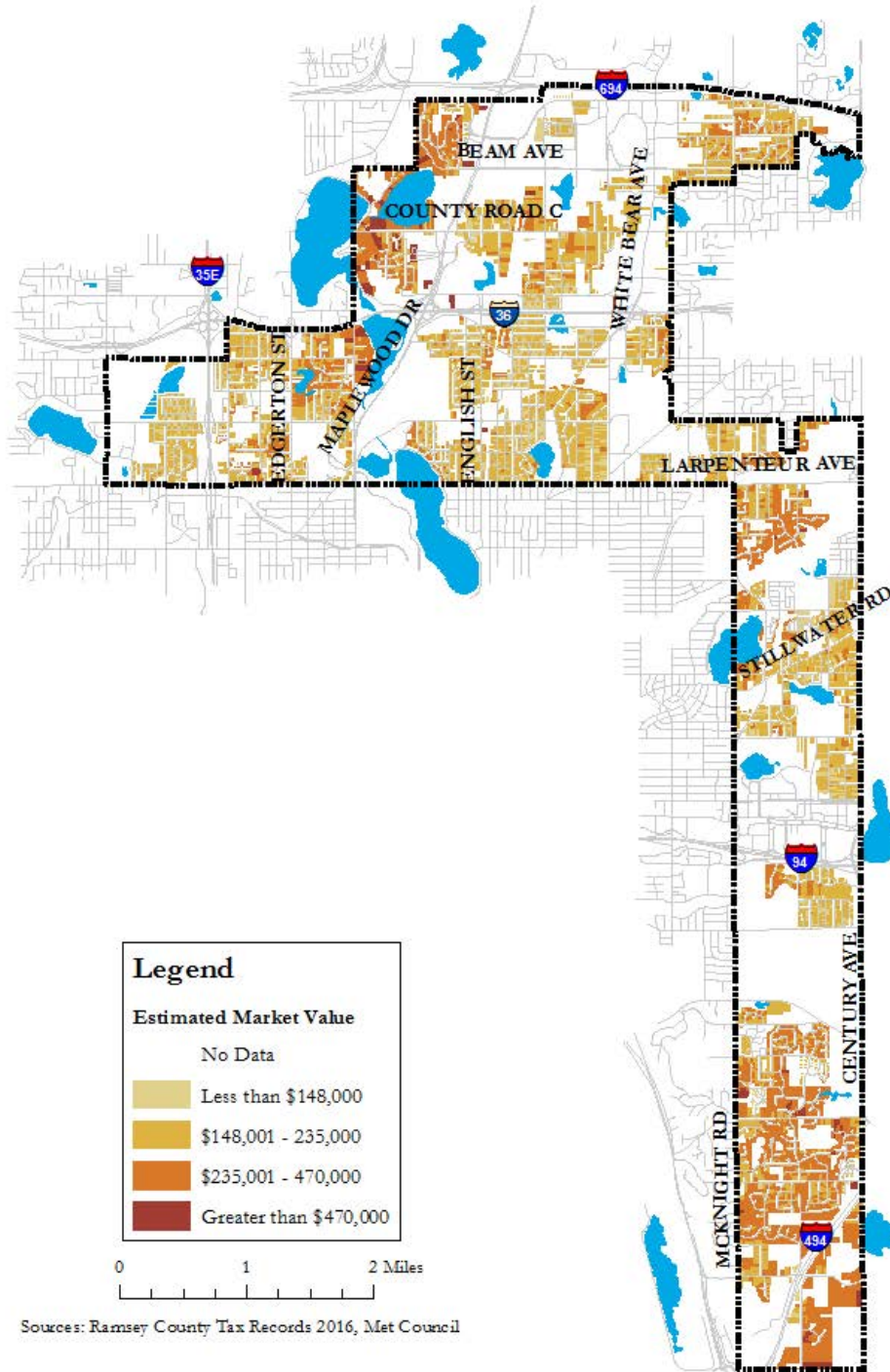
Owners are less likely to be cost burdened than renters, with a quarter of owners spending more than 30 percent of their income on housing. Despite the slightly higher monthly owner costs, the proportion of owners with mortgages experiencing cost burden is slightly lower than the metro area.

Housing Location, Type, and Quality

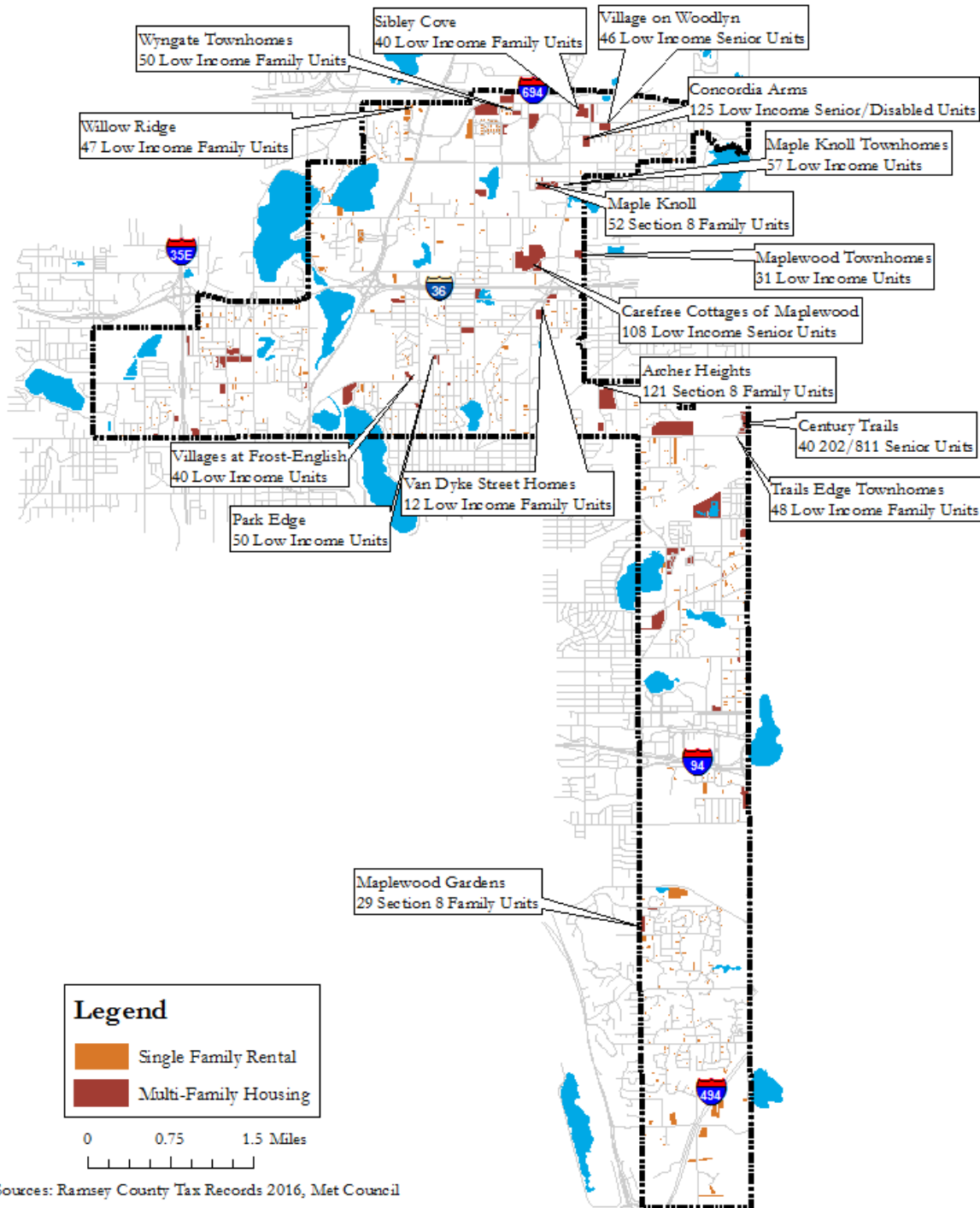
Location

Multi-Family and subsidized housing is located throughout Maplewood. Several subsidized housing developments are located near Maplewood Mall Transit Center.

Single Family Home Values



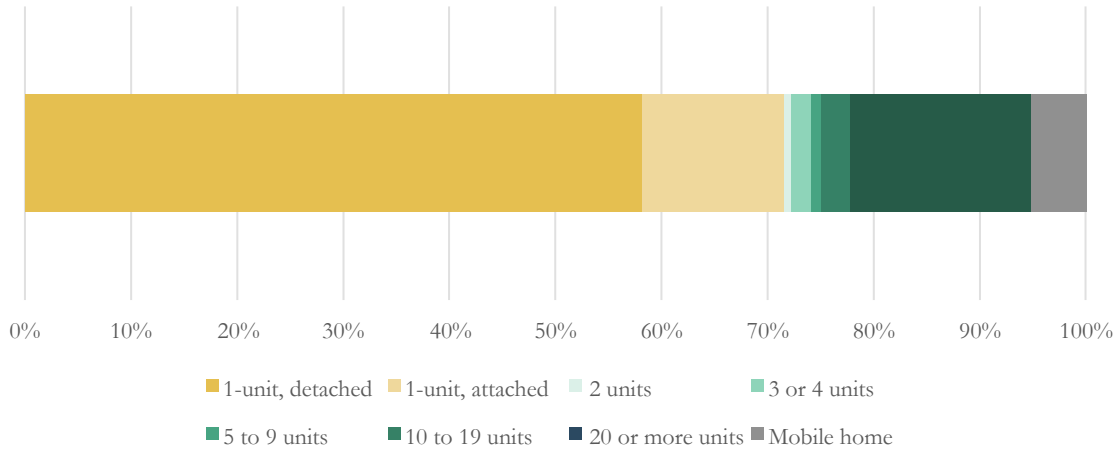
Rental Property



Type and Age

Over 70 percent of Maplewood households live in single family homes, attached or detached. Households that live in multi-family housing are likely to live in apartment building with 20 or more units. Approximately 5 percent of households live in manufactured or mobile housing.

Type of Structure in Maplewood



Households in Maplewood are living in similarly sized units to the metro area, with a median of 5.7 rooms and three bedrooms. Occupied housing units have a wide range of ages, with an even distribution of homes built between 1950 and 2010. Single family homes in Maplewood are distributed between pre-war housing, post-war housing, and newer development. One quarter of single family homes were built prior to 1955, while another quarter was built after 1992.

Quality

Crowding does not appear to be an issue in Maplewood, with 97 percent of households having one person per room or less. A half of a percent of units lack complete kitchen facilities, while essentially no units lack complete plumbing facilities. Heat is provided to units primarily through natural gas, at a similar proportion as is seen in the region.

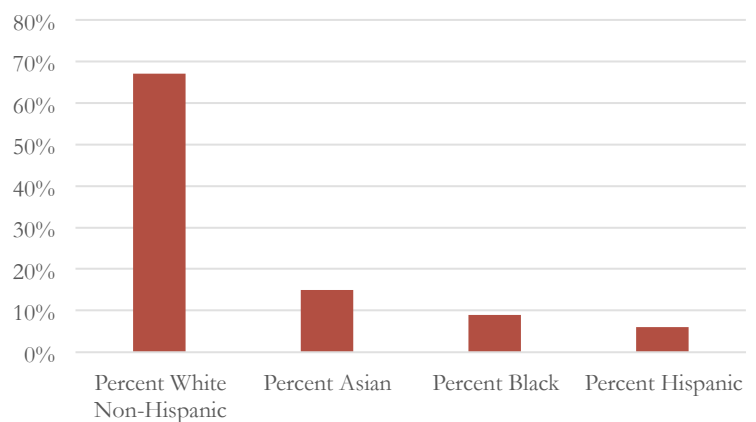
Race, Ethnicity, and National Origin

Race and Ethnicity

Maplewood has more racial and ethnic diversity than the Twin Cities region overall. Twice as much of the population identifies as Asian, at 15 percent.

While three quarters of white-headed households live in owner occupied housing, only 65 percent of Asian households and half of black households live in owner occupied housing. Fewer white-headed households live below the poverty line, at just 2 percent. Black and Asian households are much more likely to be in poverty at 13 and 21 percent respectively.

Largest Racial and Ethnic Groups in Maplewood



Eighty percent of employed residents of Maplewood are white, while 88 percent of individuals working in Maplewood are white. Eighty percent of workers earning less than \$1,250 per month are white, with the balance split evenly between black and Asian workers.

National Origin

Nearly one in five residents in Maplewood speak a language other than English at home and better than one in 10 residents are foreign born. Eight percent of residents speak English less than very well. Of those born in a different country, four out of five came to the U.S. before 2010 and over half are naturalized citizens. 60 percent of these immigrants are from Asia, 20 percent are from Africa, and close to 15 percent are from Latin America. The most common countries of origin area Laos (18 percent), Thailand (10 percent), Cambodia (8 percent), Myanmar (7 percent), Somalia and Mexico (each with 6 percent).

Education

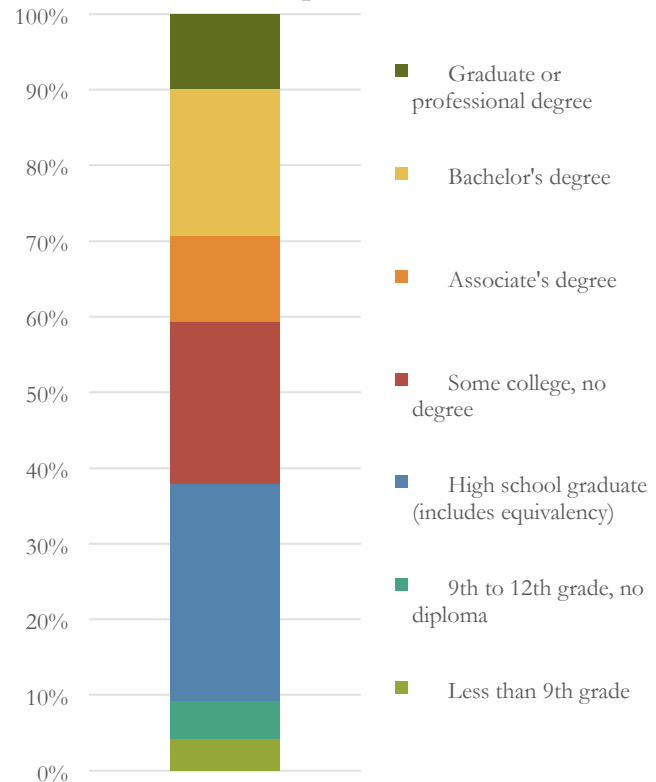
Nearly one in 10 Maplewood residents over the age of 25 do not have a high school diploma or the equivalent. While over 90 percent of residents over the age of 25 have at least a high school diploma only about 30 percent have a Bachelor's degree or higher. Nearly one in four residents are enrolled in school, 40 percent of whom are in elementary school (grades 1-8).

Maplewood elementary school performance varies greatly with schools in the west scoring eleven out of 100 and the southeastern schools score 65. The area with the highest performing schools has less multi-family housing and only forty units of subsidized housing.

Income and Employment

Maplewood's individual median income is about \$2,500 less than the metro area, while the household median income is about \$6,000 less. Less than 40 percent of Maplewood households earn less than \$50,000 per year, while over a quarter of households earn more than \$100,000 per year. The median household can afford to spend up to \$1,563 per month on housing, which is well above the median rental costs, and about even with the median ownership costs.

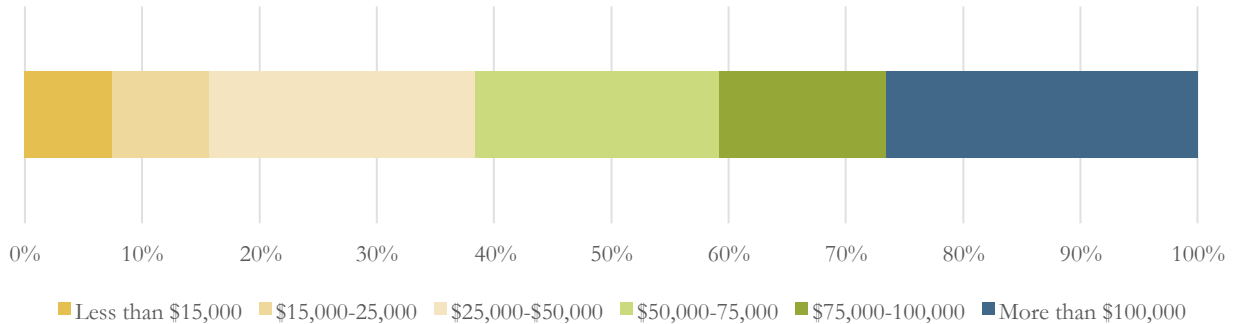
Educational Attainment in Maplewood



Median Household Income: \$62,527

Median Individual Income: \$31,765

Household Incomes in Maplewood



One tenth of Maplewood households have incomes below the poverty line, on par with the metro area. Nine percent of households have used SNAP and 5 percent have received cash assistance in the past year.

One fifth of Maplewood residents work in Saint Paul, followed by 13 percent in Minneapolis, and 10 percent staying in Maplewood. Maplewood residents are most likely to work in healthcare and social assistance (13 percent) and retail (10 percent). Those working in Maplewood are most likely to live in Saint Paul and Woodbury, each with about 11 percent of workers.

Disability and Health

Maplewood residents of each age group and overall are as likely to have a disability as residents of the Twin Cities metro area. Five percent of households have received Supplemental Security Insurance payments in the past year. Slightly less than the region, 91 percent of Maplewood residents have health insurance.

Transportation

Maplewood is served by a variety of transit options. Express bus service is available to downtown Minneapolis and Saint Paul and regular route, all day service is available to Saint Paul, serving a significant portion of the city area considered high frequency. None of the routes serving the city area considered high frequency. Despite having transit options, workers living in Maplewood are somewhat less likely to use transit than workers living within the metro area. Nine percent of households do not have access to a vehicle.

Roseville

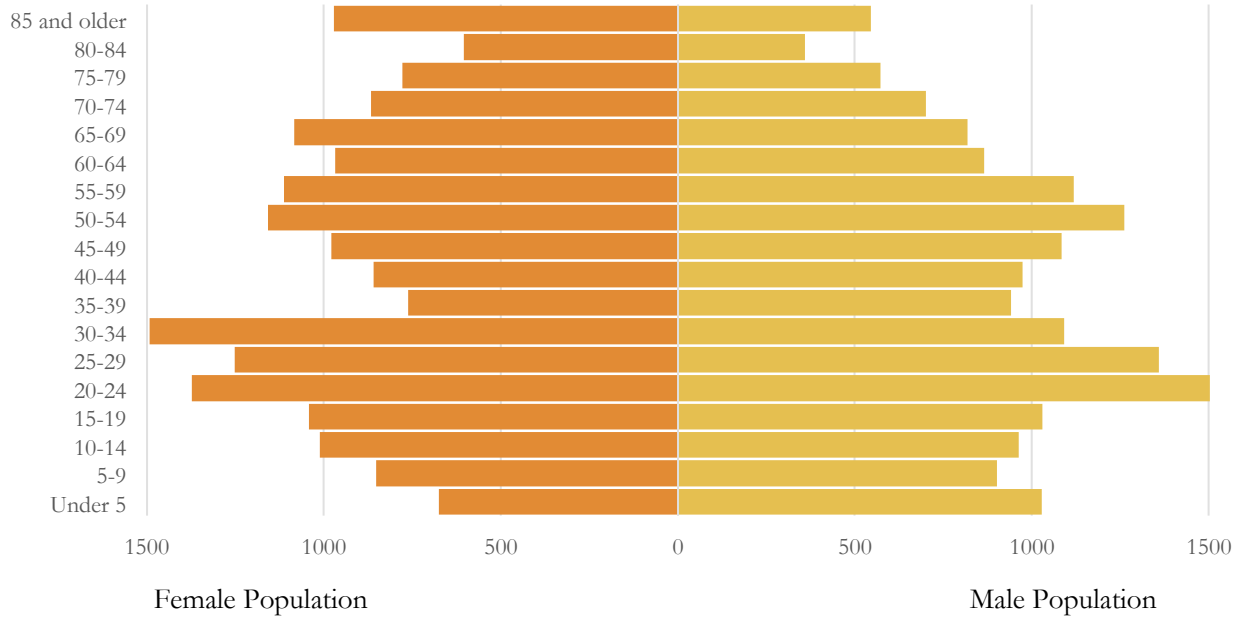
Key Differences from Twin Cities Region

- Fewer families with children
- More seniors living alone

Vital Statistics

Roseville is home to 34,948 people in 14,747 households with an average household size of 2.26. Twenty-three percent of households are families with children, 43 percent of which have an unmarried parent. Thirteen percent of residents are school-aged children. Seventeen percent of households are made up of seniors living alone, nearly twice the rate seen in the metro area.

Age and Gender of Residents in Roseville

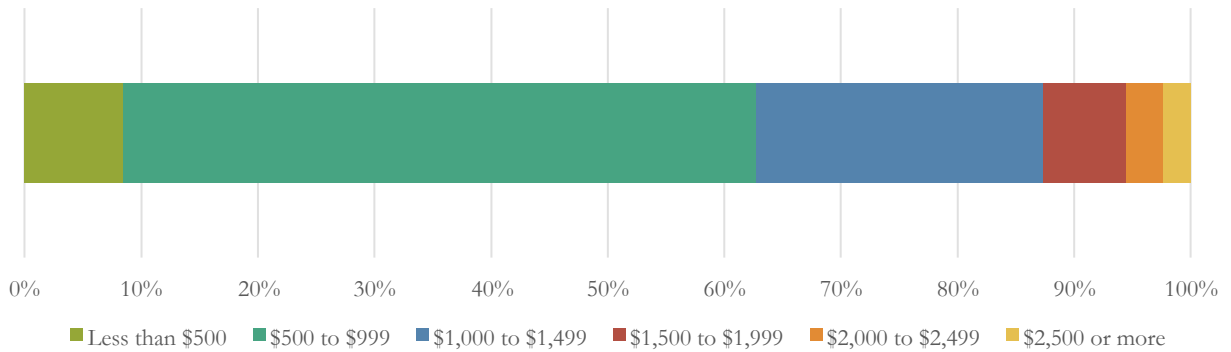


Housing Costs

Rental Costs

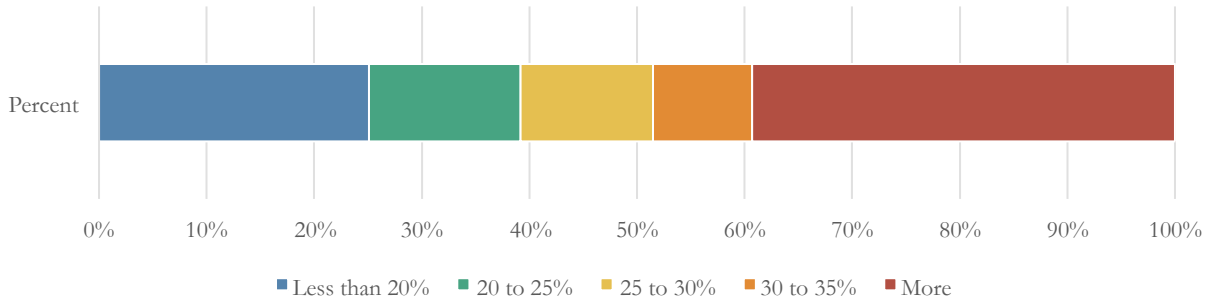
The median rent is below the regional median at \$900 per month. Sixty percent of households are paying less than \$1000 dollars per month in rent and utilities.

Gross Rent in Roseville



Despite the lower median rents, almost half of Roseville renters are cost burdened, similar to the region.

Rent as Percent of Income in Roseville

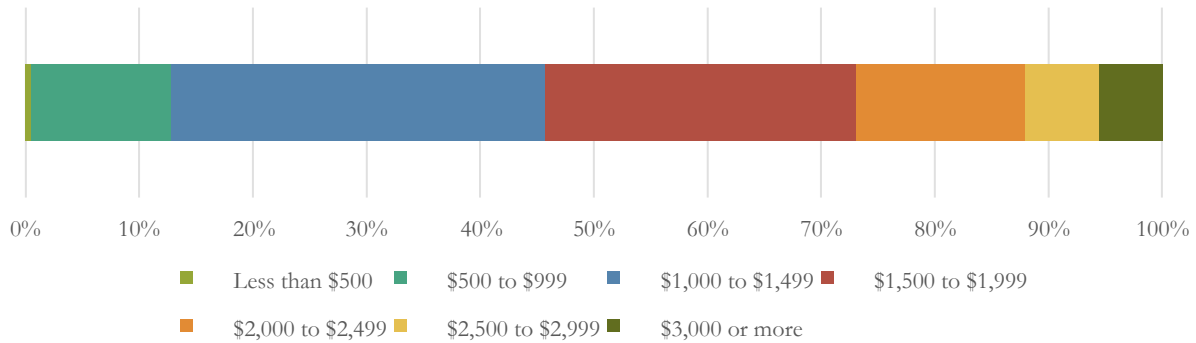


A large portion of Roseville does not have Housing Choice Voucher usage available, due to data suppression by HUD.

Ownership Costs

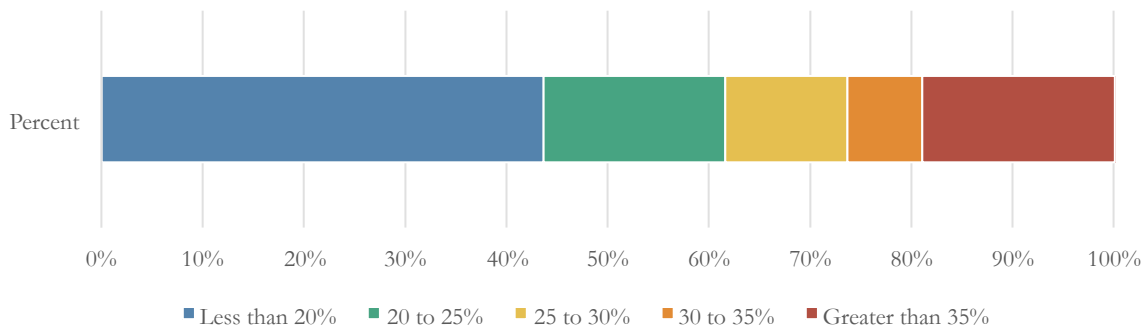
Monthly owner costs for households with mortgages are once again higher than monthly rental costs, with a median monthly owner cost of \$1,568, which while slightly under the regional median, is \$500 more than monthly rental cost.

Monthly Owner Costs in Roseville



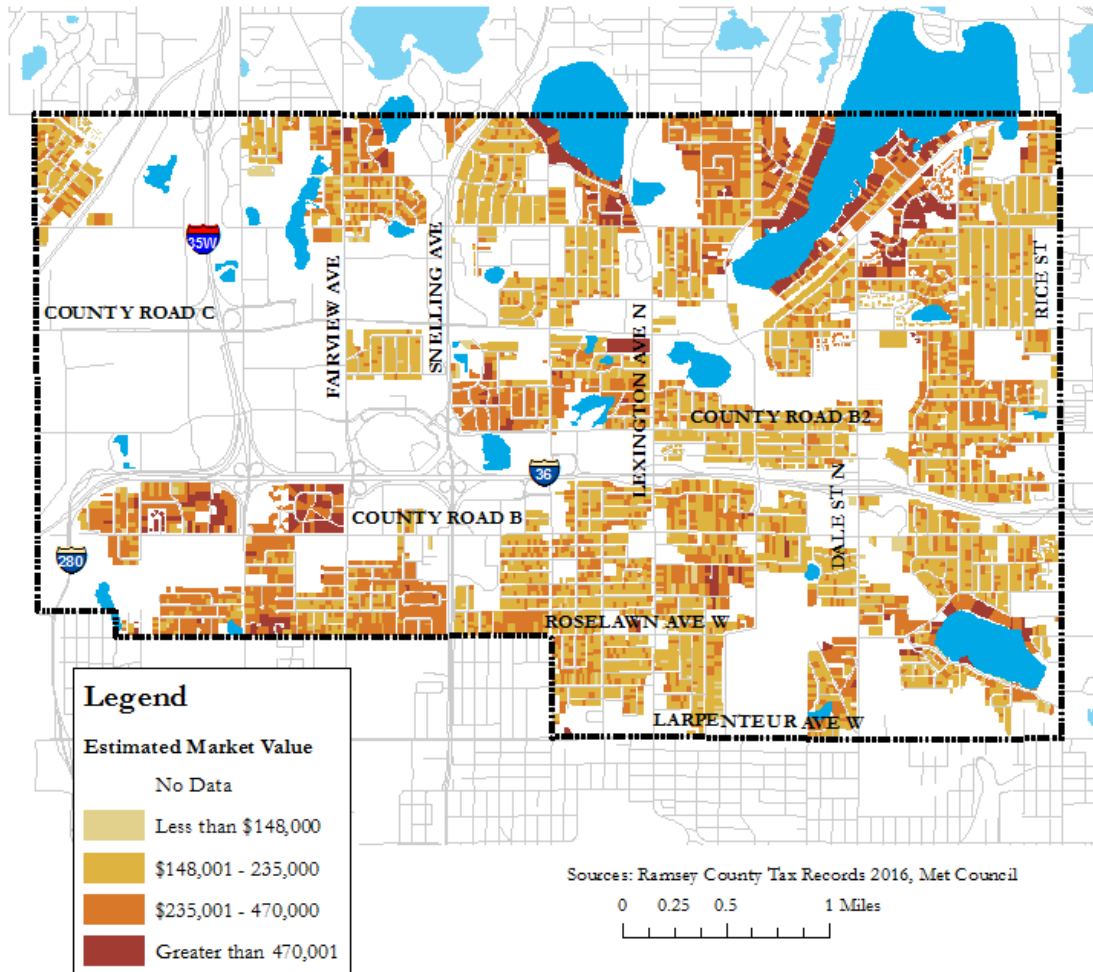
About one quarter of Roseville households with mortgages are spending more than 30 percent of their income on housing.

Owner Costs as Percent of Income in Roseville



According to Ramsey County tax records, 585 single family homes are affordable at or below 50 percent AMI, while 5490 are affordable between 50 and 80 percent AMI. Together, this accounts for 64 percent of the City’s single family housing stock.

Single Family Home Values

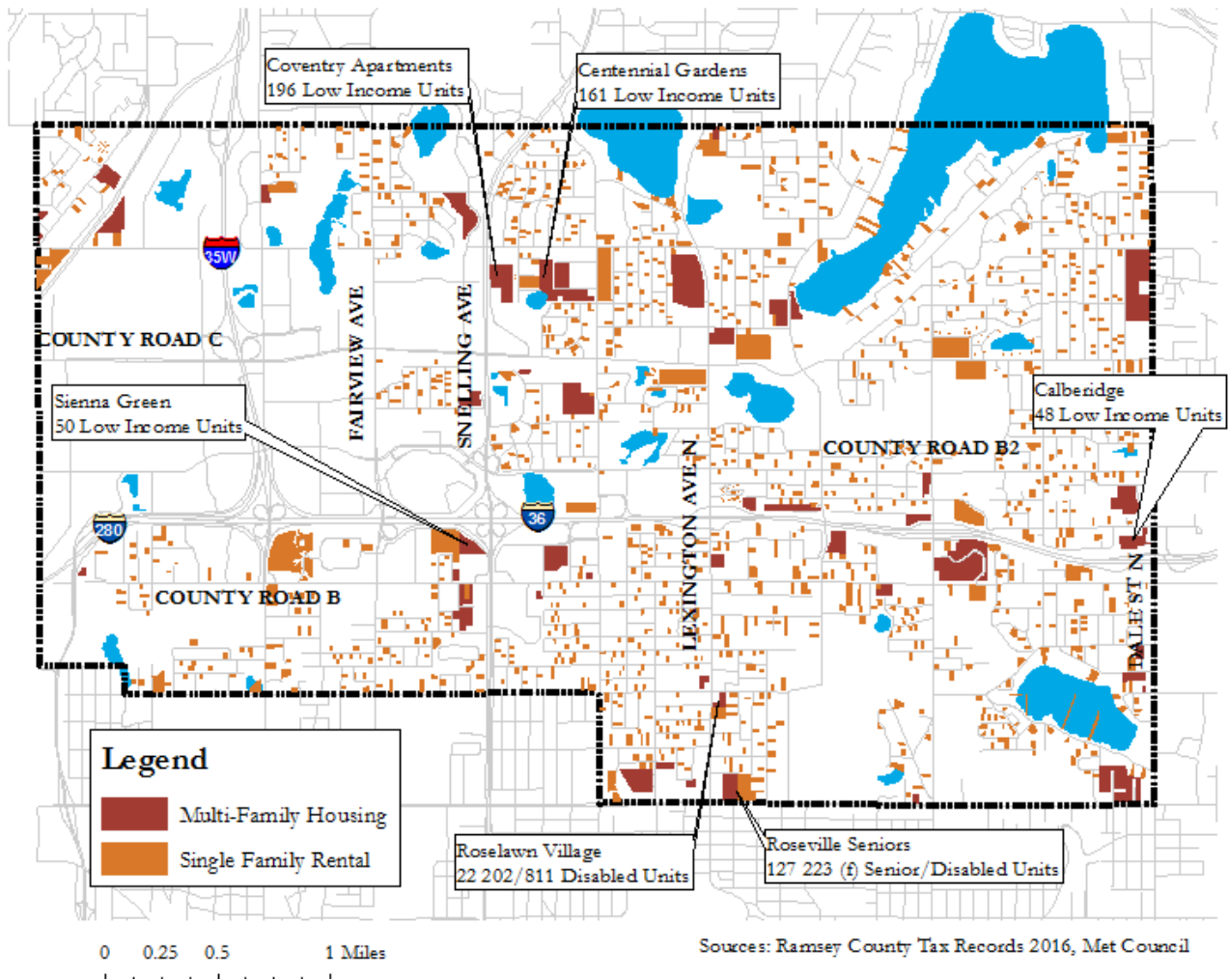


Housing Location, Type, and Quality

Location

Multi-family housing and single family rental housing is well distributed throughout the city. Three subsidized developments, accounting for nearly 400 units are located near Snelling Avenue, the location of the A-Line Bus Rapid Transit.

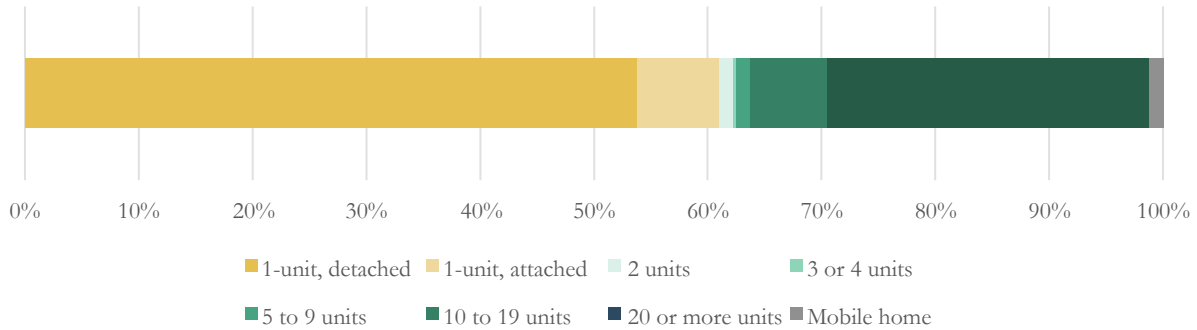
Rental Housing



Type and Age

About 60 percent of households live in single family homes, attached or detached. Almost 30 percent of households live in large apartment buildings, with at least 20 units. Mobile or manufactured housing accounts for 1 percent of households, with about 200 units occupied in Roseville.

Type of Structure in Roseville



The median occupied unit has 5.5 rooms and two bedrooms, somewhat smaller than the region. Since fewer households in Roseville have children, and more households consist of a senior living alone, a greater proportion of the population does not need large housing units.

Nearly half of housing units in Roseville were built between 1950 and 1970. Half of single family homes were constructed between 1953 and 1971, with a quarter each before and after. A small portion of the housing was constructed prior to World War II, but most of the housing stock is post-war suburban development.

Quality

Less than 1 percent of units were reported as lacking complete kitchen facilities, and no units were reported as lacking plumbing facilities. Eighty percent of units in Roseville are heated with utility gas, more than the regional fuel usage. While 93 percent of units in Roseville have less than one person per room, in the census tract in the southeastern corner of the city, near the border with Maplewood and Saint Paul, 13 percent of households are experiencing crowding.

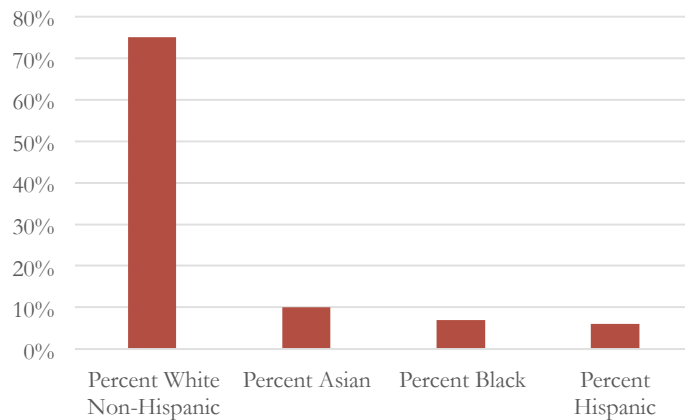
Race, Ethnicity, and National Origin

Race and Ethnicity

Roseville is slightly more diverse than the Twin Cities metro area with 75 percent of the population identifying as white, non-Hispanic. The largest minority group is Asian, with 10 percent of the population.

Seventy percent of white-headed households own their homes, while less than half of Asian and less than a quarter of black-headed households own their homes. About a quarter of black and Asian households are living below the poverty line, while only 3 percent of white-headed households. Twice as many black and Asian individuals are under 18 than White individuals.

Largest Racial and Ethnic Groups in Roseville



Most workers employed in Roseville are white, but a larger proportion of low wage workers are not white (86 percent white, compared to 80 percent white for low wage workers). Eighty-four percent of employed residents of Roseville are white, while 82 percent of low wage residents are white.

National Origin

Nearly 17 percent of residents speak a language other than English at home and a little over one in seven Roseville residents are foreign born. Of those born in a different country, four out of five have been in the U.S. since before 2010. Most of the immigrants in Roseville are from Asia with most of the others coming from Latin America and Africa. The most common countries of birth found in Roseville are: Mexico and Thailand, each with 11 percent of the foreign born population; followed by Myanmar and China, each with 9 percent; and India with 7 percent.

Education

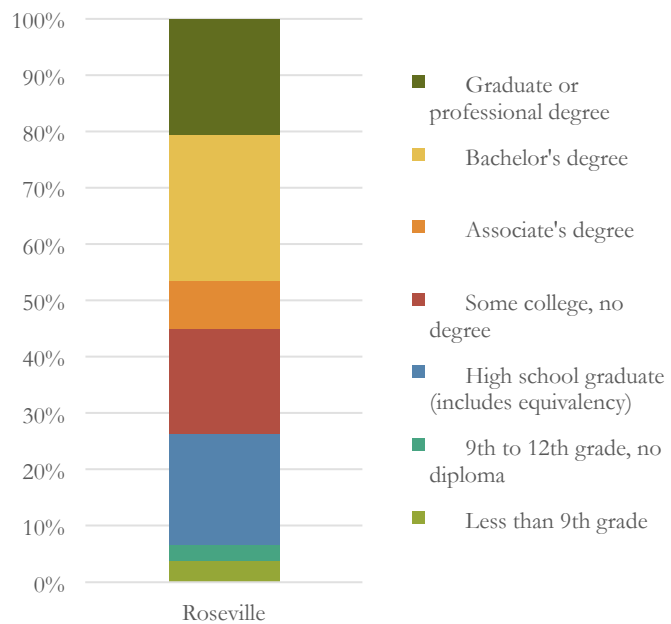
Roseville has the same portion of residents with at least a high school diploma as the region, but has a greater portion of residents with at least a bachelor's degree.

Most of Roseville elementary schools score around 30 out of 100 based on fourth grade test scores. A portion of the city in the east has less access to higher performing schools with scores under 20 while the south central portion of the city scores 69.

Income and Employment

Household and individual median incomes in Roseville are only slightly less than in the metro area. The median household income can support housing costs up to \$1,592, which is well above the median rent, and slightly more than the median owner costs. Less than 40 percent of households earn less than \$50,000, while 28 percent of households earn more than \$100,000.

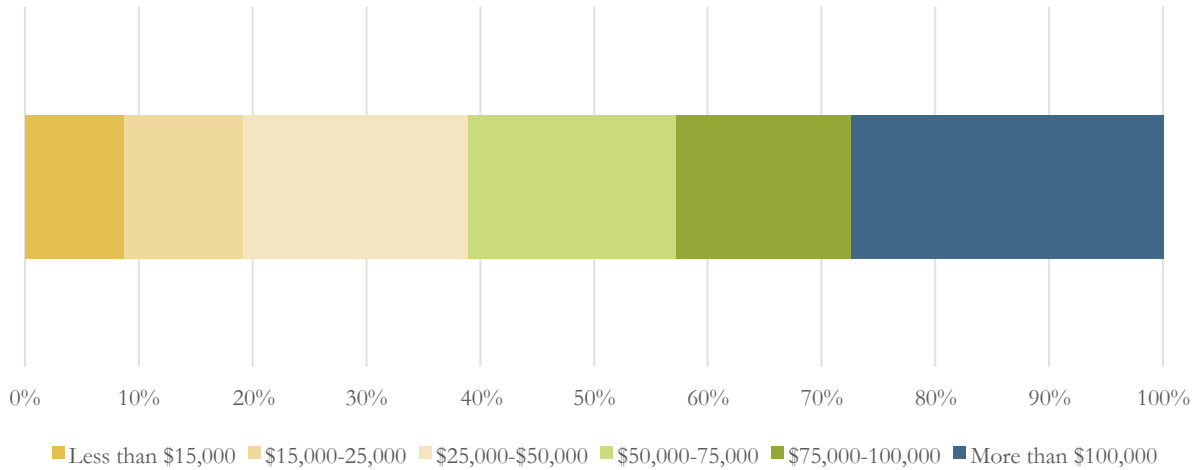
Educational Attainment in Roseville



Median Household Income: \$63,678

Median Individual Income: \$32,500

Household Incomes in Roseville



Eight percent of households have received SNAP in the last twelve months, and 3 percent have received cash assistance. Twelve percent of households are under the poverty line, slightly more than the regional rate of 10 percent.

Roseville residents are most likely to work in Minneapolis and Saint Paul, each with about 20 percent of residents. Eleven percent of residents work in Roseville. The largest portion of residents, 16 percent, work in healthcare and social assistance, followed by education at 13 percent. Workers employed in Roseville are most likely to live in Saint Paul (12 percent) and Minneapolis (9 percent).

Disability and Health

Roseville’s disability rate is lower than the metro area for the overall population and for each age group. Three percent of households have received SSI in the past twelve months. Less than 3 percent of residents do not have health insurance.

Transportation

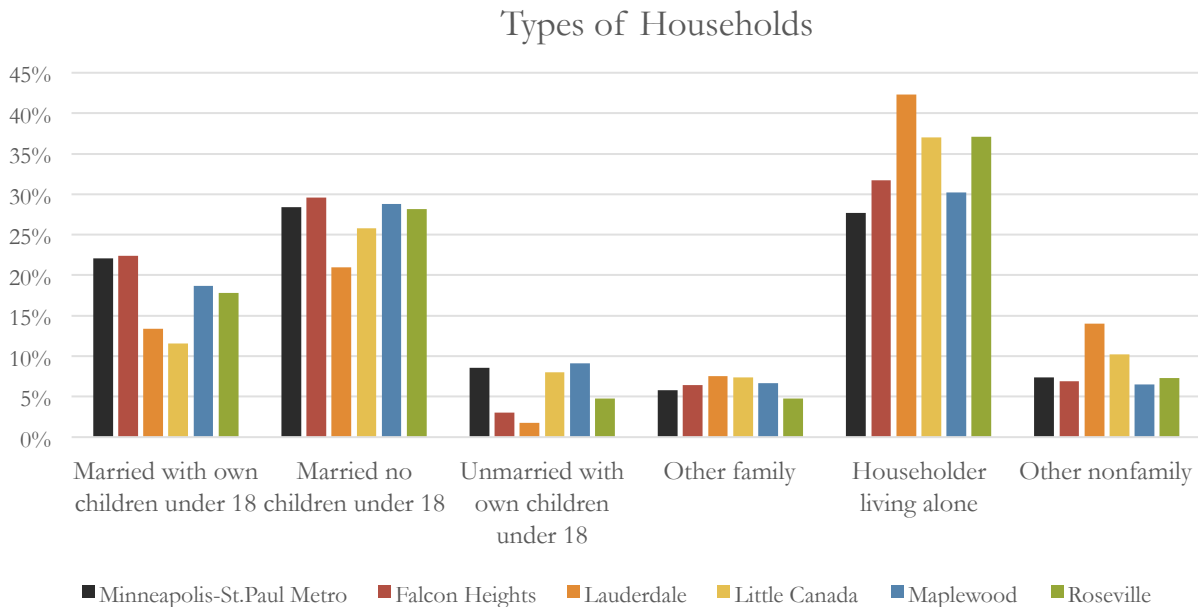
The same proportion of Roseville residents drove to work alone and used transit as in the metro as a whole. Eight percent of households have no vehicles available, also the same as in the region. Since the most current census data is an estimate based on 2011 through 2015, the effect of the A-Line BRT cannot be seen through this data. Prior to the A-Line, the city still had good transit infrastructure with several routes using the Rosedale Center transit station. The A-Line improves frequency for the portion of the city within walking distance of Snelling Avenue, south of Rosedale Transit Center. Most of the city receives commuter and basic coverage bus service, although portions of the city are served by dense, less frequent service.

Comparison of Target Cities to Surrounding Region

This section utilizes comparisons to the rest of the Twin Cities Metro to identify what makes the pursuit of affordable housing in the target cities unique. Some analysis is based on the current fair housing assessment used by jurisdictions receiving funds directly from HUD called the Assessment of Fair Housing Tool which provides guidance on assessing the locations of existing subsidized housing and levels of segregation.

Household Composition

A larger proportion of households in the target cities are a householder living alone, especially in Lauderdale, Roseville, and Little Canada.



Housing Costs

Rental Costs

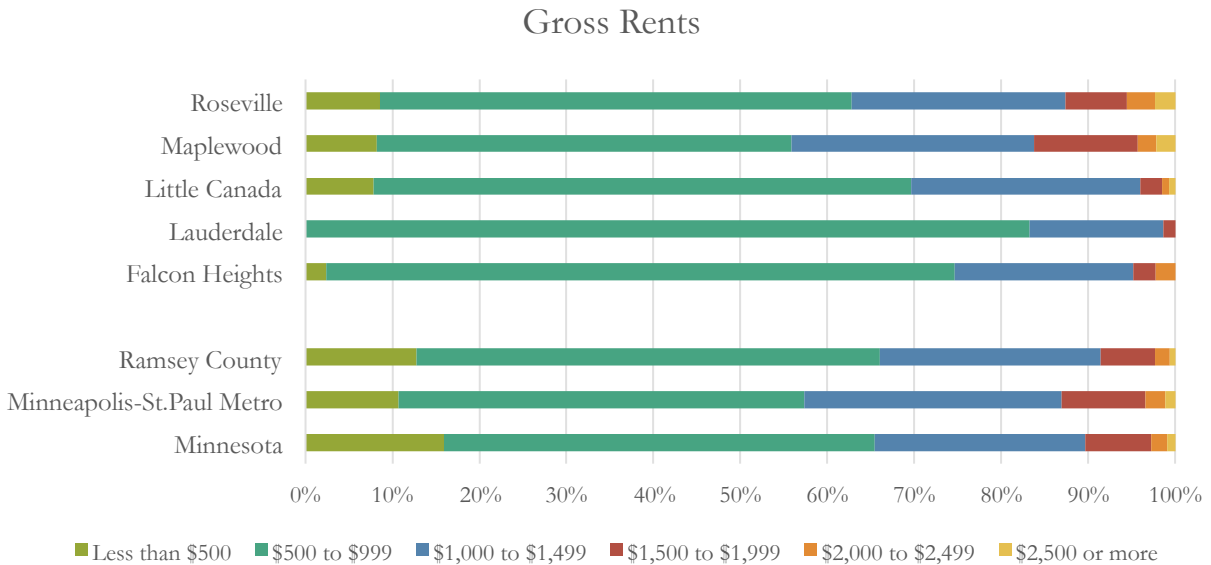
Maplewood is somewhat unique among the five target cities, since it has the highest median gross rent at \$951 which is \$20 more than the median rent for the Twin Cities region. Maplewood also has the highest proportion of occupied units spending more than \$1,000 per month on rent. With comparatively high rents, the case for affordable housing in

Jurisdiction	Median Rent	Annual Income to Support Rent
Maplewood	\$951	\$38,040
<i>Twin Cities Region</i>	\$931	\$37,240
Roseville	\$900	\$36,000
Falcon Heights	\$871	\$34,840
<i>Ramsey County</i>	\$865	\$34,600
Little Canada	\$854	\$34,160
<i>Minnesota</i>	\$848	\$33,920
Lauderdale	\$816	\$32,640

Maplewood is clear. Little Canada and Lauderdale on the other side have lower rents than in the Twin Cities region and Ramsey County. For those cities, the case is more nuanced, lower priced

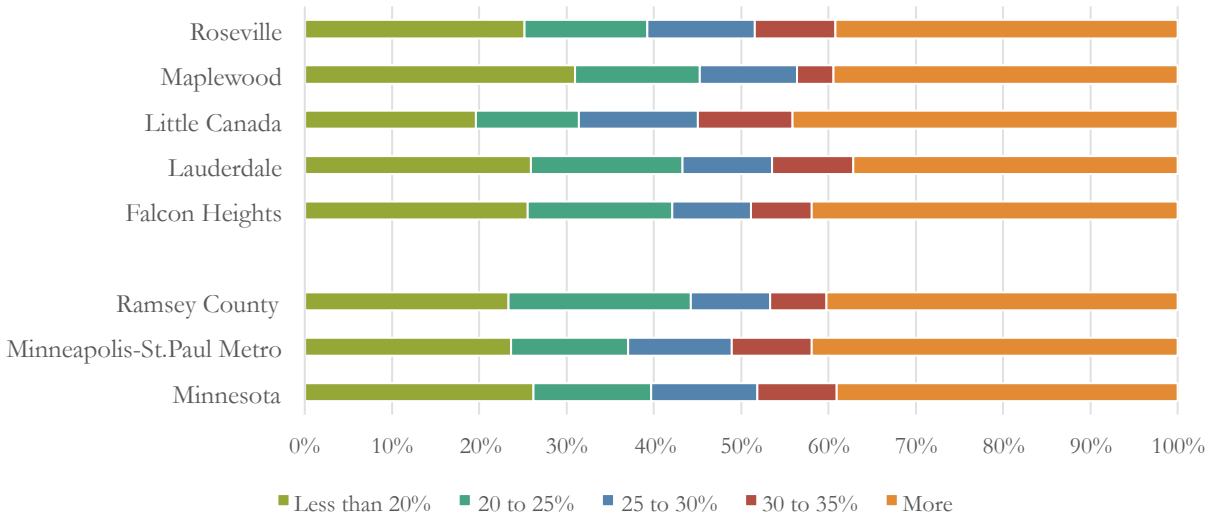
rental housing is available in the city, so the case must be made that despite the naturally occurring affordable housing, existing residents are unable to afford their housing.

Rental affordability can also be understood by the amount of annual income needed for a household to afford the median rent. The difference between Maplewood and Lauderdale is about \$5,000 or a difference of \$2.60 in hourly wages for a full time worker. All of this must be couched in the understanding that the rental cost data is not adjusted for unit mix and may be impacted by having a larger or smaller proportion of rental units with any number of bedrooms.



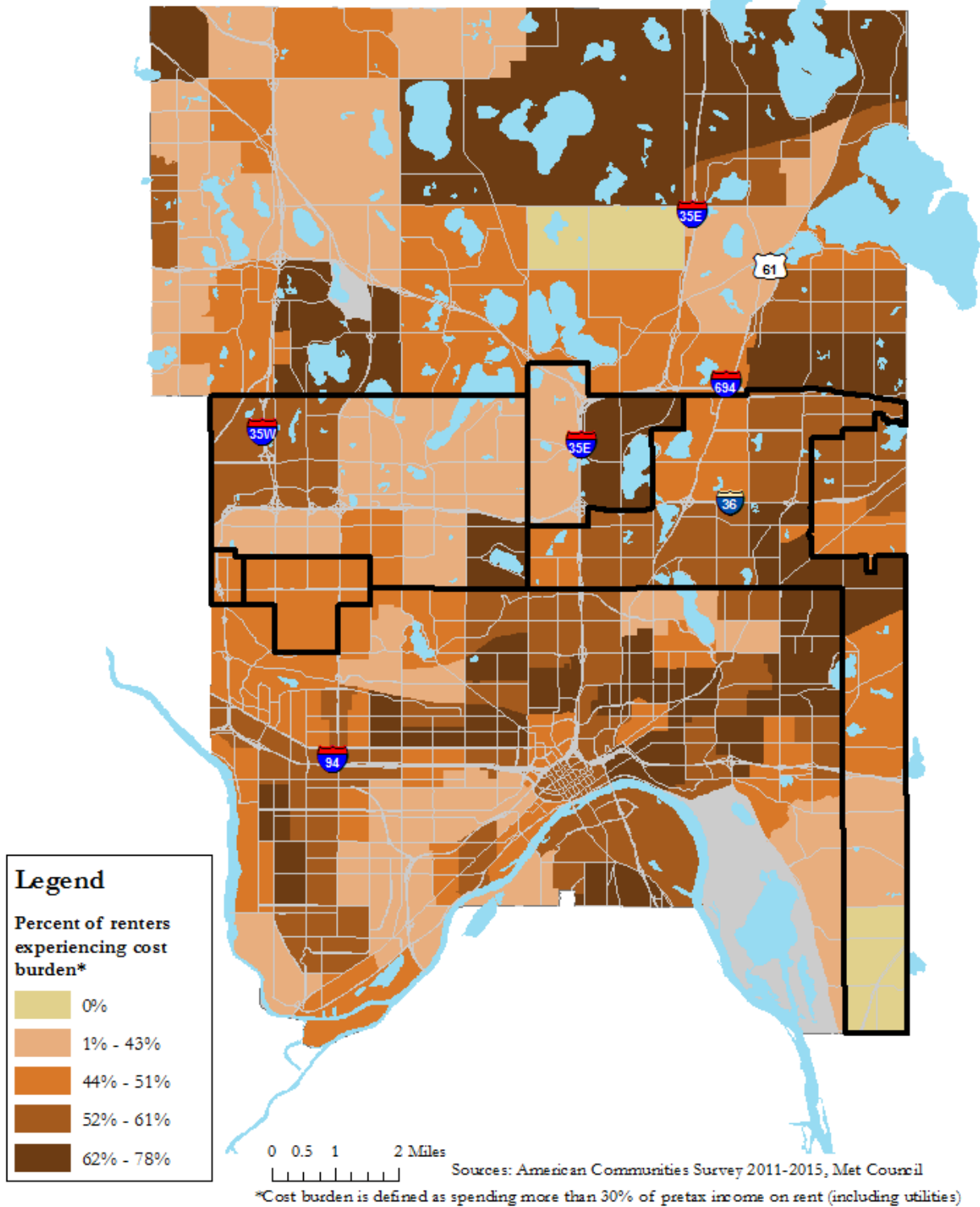
Little Canada is a perfect example of the importance of considering the portion of income residents are spending on rent in addition to gross rents. While Little Canada rents are lower than the Twin Cities region and Ramsey County, the city has the largest portion of households paying more than 30 percent of their income on rent of the target cities, the county, the region, and the state overall. All other cities have lower levels of rental cost burden than the metro area. Roseville and Falcon Heights have slightly more cost burden than Ramsey County.

Rent as Portion of Income



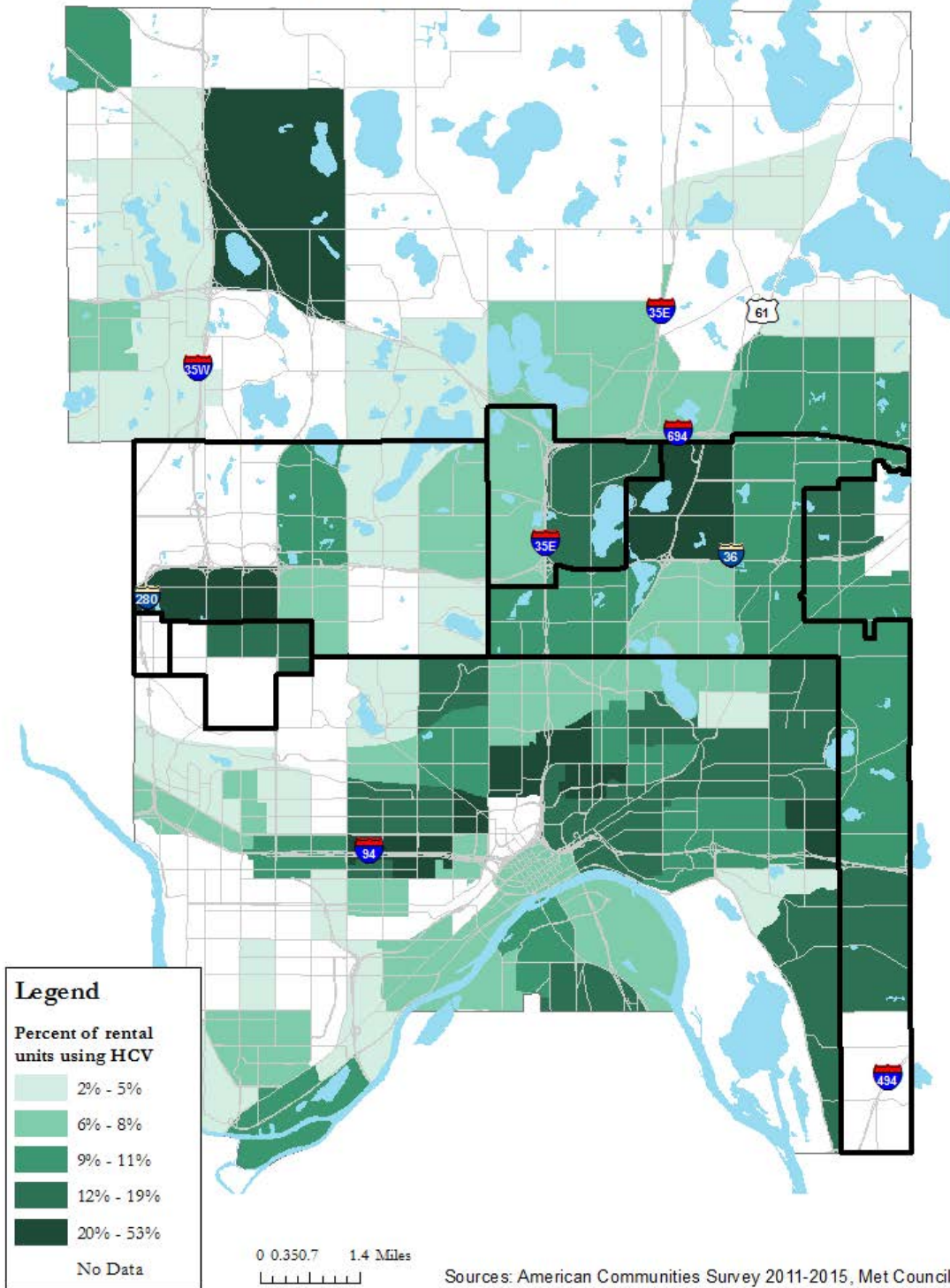
The distribution of cost burdened renting households shows that a large portion of Roseville and Little Canada have no reported cost burdened. Over 60 percent of renting households in the portion of Little Canada east of 35E are experiencing cost burden.

Rental Cost Burden



Housing Choice Voucher usage in Ramsey County is concentrated in a few areas within the five cities. The concentration of voucher usage may be due to a higher concentration of lower income people or a greater willingness of landlords to accept vouchers. Neither of the most intense concentrations align with high poverty levels.

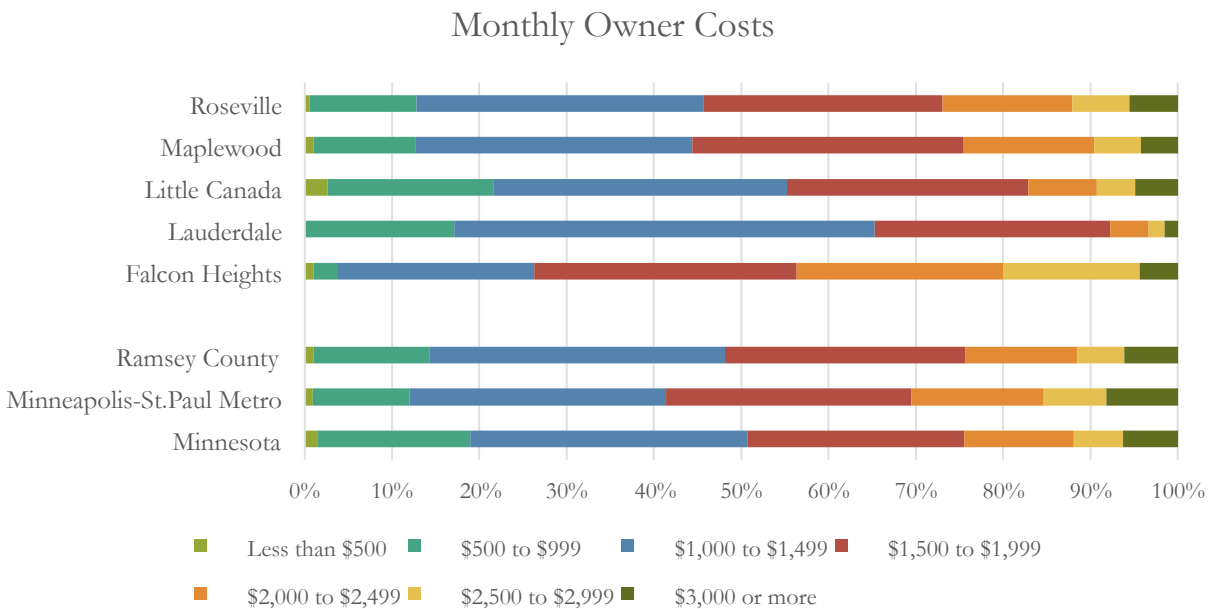
Housing Choice Voucher Usage



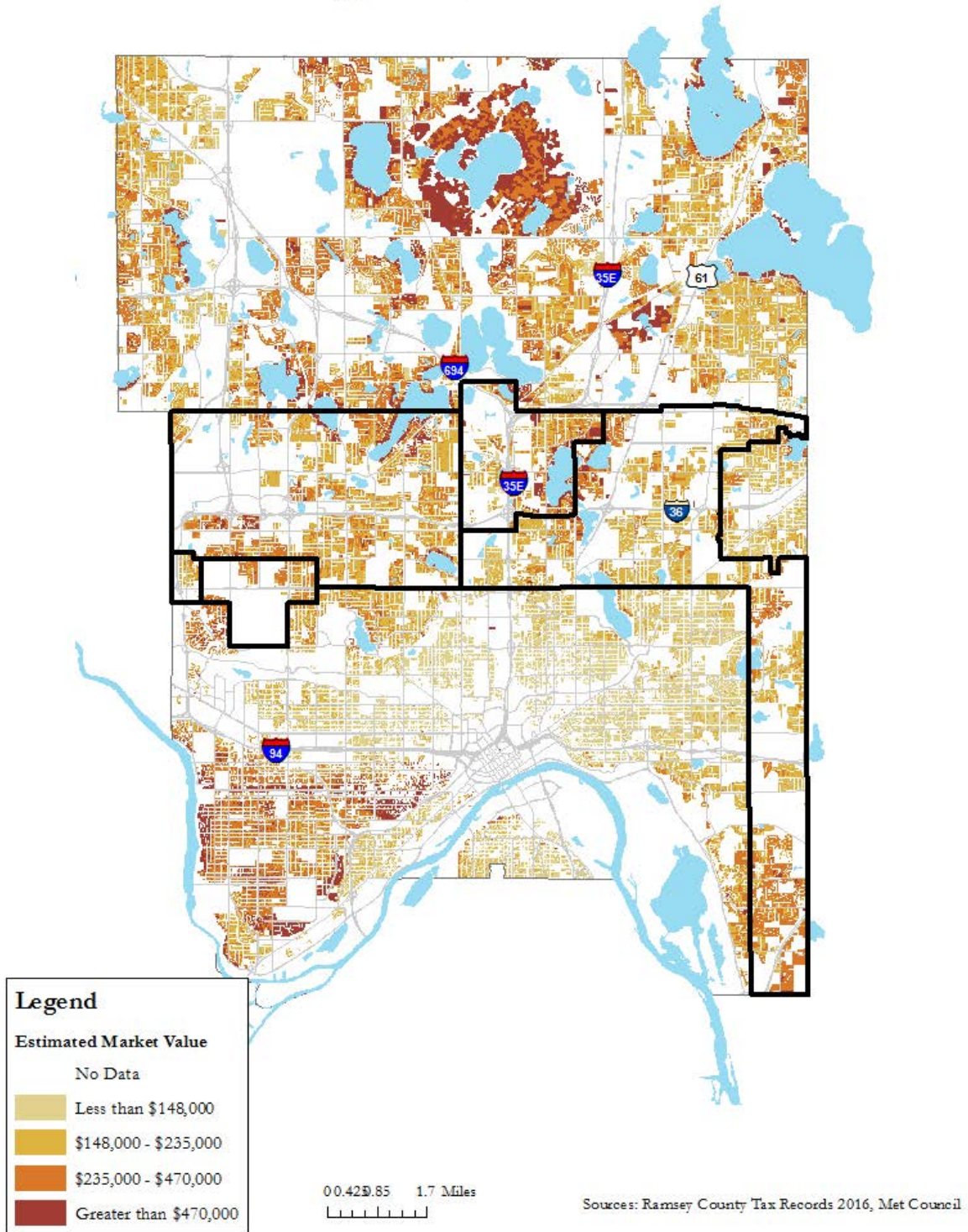
Owner Costs

Similar to rental costs, Little Canada and Lauderdale have the lowest median selected monthly owner costs (SMOC) for units with mortgages. Falcon Heights is the only city with median owner costs higher than the median in the Twin Cities Region. An annual income over \$75,000 is needed to support the median owner costs in Falcon Heights. In Lauderdale, a household with a single full time worker earning \$26 per hour could afford the median owner costs in Lauderdale. Cities with high and low owner costs have opportunities to better support low-income households. Falcon Heights has the most ground to cover, since nearly 75 percent of owners are spending more than \$1,500 per month on housing, but cities with lower owner costs can make homeownership affordable to lower incomes with less subsidy or outside support needed.

Jurisdiction	Median Owner Costs	Annual Income to Support Costs
Falcon Heights	\$1,911	\$76,440
<i>Twin Cities Region</i>	\$1,640	\$65,600
Roseville	\$1,573	\$62,920
Maplewood	\$1,568	\$62,720
<i>Ramsey County</i>	\$1,529	\$61,160
<i>Minnesota</i>	\$1,490	\$59,600
Little Canada	\$1,432	\$57,280
Lauderdale	\$1,345	\$53,800

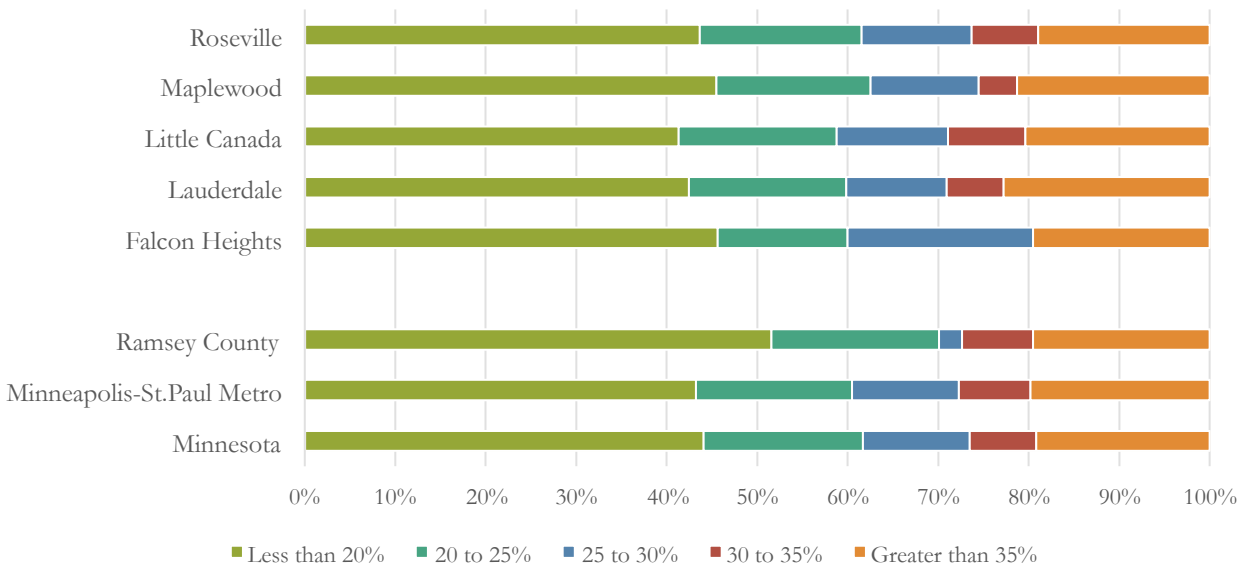


Single Family Home Values

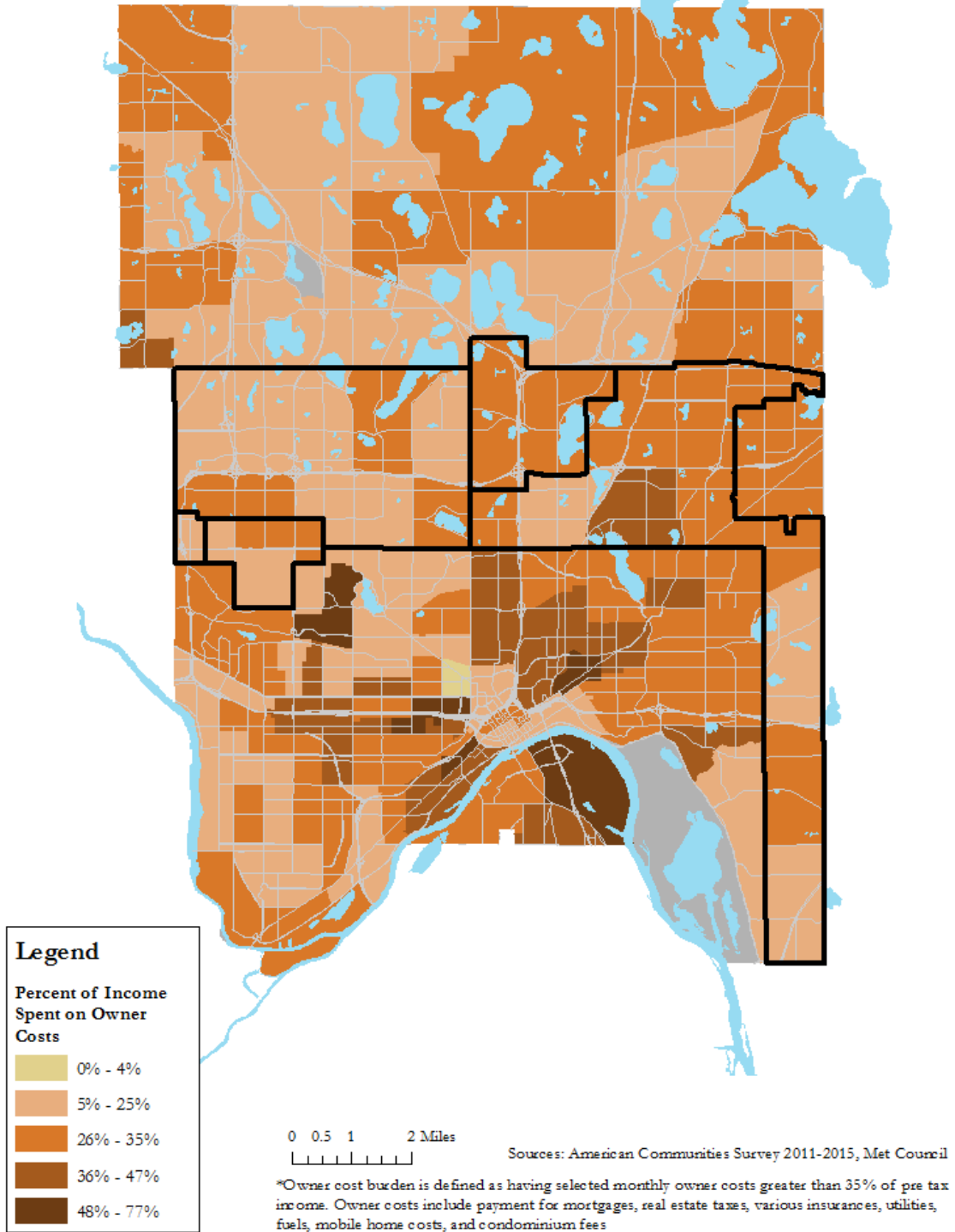


Falcon Heights owners with mortgages have the highest monthly costs, but are the least likely to be cost burdened. While it may seem counter intuitive, this is common, since areas with higher home values tend to have higher income residents, and higher income households are less likely to be cost burdened. The reverse is also true, as Lauderdale has the lowest owner costs, but the largest percentage of owners are cost burdened. Since Lauderdale and Little Canada have more of a problem with existing residents not being able to afford their homes, efforts to assist existing homeowners by providing remodeling assistance and foreclosure prevention are going to be especially important. For Falcon Heights, the larger problem is in inaccessibility of homeownership due to high monthly owner costs. Roseville and Maplewood have more accessible homeownership options than the metro area overall, but the median home is only affordable to households making at least \$62,720.

Owner Costs as Percent of Income



Owner Cost Burden



Income and Employment

The incomes in the five target cities vary immensely, and must inform the policy recommendations. In considering the median incomes of the cities, the populations of the cities must also be considered. Lauderdale and Falcon Heights both have significant populations that are students who may or may not be responsible for paying for housing themselves.

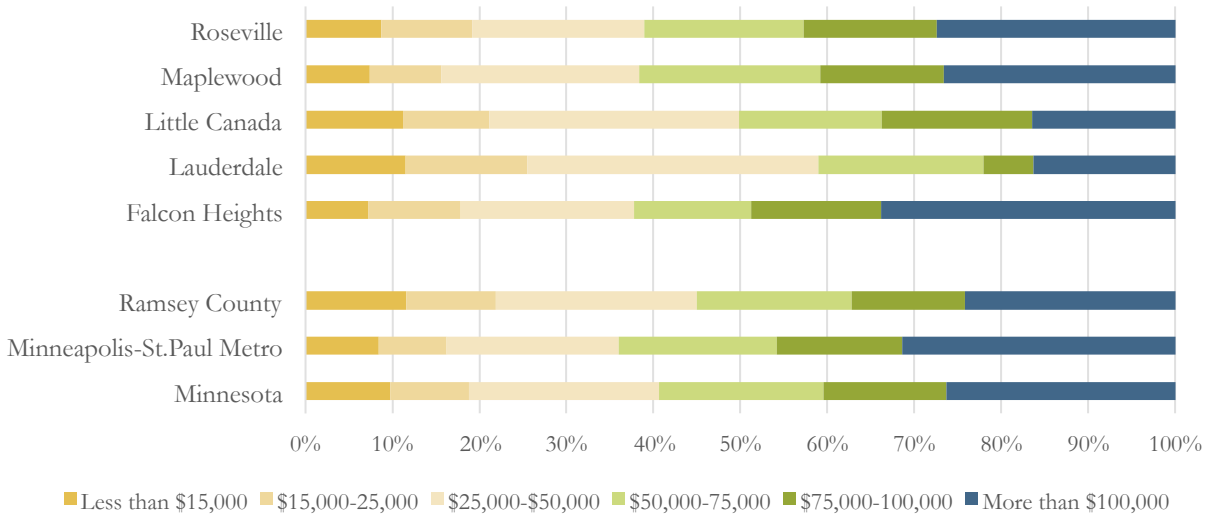
	Median Household Income	Median Individual Income
<i>Falcon Heights</i>	\$71,765	\$31,927
<i>Twin Cities Region</i>	\$68,778	\$34,296
<i>Roseville</i>	\$63,678	\$32,500
<i>Maplewood</i>	\$62,527	\$31,765
<i>Minnesota</i>	\$61,492	\$31,014
<i>Ramsey County</i>	\$56,104	\$29,528
<i>Little Canada</i>	\$50,156	\$30,331
<i>Lauderdale</i>	\$41,792	\$26,518

In Lauderdale and Little Canada, median incomes are lower than the median for Ramsey County, with about half of households earning less than \$50,000 and only about 15 percent of households earn more than \$100,000. To put this in perspective, \$51,480 is the four person household size adjusted income limit for housing affordable at 60 percent of AMI and \$52,600 is the income limit for a two person household.

<i>Income Limit</i>	1 person	2 person	4 person
<i>30% AMI</i>	\$18,050	\$20,600	\$25,750
<i>50% AMI</i>	\$30,050	\$34,350	\$42,900
<i>80% AMI</i>	\$46,000	\$52,600	\$65,700

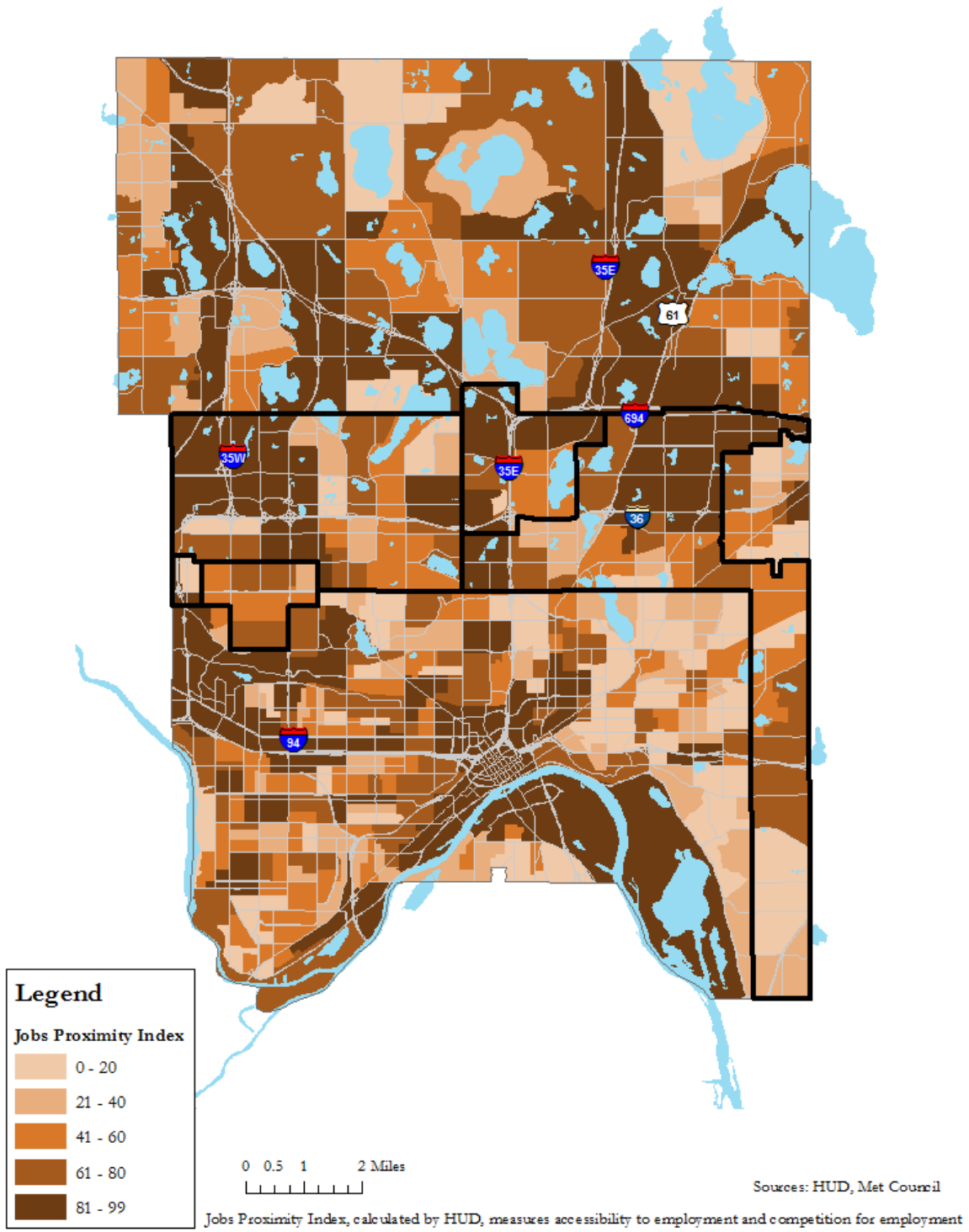
The combinations of high median income, and a high proportion of the population earning over \$100,000 per month and the proximity to the central cities, makes Falcon Heights a unique city. Higher property values and higher incomes allow for the municipality to generate sufficient revenue to invest in affordable housing easily by providing funds or by foregoing future tax revenue through TIF or tax abatement. For Little Canada and Lauderdale, the lower tax capacity reduces the cities' ability to find additional funds. Instead the cities may need to focus more on other forms of support, since financial support will be more difficult.

Household Incomes

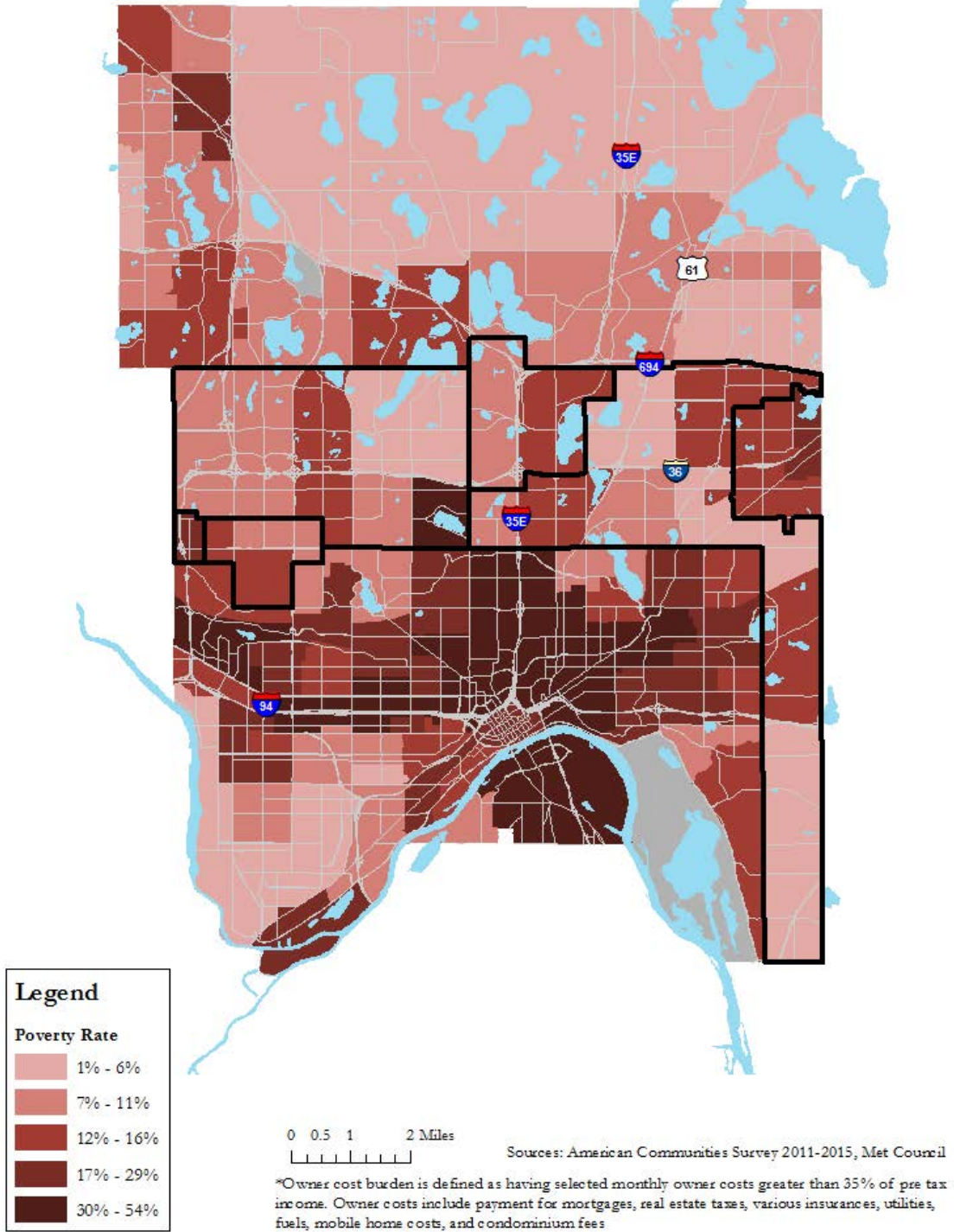


Large portions of Roseville, Maplewood, and Little Canada score well in the Jobs Proximity Index used by HUD as a measure of opportunity. By locating future affordable housing, or preserving existing affordable housing in the areas of higher opportunity, transportation costs can be reduced. While the Index is a helpful tool, it does not differentiate between jobs.

Job Proximity



Poverty Rate



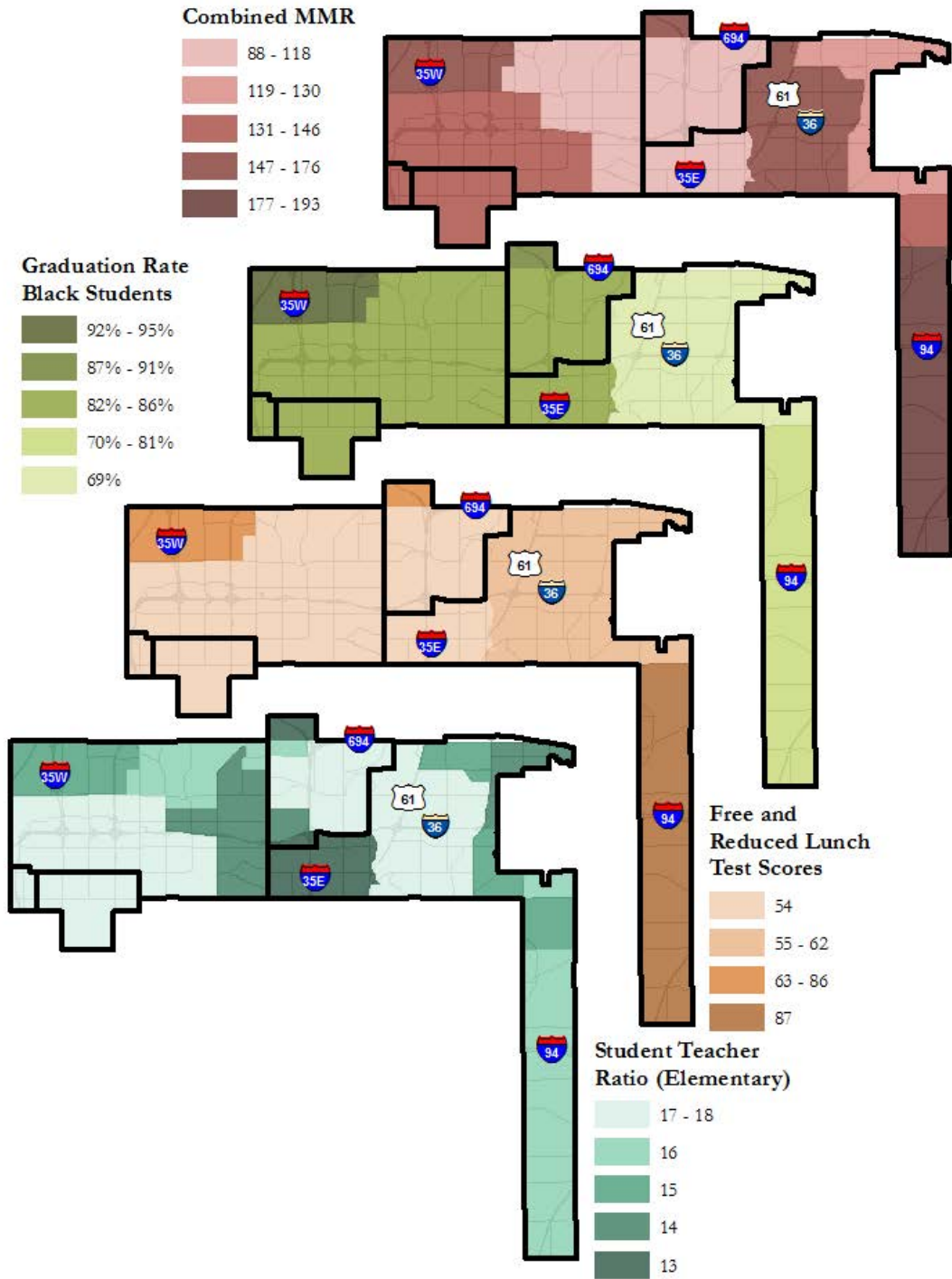
Education

Another important measure of opportunity is access to higher performing schools. HUD measures school performance by fourth grade test scores. That analysis shows most of Roseville and Falcon Heights, and all of Lauderdale performing poorly. In order to better understand the opportunities, or lack of opportunities for students living in the five cities, we analyzed a variety of indicators, including graduation rates, including rates for black and Asian students, student teacher ratios, test scores and the Multiple Measure Rating (MMR) released by the Minnesota Department of Education for the 2015-2016 school year. The MMR is a combination of proficiency on standardized tests, weighted based on subgroups, to allow for comparison of schools with different demographics, the improvement in test scores, achievement gap reduction, and graduation rates. To compare the combination of schools a student would attend, the values shown in map below is the sum of the MMR scores for the elementary, middle, and high school that students residing in the area would attend. The MMR is scored out of 100, so a perfect score when combining the three schools would be 300.

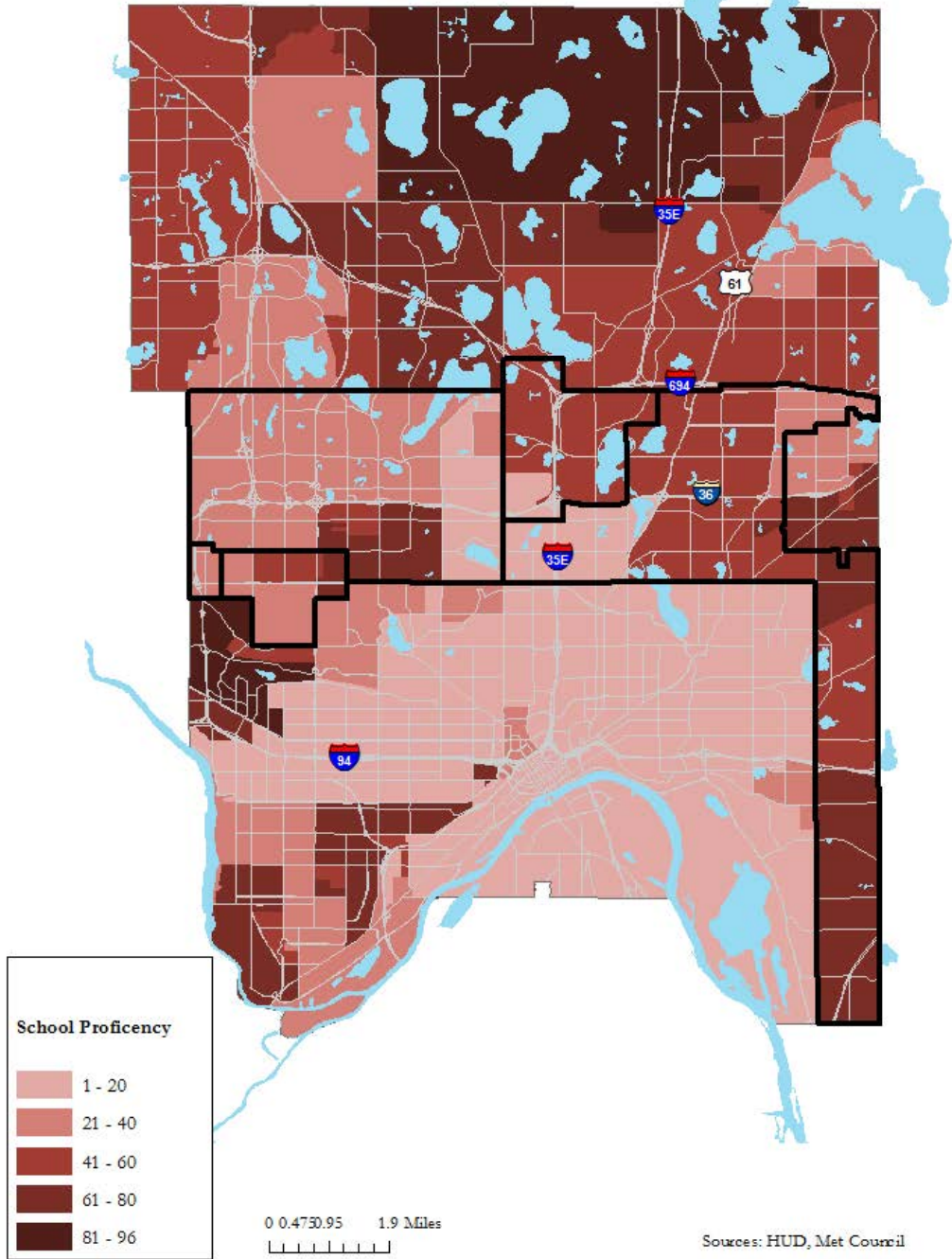
Two elements of the MMR are also displayed individually. The graduation rate of black students is shown specifically, to determine where students of color are most likely to be successful. The combined test scores are the sum of tenth grade English test and the eleventh grade math test for students receiving free and reduced lunch. The final element shown below, elementary school student teacher ratios, is not included in the MMR.

As can be seen in the maps below, there is not a clear area that is best to live for students. The portion of Little Canada north of 694, part of the White Bear Area Schools, and the northeastern most portion of Roseville, served by the Moundsvew School District, scored well on all four measures, while the portions served by Roseville Area Schools and North Saint Paul, Maplewood, Oakdale Schools generally scored less well. The southern portion of Maplewood scored well on the MMR and on test scores for high school students receiving free and reduced lunch. The MMR is different from the other measures shown because a portion of the score is based on improvement, rather than on existing performance.

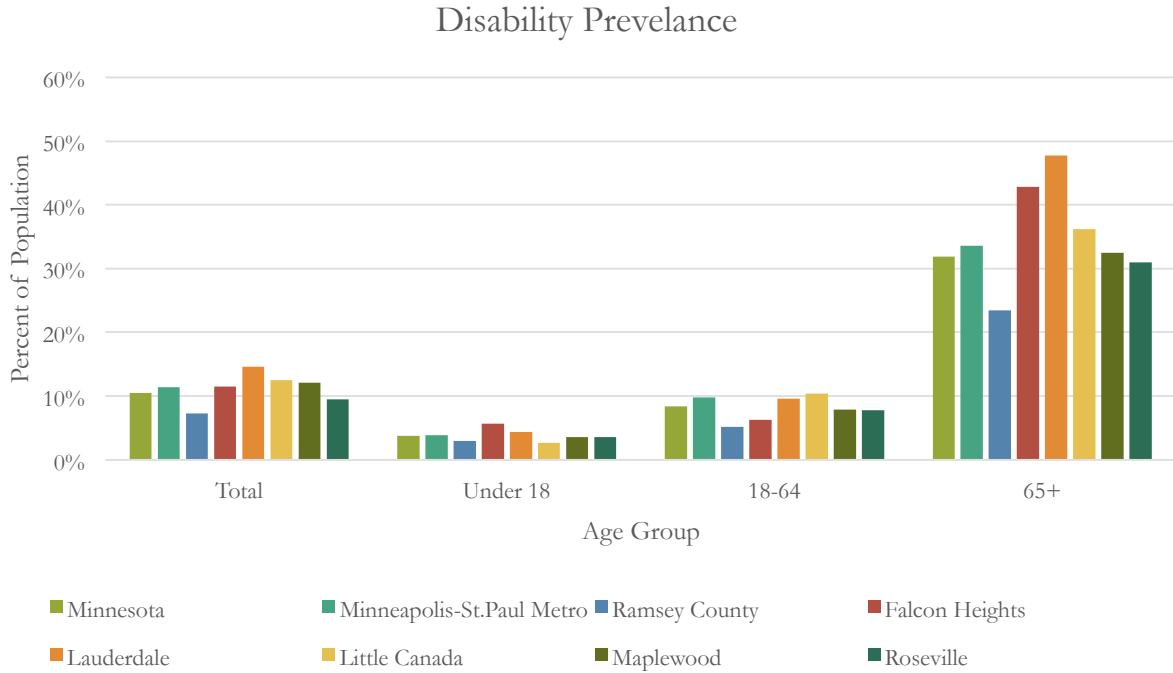
School Performance



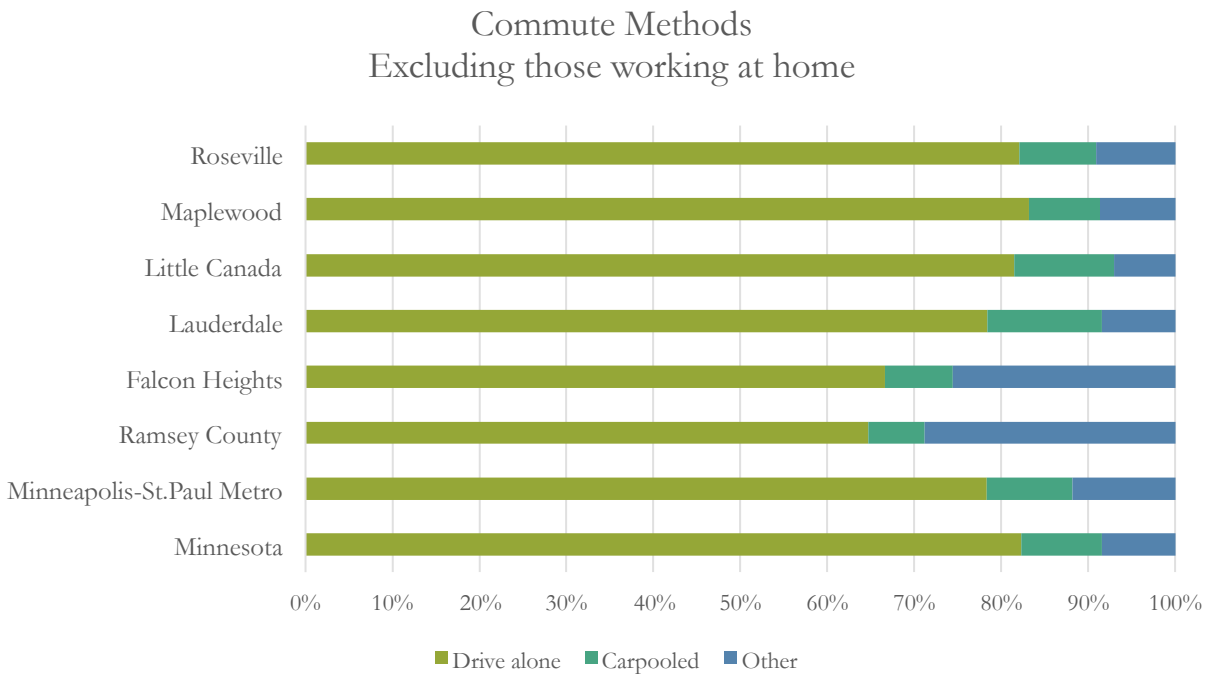
School Proficiency



Disability



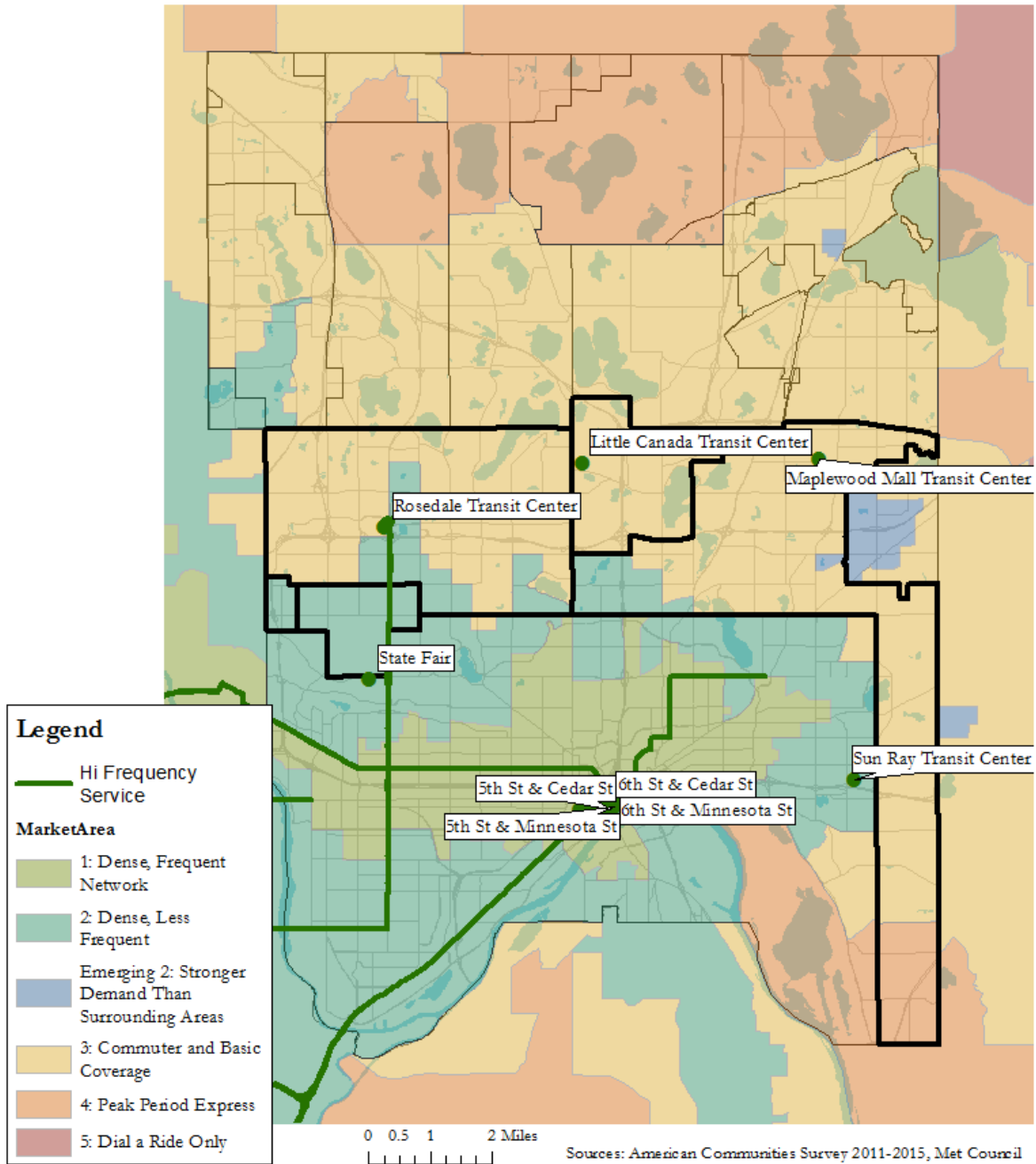
Transportation



All of the target cities, aside from the southernmost portion of Maplewood, are designated to receive regular route bus service. All of Lauderdale and Falcon Heights and portions of Roseville and Maplewood are designated to get dense bus service that is less frequent than the most heavily traveled portions of Minneapolis and Saint Paul. Designating specific land for affordable housing

development in the comprehensive plan is an important way for municipalities to support the production of affordable housing. Land near frequent, all day service should be prioritized for affordable housing, since residents may be less likely to have access to other modes of transportation. Transit access can also be used as justification for reduced parking requirements, since owning a car is less necessary, which can reduce project costs.

Transit Access



3

Current Comprehensive Plans

An analysis of the goals and existing conditions in the 2030 comprehensive plans

Chapter Outline

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Overview of the Metropolitan Council and Comprehensive Plans

The Metropolitan Council oversees policy-making, planning, and the delivery of select services in the seven-county Twin Cities metropolitan area. The Council seeks to support economic and efficient growth in the metropolitan region. Some of the services delivered by the Metropolitan Council include the operation of Metro Transit services, the collection and treatment of wastewater, and the development of regional parks and trails.

Every ten years, all cities, townships, and counties included in the metropolitan area are required to complete a comprehensive plan in a process overseen by the Metropolitan Council. The plans are focused on the four planning areas that fall under the Council's jurisdiction: wastewater, transportation, aviation, and parks. While the Council does not have explicit jurisdiction over housing matters, wastewater-planning influences permissible housing densities and the process of guiding land for different types of development. The Metropolitan Land Planning Act (MLPA) and the Livable Communities Act (LCA) require the Council to negotiate affordable housing goals with municipalities, but do not provide for much enforcement capabilities.

2030 Plan Community Roles Related to Housing

Metropolitan area cities are currently operating under the 2030 comprehensive plans, which were completed in 2008. The requirements of the plan were different in the last planning cycle than they are now, so it is important to consider what was required of the cities in evaluating their plans. The target cities were identified as Developed Communities for the 2030 plan. Our analysis of these plans revealed areas of existing strength as well as areas for improvement. Our recommendations were developed with the findings of our analysis in mind and seek to encourage city planners to include our recommendations in their updated comprehensive plans, which will be completed by December 2018.

Below are some of the community roles related to housing that were required in the 2030 comprehensive plans:

- Develop and implement comprehensive plans that provide land appropriate for a variety of affordable and life-cycle housing
- Adopt local housing goals and implementation plans
- Use local official controls and resources to facilitate development of a range of housing densities, types, and costs
- Approve and permit proposed housing developments in light of population forecasts, existing housing stock, and current and future community and regional needs, as appropriate
- Plan for a guide infill development, redevelopment, and adaptive reuse of structures to diversify housing, connect housing and jobs, and integrate new development into existing neighborhoods
- Adopt and purpose reinvestment strategies to achieve MLPA/LCA housing goals
- Encourage the preservation of existing neighborhoods and expansion of housing choices within the city
- Adopt ordinances to increase lifecycle and affordable housing (examples: increases multi-family use, reduced front and interior setback requirements, cluster development ordinances)

Falcon Heights

Housing and Land Use Considerations

In response to housing and land use requirements, Falcon Heights planner(s) included the following in the city's 2030 comprehensive plan:

- Identification of existing multi-family housing
- Identification and description of neighborhoods
- Identification of the 33 existing Section 8 units in the city
- Note that 15 percent of the housing stock is under the University's jurisdiction
- Note that if the agricultural land is released by the University, the city intends to conserve open land adjacent to existing residents and include a variety of housing types and prices from dense multi-family to compact single family developments
- Note that if the University decides that privately owned student housing should be built on the Saint Paul campus, the land would fall under the jurisdiction of Falcon Heights

Housing and Land Use Goals

In response to local housing and land use goal requirements, Falcon Heights planner(s) included the following goals in the city's 2030 comprehensive plan:

- To improve the quality, appearance and maintenance of housing in neighborhoods and the health of residents
- To enhance access and safety for pedestrians and non-motorized transportation
- To minimize land use and traffic intrusions that adversely impact established neighborhoods
- To continue the well-maintained residential character of existing neighborhoods
- To encourage the availability of housing for a population of diverse ages and income levels
- To protect open space and natural resources, preserving the urban/rural aesthetic that Falcon Heights residents value
- To meet the needs of the projected growth in household to 2030 and the projected need for affordable housing in the community

Affordable Housing Policies

In response to housing affordability requirements, Falcon Heights planner(s) included the following policies in the city's 2030 comprehensive plan:

- Continue to support rental assistance programs through the Metropolitan Housing and Redevelopment Authority Section 8 Program
- Encourage homeownership by participating in community land trust programs, as opportunities and funding allow, and keeping a portion of home affordable
- On transit routes, allow the replacement of existing medium density multi-family structures at equal or higher density, incorporating best practices for conserving green space and promoting active living
- Maintain the present mix of housing but consider a variety of housing types and cost ranges if redevelopment occurs
- Establish design guidelines and standards to ensure new development promotes good health and preserves public open space

Implementation Guidance

In response to implementation guideline requirements, Falcon Heights planner(s) outlined the following steps in the city's 2030 comprehensive plan:

- Should opportunities for redevelopment arise, consider:
 - Provisions that at least 10 percent of multi-family rental projects be affordable housing, if housing assistance is available
 - Continuation of support for Section 8 rental assistance vouchers for low and modest income residents
 - Continued participation in the Livable Communities Local Housing Incentive Program and look for future opportunities to employ this and similar programs to assist in financing affordable housing
- To encourage homeownership and rehabilitate affordable housing, the city will:
 - Implement some form of licensing and safety inspection program for rentals in single family homes, duplexes, and triplexes
 - Participate as appropriate in Federal and State housing programs as may be made available
 - Seek partnerships with non-profit community land trust organizations that promote affordable home-ownership and rehabilitation of housing
 - Continue to participate in partnerships with non-profit community organizations which provide home maintenance and rehabilitation resources to both homeowners and owners of rental properties

Lauderdale

Housing and Land Use Considerations

In response to housing and land use requirements, Lauderdale planner(s) included the following in the city's 2030 comprehensive plan:

- Considers housing concerns to be centered on housing condition, maintenance, size of units, property values, and rental property
- Attached housing is the predominated housing type accounting for 58 percent of housing units
- Proximity to the University of Minnesota and Luther Seminary has resulted in more rental housing than the metro norm
- The city encouraged development of low-income housing in the 1980s which produced 394 units of low to moderate-income housing
- The City previously used TIF to encourage affordable rental
- Going forward the city may use zoning and land use planning incentives/flexibility and redevelopment assistance through TIF, tax abatement, and brownfield cleanup as well as state, federal, and non-profit funds
- The city has participated in LCA and has used funds for brownfield remediation
- The plan expresses concern over how much the city's density exceeds the minimum density standards of LCA and that it may have a negative impact on overall property values

Housing and Land Use Goals

In response to local housing and land use goal requirements, Lauderdale planner(s) included the following goals in the city's 2030 comprehensive plan:

- Conduct a housing needs assessment to determine the nature and scope of home improvements needed to attract home-buyers
- Set property maintenance standards
 - Create property maintenance code for non-rental housing
 - Evaluate feasibility of offering home repair grants and loans to low and moderate-income homeowners
 - Add sunsets to building permits.
 - Assess impact of allowing larger homes
 - Consider cutting building permit fees
- Foster community spirit and housing maintenance through partnership and cooperation
 - Create an affordable housing mix through continued participation in LCA
 - Coordinate resident volunteers to assist neighbors with home improvements and exterior maintenance.
- Education related to home improvements
 - Permit requirements, homebuyer assistance, etc.

Affordable Housing Policies

Affordable housing is not mentioned in Lauderdale’s 2030 comprehensive plan.

Implementation Guidance

In response to implementation guideline requirements, Lauderdale planner(s) outlined the following steps in the city’s 2030 comprehensive plan:

- Review existing ordinances to make sure they do not impede the ability of the City to implement its housing programs
- Inform potential developers of areas in the City where life cycle and affordable housing could potentially be located and of the City’s ability to offer fiscal support
- Maintain and strengthen the City’s rental housing inspection program so that the City’s current housing does not deteriorate
- Strengthen neighborhood amenities to encourage a neighborhood feel and investment in the community
- Work with the Met Council when possible to create opportunities to further Lauderdale’s Livable Communities goals

Little Canada

Housing and Land Use Considerations

In response to housing and land use requirements, Little Canada planner(s) included the following in the city’s 2030 comprehensive plan:

- In the southeast quadrant of the 35E/694 interchange, the City has taken an active role in upgrading multifamily housing standards due to concerns over public safety issues.
- Maximum residential density is 20 units per acre
- The median market value of residential units in the city was higher than in the County.
- The City was expected to provide 71 units of affordable housing.
- More of the housing stock in Little Canada are affordable than in any of the neighboring cities

- Identifies areas for residential development
 - Between Twin Lake Boulevard and Vadnais Heights border a site is identified for 4-6 unit per acre townhouses or denser senior housing
 - Mixed use redevelopment between Rice St. N and Market Place Dr. North of Round Lake
 - Terrace Heights Mobile Home Park is zoned for eventual commercial use
 - A twenty-acre undeveloped portion of the southeast quadrant of the 35E/694 interchange may be considered for some attached housing at medium density
 - Planning district 11, large lots that may be subdivided. Must be done in a way to respect existing single family areas

Housing and Land Use Goals

In response to housing and land use requirements, Little Canada planner(s) included the following in the city's 2030 comprehensive plan:

- Substandard housing shall be removed when it is judged not economically feasible to correct deficiencies
- Maintain housing values by promoting home repairs, maintenance, and site clean up through code enforcement
- Provide a variety of housing types that allow people of all ages to live in Little Canada
- Create and maintain high quality neighborhoods that are compatible with adjacent land uses.

Affordable Housing Policies

In response to housing affordability requirements, Little Canada planner(s) included the following policies in the city's 2030 comprehensive plan:

- Address the density, affordability and unit type requirements for housing as required by Met Council
- Continue to maintain a variety of housing styles and allow for people of all ages and income levels to live in the City
- Maintain a high level of property maintenance
- Provide for Little Canada's regional share of affordable housing units through 2030
- Support and create housing opportunities for older adults and seniors
- Continue current housing programs including implementing Housing Improvement Areas and housing programs available through Ramsey County such as FirstHOME and the Neighborhood Stabilization Program
- Assist low-income households in finding appropriate loan programs for affording single family homes in the City using the CDBG and HOME funding sources
- Assist current and future residents in finding available housing related education programs available through the County

Maplewood

Housing and Land Use Considerations

In response to housing and land use requirements, Maplewood planners included the following in the city's 2030 comprehensive plan:

- Identifies manufactured housing as an opportunity for low- and moderate-income households

- Identifies the uncertain future for subsidized housing with expiring contracts
- In addition to several programs administered and funded by others, the City will explore financing affordable housing through tax-exempt bonds and TIF and CDBG allocation from Ramsey County
- Will allow affordable housing in any location suitable for residential uses
- Include a variety of housing types in the City, which includes meeting Met Council goals for affordable housing through the use of apartments, townhouses, manufactured housing, single family housing, public-assisted housing, low and moderate income housing, and rental and owner-occupied housing
- Expand opportunities for housing ownership made available by various federal, state, local government, and non-profit programs
- Streamline permitting and development processes to ease the rehabilitation or improvement of existing homes and reduce unwarranted cost impacts on the price of entry-level homes
- Provide for and designate appropriate areas for high-density and mixed-use development.
- Support the quality of residential development and redevelopment throughout the City by using education, design review and code enforcement
- Support multifamily residential development in locations accessible to public transportation and community services and facilities

Housing and Land Use Goals

In response to housing and land use goal requirements, Maplewood planners included the following goals in the city's 2030 comprehensive plan:

- Encourage that the quality of housing in residential neighborhoods be maintained to meet the needs of current and future residents
 - Maintain a variety of housing types for ownership and rental for people in all stages of life
 - Maintain a balanced housing supply, with housing availability for people at all income levels
 - Accommodate all racial and ethnic groups in the purchase, sale, rental and location of housing in the City
- Promote efforts to upgrade, enhance and maintain existing housing stock
 - Partner with agencies and community groups to institute quality of life improvements at distressed housing sites and encourage reinvestment in older properties to maintain their appearance, functionality and value
- Accomplish the adopted Livable Communities Goals for affordable housing
 - Encourage future affordable housing units (funded by other agencies) as part of mixed-use projects and/or as a component of new owner-occupied or renter-occupied multi-family housing.
- Maintain city-wide housing goals of 75 percent owner-occupied units and 25 percent rental units.
 - Work with lenders and social service agencies to provide financial literacy and special programs to encourage and increase homeownership.
 - Concentrate housing redevelopment efforts toward providing life-cycle housing in Maplewood.

Affordable Housing Policies

In response to housing affordability requirements, Maplewood planners included the following policies and financing goals in the city's 2030 comprehensive plan:

- Explore all options for financing affordable housing
- Continue to provide rent assistance to needy households
- Provide information and assistance to encourage energy efficiency improvements
- Provide dispersed locations for variety of housing types, styles, prices
- Review and update codes that affect housing
- Provide for the housing and service needs of the elderly and disabled
- Provide housing and services to meet the needs of non-traditional households
- Protect the integrity of, and prevent deterioration in, existing neighborhoods
- Encourage high design and maintenance standards for multi-family housing
- Assure that new development is compatible with, and sensitive to, the environment
- Participate in rehabilitation and grant programs
- Develop programs to help first-time home buyers

Roseville

Housing and Land Use Considerations

In response to housing and land use goal requirements, Roseville planners included the following goals in the city's 2030 comprehensive plan:

- Identifies the proportion of renters and owners who are cost burdened
- Notes that older residents are choosing to stay in their homes
- Identifies age of apartment building and the need to work with property owners to address necessary improvements
- There is concern within the community about the future overabundance of age-restricted housing units
- The 2030 Future Land Use Map has 100 acres of land designed for potential infill housing development, translating to 400 to 1,000 new housing units
- Identifies 240 acres for housing redevelopment and 24 acres for residential use
- Between 1996 and 2007 the city reached 43 percent of its owner occupied goals and 10 percent of the rental goal for 2010

Housing and Land Use Goals

In response to housing and land use goal requirements, Roseville planners included the following in the city's 2030 comprehensive plan:

- Preserve and enhance the residential character and livability of existing neighborhoods and ensure that adjacent uses are compatible with existing neighborhoods
- Achieve a broad and flexible range of housing choices within the community to provide sufficient alternatives to meet the changing housing needs of current and future residents throughout all stages of life
 - Promote flexible development standards for new residential developments to allow innovative development patterns and more efficient densities that protect and enhance the character, stability, and vitality of residential neighborhoods.
 - Consider increasing densities in new residential developments

- Promote a sense of community by encouraging neighborhood identity efforts within the community
- Provide a wide variety of housing options in order to retain and attract a diverse mix of people and family types with varying economic statuses, ages, and abilities.
 - Promote the development of housing stock that is appealing to persons of varying economic means.
 - Regularly review official controls to ensure opportunities for development of new housing stock, enhancement of existing housing stock, and ability to provide a diversity of housing choices.
 - Partner with the Roseville HRA to provide programs that encourage a range of housing choices for all residents in Roseville.
 - Partner with other agencies, cities, non-profit groups and developers to provide high quality affordable housing to accommodate the City's share of regional affordable housing needs.
- Integrate environmental stewardship practices into the housing stock and neighborhoods.
 - Encourage housing development on site that have access to multiple modes of transportation, including transit, biking, walking, and to sites that efficiently utilize land in a sustainable manner
- Continue support of housing and neighborhood programming provided by the HRA that address community needs
 - Work in partnership with the HRA to identify housing issues, provide resources for housing programs, and educate Roseville residents on housing related topics.

Implementation Guidance

In response to implementation guideline requirements, Roseville planners outlined the following steps in the city's 2030 comprehensive plan:

- Working with the HRA, develop affordable housing implementation strategy to meet the City's affordable-housing goals
- Working with the HRA, conduct a multi-family housing study to examine market-rate rental and senior housing markets
- Study potential ways for organizing neighborhood groups, forum, and communication networks that would provide effective community engagement from the bottom-up
- Explore what neighborhood planning means and ways to bring the Comprehensive Plan goals and policies down to the planning-district level

4

Policy Recommendations

A selection of recommendations tailored to the cities of the Roseville Area
League of Women Voters

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Introduction

Targeted Universalism

As previously discussed, the policy recommendations included in this report were developed with an understanding that targeted recommendations are the most effective way of realizing universal outcome improvements. In order to achieve equitable outcomes for all, differences between subpopulations in the community must be acknowledged and addressed in the policies that are adopted. This framework was developed by Professor John Powell from the University of California – Berkeley. Universal policies that fail to consider the particularities and the many reinforcing constraints on certain subpopulations of the community often fail to produce improved universal outcomes. Applied to the RALWV’s goal of ensuring, “that everyone has access to adequate, decent, affordable housing,” this means paying close attention to the conditions that have kept those with the greatest need from being adequately housed.

There is a history in the U.S. of adopting targeted policies that seek to lift up white people when it comes to housing while oppressing people of color. Take, for example, the Federal Housing Administration’s redlining practices, which limited the financial resources available to prospective owners and rents on the basis of race. In Minnesota, racially restrictive covenants were also used to prevent people of color, particularly African Americans, from purchasing, leasing, or occupying properties in white neighborhoods.⁷ Targeted policies that reflect a deep understanding of the unique circumstances and histories that have contributed to the current state of targeted subpopulations, whether those fall along lines of race, class, gender, or income, are more likely to yield improved, more equitable outcomes for the community as a whole.

Continuum of Housing

The reality of affordable housing is more nuanced than the one-size-fits-all item or issue it is portrayed as. There is a wide variation of housing needs that depend on an individual or family’s circumstances at different stages in their lives and a single solution will not be appropriate for each need in every situation. This range of housing options is known as the continuum of housing and includes everything from emergency shelters to traditional homeownership. These options satisfy the various needs people have as they encounter different circumstances and stages throughout their life. The three primary forms of affordable housing in the continuum of housing are supportive housing, assisted rental housing, and assisted homeownership and include emergency shelter, transitional housing, housing for seniors and people with special needs, single room occupancy (SRO) housing, public housing, housing choice vouchers (Section 8), and programs to help residents of low and moderate-income afford a home. Providing everyone this collection and progression of affordable housing options in the continuum of housing is integral to the health and well being of residents and neighborhoods, and the overall quality of life throughout the city. The recommendations below seek to fill in the gaps in the continuum of housing that exist within each city.

⁷ Orfield, Myron. “Why Are the Twin Cities So Segregated?” *Institute on Metropolitan Opportunity*, February 2015.

Recommendation Matrix

We began our process of selecting targeted recommendations by reviewing academic literature, local research, and review of comprehensive plans and housing related policies in similarly situated cities. We then assessed the applicability of each policy to each of the cities based on the analysis of demographic and housing conditions in the five cities and the previous comprehensive plans. We removed policies that were not appropriate for any of the five cities, and determined which of the policies best addressed the most pressing and unique circumstances in the cities. Each city has five top priority policies, as well as numerous other policies to consider.

Policy	Falcon Heights	Lauderdale	Little Canada	Maplewood	Roseville
Support New Construction					
Increasing Density Generally			x		
Project Scale Flexibility	x	x		x	x
Design Standards Waiver				x	x
Reduced Parking Requirements	x		x	x	
Transitional Housing				x	x
Site Identification			x	x	x
Site Acquisition				x	x
Financing Mechanisms	x	x	x	x	x
Reduced Points of Approval	x	x	x		x
Large Family Housing	x	x		x	x
Inclusionary Housing	x			x	x
Preserve Existing Affordable Housing					
Identify At-Risk Properties	x	x	x	x	x
Replace Subsidy Funds				x	x
Support Low Cost Rental	x	x		x	x
LIHTC Conversion		x		x	x
Expand Homeownership Opportunities					
Down Payment Assistance	x			x	x
Land Trust	x	x	x	x	x
Repair Assistance	x	x	x	x	x
Manufactured Housing Support			x	x	x
Reduce Discrimination					
Local Fair Housing	x	x	x	x	x
Eliminate Crime Free Rental Housing			x		x
Section 8 Anti-Discrimination		x	x	x	x

Maplewood and Roseville have many more policies deemed appropriate than the other cities. This is due to the large geographic size allowing different development patterns within the cities and larger staff capacity, which makes several policies feasible that would not be in the smaller cities. The policies are described in detail in the following sections. Most policies also include recommended language to include as goals and policies in the 2040 comprehensive plans.

Support New Construction

New construction of affordable, typically subsidized, housing is key to filling gaps in the continuum of housing needed in a community.

Increasing Density Generally

New housing development can be affordable to a larger portion of the population if it is built at a higher density. In addition to reducing the cost of land per unit, this can also reduce the costs of public improvements in new subdivisions. Many residents are put off by the idea of denser housing. This is often due to misconceptions about what a particular density looks like. In addition to reducing costs, denser areas are more conducive to multi-modal transportation networks and support health through active living. A factsheet in the appendix provides examples of Twin Cities housing with the density. As a part of the community engagement, staff should avoid speaking about densities without providing examples.

Townhouse densities can vary greatly. The Little Canada comprehensive plan spoke about a transitional area on the edge of a single family development as being appropriate for townhouses at 4-6 units per acre. While townhouses at that density exist, townhouses at up to 20 units per acre can provide similar architectural quality

Project Scale Flexibility

Generally speaking, the greater the density, the lower the cost per housing unit. Municipalities can provide several options for increasing the scale of the project by allowing greater density, taller buildings, smaller setbacks, or an increased floor area ratio.⁸

COMPREHENSIVE PLAN LANGUAGE: ADOPT NEW ZONING TO ALLOW HIGHER DENSITY ATTACHED AND MULTI-FAMILY HOUSING IN AREAS GUIDED FOR NEW RESIDENTIAL DEVELOPMENT.

Density Bonus

Density bonuses are policies that allow for a density increase over the maximum allowable residential density under otherwise applicable zoning ordinances. Density bonuses make the construction of affordable housing projects more cost-efficient and lower the development cost per unit by spreading the fixed costs (such as land costs) of a project across more housing units and allowing for on-site staff. These savings could be reflected in the form of reduced tenant rents, improved project quality, or improved project attractiveness. Project quality and attractiveness are essential to achieving community acceptance and support. Density bonuses should be conditioned on administrative approval, rather than through a conditional use permit, which allows for the process to be delayed or blocked by planning commissioners and council members.

⁸ This and other recommendations were drawn from the *Minnesota Challenge to Lower the Cost of Affordable Housing* a report prepared by the Housing Justice Center and the Center for Urban and Regional Affairs at the University of Minnesota.

Example City Ordinance: White Bear Lake, MN

The base maximum density is 12 units per acre. For every 3 affordable units, one additional unit may be built. A maximum of 16 units per acre. This may be stacked with density bonuses for underground parking (4:1) and transit oriented development (3:1) for an overall maximum density of 20 units per acre. This ordinance defines affordable housing as being affordable at 60% of Area Median Income, but does not specify the term of the affordability. It also does not allow for four story wood frame construction.

Key Elements of Ordinances

- Allow for 4 to 5 story wood frame buildings.
- Indicate the level of affordability as a percentage of area median income.
- Place a minimum term on the affordability such as 15 or 30 years.

Increased Floor Area Ratio (FAR)

Minimum FARs are determined by zoning district and ordinance. Higher FARs allow for increased density in housing developments. Like with density bonuses, increased FARs would make the construction of affordable housing projects more cost-efficient and spread the fixed project costs across more units, thus lowering rents. In Minneapolis, new affordable developments may receive a FAR increase of 20% if, at a minimum, 20% of units meet the city’s definition of affordable.

Reduced Lot Size or Setback

By reducing the minimum lot size per unit of housing, developers can increase the density of their projects while staying within the same building footprint. While reductions in lot size do not dramatically reduce development costs, they do spread the fixed costs across of development across more units, which could lead to a reduction in tenant rents or improved project quality or attractiveness.

Increased Building Height

Permitting densities that allow for 4- to 5-story buildings will make affordable housing developments most cost-efficient. Like with density bonuses and increased FARs, increased building heights would make the construction of affordable housing projects more cost-efficient and spread the fixed project costs across more units, thus lowering rents.

COMPREHENSIVE PLAN LANGUAGE: REVIEW DENSITY, BUILDING MASSING, AND SITE PLAN REQUIREMENTS TO ALLOW FOR HIGHER DENSITY AFFORDABLE HOUSING THROUGH BUILDING SCALE FLEXIBILITY.

Design Standards Waivers

Design standards are a balancing act for affordable housing development. It is important for affordable housing to look attractive to break down the expectations of what affordable housing looks like, but design standards can significantly increase the per unit cost of development. Giving staff the ability to waive design standards for affordable housing development can provide additional financial flexibility to the developer. In municipalities that require a letter of credit or escrow account to guarantee external improvements, waiving this requirement allows for more flexibility in cash flow management.

One area for cost reduction is the landscaping requirements. Many parts of landscape ordinances serve a clear public good by reducing heat island effects, but flexibility on the requirements can reduce costs without major impacts. Examples of possible changes:

- Reduction in the caliper of trees or size of shrubs required. This can be combined with selection of trees well suited to the environment which will grow at a faster rate.
- Keeping parking lot shade bearing tree requirements, but offering reductions in the requirements for shrubs.
- Reduction in requirements if landscaping includes rain gardens or native plants.

Depending on the development, some municipalities require that public improvements, such as storm sewers, street lighting, or road improvements. While these improvements can be very expensive for a city, it may be an opportunity to provide a no-interest forgivable loan for the cost of the required improvements or change the cost sharing method to reduce the cost for the developer.

COMPREHENSIVE PLAN LANGUAGE: REVIEW DESIGN, LANDSCAPING, AND PUBLIC IMPROVEMENT REQUIREMENTS AND CONSIDER WHEN WAIVERS SHOULD BE ALLOWED TO FACILITATE AFFORDABLE HOUSING DEVELOPMENT.

Reduce Parking Requirements

Parking requirements, whether structured parking ramps, underground parking, surface parking, or otherwise, add significant costs to residential housing developments. There is evidence to suggest fewer parking requirements are needed in urban areas where residents have access to public transit. Reducing parking requirements can lower the fixed costs of an affordable housing development, which in turn, can contribute to lower rents for residents. Residential neighborhoods may oppose reducing parking requirements for fear it will increase pressure on street parking spaces. Reduced parking requirements have been used effectively to support affordable housing developments in Chaska, Roseville, and Saint Paul. Current parking minimums vary between the five cities.

<i>City</i>	Falcon Heights	Lauderdale	Little Canada	Maplewood	Roseville
<i>Spaces</i>	2/unit	1.5/unit	2/unit	2/unit	1/bedroom
<i>Special Rules</i>	Half covered, cover may be waived for affordable housing		Spaces must be fee free. Guest parking may be required	Half covered	.25/unit for guests

Like the project scale flexibility, cities should adopt ordinances that allow for administrative waivers. Roseville allows for reduced parking requirements based on a demand study by a civil engineer. While this is better than no reduction, anticipating the demand of low-income residents for parking does not require a civil engineer. Falcon Heights is the only city in the target area with special parking consideration for affordable housing. The option to waiver garage requirements for affordable housing is an important step, which should be adopted by Maplewood, a reduction in the number of spaces is also needed. Aside from Little Canada, portions of the cities have, or will have, frequent transit access, which should further reduce the demand for parking.

Proof of Parking

Proof of parking agreements allow developers to open designate project space for additional parking should more parking be required in the future. Proof of parking agreements have effectively used to support affordable housing developments in Forest Lake. Little Canada allows proof of parking for senior housing. Land must be reserved for one space per unit, but only half must be built. The City Council may determine at a future time that the remaining spaces be construction.

COMPREHENSIVE PLAN LANGUAGE: STUDY HOW PARKING REQUIREMENTS CAN BE EASED TO SUPPORT THE DEVELOPMENT OF AFFORDABLE, MULTI-FAMILY HOUSING.

Transitional Housing

Minnesota Housing Finance Agency was selected to participate in the Section 811 Project-Based Rental Assistance Program which provides ongoing subsidies to 160 units of housing for extremely low-income, disabled tenants who would benefit from supportive services, who are between 18 and 62 years old. The primary targets are long-term homeless people with disabilities and people exiting an institutional setting after a long-term stay. Twenty-eight units of subsidy are still available and will be awarded during 2017 if possible. MHFA has identified Maplewood and Roseville as cities with the most potential Money Follows the Person Participants, and would therefore be a good location for some of the remaining 811 subsidies to be used. The units must be in multifamily properties that have received financing through MHFA, include Project Based Section 8 units, or participate in another government subsidized housing program. The 811 program is unique in that no property can be made up of more than 25 percent disability-preference units.

COMPREHENSIVE PLAN LANGUAGE: SUPPORT THE DEVELOPMENT OF TRANSITIONAL AND SUPPORTIVE HOUSING THROUGH THE 811 PROGRAM THROUGH MHFA.

Site Identification

Cities can identify sites fit and properly zoned for affordable housing developments in their Comprehensive Housing Plans. Identifying potential sites can greatly reduce the burden of finding available sites for affordable developers, thereby increasing the likelihood of a developer starting a project in that city. Woodbury and Burnsville have both successfully identified affordable development sites in their comprehensive plan. In many cases, commercial areas that are no longer in use make for suitable potential affordable housing sites. By identifying the sites now, the city can signal to developers that affordable housing is welcome in the city, and ease the number of approvals needed when a development is proposed. It can also spread out the political push back. By stating in the comprehensive plan that affordable housing is appropriate in a particular site, staff can recommend approval of a proposal and justify it through the already approved plan. While guiding a site for affordable housing does not legally require the staff or Council to approve a development, it does reduce the amount of discretion they can exercise.

COMPREHENSIVE PLAN LANGUAGE: MAKE MAP OF POTENTIAL AFFORDABLE HOUSING LOCATIONS AVAILABLE TO DEVELOPERS.

Site Acquisition

There are many ways for cities to ease the burden on developers interested in affordable housing projects, including temporarily holding sites appropriate for affordable housing for developers, making city-owned land available for affordable development, and proving city-owned land to

affordable developers at no or reduced cost. LIHTC projects often wait a year or more for financing from MHFA. For a developer, holding the land is very expensive, partially due to property taxes. If the city holds the land while financing is pending, the land is not taxable, reducing the overall cost of development.

COMPREHENSIVE PLAN LANGUAGE: WHEN OPPORTUNITIES ARISE, CONSIDER PURCHASING AND HOLDING LAND FOR AFFORDABLE HOUSING DEVELOPMENT.

Financial Mechanisms

Tax Increment Financing (TIF)

TIF is a public financing tool that uses the increases property taxes of a new real estate development to finance the cost of the development. The tax increase is based on the excess of market value before an area is designated a TIF district. TIF authorities usually finance TIF in one of two ways. Either, the authority will issue the developer a bond and repay themselves with the increased property taxes over time or the developer will finance the entire project and be reimbursed for eligible costs by the authority on a “pay-as-you-go” basis. In essence, TIF funds increase net operating incomes without raising tenant rents, meaning that fewer public funds are needed to finance the development costs of a housing project. TIF funds can be used to pay for the cost of land acquisition, demolition, site improvements, and other costs the developer would normally incur. TIF funds have been used effectively to support affordable housing developments in Woodbury and Maple Grove. (Note: It does not make sense to employ both TIF funding and tax abatement to support an affordable housing development because both, in effect, lower the cost of property taxes owed.)

Tax Abatement

Cities have the authority to authorize real estate tax abatements to support affordable housing developments. Tax abatements, in effect, lower the cost of operating a development, which may be translated to lower rents for residents. Minnesota Statutes Section 273.128 stipulates that rental units can be granted a 40% property tax break if, at a minimum, 20% of the housing units have income limits of 60% AMI and rents are considered “affordable”, meaning rent is limited to 30% of that 60% AMI. Tax abatements have been used effectively to support affordable housing developments in Maple Grove. (Note: It does not make sense to employ both TIF funding and tax abatement to support an affordable housing development because both, in effect, lower the cost of property taxes owed.)

Housing Redevelopment Authority Tax Levy

Housing Redevelopment Authorities have the authority to levy property taxes up to 0.0185% of the estimated assessed value of the property. Levy funds may be used to promote the creation of new affordable housing projects or the preservation of existing projects. HRA tax levies have been used effectively to support affordable housing developments in Minnetonka and Dakota County.

Example City Ordinance: Woodbury, MN

Since 2001, the Woodbury HRA tax levy has brought in about \$350,000 annually, well below the maximum allowed amount. The revenue is used to acquire sites for affordable housing or to offset the infrastructure and construction costs for affordable housing development.

Fee Waiver or Reduction

Most cities charge between \$20,000 and \$30,000 in residential development fees. The fees are meant to pay for the costs of processing the development, access to city water or sewer, land use, among other costs. City authorities have the ability to issue fee waivers or reductions for affordable housing projects should they so choose. Fee waivers have received inter-city department pushback as they reduce revenues, but some cities have successfully introduced fee deferrals, instead. Some cities require City Council approval to issue fee waivers or reductions, but many do not. Fee waivers and reductions have been used effectively to support affordable housing developments in Medina, Chaska, and Forest Lake.

Example City Ordinance: Forest Lake, MN

The city may issue a reimbursement to the developer for up to 20 percent of the zoning and subdivision fees, building permit fees, local sewer and water connection fees, and parkland dedication fees for any affordable housing development.

Community Development Block Grants (CDBG)

CDBG funding is made available through the U.S. Department of Housing and Urban Development. CDBG funds are intended to develop activities, such as the preservation or creation of multifamily rental housing, that benefit low- to moderate-income residents. Bloomington, Plymouth, and Eden Prairie have all applied for and succeeded in receiving CDBG funding.

Municipal Revenue Bonds

Cities have the authority to issue tax-exempt or taxable bonds to fill the subsidy gap and support affordable housing developments. Housing Revenue bonds pose little risk to lenders as the bondholders must rely on project returns to assure repayment. In order to qualify for tax exemption, 20% of housing units must be made affordable at 50% AMI or 40% of units must be made affordable at 60% AMI for a minimum of 15 years. The use of municipal bonds, along with other local financial tools, improves the city's score in competitions for state and federal resources.

Metropolitan Council Grants

The Metropolitan Council Livable Communities Act (LCA) provides grant funding for programs or initiatives that seek to revitalize local economies, create or preserve affordable housing, and development or redevelopment of links between land and transportation. To qualify for Livable Communities grants, cities must first elect to participate in the Local Housing Incentives Program and adopt the LCA affordable and lifecycle unit housing goals. Of the five RALWV cities, Little Canada is the only city not to have participated in the Livable Communities Grants program.

COMPREHENSIVE PLAN LANGUAGE: SUPPORT NEW CONSTRUCTION OF AFFORDABLE HOUSING THROUGH A COMBINATION OF TIF, TAX ABATEMENT, CDBG, MUNICIPAL BONDS, FEE WAIVERS, OR AN HRA LEVY.

Reduced Points of Approval

For many years, Planned Unit Developments (PUD) were seen as the perfect solution to allow affordable housing development in suburbs where it might not fit the zoning code. PUDs generally go before the planning commission for a public hearing and a recommendation to city council, who has the ultimate say. A PUD creates a hole in the zoning map and allows for the council to approve

a development that may meet none of the requirements of the existing zoning, so long as it is in the spirit of the zoning code and follows the comprehensive plan. This can include everything from the land use to the density and parking requirements. Many cities have successfully used PUDs to offer needed flexibility to affordable housing, but the requirement for City Council approval brings an opportunity for community opposition, which may delay or stop a project.

Even without community opposition, Conditional Use Permits, Variances, PUDs, and other similar approvals increase costs directly and by potentially increasing holding costs. Ensuring that wherever appropriate zoning allows for multifamily housing and any waivers or density bonus be approved by an administrative permit can remove these potential barriers.

While it can be helpful to remove the legally required public hearings, this should not be interpreted to mean that engaging the community is not important. Early and frequent engagement can build community support for a project, or at least reduce the opposition.

COMPREHENSIVE PLAN LANGUAGE: REVIEW LAND USE PROCESSES TO REDUCE UNNECESSARY CITY COUNCIL REVIEW WHERE ADMINISTRATIVE REVIEW IS MORE APPROPRIATE.

Large Family Housing

Affordable rental housing for larger families is an important part of equitable development in the target cities. This type of housing is in demand throughout the region, and is especially important in areas with larger populations of immigrant groups with larger families, such as Hmong, Somali, Karen, and Hispanic immigrants. The five target cities do not have unusually large average households, but household size varies with demographics. In Ramsey County, the average household size is smaller at 2.42 for all households, and 2.22 for renters. The average household for Asian headed households is 4.04 and households who rent are smaller at 3.57.

Our demographic analysis indicated that residential crowding is not an especially prevalent problem in the five cities, except for the census tract at the far southeastern portion of Roseville, which is home to a large portion of the Karen population in the Twin Cities region. Currently, federally subsidized rental housing in suburban Ramsey County does not have sufficient units with bedrooms to accommodate larger families. For LIHTC properties, 37 percent of the units have only one bedroom, and only 20% have three or more bedrooms. Excluding the units for seniors, 25 percent of units have only one bedroom. For project based Section 8, nearly 70% of units have 0-1 bedrooms. Based on the best available data, there are currently 302 subsidized units in the five cities with three or more bedrooms. Of these units, there are 54 with income-based rent. Most are in LIHTC properties that are generally affordable at 50 or 60 percent AMI. The HUD approved rent at 50 percent AMI is \$1,115 for a 3-bedroom unit and \$1,245 for a 4-bedroom unit, which would require an income of about \$50,000 to be affordable. The unit types with tenant-based rental assistance are not available at the municipal level, but there are 424 households in suburban Ramsey County using HCV in a unit with three or more bedrooms.

Current Availability of Larger Subsidized Rental Units

	3 Bedroom	4 Bedroom	Total
<i>LIHTC</i>	239	9	248
<i>Section 8</i>	54	0	54
<i>Total</i>	293	9	302

Conversations with local developers from Common Bond, Hope Communities, and Project for Pride and Living inform our recommendations for municipal support. Units with three or more bedrooms are in demand in all developments the developers oversaw. Developers spoke about never needing to advertise the units and that once the units are leased the tenants stay for a long time. Long-term tenants make property management easier by building a strong community. The developers expressed that some families prefer townhouses for more privacy and a larger space to themselves, while others prefer an apartment where their children can safely walk to their friends' units.

Units for larger families score well on MHFA's QAP, but tax credits alone cannot finance the development of new low-income housing for larger families. The developers we spoke with felt that a limited, but substantial, number of three bedroom units are feasible without city funds, but for a development to include four bedroom units, city funds are needed.

COMPREHENSIVE PLAN LANGUAGE: SUPPORT THE DEVELOPMENT OF LOWER COST ATTACHED AND MULTIFAMILY HOUSING FOR LARGE FAMILIES BY WORKING WITH DEVELOPERS AND NON-PROFIT AGENCIES AND PROVIDING FINANCIAL SUPPORT.

Inclusionary Housing

Inclusionary housing programs require, or heavily incentivize, developers to make a minimum proportion of units affordable in new residential construction. Research shows that when adopted, mandatory inclusionary housing programs are more successful than voluntary ones. Inclusionary housing policies, generally, are used to house those with an income of 50% or 80% AMI, depending on the needs of the community and the incentives offered. Inclusionary housing policies are one of the most successful ways to create and support affordable housing units for residents of low and moderate-incomes and they have been used effectively to support affordable housing do that in Minnetonka, and Maple Grove, and Minneapolis, which have incentive based policies. Saint Louis Park and Edina have somewhat mandatory programs, but there are many exceptions. Local governments play a major role in maximizing the positive impact of inclusionary housing. Keys to ensuring its success are building public support, using data to determine the specifics of the program design, establishing fair and reasonable expectations for developers, and ensuring program quality.

Well-crafted inclusionary housing policies include:

- A minimum proportion of units to be affordable
- A maximum income level the units are affordable to
- The size of development that triggers requirements
- Length of time units must be affordable
- Whether units must be restricted to households below a particular income, or if just the rents must meet requirements
- Penalties and enforcement mechanisms for non-compliance
- Cost offsets and incentives

- Whether units can be constructed off site
- Whether developers can choose to pay an in lieu of fee

For more information on crafting an affordable housing policy see the Inclusionary Housing Policy guide at mnchallenge.org and test out the cost of requiring affordable units and benefits of incentives on the mixed income calculator designed based on Twin Cities construction costs at mncalculator.inclusionary.net.

Preservation of Existing Affordable Housing

For every new, low-cost rental unit built in the United States, two have been demolished, abandoned, or turned into condominiums or high-end rentals.

Preservation of existing affordable housing is more cost effective than the production of new affordable housing and allows for families currently residing in housing they afford to have minimal disruptions to their lives. In cities with minimal space for new development, preservation can be a more realistic option for ensuring residents have safe, affordable places to live. Preservation of subsidized and unsubsidized housing is needed.

Nearly all subsidized housing has an expiration date. Low-income Housing Tax Credit funded projects must remain affordable for a minimum of 15 years, although many developments include other funding streams that require a longer period of affordability. As time passes since the inception of the program in 1986, developments are reaching the end of the required affordability period, and are no longer obligated to charge below market rate rents. Other programs with an ongoing subsidy, such as Project Based Section 8 and programs specifically funding housing for elderly (Section 202) or disabled (Section 811) residents have contracts that expire. The length of the contract varies between programs and development specific terms. For Section 202 and 811, renewal is dependent on federal funds. Some housing remains from now defunct programs where renewal is not an option.

Three-quarters of all affordable units in the Minneapolis-Saint Paul metro are unsubsidized.

For unsubsidized housing, there is no period of affordability and the rents could rise at any time. Typically rents will rise after a renovation of the property. Insufficient maintenance can lead a property into a downward spiral of high vacancy harming the fiscal solvency of the property, putting it at risk of redevelopment or abandonment.

COMPREHENSIVE PLAN LANGUAGE: PREVENT THE CONVERSION OF SUBSIDIZED HOUSING TO MARKET RATE HOUSING. PREVENT DISPLACEMENT OF LOW-INCOME RESIDENTS DUE TO SUDDEN RENT INCREASES.

Identify At-Risk Properties

To preserve affordable housing, cities must keep an inventory of affordable housing, and monitor to be proactive in preventing conversion to market rate housing, or large increases in rent.

At-Risk Unsubsidized Housing

To identify at-risk properties, cities must first identify naturally occurring affordable housing. If the city conducts a rent survey of multi-family housing, staff need only compare the rents to the HUD determined affordable rents.

<i>Number of Rooms</i>	Affordable at 30% AMI	Affordable at 50% AMI	Affordable at 80% AMI
Studio	\$450	\$751	\$1,201
1-BR	\$483	\$805	\$1,288
2-BR	\$579	\$966	\$1,545
3-BR	\$669	\$1,115	\$1,784
4-BR	\$747	\$1,245	\$1,992

Unsubsidized housing may be at risk of moving out the top, meaning that it will no longer be affordable to the current residents due to increased rents, or condo conversion. Alternatively, it may be at risk of falling out the bottom if it is in such disrepair that costs exceed rental income, putting it in jeopardy of demolition. New housing may be built in its place, but it is unlikely to be affordable to the same income level of residents.⁹

Unsubsidized housing may be at risk of rent increases if the owner is reaching retirement age, the building is severely distressed, especially in comparison to other nearby properties, or if the real estate market is hot, with property values increasing more rapidly than in the larger region or a lot of new development is taking place nearby. Cities should identify the unsubsidized affordable housing in their comprehensive plans, and consider the risk of redevelopment and rent increases. The Greater Minnesota Housing Fund can help municipalities identify and develop plans to protect unsubsidized housing.

At-Risk Subsidized Housing

While subsidized affordable housing has official obligations to charge affordable rents for a specific time period, expiration dates are often difficult to determine. Records from HUD indicate the expiration dates of rent subsidy contracts, such as Section 8, but the records are not necessarily up to date. Tax Credit properties have a minimum of 15 years of affordability, but often have longer affordability periods due to other funding streams. HUD records only include the date the first Tax Credits were granted to the property, not the expiration date of the affordability requirement for all funding streams involved in the development. For recently developed or recapitalized properties, records are available online from MHFA that include most of the necessary information. For older properties, the timeline of affordability is able to be deciphered through review of HRA and City Council minutes, requesting documents from MHFA, and speaking with the developer.

Once subsidized properties have been identified, MHFA provides several funding sources for preservation.

COMPREHENSIVE PLAN LANGUAGE: IDENTIFY AT-RISK SUBSIDIZED AND UNSUBSIDIZED AFFORDABLE HOUSING AND DEVELOP PLANS TO PRESERVE AFFORDABILITY.

⁹ See *The Space Between* a report by One Roof Global Consulting for the Housing Preservation Project, a McKnight foundation program.

Replace Subsidy Funds

Housing that receives an ongoing HUD subsidy is at risk whenever contracts expire. Since the properties relied on an ongoing subsidy, rather than a lump sum payment during construction, to ensure current residents are not displaced, ongoing subsidy is likely needed. The city may commit to long-term ongoing subsidy, or to subsidies tied to the units, for the duration of the residents' tenure.

In Morton Grove, Illinois, a 56-unit senior apartment building was at risk due to an expiring Section 8 contract. The location made a conversion to condominiums likely. Due to the village's aging population, the trustees felt it was preferable for the building to continue serving its current residents and future low-income seniors. Morton Grove transferred half of their private activity bond cap to preserve the housing.

COMPREHENSIVE PLAN LANGUAGE: IF SUBSIDIZED HOUSING CONTRACTS ARE NOT RENEWED, CONSIDER MUNICIPAL SUPPORT THROUGH FINANCIAL ASSISTANCE.

Support to Low Cost Rental

The Space Between: Realities and Possibilities in Preserving Unsubsidized Affordable Rental Housing, a report by One Roof Global Consulting for the Minnesota Preservation Plus Initiative, a project of the McKnight Foundation describes how a middle ground affordable housing product can be developed. This lighter touch approach is modestly subsidized, has fewer requirements, and more flexibility than traditional subsidized housing, but does include more guarantee for long-term affordability than unsubsidized housing. Cities that pursue this lighter touch approach should determine appropriate incentives to preserve low cost housing on a case by case basis. Approaches can include creation through reduction in rent to make the units accessible to lower income tenants, preservation by preventing deterioration, demolition or up market movement, or matching low-income tenants to units that already charge affordable rents. The following paragraphs include several strategies for municipalities. These should not be taken as a one-size fits all policy, and rather should be used to develop agreements with property owners that best fit the circumstances of the property. Incentives should only be considered for well managed properties in areas at risk of increased rent and displacement.

The Cook County, Illinois Preservation Compact outlines several policies that incentivize low cost rental property owners to maintain their properties, without raising rents. The Cook County Assessor's Class 9 Program reduces taxes by 40% on older buildings when developers upgrade major systems, so long as owners commit to keeping at least one third of the units affordable to low and moderate-income households. The compact also includes an energy saving program including technical assistance, grants, and loans to small and moderate sized apartment buildings to reduce utility costs.¹⁰

Minnesota Housing developed a pilot program in 2012 to stabilize unsubsidized affordable housing in Greater Minnesota, called the Rental Rehab Deferred Loan (RRDL) pilot program. The loans are for the rehabilitation of existing properties and feature a zero percent interest rate for up to \$300,000 for properties with rents affordable at 80 percent AMI, and that will not compete in the

¹⁰ The Preservation Compact: A Rental Housing Action Plan for Cook County. Urban Land Institute and MacArthur Foundation, 2007

Super RFP. The participation in the program has been low, and Minnesota Housing is working on how to make the program more attractive to the types of properties common in Greater Minnesota.

Minnesota's Low-income Rental Classification Program, also known as the Section 4(d), allows a local government to qualify properties for property tax breaks if some form of local financial assistance is provided and the owner agrees to income and rent restrictions. This provision allows municipalities to provide more financial support by reducing the cost of state and county property taxes. Section 4(d) is an especially helpful tool in transit corridors, where increased property values, and therefore taxes, are anticipated.

Roseville currently has loan programs for multi-family housing, but the loans are not tied to affordability. The city could provide preferable loan terms or a combination of loans and grants to developments that agree to a period of guaranteed affordability for a portion of the units.

COMPREHENSIVE PLAN LANGUAGE: DEVELOP LIGHTER TOUCH APPROACHES TO ENSURE PRESERVATION OF AFFORDABLE HOUSING WITHOUT TRADITIONAL SUBSIDY PROGRAMS.

LIHTC Conversion

Low-income Housing Tax Credits can be used to extend the life of affordable housing, whether it is currently subsidized or not.

The Joint Center for Housing Studies of Harvard University produced five Profiles in Preservation case studies of different situations where tax credits and municipal support were used to renovate and preserve affordability. One project, the Sienna Green Apartments, took place in Roseville and was unique among the cases since the property had never been subsidized housing. Originally called the Har Mar Apartments, the development was built in the 1960s near Har Mar Mall and the Highway 36 and Snelling Avenue interchange. A nearby complex, Rosewood Village was converted to a resident owned condo building in 1981. By the mid 2000s the property had fallen into disrepair and was frequently visited by the police. In 2005, the non-profit now known as Aeon contacted the city of Roseville looking for development opportunities suggested Har Mar Apartments. The resulting project included a large renovation of the existing buildings and eventually, the construction of a new apartment building which had units suitable to families. Since the property already existed and was considered blighted, neighborhood opposition was minimal. The case is a good example of how Tax Credits can be used to repair and ensure affordability of at-risk unsubsidized rental properties.¹¹

More typically, Tax Credits are used to recapitalize existing affordable housing. Since the sunset of the affordability requirement is known, staff can proactively talk to developers of affordable housing to encourage recapitalization.

COMPREHENSIVE PLAN LANGUAGE: SUPPORT EFFORTS TO PRESERVE AFFORDABLE HOUSING THROUGH LOW-INCOME HOUSING TAX CREDITS.

¹¹ Alexander von Hoffman, "Profiles in Preservation: Sienna Green Apartments in Roseville, MN" *Joint Center for Housing Studies*, 2014

Expand Homeownership Opportunities

Homeownership is a critical part of the continuum of housing choices, and provides valuable stability for residents. Each of the five cities have a gap in homeownership rates between members of different racial groups. These targeted approaches seek to expand ownership opportunities to those who otherwise may be unable to own a home.

Down Payment Assistance¹²

The target cities generally have numerous affordable homeownership options. With the generally affordable starting point, moderate amounts of down payment assistance can make ownership an option to low-income families. Assistance can be structured in several ways, and interested cities should consult with the Center for Energy and the Environment, the Greater Metropolitan Housing Corporation, and other providers of down payment assistance and repair financing to determine how to best serve residents. The following three examples can be a starting point for designing a program.

The ReGenerations Down Payment Assistance Loan Program in Coon Rapids provides up to \$6,000 in down payment assistance as a second mortgage that is forgiven after ten years. Homeowners must perform at least \$10,000 of improvements to the property within six months of closing, must use the funds in conjunction with an FHA mortgage, and must live in the property as a primary homestead. This program is a good model for cities with large amounts of older housing that needs substantial work to be suitable for new residents.

For cities with large employers, such as Maplewood and Roseville, employers can work with the city to provide down payment assistance to employees. In Saint Louis Park, employers and the city together provide a grant up to \$2,500 to employees purchasing homes in the city. The city provides an additional \$1,000 grant for foreclosed homes.

Woodbury provides first-time homebuyer assistance through a low-interest deferred loan of up to \$25,000 to households earning less than \$95,000. The maximum purchase price of the home is \$290,500. Borrowers make interest only payments at three percent simple annual interest. The principal is deferred until the sale, transfer of title, the primary mortgage is paid off, or when the property ceases to be owner occupied. The funds may be used for down payment and closing costs.

COMPREHENSIVE PLAN LANGUAGE: EXPLORE HOW TO SUPPORT HOMEOWNERSHIP FOR LOW AND MODERATE-INCOME HOUSEHOLDS THROUGH DOWN PAYMENT ASSISTANCE PROGRAMS.

Land Trust

Community Land Trusts and nonprofit organizations that provide long-term affordable homeownership opportunities. A land trust will purchase or build a home and sell the home to a family or individual. The land trust will retain the deed to the land beneath the home and lease it to the owner of the home through a long-term lease. By retaining control to the land, the land trust enacts restrictions on the amount the home may be sold for. The amount of appreciation allowed varies, but always ensures the equity gained will not sacrifice long-term affordability. There are

¹² Assistance in assembling grant and loan programs provided by the Fridley, MN Housing and Redevelopment Authority

several land trusts in the Twin Cities, but none are currently operating in the five target cities. Land Trusts provide long-term affordability and since owners must sell back to the land trust, the units can be matched to future low-income households.

COMPREHENSIVE PLAN LANGUAGE: BUILD RELATIONSHIPS WITH EXISTING LAND TRUST ORGANIZATIONS AND, IF THE OPPORTUNITY ARISES, SUPPORT THE PURCHASE OF HOMES BY A LAND TRUST.

Repair Assistance

Ramsey County and the Minnesota Housing Finance Agency provide grants and loans to residents in the target cities to assist with home remodeling and energy saving improvements. To support low and moderate-income homeowners, Cities should consider supplementing these products with grant and loan programs to assist homeowners in maintaining their homes and reducing health and safety

Example City Program: Fridley, MN

The Fridley Emergency Deferred Loan Program provides funds to owner-occupants that face emergency home repairs and are unable to obtain funds from traditional loan sources. The emergency must make the home uninhabitable, dangerous to the occupants or can cause severe health problems. The program is administered by the Center for Energy and the Environment, who reviews applicant's eligibility for other financing, prior to considering this program. The loan has no interest, repayment is deferred for 20 years, or until ownership changes, and is available in amounts from \$500 to \$10,000.

issues. Several peer cities offer emergency assistance through loans for health and safety concerns and other emergency repairs. These products should be available to households that may not be able to qualify for other loans.

Manufactured Housing Support

Little Canada, Maplewood, and Roseville currently have manufactured home parks, which provide affordable homeownership opportunities to many households. Investor owned manufactured home parks are an unstable situation for homeowners. They own their home but rent the land the home is on. If the park closes, the homeowners must choose between paying to move the home to another park, attempting to sell the home, and abandoning the home. While the homes are often called mobile homes, they are not particularly mobile, and transporting the home to another park often involves crane and semi service. When a park owner is closing a park, state law requires that residents are notified through a closure statement that includes cost estimate of moving homes to all parks located within 25 miles of the park and states that owners may be entitled to compensation from the Minnesota Manufactured Home Relocation Trust Fund administered by MHFA. The municipality must hold a public hearing on the closing, which must also inform residents about the Trust Fund. To be eligible for the fund, the homeowner must have made a \$12 annual payment to the park owner, which was then deposited into the Trust Fund by the owner. The homeowner must also be current on lot rent and personal property taxes. The fund will pay for a maximum of \$4,000 of relocation assistance for single-section and \$8,000 for a multi-section manufactured home to be relocated within a 25 mile radius. If the owner is not able to move the home due to availability of lot space or inability to move the home, the homeowner may tender the title to the park owner and collect an amount determined by an independent appraiser up to \$5,000 for a single unit, and \$9,000 for a multi-unit. If the purchaser of an existing park intends to close the park all current residents

must be notified and if 51 percent of the residents are able to meet the price of the buyer, the owner must accept the counter offer.¹³

Local Relocation Assistance

Some municipalities, including Roseville, have ordinances requiring park owners to compensate homeowners, generally covering more than the maximums provided by the Trust Fund A 2007 report by All Parks Alliance for Change and CURA found the relocation costs to range from \$2,000 to \$10,000 for single wide homes and \$5,000 to \$15,000 for multi-part homes. The median value of a manufactured home is \$30,000, far more than the maximum compensation required by state law. Comparing these values to the maximum compensation from the Trust Fund demonstrates the need for park owners to provide compensation. Eighty percent of manufactured homes in the state are more than ten years old, and a majority of parks do not allow homes older than ten years to be moved into the park. Additionally, older homes may not physically be able to withstand the move, so local ordinances should include special attention to the compensation provided to homeowners unable to move to a new park. In 2007, 40 percent owners of manufactured homes made less than \$20,000, placing a large portion of owners at or below 30 percent of AMI. By requiring the owner or purchaser of the park to pay relocation expenses or provide compensation, the ordinance not only reduces the burden on homeowners, but serves as a deterrent from converting the park to another use, preserving the affordable housing serving residents most in need of affordable housing. Finally, municipal ordinances typically do not require the owner to be current on rent payments, personal property taxes, or have made the annual payment into the trust fund, allowing the owners with perhaps the greatest financial burden to be compensated.

Roseville requires landowners to pay the actual expenses of moving to a location within 25 miles without a maximum payment. If an owner is unable to move the home within the radius and wants to retain the title to the home, the owner is entitled to the average relocation costs awarded to other residents. Similar to the state policy, owners may tender title to the park owner and must be paid the estimated market value or the tax value, whichever is greater. Additionally, the Roseville policy requires park owners to pay the difference in lot rent between the old and new lot rent for a period of two years. Some cities, including Oakdale, Fridley, and St. Anthony include a cap on the total compensation at a percentage of the total sale value, typically 20 or 25 percent. A model ordinance prepared by All Parks Alliance for Change through the review of the twenty ordinances in 2007 is similar to the Roseville ordinance and is a good baseline for Maplewood and Little Canada. The ordinance adopted should include:

- Moving costs within 25-mile radius, including the costs of utility disconnect, reconnect, personal property moving, repairs required to move the home, and insurance.
- For homes tendering title, compensation should be the market appraised value, not the tax value (MAV) and compensation should include the difference between lot rent and new rent for 24 months
- For homes not tendering title, the MAV or average relocation costs, whichever is greater
- No cap on maximum value of compensation.

¹³ Warren Kramer, Executive Director of Northcountry Cooperative Foundation, provided inspiration and assistance for this section

Support for Resident Ownership of Parks

State law allows for residents of manufactured home parks the opportunity to purchase the park at the price offered by any party seeking to change the use of the park. Tenant buyout provides long-term stability, encouraging the development of a strong community and resident investment in homes. Tenant buyouts often include spending on major physical improvements. Municipalities can provide support to residents to encourage the long-term preservation of the affordable housing. To inform our recommendations we spoke with Warren Kramer, Executive Director, Northcountry Cooperative Foundation (NCF). NCF provides technical assistance in the Upper Midwest to residents seeking to purchase their parks and incorporate them as a cooperative or a non-profit.

The easiest step for municipalities to take in their comprehensive plans is to indicate municipal support for full tenant buyout of manufactured home parks and for land readjustments and to guide the land appropriately for long-term use as manufactured housing. Cities can provide municipal bonds for tenant buyout and use HRA levy, CDBG, and HOME funds as equity for the tenant buyout. Many parks have dilapidated infrastructure including water and sewer lines and internal roads. Cities should consider municipal takeover of park infrastructure in the tenant buyout or indicate public support in case of infrastructure capacity through a loan paid back through a special assessment district. Municipal control of infrastructure not only reduces costs for the residents, but can improve the physical appearance of the park.

Often, parks are significantly undervalued in property tax assessments prior to purchase, at which point the assessor will greatly increase the value to at or near the purchase price. The increased assessment means residents are paying more to operate the park than the previous investor. To lessen the blow, cities can consider partial tax abatement or payment in lieu of taxes either to make the increase in taxes more gradual or to permanently reduce the tax burden. The reduced tax burden would bring the taxes to a level more comparable with single family homes in most cities. By indicating in the comprehensive plan that the city will or would consider using these tools, the city will not be left scrambling in the period where residents are trying to assemble the capital needed to purchase the property.

Home Improvement Loans

In addition to general home improvement loans, Blaine and Fridley provide manufactured home improvement loans at a similar interest rate. The loans are structured differently, since manufactured homes are not considered real property. Rather than a second mortgage, the loan is like a car loan. The loans can be used for interior, or exterior improvements. These loans are especially helpful, since owners are less likely to be able to receive a reasonably termed loan from a traditional lender. By assisting owners in making improvements to their homes, the City can improve the living conditions for residents while improving the external appearance for neighbors.

COMPREHENSIVE PLAN LANGUAGE: PRESERVE MANUFACTURED HOME PARKS AS AFFORDABLE HOUSING THROUGH ADOPTION OF A RELOCATION ASSISTANCE ORDINANCE, SUPPORT FOR TENANTS PURCHASING AT-RISK PARKS, AND SUPPORTING MAINTENANCE OF MANUFACTURED HOMES.

Reduce Discrimination

If segments of the population are unable to access safe, affordable housing, despite a full continuum of housing options, the community is not adequately addressing the housing needs of its residents.

Local Fair Housing

State and federal law provides several fair housing protections, but these can be strengthened by adopting a local fair housing ordinance. The list below includes items found in local ordinances throughout Minnesota including ordinances in Thief River Falls, Royalton, Stewartville, Fridley, and Minneapolis. Several cities have fair housing policies that adopt the Minnesota Fair Housing Standards and set penalties for violation.¹⁴

Prohibited Behaviors

- Refusing service related to housing (sale, lease, etc) to an individual due to protected class status.
- In the sale of a property, representing changes in the proportion of protected classes in the neighborhood and/or any negative consequences of such change.
- Discrimination by entities involved in the sale, lease, repair, or financing of real property by the proportion of members of protected classes in the geographic area.
- Representing that property is not available for inspection, sale, etc. when it is available based on protected class statuses.
- Discrimination in the terms, conditions, or privileges of the sale, rental, lease including the application process
- Failure to make reasonable accommodations.

Enforcement

- The Community Development Division is designated as the enforcement agency. If the Director, after investigation of a complaint, has reason to believe a violation has occurred, they may direct the matter to the City Attorney for criminal prosecution, civil enforcement, or a settlement agreement.
- A hearing held before the city council may be used to determine whether a violation has occurred and if so prepare an order to do justice to the complainant or to prevent future violations
- The City may investigate violations through the use of its own staff or defer the matter to the state, which shall have the full authority to charge and prosecute violations on behalf of the city.

COMPREHENSIVE PLAN LANGUAGE: STRIVE FOR NON-DISCRIMINATION AGAINST PERSONS SEEKING HOUSING BASED ON AGE, RELIGION, RACE, ETHNIC ORIGIN, SEXUAL PREFERENCE, GENDER, PUBLIC ASSISTANCE STATUS OR DISABILITY. CONSIDER HOW TO AFFIRMATIVELY FURTHER FAIR HOUSING THROUGH ADOPTION OF A FAIR HOUSING ORDINANCE, CHANGES TO THE RENTAL LICENSING PROGRAM, AND OTHER MEANS.

Elimination of Crime Free Rental Housing

Roseville, Little Canada, Crime-free rental ordinances may have a disparate impact on one or more protected class, violating the obligation of HUD grantees to Affirmatively Further Fair Housing. Jurisdictions receiving HUD funds, whether as an entitlement jurisdiction or a sub-recipient receiving funds from a County or State government are required to review all housing related policies and programs to determine if they create housing barriers for protected classes and if an

¹⁴ A partial list of local fair housing ordinances with provided by Jonathan Stanley, Planning Analyst-Housing, Metropolitan Council

alternative exists that would reduce harm for effected groups. Crime free housing policies may have disparate impacts on women, people with disabilities, and non-white people. While the best recommendation is to remove the crime-free language from the rental ordinance, there are several changes that can be made to reduce the disparate impacts¹⁵

Crime free policies, especially if they are not well written, can harm crime victims, particularly victims of domestic violence. Crime free policies that include a police call threshold that allows the city to revoke a rental license can discourage residents from calling the police when they witness a crime or are a victim. Advocates for domestic violence victims encourage victims to call the police, but after repeated calls, the tenant may choose not to call out of fear of eviction. If a tenant is evicted, this can make finding new housing more difficult creating a less stable situation for the victim. Since victims of domestic violence are more likely to be women, crime free housing policies that do not adequately address domestic violence have a disparate impact on women.

In municipalities that do not distinguish between types of calls, disabled tenants, who may be more likely to have non-crime related calls, such as mental health emergencies. If the call threshold is met, the tenant could be evicted because of a disability. If a municipality moves forward with the process to revoke a rental license, they may be failing to provide a reasonable accommodation.

In some cases, state and federal law expressly forbid eviction of tenants in these situations. The Violence Against Women Act (VAWA) protects victims from eviction in publicly funded housing, including units using Housing Choice Vouchers. The First Amendment also protects the rights of tenants and landlords to seek police assistance. Landlords are also required to provide reasonable accommodation to tenants with disabilities. In these cases, the ordinance may require a landlord to break to law to follow the ordinance.

Some ordinances, direct landlords to evict tenants that are arrested or cited for a crime. Since African Americans, Hispanics, and persons with mental illness are more likely to be arrested relative to their share of the population and level of criminal activity. Furthermore, an arrest is the response of law enforcement to potential criminal activity, not proof of criminal activity.

Typically, these ordinances include a suggestion or requirement that a criminal background check be completed, but do not provide standards by which to review the background check, which can encourage fair housing violations. Since a background check includes charges, regardless of if the applicant was found guilty or if the offenses are not relevant to the ability to be a good tenant, such as minor or old offenses. Such ordinances can encourage landlords to not rent to any applicant with a criminal history. Blanket decisions can be unjustified at a violation of the Fair Housing Act. In cases of disability, the lack of an individualized approach in the review of a background check can violate the reasonable accommodation obligation. If an applicant's criminal history is related to a disability that is now controlled through medication, accepting the applicant's criminal background is a reasonable accommodation that may be required.

When these ordinances are carried out by police officers who are unfamiliar with civil rights and tenant rights, and are often carried out through pressuring landlords to evict tenants, municipalities are more open to improperly forcing out tenants.

¹⁵ Emily Werth, "The Cost of Being 'Crime Free': Legal and Practical Consequences of Crime Free Rental Housing and Nuisance Property Ordinances" *Shiver National Center on Poverty Law* 2013

Many ordinances include all illegal activity that occurs at the property, regardless of the relevancy to the health and safety of others and include vague descriptions. Others state that the lease is violated by criminal activity on or off the property. When vague authority is given, municipalities may be accused of arbitrary enforcement if the full extent is used only on a few properties. The inability to enforce the regulations on all properties can result in enforcement based on complaints of neighbors that may be based on bias against certain groups of people,

COMPREHENSIVE PLAN LANGUAGE: REVIEW CRIME FREE HOUSING POLICIES TO REDUCE DISPARATE IMPACTS ON PROTECTED CLASSES.

Section 8 Anti-Discrimination

In suburban Ramsey County, 65 percent of households using Section 8 vouchers (HCV) are non-white, compared to 14 percent of the overall households, and 22 percent of households earning less than 30 percent AMI.¹⁶ Despite making up less than five percent of households, and eight percent of households earning less than 30 percent AMI, nearly 60 percent of households using HCV in suburban Ramsey County are black. Due to the tendency of households using vouchers to be non-white and more specifically black, landlord discrimination based on HCV usage is a fair housing issue, as it has a disparate impact on non-white households.

A local non-profit organization, Home Line performed annual assessments of Section 8 acceptance from 1995 to 2009, first in suburban Hennepin, and later in Suburban Hennepin, Anoka, and Dakota Counties. The 2009 report surveyed over half of all multifamily rental units in the counties and found that only 33 percent of units are available for voucher holders. Seventy-two percent of units were within the HUD mandated rent limits, leaving approximately forty percent of units unavailable to voucher holders due to landlord bias.

The City of Minneapolis recently passed an ordinance to prohibit landlords from refusing to rent to tenants solely because they have a government voucher. Landlords are not required to take any applicant who has a voucher, as they may still consider criminal and credit background and other factors unrelated to the form of payment. It also does not require landlords to reduce the rent charged to be permissible to HCV usage. The ordinance will not be in effect for another year, so we are unable to draw conclusions from Minneapolis about the effect of banning Section 8 discrimination. Statewide policies are in effect in Connecticut, Hawaii, Maine, New Jersey, North Dakota, Oklahoma, Oregon, and Vermont and many large municipalities.

It may be premature to pass an ordinance banning discrimination based on form of payment, but the comprehensive plan is a good opportunity to identify Section 8 discrimination as a concern and include a goal to explore how to address discrimination through education of landlords, anti-discrimination ordinances, or other methods.

COMPREHENSIVE PLAN LANGUAGE: REDUCE SECTION 8 DISCRIMINATION THROUGH LANDLORD EDUCATION AND CONSIDER ADOPTION OF ANTI-DISCRIMINATION ORDINANCE, SIMILAR TO THE ORDINANCE PASSED IN MINNEAPOLIS.

¹⁶ HUD AFFH mapping tool, Ramsey County Table 6: Publicly Supported Households by Race/Ethnicity.

5

Advocacy Recommendations

Soliciting input and feedback from community members and stakeholders & changing the narrative surrounding affordable housing

Chapter Outline

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Community Engagement to Guide Policy Priorities

We have developed several recommendations that seek to complement RALWV's affordable housing advocacy efforts. Involving community members in the policy prioritization process and challenging the negative narrative surrounding affordable housing will strengthen the League's advocacy work and lead to more effective affordable housing policies.

Principles of Effective Community Engagement

Soliciting feedback, input, and perspectives from members of the community about the solutions to challenges that affect them will lead to the creation of better policies that will be supported by the public. The more members of the community feel respected and heard, the more likely they are to take ownership over proposed projects and policies, and the more likely those projects and policies are to make a difference in their lives. Moreover, by pursuing transparent and honest community engagement, organizations and institutions cultivate legitimacy and public support for themselves.¹⁷

Community engagements allows for a greater diversity of views to be expressed, mutual learning to occur among participants, previously unknown or overlooked special needs to be accommodated, relationships between community-based organizations and the community to be improved, and a mutual respect between stakeholders to be developed. If housing outcomes are understood as the product of socioeconomic conditions and existing policies, then housing challenges will be best addressed by engaging community members, community leaders, and organized groups, each of whom can offer their own perspectives and understandings of the community's needs and challenges.¹⁸

We believe the League's advocacy efforts should be informed by RALWV research, this report, and community engagement efforts. A community engagement strategy should be used to guide RALWV's advocacy efforts surrounding affordable housing. By engaging with those directly affected by these challenges, RALWV will better be able to articulate the need for affordable housing to local city government employees and elected officials and prioritize policy recommendations according to the public's preferences. Community engagement aligns with RALWV's mission to, "[encourage] informed and active participation in government, [work] to increase understanding of major public policy issues, and [influence] public policy through education and advocacy."¹⁹

RALWV's affordable housing advocacy work is like a three-legged stool. First, and the League is already doing this well, RALWV must work with League members to learn about affordable housing policy and cultivate some support for their advocacy efforts. Second, and the League is already planning to do this, RALWV must engage with local government officials to ensure the cities are taking the policy steps necessary to improve affordable housing in their respective cities in their comprehensive plan updates. Finally, and this is where our community engagement recommendations come in, the League should involve the residents of each city to ensure they are advocating on behalf of the community members whose lives will be impacted by the League's

¹⁷ Schrimmer, Debs. "Case Study of 21st-Century Civic Engagement," *Harvard Kennedy School*, December 2015.

¹⁸ U.S. Department of Health and Human Services. "Principles of Community Engagement." June 2011. Retrieved from https://www.atsdr.cdc.gov/communityengagement/pdf/PCE_Report_508_FINAL.pdf.

¹⁹ League of Women Voters Minnesota. "2017-2019 Program For Action."

advocacy efforts and the choices local governments make. Community engagement efforts will make those impacted by the issue of affordable housing central to the policy solutions proposed by the League, build power among participants, and, ultimately, lead to the city officials adopting policies their residents support.

With this understanding in mind, we have developed five principles of effective community engagement that should be used by RALWV: develop a shared understanding of community engagement goals; understand community make-up and build relationships with community leaders; develop structures to make participation in community engagement efforts accessible to all; develop strategies to ensure all impacted groups are represented in the engagement process; respect all community partners and be mindful of participants' needs to benefit from collaboration; and evaluate efforts to improve community engagement strategy.

We recommend RALWV host several listening sessions, roundtable discussion, and public comment periods **before** formally approaching city government employees and elected officials with their policy recommendations. Below are detailed descriptions of each principle followed by steps RALWV could take to apply each principle to their own community engagement efforts.

1. Develop a shared understanding of community engagement goals

Implementers of community engagement strategies should begin the community engagement process by becoming clear about what can reasonably be achieved through their efforts. Whether an organization's aim is to collect additional data or gain public support, developing a shared understanding of goals will allow implementers to design community engagement events that are consistent with organizational goals. It will also allow implementers to accurately communicate the benefits of collaboration to potential community engagement participants. By developing clear and shared goals, the implementing organization will avoid wasting resources or participants' time.

Members of RALWV should set some clear goals related to engaging with members of the community and those affected by local affordable housing policies. Community engagement can be used to gain a deeper understanding of the needs that exist within each city and each community and as a way to gauge public support for each proposed policy change. Soliciting feedback from the public on policy recommendations the League is considering advocating will give the league a sense of which policies are supported by local community members, and the League can prioritize their recommendations according to the public's expressed preferences.

2. Understand community make-up and build relationships with community leaders

Organizations interested in pursuing community engagement should gain a broad understanding of which communities make up the populations their advocacy efforts are seeking to affect. This process will ensure that all affected communities and stakeholders are invited to participate and that unaffected communities do not become the focus of an organization's community engagement

efforts. A detailed understanding of who is affected by a certain issue will allow an organization to determine in which geographic boundaries they would like to work or which communities have been underrepresented in the past and should be paid particular attention in their efforts.

RALWV should use the demographic data included in this report and the information they collected in their own interviews with local housing experts to identify key communities and stakeholders to engage in their advocacy efforts. These sources of information will likely reveal, for instance, that RALWV should reach out to the formal and informal leaders in the Karen and Hmong communities in order to gain a sense of their particular needs and desired solutions. Some of these organizations may include the Karen Organization of Minnesota or the Hmong American Partnership. RALWV could also reach out to local landlord and developer associations, such as the Minnesota Multi-Housing Association, to ask them about which incentive structures are most likely to lead to greater availability of affordable housing in their cities.

3. Develop structures to make participation in community engagement efforts accessible to all

Community engagement events should be held during non-work hours in politically neutral areas that are accessible to targeted participants. Community engagement strategy implementers should work with community leaders to ensure community members feel welcome and able to attend events. Implementers should consider co-hosting community engagement events with community organizations if possible. Childcare services and refreshments should also be made available if possible. These steps will help ensure community engagement efforts are accessible to a wide range of participants.²⁰

RALWV could host or co-host their listening sessions, roundtable discussion, and public comment periods in accessible, public spaces such as the Ramsey County Library in Roseville or local places of worship. Roseville and Maplewood have several places of worship attended by particular cultural communities, such as Assalam Mosque and Hmong American Alliance Church. Events should be held on various days of the weeks, during different hours of the day in order to make events accessible to the widest array of residents. If possible, child services should be offered to allow parent to participate in community engagement events. It would also be beneficial for the League to offer materials at community engagement events in multiple languages if possible. Some languages to consider may include Spanish, Hmong, and Swahili.

4. Develop strategies to ensure all impacted groups are represented in the engagement process

Those leading community engagement efforts should always be striving to ensure all impacted groups are represented at their community engagement events. This involves collecting basic

²⁰ FRESC. “Strategies for Meaningful Community Engagement.” Retrieved from <http://fresc.org/wp-content/uploads/2015/02/Best-Practices-for-Community-Engagement.pdf>.

demographic information and information about how they heard about the event from event participants. If implementers find that some key communities are consistently missing from the table, implementers must approach community leaders and organizations to see what can be done differently to get those community members to the table.

One way for RALWV to get a sense of who is participating in their efforts would be to set up a sticky dot exercise at each community engagement events to poll participants about their age, gender identification, race or ethnicity, or education level. Sticky dot exercises entail listing demographic categories on a poster board and then giving participants stickers to indicate how they identify. Stick dot exercises are affordable, take very little time for participants to complete, and are anonymous. The results from such exercises would give RALWV an idea of which communities are participating in their events and which missing communities they could invite to the next event.

5. Respect all community partners and be mindful of participants' needs to benefit from collaboration

All interactions between an organization and its community partners should be rooted in a sense of mutual respect and shared learning. Community members participate in community engagement efforts for a variety of reasons, which may include a desire to better their own lives, a feeling for a deeper sense of community, or a need to fulfill a social obligation. Whatever a participant's motivations might be, it is important for the implementers of a community engagement effort to be respectful of the participants, be willing to acknowledge a wide range of perspectives, and be open to learning from participants. Organizations should also communicate what will be done with public input to participants. Taking these steps will help ensure that community members and leaders feel they are benefitting from their participation.²¹

The League should be able to articulate how public input will be used to shape their advocacy agenda to engagement participants. Beyond allowing participants to play a central role in the shaping of the League's advocacy agenda, involvement with the League's community engagement efforts will benefit participants in a variety of ways: give participants an opportunity for empowerment in addressing affordable housing, an issue that greatly impacts their lives; offer them greater sense of recognition, allow them to establish a deeper connection to their communities, and present them with an opportunity to get to know other local residents concerned with affordable housing.

6. Evaluate efforts to improve community engagement strategy

Soliciting feedback from community engagement event participants will allow the organization implementing these efforts to gain a sense of how satisfied engagement event participants are with the process and what changes participants would like to see being made. When participants are asked for feedback, the implementers should also thank participants for their time. Additionally, the

²¹ Gust, S., Jordan, C. "The Community Impact Statement Process: A Tool for Creating Healthy Partnerships." 2006.

input collected at each community engagement event should be made available to the public after each event. This opens the door for feedback from community members who were unable to attend the events. Taking these steps to establish feedback loops helps build trust between the organization and their target populations and reinforcing established relationships between community leaders and the organization.

To evaluate their efforts, RALWV members could run a five to ten minute debriefing session following each community engagement event or administer online or paper surveys. Surveys, if used, should be short and ask no more than five questions. Participants should be asked about their overall satisfaction, how effectively they think their time was used, and any constructive feedback they have to offer. The results from debriefing session or surveys can be used to identify areas of existing strength and areas for improvement. This will allow the League to offer more effective community engagement events in the future.

By following these five principles of effective community engagement, RALWV can garner more support for their advocacy efforts in local communities as well as present policy solutions to local government officials that reflect input from affected community members. All together, this means that the League's advocacy efforts are more likely to be considered seriously by local government officials and the League's recommendations are more likely to be implemented.

Changing the Narrative to Cultivate Public Support

The dominant narrative surrounding affordable housing is overwhelmingly negative and it needs to be changed. This negativity is due, in large part, to the dominant narrative and negative race and class-based stereotypes held about affordable housing residents. Racial and ethnic stereotypes about residents of affordable housing build fear and opposition to affordable housing. Combined with negative images of “the projects,” residents often oppose affordable housing consciously, or unconsciously. To build public support, understanding must be built around what affordable housing actually is and empathy and understanding for low-income people of color is critical.

The League of Women Voters is uniquely positioned to dispel myths about affordable housing and build public support. The target of these activities should be the general public, and targeted neighborhoods if new affordable housing is constructed. City staff and developers need supporters to come to public hearings and talk to friends and neighbors. The following paragraphs provide answers to some of the common myths and misunderstandings about affordable housing.

Affordable Housing is Unattractive

There are various types of affordable housing, and they often look unlike anything like stereotypes might have one imagine. Newly constructed or rehabilitated affordable housing is often indistinguishable from a city's current housing stock whether they are single-family homes, duplexes, or multi-unit buildings. Non-profit developers in Minnesota have a reputation for building attractive multifamily housing and are sensitive to the surrounding community in their designs. Affordable housing has gotten a bad reputation for images of underfunded and poorly maintained public housing. Affordable housing in the Twin Cities generally has high quality maintenance, and residents take pride in their homes.

Affordable Housing Brings Crime to the Neighborhood

Research has found that construction of new affordable housing does not bring crime to neighborhoods.²² Residents are usually subject to thorough background checks and developments have attentive management that ensures crime and vandalism are not tolerated.

Affordable Housing Residents Do Not Work

Affordable housing serves a range of residents. Most new affordable housing units are designed to be affordable to households earning half of the median income, or about \$42,000 per year for a family of four. A limited number of residents may not work do to childcare responsibilities, disability, or difficulty finding work, but this is not true of the general population.

Affordable Housing Will Bring Down the Schools

New family housing brings new students to schools. Depending on the number of children this can have a minimal effect on the school. School districts receive state funding on a per pupil basis, so as the student body increases, so will the funding. Furthermore, students benefit from attending school with a diverse group of classmates from different backgrounds. Lastly, suburban affordable housing often draws residents of the community who previously could not afford their housing, so many of the students may not be new to the district at all.

Affordable Housing Will Decrease Property Values

Research shows that affordable housing does not bring down property values in suburban contexts.²³ In some cases, new affordable housing can spur other new development and increase property values.²⁴

As the League builds public support care should be given to the way the issue is framed. Members should use language that connects to people's situations such as:

- Referring to building homes for community members, rather than housing units or apartments
- Frame housing as providing empowerment and an opportunity to provide access to success
- Use terms like lifecycle and workforce housing, which elicit more positive responses than affordable housing.²⁵
- Show the diversity of people who need affordable homes, with emphasis on the people in the community who are currently unable to afford safe, decent housing.
- Use personal stories to demonstrate the needs of people in various points of the life cycle for housing.

²² Albright, L., Derickson, E. S., & Massey, D. S. (2013). Do affordable housing projects harm suburban communities? Crime, property values, and taxes in Mount Laurel, NJ. *City & Community* 12:2, *American Sociological Association*. doi: 10.1111/cico.12015

²³ Albright, L., Derickson, E. S., & Massey, D. S. (2013). Do affordable housing projects harm suburban communities? Crime, property values, and taxes in Mount Laurel, NJ. *City & Community* 12:2, *American Sociological Association*. doi: 10.1111/cico.12015

²⁴ Housing Illinois. (2003). *We need the people who need affordable housing*. Retrieved from <http://www.housingillinois.org/pdf/Housing%20Illinois%20Brochure.pdf>

²⁵ Edward G. Goetz (2008) Words Matter: The Importance of Issue Framing and the Case of Affordable Housing, *Journal of the American Planning Association*, 74:2, 222-229, DOI: 10.1080/01944360802010251

- Encourage community pride by lifting up examples of affordable housing done well in surrounding cities.²⁶

Finally, the League should learn from its own experiences. By having conversations about affordable housing, members will learn more about the nuances of residents' concerns and how to best make the case for affordable housing.

²⁶ "Changing the Narrative of Affordable Housing" Michael Rios and Brandon Louie, Center for Regional Change

6 Appendices

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Appendix 1: An Introductory Guide to Financing Affordable Housing

Key Term Definitions

Super RFP: The Super RFP or Consolidated RFP refers to the combined application for funding from the Minnesota Housing Finance Agency. It annually awards funding to affordable multi-family housing developments and includes Low-income Housing Tax Credits, deferred loans, grants, and low interest loans.

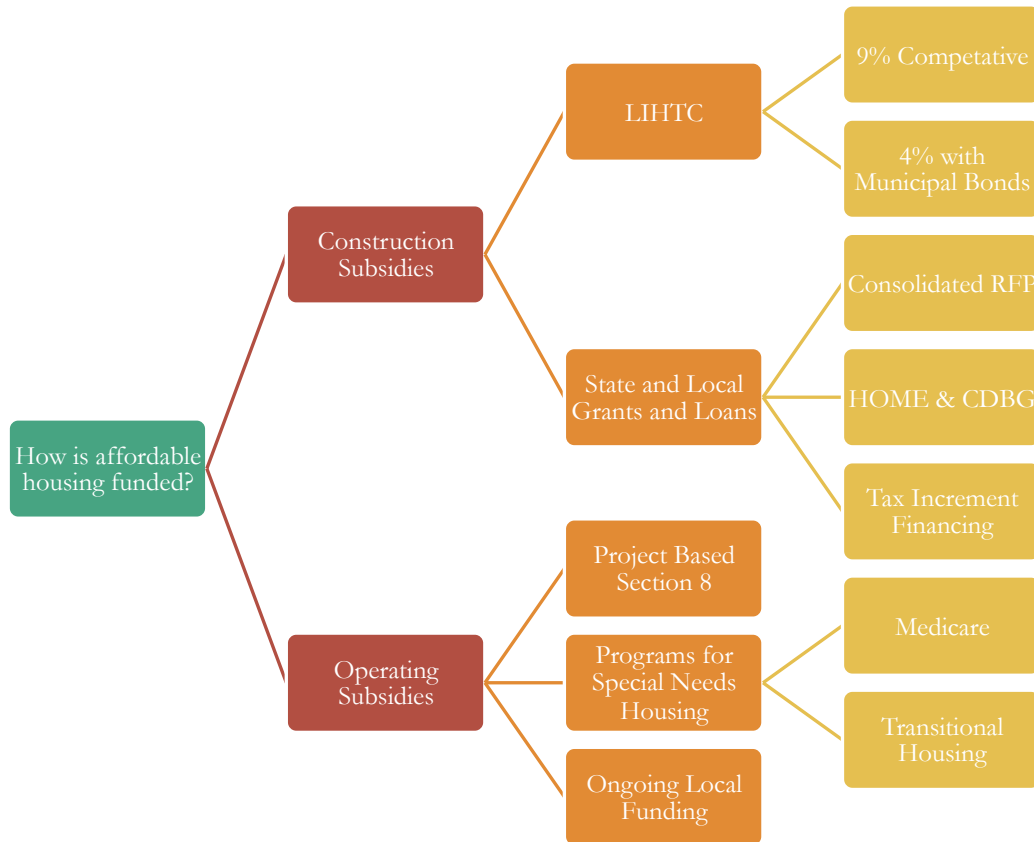
Qualified Allocation Plan (QAP): The QAP is a set of rules that determines which projects will receive Low-income Housing Tax Credits. The QAP is written by the allocator (In Minnesota this is either Minnesota Housing Finance Agency, Minneapolis, or Saint Paul). Since the allocation is very competitive, the scoring of projects is very important. Location plays a role in scoring. Areas with higher performing schools and areas deemed to support economic integration earn points. Cities can better support the production of affordable housing by guiding areas that will score well in the QAP for densities that can support affordable housing. Cities can support applications by providing fee waivers, tax increment financing, tax abatement and forgivable loans.

Livable Communities Act (LCA): The Livable Communities Act provides four types of grants to municipalities that participate in the Metropolitan Council allocation of affordable housing need and receive performance scores. One of the grants is specifically for affordable housing and is allocated as a part of the Super RFP. The remaining three may be used for affordable housing or for other projects.

Area Median Income: The median household income in an area designated by HUD. In the Twin Cities this is determined on a metro-wide basis. It is adjusted based on family size, so a larger household will need to make more to be at the median income. This number is used for determining household eligibility for federally funded housing programs, such as HOME, LIHTC, and CDBG. These numbers are published annually by HUD.

Fair Market Rent: The 40th percentile of rents of units occupied by renters who have moved in the last 15 months that are greater than two years old and have full kitchens and bathrooms. The rent is gross rent, meaning it includes utilities. It is determined annually on a regional basis. Fair market rent determines the maximum rent for HOME and Housing Choice Voucher units.

How is affordable housing funded?



Low-income Housing Tax Credits (LIHTC) or Section 42: LIHTC is the primary method for subsidizing affordable housing. A tax credit of 4% or 7% of the eligible costs of development is provided for 10 years after a project is finished and all low-income units are leased. Units must stay affordable for at least 15 years, although other funding may extend the duration of affordability.

- The 4% tax credit is non-competitive, but requires the use of municipal bonds, and the value of the tax credit fluctuates around 4%. This credit covers about 30% of the cost of development.
- The 7% tax credit is competitive and applications are made to the Minnesota Housing Finance Agency and the rate is fixed at 7%. While municipal support is helpful for successful applicants, none is required. This covers about 70% of the cost of development.
- Developers will “sell” the tax credits to an investor who will give them cash for the value of the tax credit. The amount of cash depends on the market. During the financial crisis tax credits were selling for far less than the value, while in 2015 tax credits sold above the value. The investor technically owns 99.99% of the value of the development, but the developer in practice plays the role of the owner. Tax credits are most often purchased by large banks or institutional investors.
- Both types of tax credits can be used for mixed income housing. Developers can choose to have 20% or more of the units affordable at 50% AMI or 40% of the units affordable at 60% AMI. The amount of tax credits issued is based on the proportion of the project that is affordable. In practice, it is difficult to use LIHTC to build mixed income housing, since the

investors who are interested in tax credits are not necessarily interested in market rate housing, which is a less safe investment. In order for an investor to receive the full benefit of the tax credits, they must own nearly all of the property.

- At the end of the affordability period the developer does not own the property and must negotiate with the investor to determine what will happen with the property. This creates a lot of uncertainty and requires advanced planning on the part of the developer, investor, and interested government partners.

Housing Choice Vouchers (HCV): This program, previously known as Section 8, is funded by HUD and administered by local housing authorities. In most of the suburban Twin Cities it is administered by the Metropolitan Council. Generally, tenants pay 30% of their income in rent and the rest is covered by the subsidy. HCV holders have a maximum allowable rent (below the median rent), housing must conform to safety standards, and no more than two people may share a bedroom. The program has long waiting lists around the country. The Metropolitan Council waiting list typically opens a lottery every several years where those selected will be added to the bottom of the waiting list.

HOME Funds: HUD runs the HOME Funds grant program for the acquisition, rehab, rent subsidies and new construction of affordable housing. These funds require lower rent limits than Community Development Block Grants and require a non-federal matching source.

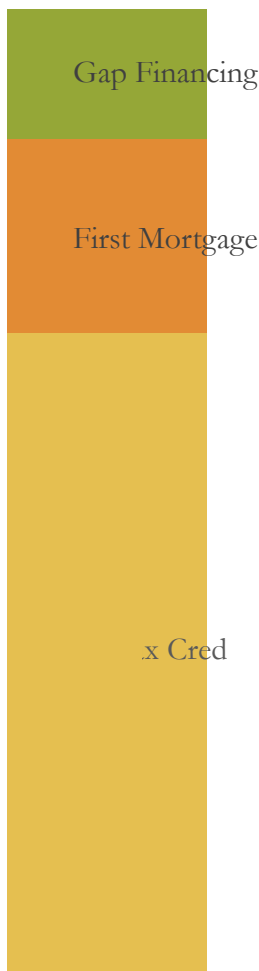
Community Development Block Grants (CDBG): A program administered by HUD that provides grants to cities and states for community development. These funds are often used for affordable housing, but can be used for infrastructure and other projects. Smaller cities (population less than 50,000) must apply to receive funds from the state government.

Land Trust: Land Trusts are non-profit organizations that sell homes to low-income families, but retain the land. The lease of the land limits the amount of appreciation the seller can receive and ensures that the home will be sold to a low-income family.

How does most new affordable housing get built?

Most affordable housing is built using affordable housing tax credits. There are three components to the financing of these projects. The tax credits are “sold” to an investor who then pays the developer a lump sum, which is paid back to them by the tax credits they receive over ten years.

The next component is a mortgage. The mortgage will only cover a portion of the remaining cost of development, since the lower rents will not garner enough income to repay a large enough mortgage to cover the remaining need for capital. Mortgages may come from a traditional bank or a lower interest loan from Minnesota Housing Finance Agency.



The difference between the cost of development and the amount of the mortgage and the tax credits is called the gap. Gap financing can come from a variety of sources, primarily foundations and government sources. Municipalities are key in filling the gap through assistance in obtaining grant funding, providing forgivable loans, using specifically designated funds within the city budget, using tax increment financing or tax abatement. Municipalities can also reduce the cost of the project, reducing the need for gap financing. Municipalities can waive fees for development, provide expedited review processes to reduce holding costs, grant density bonuses to reduce the per unit cost of development, or hold land for developers while they await tax credit allocation.

Some affordable housing receives an ongoing subsidy. The most common way ongoing subsidy is provided is by a public housing authority allocating some of their Housing Choice Vouchers to be tied to a unit, commonly referred to a project based Section 8. This is typically the only way that units can serve households at the lowest incomes. These are not new subsidies, in that they are taking that money out of the pool of money used for tenant based Housing Choice Vouchers. Project basing vouchers does insure that the voucher is in use for as much of the time as possible, since households do not have to find a unit to use their voucher in. Ongoing subsidy can be provided in other ways, such as a municipality or its HRA agreeing to cover the cost between 30% of the tenant’s income and the agreed upon rent for a select number of units or an agreement to provide funds to be used for services, such as childcare, health services, or job training, which are typically not able to be a part of the ordinary budget used to obtain financing.

How can existing affordable housing be preserved?

Many affordable housing developers purchase existing housing and complete a substantial remodel, which they finance through LIHTC, a process called recapitalization. This restarts the clock, and guarantees 15 more years of affordable rents. Some organizations are exploring how to acquire older lower-rent properties and continue to offer below market rents without subsidy dollars or a significant rehab. CommonBond communities, a Minnesota based non-profit is attempting to raise 200 million dollars for a fund to invest in these projects. Investors will receive a modest return and the fund is aimed at parties interested in socially responsible investing.

Livable Communities Act Scores

<i>City</i>	<i>Score</i>
<i>Falcon Heights</i>	40
<i>Lauderdale</i>	34
<i>Little Canada*</i>	25
<i>Maplewood</i>	84
<i>Roseville</i>	82

*Little Canada does not currently participate in the Livable Communities Act program and therefore is not eligible for LCA grants.

Appendix 2: Annotated Bibliography

This annotated bibliography examines both affordable housing and poverty in suburban communities, ways to counter and overcome not-in-my-backyard (NIMBY) attitudes and opposition, and approaches to equitable development and creating affordable housing including the adoption of inclusionary housing policies and community land trusts (CLT). This research is the basis for many of the recommendations found in this report. It is also intended to be a source of information for policy makers and affordable housing advocates in Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood to consult as they pursue increasing the affordable housing stock in their communities.

Green Leigh, N., & Lee, S. (2005). Philadelphia's Space In Between: Inner-Ring Suburb Evolution. *Opolis*, 1(1), 13-32.

Using longitudinal census data, the authors analyzed the changes in the demographic and physical characteristics of inner ring suburbs compared to the central city and outer ring suburbs in the Philadelphia MSA. They identified increasing economic disparities between the inner and outer ring suburbs and that the inner ring suburbs are showing symptoms of decline associated with the central city (including white flight, decreasing population, and rising poverty). Over the same time, the central city saw reversal in some trends, particularly a rise in the proportion of Philadelphia residents who are white and the reduction of poverty within the central city. The authors recommend policy changes to prioritize the revitalization of inner ring suburban infrastructure, rather than greenfield development, to ensure the economic stability of the inner ring suburbs. This source may be useful in thinking about the policy and development possible in Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood.

Holliday, A. L., & Dwyer, R. E. (2009). Suburban Neighborhood Poverty in U.S. Metropolitan Areas in 2000. *City & Community*, 8(2), 155-176.

This research used census tract level data to understand patterns of suburban and urban poverty and the factors that influence the location of high poverty census tracts. They defined inner-ring tracts as those with more than 50 percent of the housing built between 1940 and 1969. They found that one third of the suburban poor live in inner ring suburbs. The inner ring, high poverty neighborhoods (greater than 20 percent of people are in poverty) have greater population density, more migrants from the central city, have a lower median income, more overcrowding, more children, and more female headed households. Residents of high poverty tracts in the suburbs have more Hispanics than blacks, while newer suburbs have much larger white populations. Poor suburban tracts have more overcrowding, more people lacking English proficiency, fewer college graduates, and fewer professionals than the poor central city tracts. The higher rate of overcrowding, and the of people lacking English proficiency may be attributable to the tendency of Hispanics to live in suburban areas. On a metropolitan level, greater percentages of college graduates decrease suburban poverty, but not central city poverty. This article provides a general understanding of how central city poverty and suburban poverty differ.

Kneebone, E., & Berube, A. (2005). Innovating Locally to Confront Suburban Poverty. In

Confronting Suburban Poverty in America (pp. 96-112). Washington, DC: Brookings Institution Press.

The chapter details numerous local initiatives to confront suburban poverty. Many of the ideas require scale to be successful, and may not be practical in any one suburb alone. They may be attainable by working with other Ramsey County suburbs. Access to capital is often a problem in impoverished areas, and a community development finance institution (CDFI) can be help to provide low-income families and nonprofits serving them with capital. A Milwaukee based CDFI, Ways to Work, finances affordable auto loans, and financial counseling through partnerships with other organizations. Transportation is a common issue for the suburban poor, due to inadequacies in public transportation. Suburbs can collaborate to have access to CDBG and other funding pools that they would not have the capacity to utilize on their own, which has been successful for the southern and western suburbs of Chicago. These partnerships were made possible by the area mayors' association calling for the development of regional comprehensive plans for groups of suburbs and initial grants from non-profit partners. To be more flexible in addressing suburban poverty, using a nonprofit that can be granted enterprise funds that they then manage can allow funds to be targeted differently.

Lee, S., & Leigh, N. G. (2007). Intrametropolitan Spatial Differentiation and Decline of Inner Ring Suburbs: A Comparison of Four U.S. Metropolitan Areas. *Journal of Planning Education and Research*, 27(2), 146-164.

The authors define inner ring suburbs as those built between 1950 and 1969. This is distinct from the street car suburbs that were built around public transportation and with greater architectural quality and variety. The authors describe three trends in the decline of inner ring suburbs. There is a spillover effect from blighted areas in the inner city, strong decentralization into the outer ring suburbs, and back to the city trends that are revitalizing downtowns. Inner ring suburbs are currently facing a housing stock that is all filtering together and has reached the end, where it is being occupied by low-income people. This has a devastating impact on the ability of the municipality to levy taxes. The research is based on demographics and housing conditions in the Atlanta, Cleveland, Philadelphia, and Portland metropolitan areas. In Atlanta and Philadelphia, the downtown area becomes more distressed from 1970 to 1980, but distress declines by 2000. For the inner city overall, the fast-growing regions, Atlanta and Portland, had decreasing distress over time, while the slow growth regions had increases distress. Inner-ring suburbs in all four had increased distress, while outer-ring suburbs all became less distressed. Rapid growth cities also show an increase in prosperity in the inner city. The inner ring suburbs experienced increases in prosperity until 1990, and then decreased by 2000. Rapidly growing metro areas appear to have more serious inner ring suburban decline.

This metro-level analysis is useful in comparing the Twin Cities to the selected metro areas, and for placing Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood in the context of a metro experiencing growth, and with inner city revitalization.

Goetz, E. G. (2008). Words Matter: The Importance of Issue Framing and the Case of Affordable Housing. *Journal of the American Planning Association* 74(2), 222-229.

The author of this paper conducted a study to answer the question of whether the way a policy issue is talked about by planners has an impact on public support. This related directly to how to best frame an issue such as affordable housing that can have a small but vocal opposition. The study looked at what the effect word choice has on individuals' reactions to the issue of affordable housing. To test this, the author compared the use of the terms affordable housing and lifecycle housing. The author attempted to determine whether public opinion of the idea of affordable housing can be altered by using the term lifecycle housing instead. This was done by conducting surveying a random sample of residents in a Minneapolis suburb. City officials mailed a survey question to a sample of residents about their support for affordable housing. Some residents received a survey that included a question using the term affordable housing and the others received a survey included the use of lifecycle housing instead.

The results of the study showed that the difference in wording has a significant impact on the support non-Hispanic whites have on the issue of affordable housing. There was a difference of 30 percentage points between the two wording choices with the use of the term lifecycle housing receiving greater support. There was less of an impact among non-white residents and with younger and older residents. The author concludes from their findings that word choice does matter and can change the perceptions suburban residents have of affordable housing. This is important to note for cities like Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood as they consider increasing their share of affordable housing.

The author does note that there are limitations to this study. First, there is often a gap between general support of the concept of affordable housing and the reaction to or support for a specific development project. Second, this study was conducted in one suburb and the response in another suburb may be different. The author also notes that after a certain length of time, any term will likely come to have a negative connotation.

This study provides cities like Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood information that could be used to inform what language they use during efforts to decrease the cost-burden of housing by increase the amount of affordable housing in their jurisdictions.

Scally, C.P. (2012). The Nuances of NIMBY: Context and Perceptions of Affordable Rental Housing Development. *Urban Affairs Review* 49(5), 718-747.

The author researches the subtleties of not-in-my-backyard (NIMBY) attitudes to understand why some communities support the development of publicly assisted affordable housing and others do not. The author give a definition of NIMBYism and outlines its effects on the actions of local governments that take the form of various regulatory barriers such as direct exclusion of multifamily development to the indirect exclusion by requiring low-density development and preventing infill development, strict environmental controls, charging excessive fees, and inefficiently moving proposed project through the permitting process, among others. A NIMBY attitude is defined as one that is often shaped by specific fears of increased crime, poverty, and an increase in the costs of service and education, along with decreased property values and the preservation of open space.

The author highlights four common responses to NIMBY attitudes and their effect on the creation of affordable housing:

Challenging assumptions of negative effects of affordable housing;

A Place for Everyone

Rebranding affordable housing as workforce housing or lifecycle housing;
Removing regulatory barriers and offering incentives to development;
De-concentration and dispersal mobility programs that don't engage with NIMBY attitudes.
The study used six cities grouped into three regions in New York: Albany and Schenectady near the state's capital, Newburgh and Poughkeepsie in the Mid-Hudson region, and Islip and Smithtown in suburban New York City. They each had a different history and number of affordable housing stock.

Some of the author's findings highlighted that racial inequities are a lasting legacy in the development of affordable housing, inclusionary zoning is providing some promise in Poughkeepsie and Newburgh, and that the history of local markets and regional tensions effect how communities perceived affordable housing projects. Additionally, other factors such as the housing stock, quality, and relationship with developers and property managers influenced resident perceptions on the need for affordable housing.

The author concluded that NIMBY attitudes are different in each area and are based on specific historical legacies, development conditions, the policies and their perception. Ultimately, the author pointed at state action as being the most opportune to combat NIMBY attitudes and their effect. While the recommendations primarily focused on action by the state, it is helpful to understand that there is a historical and geographic-based dynamic of NIMBY attitudes that should be applied to Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood.

Nguyen, M.T. (2005). Does Affordable Housing Detrimentially Affect Property Values? A Review of the Literature. Journal of Planning Literature. Vol. 20, Issue 1, pp. 15-26. DOI: 10.1177/0885412205277069

This article examines seventeen studies that set out to measure the effect affordable housing has on property values to answer the question of whether affordable housing lowers property values or not. This debate is a point of contention between the not-in-my-backyard (NIMBY) residents and local government officials who oppose affordable housing in their communities and affordable housing advocates. The author determines the answer to the question is not as cut and dry as either side of this debate might like – the relationship between property values and affordable housing is complex.

The author's analysis shows that the magnitude of any change in property value depends on various factors including the design and management of affordable housing, the compatibility between the affordable housing and host neighborhood, and the extent to which it is concentrated. The various effects affordable housing has on property values are often determined by the structure of the affordable housing units or sites, characteristics of the host neighborhood, compatibility between the affordable housing site and host neighborhood, and the extent to which the affordable housing units are clustered. The author outlines that opposition of affordable housing by residents and/or the local city government is due to concerns about changing neighborhood character, the quality and design of structure, negative externalities such as traffic congestion or added burden on city resources), the arrival of undesirables, and strong feelings of anti-growth. These concerns are often tied to the fear that their property values will be negatively affected.

The author's review of these studies showed that a well-maintained affordable housing development is not only able to not negatively affect property values, it can raise property values in certain areas [with abandoned homes or deteriorating properties]. The affordable housing program, setup, and

implementation as well as the quality of management play a role in whether and to what degree affordable housing has on property values. To put this in perspective, the author cites Goetz to say that the actions of private landowners had more of an impact on housing values than the very existence of publicly subsidized affordable housing in a neighborhood. The author says the results of their analysis shows that construction of affordable housing, when done right, does not necessarily lead to lower property values. This is especially the case when existing housing is converted to or newly rented by affordable housing tenants because there may be no visible changes to the structure's appearance. The author states that neighbors might never be aware that the structures are for affordable housing or that the tenants qualify for subsidized housing.

Two major takeaways from the article are in the nuanced explanation of how and when affordable housing might lower or have no effect on property values.

“... studies tell us that affordable housing can indeed lower property values. But, there is more to the story. The likelihood that property values will decline because of proximity to affordable housing increases when (1) the quality, design, and management of the affordable housing is poor; (2) affordable housing is in dilapidated neighborhoods that contain disadvantaged populations (i.e., usually low-income and predominantly minority); and (3) when Affordable Housing affordable housing residents are clustered.”

But when there are negative effects, they are small. The extent to which property values are affected by affordable housing is very small when compared with other factors that impact property values.

“Affordable housing appears to have no effect occur when (1) affordable housing is sited in healthy and vibrant neighborhoods, (2) the structure of the affordable housing does not change the quality or character of the neighborhood, (3) the management of affordable housing is responsive to problems and concerns, and (4) affordable housing is dispersed. Furthermore, the evidence reveals that rehabilitated housing always has beneficial outcomes for neighboring property values.”

Cowan, S. M. (2006). Anti-Snob Land Use Laws, Suburban Exclusion, and Housing Opportunity. *Journal of Urban Affairs* 28 (3), 295-313.

The author examines the resulting outcomes of the adoption of “anti-snob” laws. Anti-snob laws get their name from Massachusetts law 40B, which was passed in 1969 and is otherwise known as the “anti-snob zoning act” to counteract opposition from those who oppose development for fear of undesirables moving into the neighborhood. It gives developers the authority to bypass zoning restrictions in cities where less than 10 percent of the housing is affordable according to the state's definition. It also gives cost-saving incentives such as tax exemptions and subsidized loans to developers who set aside 25% of their units for low- and moderate-income residents to help facilitate the construction of affordable housing.

The author describes various ways to address the lack of affordable housing development in suburban communities. The first approach is inclusionary zoning, which are policies local governments use to require developers to make a certain percentage of the units of their development affordable to people of low-income. Another approach is a fair share allocation system where a regional authority determines the number of affordable housing units each city will have. The third and final approach is statewide anti-snob land-use laws that make it easier for developers to build more dense, multi-family units in low-density single family neighborhoods.

The author makes the important distinction between anti-snob laws and inclusionary zoning. State anti-snob laws promote affordable housing in every municipality regardless of whether local authorities want affordable housing. Inclusionary zoning only applies to municipalities that want affordable housing and has no impact on those that want to keep excluding those who would benefit from affordable housing – new immigrants, people of color, low-wage workers, etc. The final major difference is that inclusionary zoning requires affordable housing in all applicable developments while anti-snob laws are limited to promoting affordable housing that developers can take advantage of or not.

The major research question at play is whether the adoption of an anti-snob law results in the creation of more affordable housing units in exclusionary municipalities than would have been created in its absence. The study includes four states: Connecticut and Rhode Island, states that passed a law between the study's two baseline periods (1980-1989 & 1994-1998), Massachusetts, which had a law during both periods, and New Hampshire, the only state of the four without an anti-snob law.

The author's analysis of the results found that the adoption of an anti-snob law had a positive impact on affordable housing development and appears to promote affordable housing development in municipalities with little subsidized housing. Overall, the study found that adoption of anti-snob laws can lead to an increase in affordable housing in cities that have exclusionary policies that limit affordable housing production. [One major limitation of the anti-snob laws the author points out is that all these legislative efforts to get past exclusionary land-use in the suburbs is that they are race neutral.] While the study is regarding state laws, it is helpful in looking at approaches and incentives for affordable housing production in cities that have barriers to that.

Hicekey, R., Strutevant, L., & Thaden, E. (2014). Achieving Lasting Affordability through Inclusionary Housing – Working Paper. Lincoln Institute of Land Policy.

The authors of this paper reviewed and analyzed 20 inclusionary housing programs that were from 20 cities of a variety of sizes, years of existence and a mix of voluntary and mandatory programs to determine the best approaches to ensuring that affordable housing for low- and moderate-income households remains affordable over the long-term. This research is important because if a primary goal of inclusionary housing programs is to increase the number of affordable housing units, the ability to not only bring more affordable housing online but to also ensure they remain affordable long-term is a critical part of satisfying the housing needs of families and individuals of low- and moderate-income that these policies intend to help. The authors highlight affordability, strong legal mechanisms, resale formulas, dedicated program stewardship, and strategic partnerships as ways to do this.

Their research found that creating lasting affordability requires more than setting long affordability periods but that carefully designed resale restrictions, strong legal mechanisms, pre- and post-purchase stewardship practices, and strategic partnerships. They delve into each in greater detail. From the 307 policies that had available data on the length of the required affordability period, the authors highlighted that 84% of inclusionary housing policies for homeownership and 80% of rental policies have 30-year affordability requirements, and one-third of inclusionary housing policies have 99-year or perpetual affordability requirements in place for rental and/or for-sale housing.

The authors present a literature review of inclusionary housing programs and found that little research has been done on the various approaches to ensure the preservation of affordability beyond the initial length of affordability. They found that mandatory inclusionary housing programs are more successful than voluntary ones and that more affordable housing units are created with the inclusionary housing policies when there is stronger housing demand and hotter housing markets. They acknowledge that as inclusionary housing becomes a more common method for creating affordable housing (nearly 500 local jurisdictions in 27 states as well as Washington, D.C. have inclusionary housing policies), there is a need to better understand the different characteristics that make an inclusionary housing policy successful.

These cases and the results from this paper are examples that can be drawn from by the cities like Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood as they consider approaches for increasing the number of affordable housing units in their jurisdictions.

Jacobus, Rick. (2015). Inclusionary Housing: Creating and Maintaining Equitable Communities. Lincoln Institute of Land Policy. Retrieved from: <http://www.inhousing.org/wp-content/uploads/Inclusionary-Housing-Report-2015.pdf>.

This report details best practices of how the various 512 inclusionary housing programs in 487 local municipalities in 27 states and Washington, D.C. are taking advantage of the potential of inclusionary housing. The author outlines three broad ways in which municipalities are doing that: building public support using data to inform program design, establishing reasonable expectations for developers, and ensuring long-term program quality. According to the author, inclusionary housing is one of the most promising ways to make sure that people of all means benefit from new development and to address the housing affordability crisis created in large part to higher housing costs that displace residents of lower income. The report has 8 chapters including the conclusions and recommendations. Below is a breakdown of the chapters that gives highlights of the information in the report.

Introduction to inclusionary housing: The author begins by giving the context and need for inclusionary housing: the affordable housing crisis, which is exacerbated by the rising cost of housing and the shrinking availability of naturally occurring affordable housing.

The author explains that inclusionary housing is not a fantasy – it is possible for municipalities to create and maintain meaningful economic diversity in their communities. Cities that have implemented an inclusionary housing policy recognize the affordable housing crisis will not go away on its own and they have been developing local policies to increase the economic diversity in their communities.

The author defines inclusionary housing as a range of local policies that create affordable housing by requiring developers to sell or rent 10 to 30 percent of newly created housing units to residents of lower incomes. The author concludes from the research in the report that inclusionary housing is a successful strategy to create more affordable housing units for residents of low- and moderate-incomes. Their analysis suggests that it will play a larger role in national housing strategy in the years to come and that integrated, inclusive, and diverse communities improve the lives and outcomes of all residents.

Economics of inclusionary housing: The author makes clear that economic factors cannot be ignored and that inclusionary housing programs must be designed carefully so their requirements are economically feasible. Various approaches of how to do that include offering incentives and flexibility to developers so that the burden of net economic impact is manageable.

Building support for a policy: Communities have followed a similar policy creation process: 1) study and understand the housing need and available tools for inclusionary housing, 2) educate and engage the public on the issue and about and throughout the process, 3) consider and factor in the market economics, and 4) engage with private developers

Designing the policy: As municipalities are designing their policy, many key questions must be answered to create a program that is appropriate for their city. Policy makers need to determine the following: whether the program will be mandatory or voluntary, the income level of targeted groups and any geographical restrictions, the percentage of units in each development that must be affordable, the length of time they must remain affordable, whether to accept in-lieu fees or allow off-site development of affordable units in a different location, whether to provide incentives or cost offsets to reduce the economic impact of providing affordable housing, and determine whether the affordable units must be comparable in design to the market-rate units. While these considerations must be thought through, there is no single best approach and each inclusionary housing program will differ depending on the circumstances and situation of each city. Although, reinventing the wheel is not necessary – inclusionary housing has been tested in many locations and much has been learned about how to make it work successfully.

Challenges of economic integration: Considering the demographic changes communities are experiencing, ensuring economic integration is often an explicit goal of inclusionary housing programs. The efforts to integrate do not come without challenges, critical questions and potential tradeoffs, and mixed results of which there are many case studies from which to learn. Policy makers will need to wrestle with how important it is to them to integrate residents of low- and moderate-income with those of higher incomes and wealth and determine whether that will apply to every project.

Legal concerns: Courts, both State and Federal, have repeatedly upheld the legality of inclusionary housing programs that are in place across the country. The author notes that some states have limited the options available to municipalities but concludes that there is almost always a way to legally implement an inclusionary housing policy. The author lays out and explains in detail the four major legal considerations for inclusionary housing programs: 1) takings standards, 2) on-site performance requirements, 3) linkage or impact fees, and 4) receiving in-lieu fees in place of providing affordable housing units on-site. Case law evolves so it is important for municipalities that are considering inclusionary housing programs to pay close attention to the current case law. The author concludes by saying there is every reason to believe that the basic right of local municipalities to ensure the availability of housing that is affordable to residents of low- to moderate-income will continue to be upheld by the courts.

Planning for implementation: The implementation of the policy is critical for its success. Adequate staffing and funding for administrative costs once it is adopted is key. Jurisdictions also need to collect program data to evaluate and make improvements over time.

Local government have a major role in maximizing the positive impact of inclusionary housing and to ensure its success they should do the following: 1) build public support; 2) use data to determine

the specifics of the program design; 3) establish fair and reasonable expectations for developers; and 4) ensure program quality. Inclusionary housing is an approach that the cities of Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood should consider for any potential development.

Choppin, J. (2014, July). Breaking the Exclusionary Land Use Regulation Barrier: Policies to Promote Affordable Housing in the Suburbs. *Georgetown Law Journal*, Vol.82(6), p.2039-2077.

This article is about the impact of land development regulation on affordable housing and how it has contributed to the crisis in affordable housing. Its focus is primarily on market-rate or naturally occurring affordable housing as opposed to publicly subsidized affordable housing. The author's primary premise is that the use of land development regulation by local municipalities has contributed to the high costs of developing market-rate housing, which has priced out people of means from the suburbs. Of the various factors that contribute to this, the author includes the fact that local governments have simply not sought to provide affordable housing to people in all income brackets with the same enthusiasm.

The ways local governments contribute to the increased cost of housing that exclude low- and moderate-income households may not always be unwanted by current residents. The author states that the efforts by local governments on factors that increase housing costs dwarf their commitment and effort to develop housing that is affordable to all income levels. In the article, the author describes the extent of the problem of affordable housing, explores the type of land development regulations that affect housing costs as well as the underlying political and social dynamics, presents Fairfax County, VA as a case study, and concludes with a series of reforms of the various land development regulations. The proposed reforms are primarily intended to bring down the cost of new housing development and included is a section on what can be done at the local government level.

While everything in the article might not be applicable to the inner-ring suburbs north of Saint Paul, there may be a few things worth considering and they are the following: 1) Zoning can be and is used to exclude people of low-income and people of color but being able to differentiate between zoning regulations meant to segregate or exclude and those designed to ensure the quality of the nebulous "neighborhood character" is often impossible. 2) Discrimination based on both race and income is a reason suburbs may resist or oppose affordable housing. 3) Housing discrimination lives on even with the efforts to eliminate the various ways municipalities discriminate.

The author illustrates how land development and zoning is used by suburban municipalities to limit the amount of developable land they zone for affordable housing. The author also points out that the reliance on property taxes as their primary revenue source drives suburban municipalities to use fiscal zoning to only allow development in of the same or higher value, which serves as a barrier to the construction of affordable housing. Impact fees were noted as another barrier.

The author concludes with several proposed reforms, only a few of which are directly applicable to local governments. Action that can be taken at the local government level include paying particular attention to the most blatant exclusionary practices such as large-lot zoning, inadequate provision in the zoning code for various types of affordable housing, large lot width and setback requirements, and high impact fees.

Newport, G. (2005). The CLT Model: A Tool for Permanently Affordable Housing and Wealth Generation. *Poverty and Race* 1(14), 11.

This article gives a high-level overview of the Community Land Trust (CLT) model as an approach to addressing two major issues at the same time: the affordable housing crisis and the racial wealth gap. As a mechanism to provide affordable housing to residents of low-income, it is focused on homeownership, typically of single family homes, as opposed to rental units. The author defines the classic CLT model as a geographically defined, membership-based, non-profit organization that holds land for public purposes – usually for the creation of permanently affordable housing. A central feature of the model is the dual ownership structure where the CLT owns the land and, typically, individuals own the buildings or houses that sit on the land. The CLT model makes affordable homeownership a possibility for households of lower-income by removing the cost of the land from the price of the house. The price can be reduced further with government-provided affordable housing subsidies. At the same time as providing an affordable housing option, it allows residents of low-income to build equity with monthly mortgage payments. Affordability of the houses is maintained by the limiting the resale value of the homes. The author highlights the CLT operated by the Dudley Street Neighborhood Initiative (DSNI) as a renowned example of the power of participatory long-term community building to address policies and practices that have caused poverty and decline. The Dudley Street CLT provided the opportunity for residents to create a vibrant multicultural community, developed hundreds of affordable homes, and allowed them to benefit from the growth of the community. The model has been proven to empower residents by providing an opportunity for affordable homeownership and equity building, which is normally out of reach for residents of low-income, and largely residents of marginalized racial and ethnic groups.

This model is an approach that the cities of Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood may want to consider to create affordable housing for residents of low-income in the form of homeownership and the opportunity for residents to build wealth and climb the economic ladder.

Glover Blackwell, A., & Bell, J. (2005). Equitable Development for a Stronger Nation: Lessons from the Field. In X. de Souza Briggs (Ed.), *The Geography of Opportunity: Race and Housing Choice in Metropolitan America* (289-309). Washington, D.C.: The Brookings Institute.

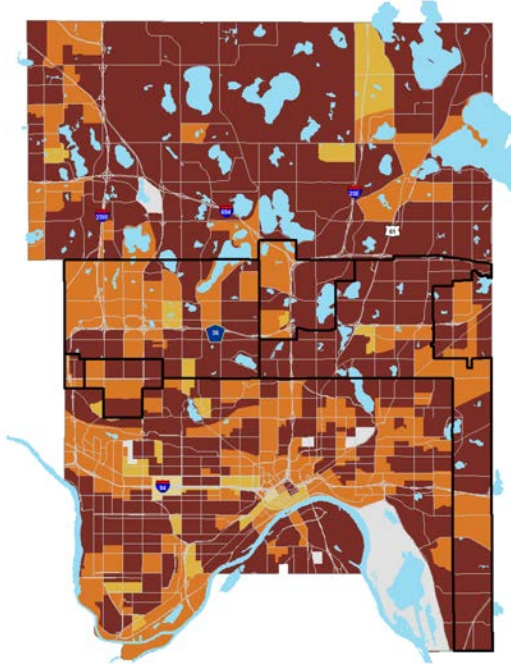
This chapter on the emerging movement of equitable development is one in a book that covers topics related to housing choice, racial attitudes, discrimination, and metropolitan development and policy conditions. The authors' main point is that affordable and racially inclusionary housing must be part of equitable development. The goal of equitable development is to ensure that communities of color and people of low-income benefit from the local and regional economic activity of which housing development is a major part. The authors state that as cities pursue equitable development there needs to be a plan to have housing affordable remain as part of the community.

The authors discuss various cases of ways communities are addressing affordable housing at various stages of development. Their examples of Washington, D.C., Boston, Baltimore, and California point to the need for leadership of people of color throughout the process of coalition building and the development of the housing. Intentional efforts to include and develop leaders of color in the process of equitable development may help leaders of color to get and remain involved in the efforts. Overall, the authors' highlight that equitable development contains various strategies but

they stress three major points: there must be a focus on affordable housing production, keeping the housing affordable over time, and the importance of building leaders of color from the community to be involved in the process.

Those three points are major takeaways for cities like Lauderdale, Falcon Heights, Roseville, Little Canada and Maplewood – that as part of their housing development plans they must put mechanisms in place to ensure that all current and future affordable housing remains affordable for the long-term.

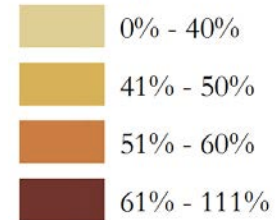
SINGLE PARENT FAMILY



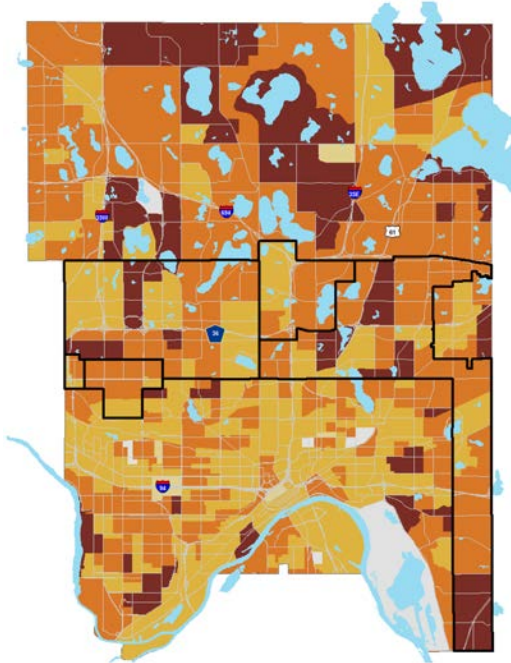
Together, housing and transportation costs should be under 40 or 50% of a household's pretax income. In the five cities we studied, moderate income households have several options for where to live, while working individuals have few. Single parent families have very limited option in the five cities, and in the entirety of Ramsey County.

The cities' policy objective need to apply to lower income groups that are currently unable to access affordable housing.

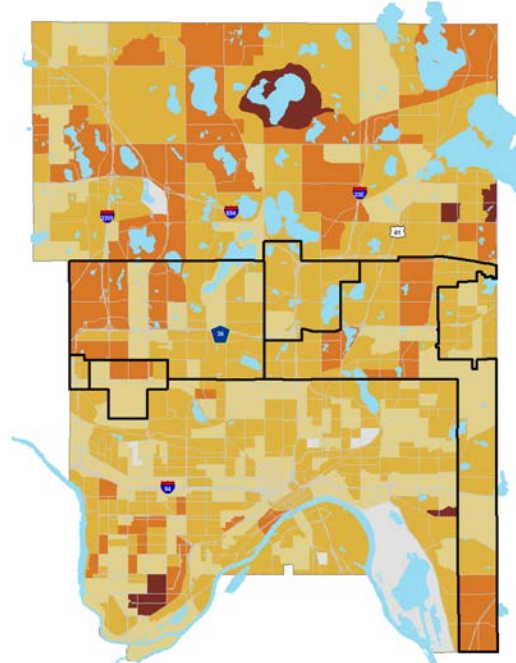
Percent of income spent on housing and transportation



WORKING INDIVIDUAL



MODERATE INCOME FAMILY



Source: HUD Location Affordability Index

Extremely Low Income



Less than 30% of Area Median Income



\$25,750 annually or \$12/hour



Cashier, Housekeeper, Bank Teller, Home Health Aid, Child Care Worker



Maximum Rent: \$579



Affordable Home Price: \$82,500

Income based on family of four

Who lives in affordable housing and what does it look like?

Very Low Income

50-80% of Area Median Income



\$42,900 annually or \$20/hour



Teaching Assistant, Bus Driver, Nursing Assistant, Security Guard, Landscaper



Maximum Rent: \$966



Affordable Home Price: \$148,000



Low Income



30-50% of Area Median Income



\$65,700 annually or \$31/hour



Accountant, Police Officer, Teacher, Social Worker, Flight Attendant



Maximum Rent: \$1,545



Affordable Home Price: \$238,500

Rent based on two bedroom apartment



DEMOGRAPHIC AND HOUSING DATA FALCON HEIGHTS



KEY DIFFERENCES FROM THE TWIN CITIES METRO

- Twice as many residents identify as Asian
- Half as many residents identify as Hispanic
- More likely to speak a language other than English at home
- Fewer units owner occupied
- Three times as likely to take transit to work
- Slightly higher household median income

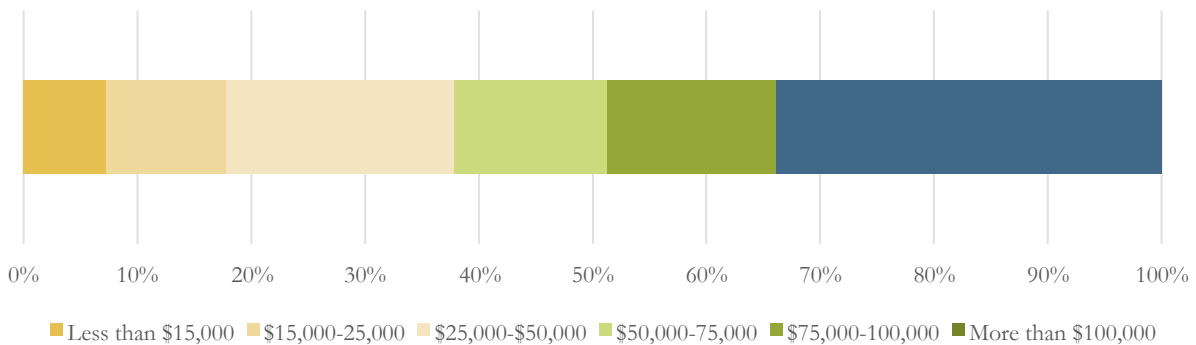
VITAL DEMOGRAPHIC DATA

- Population: 5,484
- Median Household Size: 2.28
- Media Household Income: \$71,765
- Unemployment Rate: 6%
- Poverty Rate: 11%
- Median Resident Age: 33 Years Old

INCOME AND EMPLOYMENT DATA

Falcon Heights residents have moderate to high incomes compared to the rest of the Twin Cities metropolitan area. The median household income well exceeds the median rental costs, and 34% of residents earn over \$100,000.

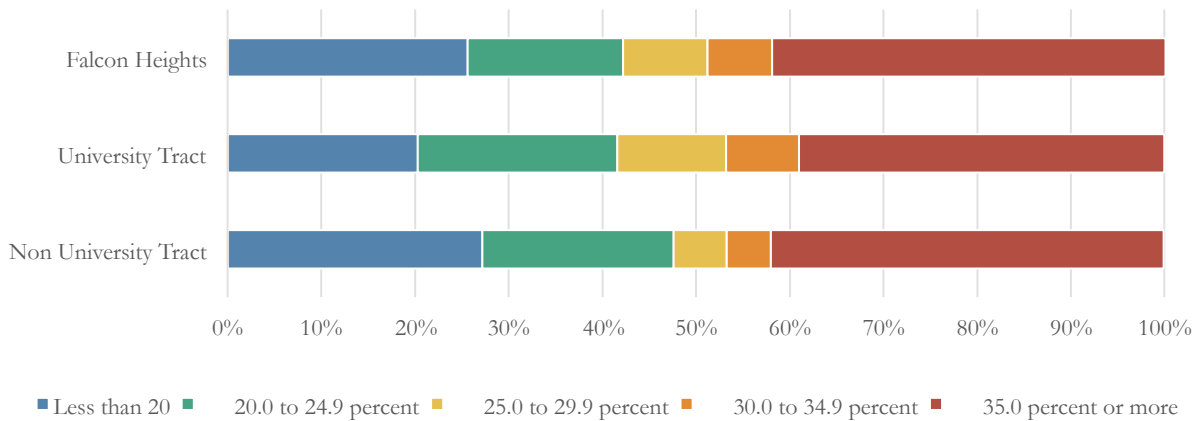
Falcon Heights Household Incomes



HOUSING COST DATA

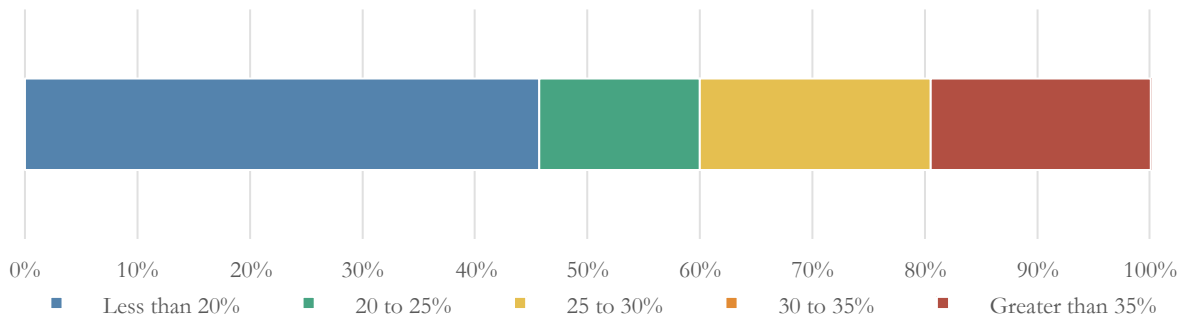
Falcon Heights rental units are moderately priced with a median gross rent of \$871 per month. This is not adjusted for unit mix and may be impacted by the size of units, rather than on affordability. Overall, 47% of renters spend over 30% of their income on housing.

Percent of Income Spent on Rent in Falcon Heights



The median owner cost in Falcon Heights is \$1,911 per month. This is only reflective of the 66% of homeowners in Falcon Heights that have a mortgage. Overall, less than 20% of homeowners spend over 30% of their income on housing.

Percent of Income Spent on Owner Costs in Falcon Heights



LEAGUE OF WOMEN VOTERS POSITION ON AFFORDABLE HOUSING

All people have a right to housing. The public and private sectors should work together to ensure that everyone has access to adequate, decent, and affordable housing. Support an active state role in providing long-term decent and affordable housing for very low-, low-, and moderate-income households.

TAKE-HOME MESSAGE

Affordable housing is the cornerstone of an equitable community. Affordable housing prevents displacement of long-time residents and allows them to stay in communities they call home. By taking steps to support new construction of affordable developments, preserve existing affordable housing, expanding homeownership opportunities, and reducing discrimination, Falcon Heights can remain a diverse and equitable community.



DEMOGRAPHIC AND HOUSING DATA LAUDERDALE



KEY DIFFERENCES FROM THE TWIN CITIES METRO

- Three times as many residents identify as Asian
- Twice as likely to speak a language other than English at home
- Less likely to have a high school diploma
- Half as many families with children
- Fewer units owner occupied
- Nearly double the poverty rate
- Much lower household median income
- Nearly three times as likely to take transit to work

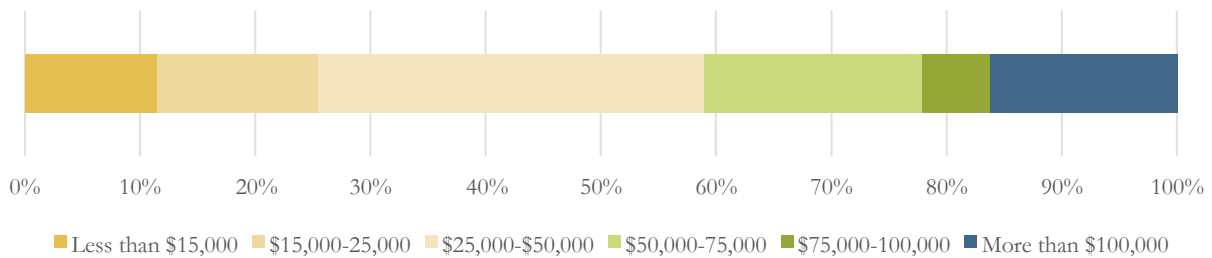
VITAL DEMOGRAPHIC DATA

- Population: 2,468
- Median Household Size: 2.10
- Median Household Income: \$41,792
- Unemployment Rate: 4%
- Poverty Rate: 18%
- Median Resident Age: 32 Years Old

INCOME AND EMPLOYMENT DATA

By all measures, Lauderdale residents have low incomes compared to other cities in the region. The median individual income is nearly \$8,000 less than the region, while the median household income is approximately \$27,000 less than the region. The median household income can support monthly housing costs up to \$1,045, which while above the median rental costs, is \$300 short of the owner costs.

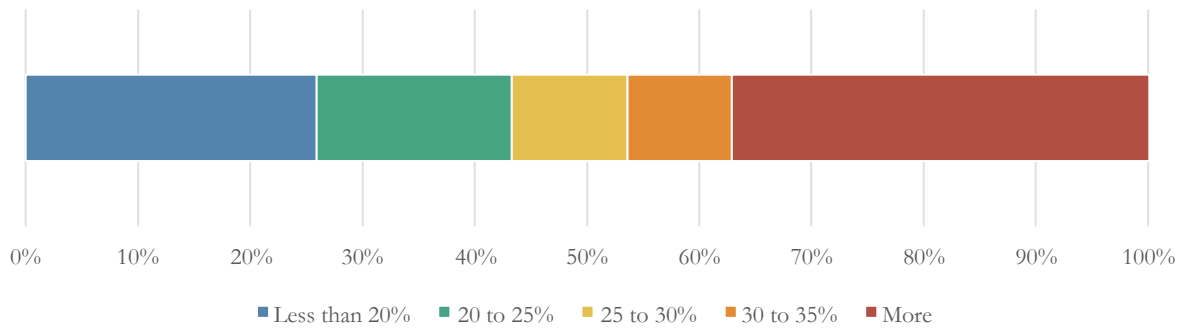
Lauderdale Household Income



HOUSING COST DATA

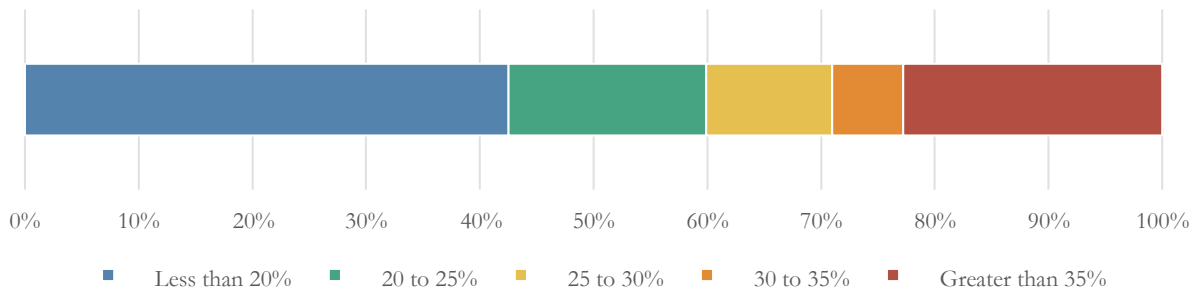
Lauderdale rental units are moderately priced with a median gross rent of \$816 per month. This is less expensive than what is found on average across Minnesota, however, this rent rate is not adjusted for unit mix and may be impacted by the size of units, rather than on affordability. Overall, 49% of Lauderdale renters are cost-burdened.

Percent of Income Spent on Rent in Lauderdale



The median owner cost in Lauderdale is \$1,345, about \$300 less than the median for the Twin Cities region. Overall, less than 30% of Lauderdale homeowners are cost-burdened. This is only reflective of the 65% of homeowners in Lauderdale that have a mortgage.

Percent of Income Spent on Owner Costs in Lauderdale



LEAGUE OF WOMEN VOTERS POSITION ON AFFORDABLE HOUSING

All people have a right to housing. The public and private sectors should work together to ensure that everyone has access to adequate, decent, and affordable housing. Support an active state role in providing long-term decent and affordable housing for very low-, low-, and moderate-income households.

TAKE-HOME MESSAGE

Affordable housing is the cornerstone of an equitable community. Affordable housing prevents displacement of long-time residents and allows them to stay in communities they call home. By taking steps to support new construction of affordable developments, preserve existing affordable housing, expanding homeownership opportunities, and reducing discrimination, Lauderdale can remain a diverse and equitable community.



DEMOGRAPHIC AND HOUSING DATA LITTLE CANADA



KEY DIFFERENCES FROM THE TWIN CITIES METRO

- Twice as many residents identify as Asian
- Fewer families with children
- More likely to speak a language other than English at home
- Fewer units owner occupied
- Lower household median income
- Higher owner cost burden (residents who spend 30% or more of their monthly income on housing)

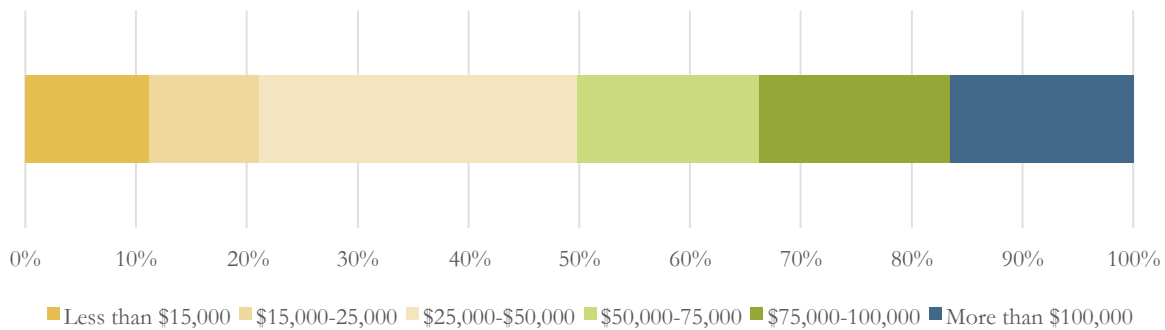
VITAL DEMOGRAPHIC DATA

- Population: 8,439
- Median Household Size: 2.24
- Median Household Income: \$50,156
- Unemployment Rate: 6%
- Poverty Rate: 12%
- Median Resident Age: 40 Years Old

INCOME AND EMPLOYMENT DATA

Individual income is nearly \$4,000 less than the region while household income is over \$18,000 less. Approximately half of households earn less than \$50,000 per year, while about 15 percent of households earn more than \$100,000 per year. The median income can support monthly housing costs up to \$1,254 per month, which is well above the median rental cost, but is about \$200 less than the median owner costs. The poverty rate is somewhat higher than the region at twelve percent.

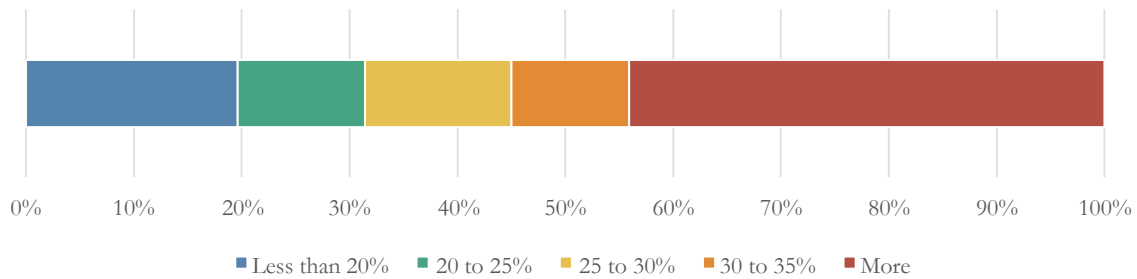
Little Canada Household Income



HOUSING COST DATA

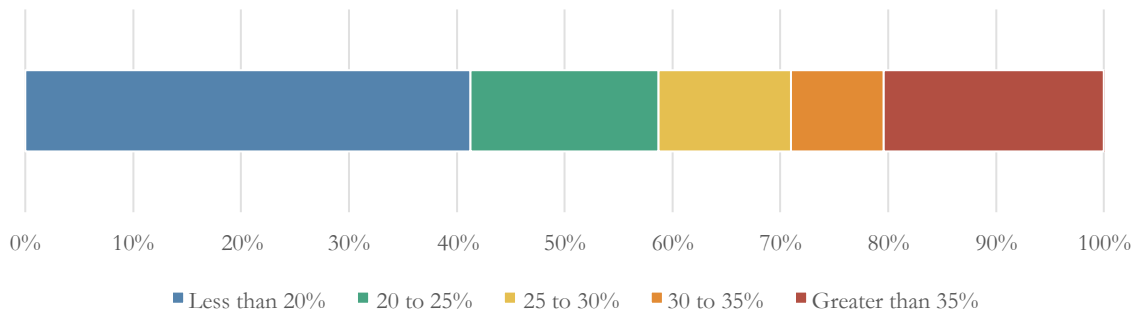
Little Canada rental units are moderately priced with a median gross rent of \$854 per month. This is only slightly higher than median gross rent across Minnesota, which is \$848. These rent rates are not adjusted for unit mix and may be impacted by the size of units, rather than on affordability. Overall, approximately 45% of renters in Little Canada are cost burdened, about five percentage points more than in the region.

Percent of Income Spent on Rent in Little Canada



The median owner cost in Little Canada is \$1,432, about \$200 less than the median for the Twin Cities region. This is only reflective of the 66% of homeowners in Little Canada that have a mortgage. Overall, approximately 30% of homeowners in Little Canada are cost burdened, which is similar to rates found across the region.

Percent of Income Spent on Owner Costs in Little Canada



LEAGUE OF WOMEN VOTERS POSITION ON AFFORDABLE HOUSING

All people have a right to housing. The public and private sectors should work together to ensure that everyone has access to adequate, decent, and affordable housing. Support an active state role in providing long-term decent and affordable housing for very low-, low-, and moderate-income households.

TAKE-HOME MESSAGE

Affordable housing is the cornerstone of an equitable community. Affordable housing prevents displacement of long-time residents and allows them to stay in communities they call home. By taking steps to support new construction of affordable developments, preserve existing affordable housing, expanding homeownership opportunities, and reducing discrimination, Little Canada can remain a diverse and equitable community.



DEMOGRAPHIC AND HOUSING DATA MAPLEWOOD



KEY DIFFERENCES FROM THE TWIN CITIES METRO

- Twice as many residents identify as Asian
- More likely to speak a language other than English at home
- Slightly lower median household income
- More residents 65+ living alone
- More unmarried parents with children
- Higher percentage of owner and renter cost burden (residents who spend 30% or more of their monthly income on housing)

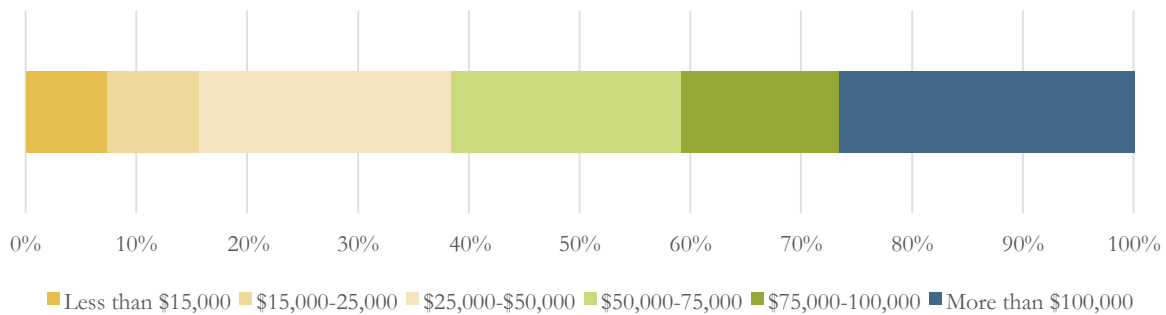
VITAL DEMOGRAPHIC DATA

- Population: 39,775
- Median Household Size: 2.56
- Median Household Income: \$62,527
- Unemployment Rate: 6%
- Poverty Rate: 10%
- Median Resident Age: 39 Years Old

INCOME AND EMPLOYMENT DATA

Maplewood's individual median income is about \$2,500 less than the metro area, while the household median income is about \$6,000 less. Less than 40 percent of Maplewood households earn less than \$50,000 per year, while over a quarter of households earn more than \$100,000 per year. The median household can afford to spend up to \$1,563 per month on housing, which is well above the median rental costs, and about even with the median ownership costs.

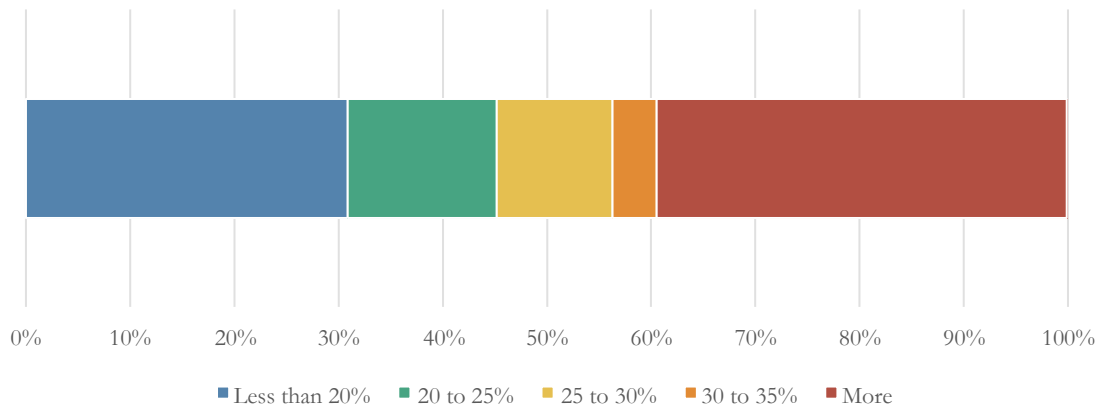
Household Income in Maplewood



HOUSING COST DATA

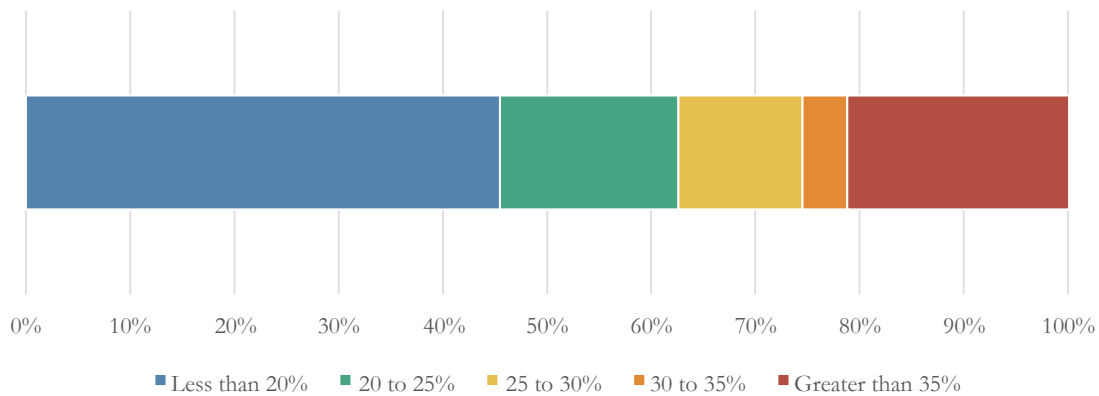
Maplewood rental units are priced significantly higher than in neighboring cities with a median gross rent of \$951 per month. For example, gross median rent in St. Paul is \$838 and \$848 across the state of Minnesota. These rent rates are not adjusted for unit mix and may be impacted by the size of units, rather than on affordability.

Percent of Income Spent on Rent in Maplewood



Overall, 25% of Maplewood homeowners are cost-burdened. Despite the slightly higher monthly owner costs, the proportion of owners with mortgages experiencing cost burden is slightly lower than the metro area.

Percent of Income Spent on Owner Costs in Maplewood



LEAGUE OF WOMEN VOTERS POSITION ON AFFORDABLE HOUSING

All people have a right to housing. The public and private sectors should work together to ensure that everyone has access to adequate, decent, and affordable housing. Support an active state role in providing long-term decent and affordable housing for very low-, low-, and moderate-income households.

TAKE-HOME MESSAGE

Affordable housing is the cornerstone of an equitable community. Affordable housing prevents displacement of long-time residents and allows them to stay in communities they call home. By taking steps to support new construction of affordable developments, preserve existing affordable housing, expanding homeownership opportunities, and reducing discrimination, Maplewood can remain a diverse and equitable community.



DEMOGRAPHIC AND HOUSING DATA ROSEVILLE



KEY DIFFERENCES FROM THE TWIN CITIES METRO

- More residents identify as Asian
- Slightly lower median household income
- Fewer families with children
- More unmarried parents with children
- Nearly double as many residents 65% living alone
- Fewer units owner occupied

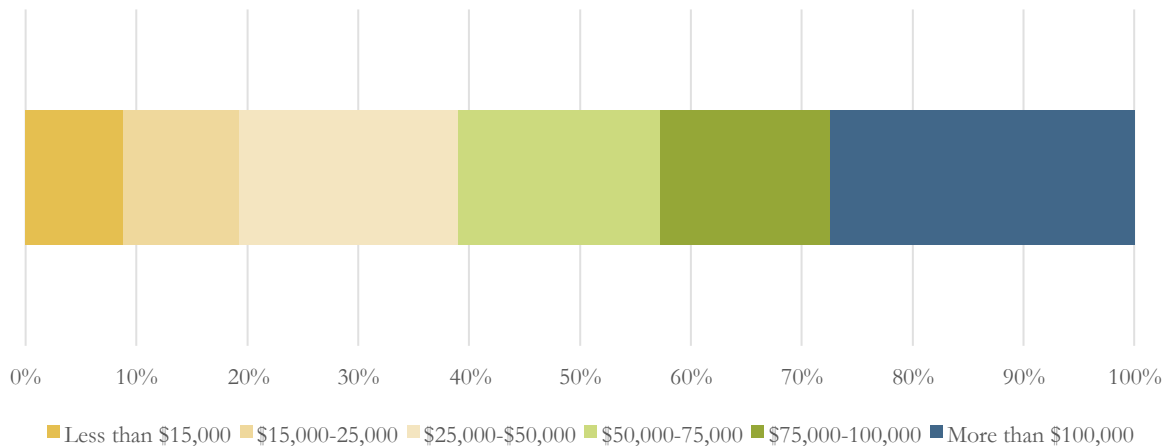
VITAL DEMOGRAPHIC DATA

- Population: 34,948
- Median Household Size: 2.26
- Median Household Income: \$63,678
- Unemployment Rate: 4%
- Poverty Rate: 12%
- Median Resident Age: 41 Years Old

INCOME AND EMPLOYMENT DATA

Household and individual median incomes in Roseville are only slightly less than in the metro area. The median household income can support housing costs up to \$1,592, which is well above the median rent, and slightly more than the median owner costs. Less than 40 percent of households earn less than \$50,000, while 28 percent of households earn more than \$100,000.

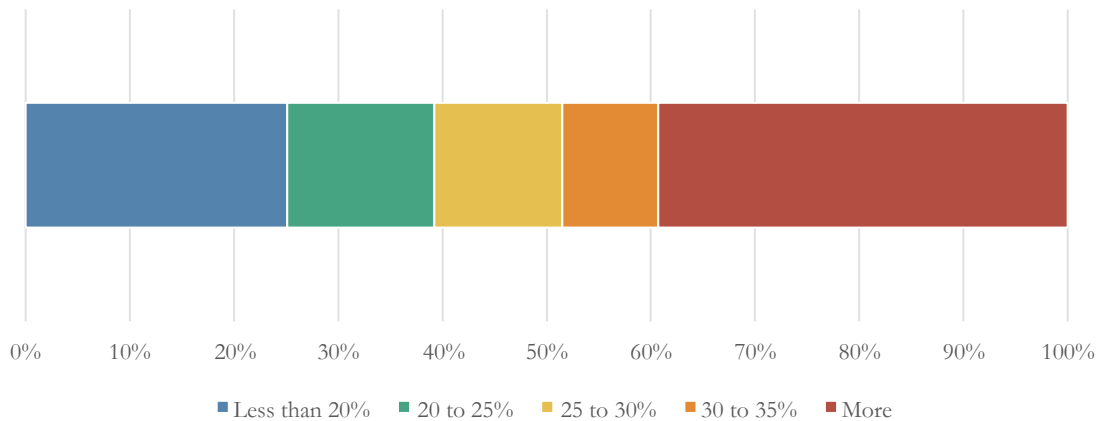
Roseville Household Income



HOUSING COST DATA

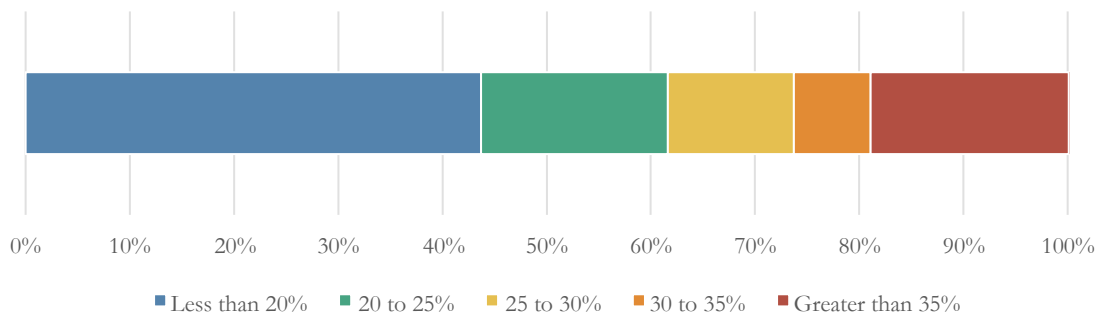
The median rent is below the regional median at \$900 per month. 60% of households are paying less than \$1000 dollars per month in rent and utilities. Despite the lower median rents, almost half of Roseville renters are cost burdened, similar to the region.

Percent of Income Spent on Rent in Roseville



Monthly owner costs for households with mortgages are once again higher than monthly rental costs, with a median monthly owner cost of \$1,568, which while slightly under the regional median, is \$500 more than monthly rental cost. About 25% of Roseville households with mortgages are spending more than 30 percent of their income on housing.

Percent of Income Spent on Owner Costs in Roseville



LEAGUE OF WOMEN VOTERS POSITION ON AFFORDABLE HOUSING

All people have a right to housing. The public and private sectors should work together to ensure that everyone has access to adequate, decent, and affordable housing. Support an active state role in providing long-term decent and affordable housing for very low-, low-, and moderate-income households.

TAKE-HOME MESSAGE

Affordable housing is the cornerstone of an equitable community. Affordable housing prevents displacement of long-time residents and allows them to stay in communities they call home. By taking steps to support new construction of affordable developments, preserve existing affordable housing, expanding homeownership opportunities, and reducing discrimination, Little Canada can remain a diverse and equitable community.



COMPREHENSIVE PLAN PRIORITIES FALCON HEIGHTS



KEY GOALS FOR FALCON HEIGHTS

To address existing inequities in access to decent, affordable housing, the City of Falcon Heights should support the construction of new affordable housing in the limited space available for development that suits the demographics most in need of affordable housing. The City should also support existing low cost unsubsidized housing to ensure long term housing is available for current and future residents and actively support low and moderate income homeowners.

These policies are the top five priorities, but the City should also consider reduced parking requirements for affordable housing, adopting an inclusionary housing policy similar to Edina and St. Louis Park, identifying at-risk affordable housing, providing repair assistance to low and moderate income homeowners, and adopting a local fair housing ordinance.

PROVIDE PROJECT SCALE FLEXIBILITY FOR AFFORDABLE HOUSING

In a developed community, increasing density is key to constructing new affordable housing. Flexibility can be provided through density bonuses, reduced setbacks, increased maximum building height and increased floor area ratios.

Key elements of well-designed policies:

- Granted through an administrative approval, rather than through a conditional use permit
- Includes a minimum level of affordability and proportion of units
- Includes minimum length of affordability
- Includes enforcement mechanisms, such as income certification reports and a financial penalty for violation
- Allows for four story buildings to reduce per unit costs

Comprehensive Plan Language: Review density, building massing, and site plan requirements to allow for higher density affordable housing through building scale flexibility.

SUPPORT LARGE FAMILY HOUSING

Ramsey County lacks affordable units with enough room for larger families. Several groups of immigrants in the Twin Cities have traditionally larger family sizes, which makes finding affordable, suitable, housing difficult. Local developers report high demand for units with three and four bedrooms and find the units are occupied by long term tenants. These tenants build community in the development, and having put roots down in the community, are more able to be a part of the wider community. To fill this gap, cities must provide funds to developers to finance construction of housing with three or four bedrooms. Low Income Housing Tax Credits are not sufficient to fund this type of development, so city support through forgivable loans, municipal bonds, or fee waivers is needed.

Comprehensive Plan Language: Support the development of lower cost attached and multifamily housing for large families by working with developers and non-profit agencies and providing financial support.

SUPPORT EXISTING LOW COST RENTAL

In the Twin Cities region, unsubsidized rental comprises at least 57% of all units affordable to households at or below 50% of area median income. To ensure that this important source of affordable housing remains, cities should develop lighter touch approaches that provide modest amounts of financial support in exchange for more flexible affordability requirements. These policies generally include provision of funds through a deferred loan or other mechanism that includes a requirement to rent at agreed upon levels and to rent to households meeting income levels. For more information, see *The Space Between*, a report by the Minnesota Preservation Plus Initiative.

Comprehensive Plan Language: Develop lighter touch approaches to ensure preservation of affordable housing without traditional subsidy programs.

EXPAND HOMEOWNERSHIP THROUGH DOWN PAYMENT ASSISTANCE

Of the five cities studied, Falcon Heights was the only city with a median income unable to support median owner costs. Nearly 70 percent of White headed households live in owner occupied housing, while less than ten percent of Asian and Black headed households live in owner occupied housing. To expand homeownership to more residents, Falcon Heights should pursue providing targeted down payment assistance. Typically structured as a deferred loan that may or may not be forgiven. To address the different needs of lower income households, this down payment assistance should be limited to lower income buyers. In Woodbury, assistance is provided to households earning less than \$95,000 purchasing homes up to \$290,500. To further explore options for eligibility and structuring, consult with the Center for Energy and the Environment or the Greater Metropolitan Housing Corporation, local organizations that administer municipal grant and loan programs.

Comprehensive Plan Language: Explore how to support homeownership for low and moderate income households through down payment assistance programs.

ENSURE AFFORDABLE OWNERSHIP OPTIONS THROUGH LAND TRUSTS

Land trusts are a valuable tool to ensure ownership units are affordable in perpetuity. The prime location of Falcon Heights near both downtowns and the University of Minnesota combined with the historically high property values makes a land trust a particularly effective intervention. Land trusts are non-profit organizations that retain the title to the land beneath homes sold to low and moderate income owners. The amount of appreciation realized by the owner is often limited and the home must be sold back to the land trust. This keeps the home affordable for the next household, which also must meet income requirements.

There are no land trusts currently active in Falcon Heights, but Rondo Community Land Trust and Two Rivers Community Land Trust operate near Falcon Heights. In addition to building relationships with existing land trusts, the City may want to pursue creation of a land trust in suburban Ramsey County, like the West Hennepin Affordable Housing Land Trust, which receives support from the cities it operates in. The City may alternatively develop programs like land trusts through its HRA.

Comprehensive Plan Language: Build relationships with existing land trust organizations and, if the opportunity arises, support the purchase of homes by a land trust.



COMPREHENSIVE PLAN PRIORITIES LAUDERDALE



KEY GOALS FOR LAUDERDALE

To address existing inequities in access to decent, affordable housing, the City of Lauderdale should focus primarily on preservation efforts, and should prioritize the identification and monitoring of at-risk affordable housing. Lauderdale should also support new construction of affordable housing in the limited space available for redevelopment and reduce discrimination of Section 8 users.

These policies are the top five priorities, but the City should also support the construction of multi-family housing appropriate for larger families, support home ownership through building relationships with land trusts and providing repair assistance, and reduce discrimination through a local fair housing ordinance.

PROVIDE PROJECT SCALE FLEXIBILITY FOR AFFORDABLE HOUSING

In a developed community, increasing density is key to constructing new affordable housing. Flexibility can be provided through density bonuses, reduced setbacks, increased maximum building height and increased floor area ratios.

Key elements of well-designed policies:

- Granted through an administrative approval, rather than through a conditional use permit
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- Allows for four story buildings to reduce per unit costs

Comprehensive Plan Language: Review density, building massing, and site plan requirements to allow for higher density affordable housing through building scale flexibility.

IDENTIFY AT-RISK PROPERTIES

Lauderdale currently has an affordable rental stock, but the proximity to the central cities, may put this housing at risk of losing its affordability following a renovation and increased rents. Some housing may also be at risk of demolition if it becomes distressed. The first step to preserving this important source of affordable housing is identifying existing affordable housing, so that preservation efforts can be taken if needed.

To identify unsubsidized housing, staff should conduct a rent survey and compare the results to the HUD determined rents for levels of affordability. Unsubsidized housing may be at-risk if the owner is reaching retirement age, the building is severely distressed, or if nearby properties are seeing increased property values.

At-risk subsidized housing is easier to identify through records from HUD and MHFA and discussions with the owner. The City must begin conversations about preservation well before the end of the affordability period.

Comprehensive Plan Language: Identify at-risk subsidized and unsubsidized affordable housing and develop plans to preserve affordability.

SUPPORT EXISTING LOW COST RENTAL

In the Twin Cities region, unsubsidized rental comprises at least 57% of all units affordable to households at or below 50% of area median income. To ensure that this important source of affordable housing remains, cities should develop lighter touch approaches that provide modest amounts of financial support in exchange for more flexible affordability requirements. These policies generally include provision of funds through a deferred loan or other mechanism that includes a requirement to rent at agreed upon levels and to rent to households meeting income levels. For more information, see *The Space Between*, a report by the Minnesota Preservation Plus Initiative.

Comprehensive Plan Language: Develop lighter touch approaches to ensure preservation of affordable housing without traditional subsidy programs.

SUPPORT LIHTC CONVERSION

Lauderdale is located in a Qualified Census Tract, which allows a larger proportion of development costs to be covered through the allocation of Low Income Housing Tax Credits (LIHTC). The greater feasibility of financing development makes Lauderdale a perfect location for conversion of at-risk affordable housing to long term subsidized housing through LIHTC. Housing with HUD subsidies from defunded programs are commonly converted to LIHTC and score well in the MHFA consolidated RFP. The city should also consider working with experienced developers to convert unsubsidized housing to LIHTC. The former Har Mar apartments in Roseville are a good example. In that case, the apartments were in disrepair and considered a nuisance by nearby residents. The City was concerned that the owner would sell the property and residents would be displaced by a condo conversion of renovation into more expensive rental units. The City recommended to property to Aeon, a local developer, as a potential rehab project. The current state of the property limited resident opposition to subsidized housing, and eventually the property was renovated and long term affordability was ensured.

Comprehensive Plan Language: Support efforts to preserve affordable housing through Low Income Housing Tax Credits.

REDUCE SECTION 8 DISCRIMINATION

The wealth of low cost rental housing and low transportation costs in Lauderdale, makes it a good location to use Section 8 or Housing Choice Vouchers (HCV). Current HUD data is not available in the proportion of rental units using HCV, but recent data from the Metropolitan Council shows less than ten households are using vouchers, amounting to about one percent of rental units. This below average use of HCV likely has many causes, including landlord discrimination against tenants using HCV. A 2009 survey of rental housing in Anoka, Hennepin, and Dakota counties found that 40 percent of rental units are not available to voucher users due to landlord discrimination. Furthermore, voucher holders are more likely to be non-white than households without vouchers at the same income levels, making Section 8 discrimination a fair housing issue.

To reduce this discrimination, the City should explore options for educating landlords, and providing referrals to non-profit organizations that provide technical assistance to landlords. The city should also watch the implementation of an ordinance banning discrimination in rental housing due to form of payment in Minneapolis, and consider whether a similar ordinance is appropriate in Lauderdale.

Comprehensive Plan Language: Reduce Section 8 discrimination through landlord education and consider adoption of anti-discrimination ordinance, similar to the ordinance passed in Minneapolis.



COMPREHENSIVE PLAN PRIORITIES LITTLE CANADA



KEY GOALS FOR LITTLE CANADA

To address existing inequities in access to decent, affordable housing, the City of Little Canada should primarily focus on production of new housing affordable to low and moderate income households by allowing greater density, reducing points of approval for affordable housing, and calling out specific sites in the comprehensive plan. The city should support affordable homeownership through preservation of existing manufactured home parks, and reduce disparate impacts on women, people of color, and the disabled by revising the crime free housing ordinance.

These policies are the top five priorities, but the City should also consider reducing parking requirements for affordable, multifamily housing, identify affordable housing with expiring affordability terms, build relationships with existing land trusts, offer emergency home repair assistance, adopt a local fair housing policy, and educate landlords to reduce Section 8 discrimination.

INCREASING RESIDENTIAL DENSITIES

Little Canada's previous comprehensive plan called for relatively low density housing in many areas that higher density housing may be appropriate. By allowing higher densities overall, subsidized housing needs fewer land use approvals, reducing the cost of new development. Higher densities also encourage the development of market rate units that cost less to produce, and can therefore be sold at lower costs. Higher density allows fixed costs, such as infrastructure and land to be spread over more units.

As the City develops its future land use map and amends its zoning code, staff should use examples of what densities look like. Townhouses can fit well in the fabric of primarily single family neighborhoods, and be developed at 15-20 units per acre with shared greenspaces. Single family homes in older neighborhoods, such as Grand Avenue in Saint Paul, Linden Hills in Minneapolis, and Old White Bear Lake have lots 60 feet by 120 feet, or smaller and have a variety of home sizes and values.

Comprehensive Plan Language: Adopt new zoning to allow higher density attached and multi-family housing in areas guided for new residential development.

SITE IDENTIFICATION

The comprehensive plan is an excellent opportunity to lay the ground work for future affordable housing development. By determining where affordable housing would be most appropriate, and calling out locations in the plan, staff can spread out the public opposition to affordable housing. This determination should include the use of examples of new construction in the Twin Cities area at a variety of densities. Creekside Commons in Minneapolis is a three story, thirty-unit apartment building that was designed to look like townhouses from the public right of way. Local non-profit developers including Beacon Interfaith, Aeon, Project for Pride in Living, and Common Bond have numerous examples of subsidized housing in suburban contexts that can be used in conversations about affordable housing. By doing this work now, the city is under some obligation to approve proposed affordable housing, reducing costly delays for developers.

Comprehensive Plan Language: Make map of potential affordable housing locations available to developers.

REDUCED POINTS OF APPROVAL

Costly delays for affordable housing developers can be avoided by making more aspects of affordable housing development subject to administrative, rather than Council approval. For many years, PUDs have been viewed as the perfect solution to affordable housing, but since they need Council approval, there are many opportunities for political opposition, which may delay or block a project. A thorough rezoning process follow the comprehensive plan can allow for greater density and flexibility for affordable housing, subject to an administrative permit, or can simply increase densities to a point where affordable housing is feasible following the code.

Reducing points of approval, and the legally required public hearings, can reduce costs, but that does not mean that community engagement should be avoided altogether. Political opposition can often be quelled with the public is involved from the beginning, rather than finding out about the project at the last minute.

Comprehensive Plan Language: Review land use processes to reduce unnecessary City Council review where administrative review is more appropriate.

SUPPORT MANUFACTURED HOUSING

Manufactured housing provides affordable housing to seven percent of Little Canada's population. The City should support manufactured housing residents, which can not only improve quality of life for park residents, but also improve outward appearances. There are three main ways for the city to support manufactured housing:

- Supporting tenant purchase of parks through financial support, use of municipal bonds, or public takeover of infrastructure can assist in the development of resident owned cooperatives, which often have better maintenance and less crime. Park Plaza Cooperative in Fridley is an example of tenant purchase that has resulted in a more stable and higher quality residence for owners.
- Developing a grant and loan program for improvements to manufactured homes, like the programs in Blaine and Fridley, allows residents to make improvements that would otherwise be difficult, since manufactured homes are not considered real property and therefore are not eligible for other types of financing.
- Local relocation assistance ordinances obligate purchasers of parks to compensate residents at greater levels than the state provides, which reduces the stress on displaced residents. Roseville's ordinance should be used as an example.

Comprehensive Plan Language: Preserve manufactured home parks as affordable housing through adoption of a relocation assistance ordinance, support for tenants purchasing at-risk parks, and supporting maintenance of manufactured homes.

MODIFY CRIME FREE HOUSING ORDINANCE

Crime free housing ordinances can have disparate impacts on women, people of color, and the disabled. Ordinances to require or encourage eviction of tenants that has been arrested for or accused of crimes, but have not been convicted are likely to harm people of color who are more often arrested for crimes, but may never be charged, let alone convicted. Additionally, ordinances that have a maximum number of police calls harm victims of domestic violence, crime victims in general and people with mental illness and other disabilities.

To reduce these impacts, police calls should be reviewed to determine whether they were a result of actual criminal behavior on the part of the resident, or if they are due to the resident being the victim of a crime, another type of emergency, or racial profiling of neighbors. Obligations to evict tenants accused of crimes should be removed.

Comprehensive Plan Language: Review Crime Free Housing Policies to reduce disparate impacts on protected classes.



COMPREHENSIVE PLAN PRIORITIES MAPLEWOOD



KEY GOALS FOR MAPLEWOOD

To address existing inequities in access to decent, affordable housing, the City of Maplewood should focus on construction of new affordable housing in areas of opportunity that fit need needs of Maplewood residents. The City should also prioritize the preservation of existing low cost housing, including unsubsidized rental and manufactured housing.

These policies are the top five priorities, but the City should also consider density bonus, design standards waivers, and reduced parking requirements for new construction, identifying and collaborating to preserve at risk affordable housing, assistance for the purchase and maintenance of owner-occupied housing, and reducing discrimination through a local fair housing policy and efforts to educate landlords about Section 8. Maplewood is also one of the cities Minnesota Housing has identified as a top priority for transitional housing from the 811 program.

INCLUSIONARY HOUSING

Inclusionary housing is a tool that requires, or heavily incentivizes the inclusion of affordable units in all new residential development. This results in mixed income housing without drawing from the limited subsidy pool available from MHFA. Inclusionary housing is most affective when employed in areas with high demand for real estate, because developers will be willing to forgo a moderate amount of income from the affordable units, since the market rate units with produce more income. Edina and Saint Louis Park have recently enacted inclusionary housing policies, which can be used as examples.

Maplewood has a great opportunity to use inclusionary housing in the station area planning for the Gold Line and Rush Line fixed guideway bus rapid transit projects. The more certain transit projects become, the more private developers begin assembling land, so inclusionary housing policies should be in affect well before final approvals for transit are secured.

Comprehensive Plan Language: Consider adopting an inclusionary housing policy as part of transit oriented development planning.

SITE IDENTIFICATION

The comprehensive plan is an excellent opportunity to lay the ground work for future affordable housing development. By determining where affordable housing would be most appropriate, and calling out locations in the plan, staff can spread out the public opposition to affordable housing. This determination should include the use of examples of new construction in the Twin Cities area at a variety of densities. Creekside Commons in Minneapolis is a three story, thirty-unit apartment building that was designed to look like townhouses from the public right of way. Local non-profit developers including Beacon Interfaith, Aeon, Project for Pride in Living, and Common Bond have numerous examples of subsidized housing in suburban contexts that can be used in conversations about affordable housing. By doing this work now, the city is under some obligation to approve proposed affordable housing, reducing costly delays for developers.

Comprehensive Plan Language: Make map of potential affordable housing locations available to developers.

SUPPORT LARGE FAMILY HOUSING

Ramsey County lacks affordable units with enough room for larger families. Several groups of immigrants in the Twin Cities have traditionally larger family sizes, which makes finding affordable, suitable, housing difficult. Local developers report high demand for units with three and four bedrooms and find the units are occupied by long term tenants. These tenants build community in the development, and having put roots down in the community, are more able to be a part of the wider community. To fill this gap, cities must provide funds to developers to finance construction of housing with three or four bedrooms. Low Income Housing Tax Credits are not sufficient to fund this type of development, so city support through forgivable loans, municipal bonds, or fee waivers is needed.

Comprehensive Plan Language: Support the development of lower cost attached and multifamily housing for large families by working with developers and non-profit agencies and providing financial support.

SUPPORT MANUFACTURED HOUSING

Manufactured housing provides affordable housing to seven percent of Little Canada's population. The City should support manufactured housing residents, which can not only improve quality of life for park residents, but also improve outward appearances. There are three main ways for the city to support manufactured housing:

- Supporting tenant purchase of parks through financial support, use of municipal bonds, or public takeover of infrastructure can assist in the development of resident owned cooperatives, which often have better maintenance and less crime. Park Plaza Cooperative in Fridley is an example of tenant purchase that has resulted in a more stable and higher quality residence for owners.
- Developing a grant and loan program for improvements to manufactured homes, like the programs in Blaine and Fridley, allows residents to make improvements that would otherwise be difficult, since manufactured homes are not considered real property and therefore are not eligible for other types of financing.
- Local relocation assistance ordinances obligate purchasers of parks to compensate residents at greater levels than the state provides, which reduces the stress on displaced residents. Roseville's ordinance should be used as an example.

Comprehensive Plan Language: Preserve manufactured home parks as affordable housing through adoption of a relocation assistance ordinance, support for tenants purchasing at-risk parks, and supporting maintenance of manufactured homes.

SUPPORT EXISTING LOW COST RENTAL

In the Twin Cities region, unsubsidized rental comprises at least 57% of all units affordable to households at or below 50% of area median income. To ensure that this important source of affordable housing remains, cities should develop lighter touch approaches that provide modest amounts of financial support in exchange for more flexible affordability requirements. These policies generally include provision of funds through a deferred loan or other mechanism that includes a requirement to rent at agreed upon levels and to rent to households meeting income levels. For more information, see *The Space Between*, a report by the Minnesota Preservation Plus Initiative.

Comprehensive Plan Language: Develop lighter touch approaches to ensure preservation of affordable housing without traditional subsidy programs.



COMPREHENSIVE PLAN PRIORITIES ROSEVILLE



KEY GOALS FOR ROSEVILLE

To address existing inequities in access to decent, affordable housing, the City of Roseville should focus on construction of new affordable housing in areas of opportunity that fit need needs of Roseville residents. The City should also support existing low cost housing through grant and loan programs that obligate some level of affordability and reduce discrimination through changes to the crime free rental ordinance.

These policies are the top five priorities, but the City should also consider design standard waivers, site acquisition, and reducing points of approval for affordable housing to support new construction. Existing housing should be preserved by identifying at-risk affordable housing and working with other entities to replace subsidy funds and homeownership opportunities should be expanded through home purchase and repair assistance. A local fair housing ordinance and landlord education about Section 8 can reduce discrimination.

PROVIDE PROJECT SCALE FLEXIBILITY FOR AFFORDABLE HOUSING

In a developed community, increasing density is key to constructing new affordable housing. Flexibility can be provided through density bonuses, reduced setbacks, increased maximum building height and increased floor area ratios.

Key elements of well-designed policies:

- Granted through an administrative approval, rather than through a conditional use permit
- Includes a minimum level of affordability and proportion of units
- Includes minimum length of affordability
- Includes enforcement mechanisms, such as income certification reports and a financial penalty for violation
- Allows for four story buildings to reduce per unit costs

Comprehensive Plan Language: Review density, building massing, and site plan requirements to allow for higher density affordable housing through building scale flexibility.

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Roseville in particular can support this type of housing by allowing staff to waive parking requirements without a civil engineering study. The current code requires one parking spot per bedroom, plus additional spaces for guests. A development with large numbers of three and four bedrooms would require a large number of parking spaces, coming with a hefty cost.

Comprehensive Plan Language: Support the development of lower cost attached and multifamily housing for large families by working with developers and non-profit agencies and providing financial support.

MODIFY CRIME FREE HOUSING ORDINANCE

Crime free housing ordinances can have disparate impacts on women, people of color, and the disabled. Ordinances to require or encourage eviction of tenants that has been arrested for or accused of crimes, but have not been convicted are likely to harm people of color who are more often arrested for crimes, but may never be charged, let alone convicted. Additionally, ordinances that have a maximum number of police calls harm victims of domestic violence, crime victims in general and people with mental illness and other disabilities.

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Comprehensive Plan Language: Review Crime Free Housing Policies to reduce disparate impacts on protected classes.

SITE IDENTIFICATION

The comprehensive plan is an excellent opportunity to lay the ground work for future affordable housing development. By determining where affordable housing would be most appropriate, and calling out locations in the plan, staff can spread out the public opposition to affordable housing. This determination should include the use of examples of new construction in the Twin Cities area at a variety of densities. Creekside Commons in Minneapolis is a three story, thirty-unit apartment building that was designed to look like townhouses from the public right of way. Local non-profit developers including Beacon Interfaith, Aeon, Project for Pride in Living, and Common Bond have numerous examples of subsidized housing in suburban contexts that can be used in conversations about affordable housing. By doing this work now, the city is under some obligation to approve proposed affordable housing, reducing costly delays for developers.

Comprehensive Plan Language: Make map of potential affordable housing locations available to developers.



COMPREHENSIVE PLAN PRIORITIES FALCON HEIGHTS



KEY GOALS FOR FALCON HEIGHTS

To address existing inequities in access to decent, affordable housing, the City of Falcon Heights should support the construction of new affordable housing in the limited space available for development that suits the demographics most in need of affordable housing. The City should also support existing low cost unsubsidized housing to ensure long term housing is available for current and future residents and actively support low and moderate income homeowners.

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SUPPORT EXISTING LOW COST RENTAL

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Comprehensive Plan Language: Develop lighter touch approaches to ensure preservation of affordable housing without traditional subsidy programs.

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Comprehensive Plan Language: Explore how to support homeownership for low and moderate income households through down payment assistance programs.

ENSURE AFFORDABLE OWNERSHIP OPTIONS THROUGH LAND TRUSTS

Land trusts are a valuable tool to ensure ownership units are affordable in perpetuity. The prime location of Falcon Heights near both downtowns and the University of Minnesota combined with the historically high property values makes a land trust a particularly effective intervention. Land trusts are non-profit organizations that retain the title to the land beneath homes sold to low and moderate income owners. The amount of appreciation realized by the owner is often limited and the home must be sold back to the land trust. This keeps the home affordable for the next household, which also must meet income requirements.

There are no land trusts currently active in Falcon Heights, but Rondo Community Land Trust and Two Rivers Community Land Trust operate near Falcon Heights. In addition to building relationships with existing land trusts, the City may want to pursue creation of a land trust in suburban Ramsey County, like the West Hennepin Affordable Housing Land Trust, which receives support from the cities it operates in. The City may alternatively develop programs like land trusts through its HRA.

Comprehensive Plan Language: Build relationships with existing land trust organizations and, if the opportunity arises, support the purchase of homes by a land trust.



Meeting Date	June 14, 2017
Agenda Item	Presentation C2
Attachment	2017 Draft CSWMP
Submitted By	Jesse Freihammer, City Engineer

Item	Draft 2017 Comprehensive Surface Water Management Plan Approval
Description	<p>The City of Falcon Heights is required by State Statute to have a local water management plan, capital improvement program, and official controls as necessary to bring local water management into conformance with the watershed district plans. The City's first Comprehensive Surface Water Management Plan (CSWMP) was adopted in 2008, and hasn't been updated to date. The City boundaries are within two watershed districts: Rice Creek, and Capitol Region. Both districts have recently updated, or are in the processing of updating, their watershed district plans. Prior to 2016, Cities were required to prepare amendments to their CSWMP within 2 years of the watersheds updating their plans. Recent legislation changed the timeline to update CSWMP's to coincide with the City's Comprehensive Plan process.</p> <p>Staff and the City's consultant, SEH, have been working to update the CSWMP by gathering public comment and reviewing the current plan. Staff started gathering public input in August 2016 through electronic resources (an electronic survey, City website), and through the Environment Commission. Comments that have been received were reviewed and incorporated into the plan as appropriate. Updates have been made to figures, data, text and policy. Major updates include the plan layout, and the implementation plan.</p> <p>The remaining timeline for the CSWMP is a 45 Day Agency Review period, followed by the incorporation of any agency comments, and lastly is City Council approval. Staff are planning to bring the plan back for final approval in August or September.</p>
Budget Impact	The Council approved total not to exceed amount for the CSWMP Update is \$16,000. The contact amount is for all work through final Council approval.
Attachment(s)	Draft 2017 Comprehensive Surface Water Management Plan
Action(s) Requested	Motion approving the Draft 2017 Comprehensive Surface Water Management Plan and allowing staff to send the plan for agency review.

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Comprehensive Surface Water Management Plan

June 9, 2017



Comprehensive Surface Water Management Plan

SEH No. ROSEV 138266

June 9, 2017

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Acknowledgements

- City of Falcon Heights City Council
- City of Falcon Heights Environment Commission
- Rice Creek Watershed District
- Capitol Region Watershed District
- City of Roseville Public Works Department and Engineering Division

Executive Summary

Purpose

This primary purpose of this plan is twofold. First, the Plan serves to further define the goals and policies that the City will follow as it continues to implement a comprehensive surface water management program. These goals and policies have been developed to support and facilitate the City to shape the character and enhance the quality of life as described in the Comprehensive Plan (June 2009). Secondly, the Plan serves to meet state and local regulatory requirements.

There are two primary programs that establish the regulatory need to update the City's Comprehensive Surface Water Management Plan. First, Minnesota Statutes, Sections 103B.201 to 103B.255 and Minnesota Rule, Chapter 8410 comprise the State's Metropolitan Surface Water Management Program (MSWMP). These Statutes and Rules require the preparation of watershed plans by watershed management organizations (WMOs) and the preparation of local (City) water management plans.

The purposes of the water management programs required by Minnesota Statutes §103B.205 to 103B.255 are to:

- *Protect, preserve and use natural surface and groundwater storage and retention systems;*
- *Minimize public capital expenditures needed to correct flooding and water quality problems;*
- *Identify and plan for means to effectively protect and improve surface and groundwater quality;*
- *Establish more uniform local policies and official controls for surface and groundwater management;*
- *Prevent erosion of soil into surface water systems;*
- *Promote groundwater recharge;*
- *Protect and enhance fish and wildlife habitat and water recreational facilities; and*
- *Secure the other benefits associated with the proper management of surface and groundwater.*

A third regulatory program, very much related to the goals, policies and standards of this Plan, is the National Pollutant Discharge Elimination System (NPDES) Phase II Storm Water Permit Program for Municipally Separate Storm Sewer Systems (MS4) that is administered in the State by the Minnesota Pollution Control Agency (MPCA) (<http://www.pca.state.mn.us>). The goals, policies and standards of this plan were developed to be consistent with the requirements of the City's NPDES MS4 permit and associated Storm Water Pollution Prevention Plan (SWPPP) as well as the respective WMO plans. The implementation program included in this plan and the SWPPP are intended to be a coordinated effort to realize combined efficiencies.

Plan Development

This Plan builds on the previous Plan adopted by the City in 2008. The previous Plan established goals and policies, contained an assessment of issues and called for implementation actions to address those issues. This CSWMP was developed through a process of soliciting input from City Commissions, Council and the public on water resources issues, specific problem areas and potential new topic areas and/or actions that the plan should address. Input was obtained through a series of meetings and providing plan information on the City's stormwater web page. A summary of those efforts follows:

- Environment Commission – 2 meetings
- Electronic Public Survey
- Public Open House Meeting
- City Council Review and Adoption of the Plan

Sustainability

Falcon Heights is committed to the preservation and enhancement of its environment, and to the principle that each generation of residents must meet the needs of the present without compromising the ability of future residents to meet their own needs. This approach to sustainability is a thread that is woven throughout the City's Comprehensive Plan. Upon adoption of this Comprehensive Surface Water Management Plan (CSWMP) by Council, the CSWMP will become an integral component of the City's Comprehensive Plan. As in the Comprehensive Plan, this CSWMP will serve as a guide towards improving sustainability across all aspects of the City's surface water management program and activities.

Stormwater Management System

The City's storm sewer network and overall conveyance and treatment system is in place. Future changes to the system will primarily involve retrofitting to address flooding problems, to incorporate water quality treatment, or incorporate improvements at the time of redevelopment. This public storm sewer system consists of:

- 8 miles of pipe,
- 425 catch basins, manholes, and outlets,
- 4 ponds,
- 12 special features (underground infiltration, porous pavement, raingardens, etc.)

Water Resources

There are no lakes located within the City of Falcon Heights. Most of the surface water runoff is conveyed into the surrounding cities through existing underground storm sewer pipes.

Watershed Districts

The City of Falcon Heights falls under the jurisdiction of two watershed management agencies. They are the [Rice Creek Watershed District](#) (RCWD), and the [Capitol Region Watershed District](#) (CRWD). These Watershed Districts have jurisdictional authority within the City, and therefore each must review and approve the City's Plan to ensure consistency with the respective Watershed District Plan.

Goals and Policies

The following table summarizes the goals related to surface water management in the City of Falcon Heights. These goals are a reflection of the City Council's desire to reach and sustain a high quality of life for the City's residents.

Goal	Goal Statement
Goal 1 – Flood Protection and Runoff Management	Provide flood protection to the maximum extent practicable for all residents and structures and to protect the integrity of our drainage and detention systems through stormwater management
Goal 2 – Surface Water Protection	Maintain or improve the water quality and ecological integrity of the City's lakes, ponds, and wetlands.
Goal 3 – Groundwater Protection	Protect the quality and quantity of groundwater through collaboration with local and state agencies managing groundwater resources
Goal 4 – Public Education and Outreach	Promote stewardship and increase awareness of land and water resources through public education and outreach.

Goal 5 – Pollution Prevention and Maintenance	Protect the quality of the City’s water resources through pollution prevention, good housekeeping practices, and routine maintenance.
Goal 6 – Coordination and Collaboration	To simplify and streamline processes and draw upon the expertise and resources of other local, state, and federal agencies in water resources management efforts.
Goal 7 – Sustainability	Achieve the water quality and water resources needs of the City based on the foundation of efficient use of community resources. In this approach both capital costs and long-term operational costs will be considered as well as the overall costs of a given project towards protection and/or improvement of the City water resources.

Issues Assessment

Over the years since the first plan was developed, the City has made significant improvements that reduce the extent of local flooding, provide water quality treatment benefits and improve educational opportunities for its residents. A few of these example projects are highlighted in the Plan.

New water quality issues and concerns are emerging each year, requiring varying levels of effort by the City to address. And, the ongoing maintenance and operation of the storm water system has grown much more complex over the years due to new regulations and a better understanding of what is necessary to keep the stormwater management systems functioning properly. Specific issues addressed in this plan include localized flooding issues, water quality impairments; operation and maintenance; and education, outreach and collaboration.

Implementation Program and Funding

The Implementation Program intended to provide guidance in carrying out the Plan goals and objectives. The Implementation Program and funding section summarizes capital improvement projects, studies and ongoing maintenance, inspection, monitoring and other management activities. This Plan is intended to serve the City for at least the next ten years and many of the program activities will continue at least out to the year 2030.

Except for the activities that are taken from the City NPDES SWPPP, the Implementation Program is not a hard and fast commitment to complete each and every activity in the time frame suggested. Rather, it is a suggested course of action that will help to accomplish the major goals of this plan.

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Comprehensive Surface Water Management Plan

Prepared for the City of Falcon Heights, MN

1.0 Introduction

The City of Falcon Heights (City) is an established suburban community of approximately 5,300 people (2010 Census) in the northern Minneapolis/St. Paul metropolitan area. The City is located in Ramsey County, Minnesota and is bordered by Roselawn Avenue West to the North, Hamline Avenue to the Northeast, State Highway 51 to the Southeast, Como Avenue to the South, Cleveland Avenue North to the Southwest, and Fulham Street to the Northwest (see Figure 1).

Falcon Heights was incorporated as a village in 1949 and as a city in 1973. The community grew rapidly after 1940. Today, the City is an established community and has achieved a stable population. It is expected, therefore, that the focus in the future will be on preservation, restoration and enhancement of natural resources and redevelopment of older parts of the City. The City's stormwater system is complete. At this point, the City's key needs are for managing and maintaining the system, retrofitting where appropriate, and upgrading during redevelopment. This Comprehensive Surface Water Management Plan (CSWMP) will serve as a guide to protect the City's water resources, address current water resource related issues, and manage the surface water system throughout the City as redevelopment occurs.

1.1 Purpose

This primary purpose of this plan is twofold. First, the Plan serves to further define the goals and policies that the City will follow as it continues to implement a comprehensive surface water management program. These goals and policies have been developed to support and facilitate the City to shape the character and enhance the quality of life as described in the Comprehensive Plan (June 2009). Secondly, the Plan serves to meet state and local regulatory requirements.

There are two primary programs that establish the regulatory need to update the City's Comprehensive Surface Water Management Plan. First, Minnesota Statutes, Sections 103B.201 to 103B.255 and Minnesota Rule, Chapter 8410 comprise the State's Metropolitan Surface Water Management Program (MSWMP). These Statutes and Rules require the preparation of watershed plans by watershed management organizations (WMOs) and the preparation of local (City) water management plans.

The purposes of the water management programs required by Minnesota Statutes §103B.205 to 103B.255 are to:

- *Protect, preserve and use natural surface and groundwater storage and retention systems;*

- *Minimize public capital expenditures needed to correct flooding and water quality problems;*
- *Identify and plan for means to effectively protect and improve surface and groundwater quality;*
- *Establish more uniform local policies and official controls for surface and groundwater management;*
- *Prevent erosion of soil into surface water systems;*
- *Promote groundwater recharge;*
- *Protect and enhance fish and wildlife habitat and water recreational facilities; and*
- *Secure the other benefits associated with the proper management of surface and groundwater.*

A third regulatory program, very much related to the goals, policies and standards of this Plan, is the National Pollutant Discharge Elimination System (NPDES) Phase II Storm Water Permit Program for Municipally Separate Storm Sewer Systems (MS4) that is administered in the State by the Minnesota Pollution Control Agency (MPCA) (<http://www.pca.state.mn.us>). The goals, policies and standards of this plan were developed to be consistent with the requirements of the City's NPDES MS4 permit and associated Storm Water Pollution Prevention Plan (SWPPP) as well as the respective WMO plans. The implementation program included in this plan and the SWPPP are intended to be a coordinated effort to realize combined efficiencies.

1.2 Plan Development

This plan builds upon the City's previous Comprehensive Surface Water Management Plan (CSWMP) completed in 2008 and formally referred to as a Water Resource Management Plan (WRMP).

This CSWMP was developed through a process of soliciting input from City Commissions, Council and the public on water resources issues, specific problem areas and potential new topic areas and/or actions that the plan should address. Input was obtained through a series of meetings and providing plan information on the City's stormwater web page. A summary of those efforts follows:

- City Council – 1 meeting
- Environment Commission – 2 meetings
- Electronic Public Survey
- Public Open House Meeting
- City Council Review and Adoption of the Plan

This CSMWP is organized into the following sections:

- Section 1.0 describes the plan purpose, organization and scope as well as sustainability and resiliency within the plan.
- Section 2.0 describes the physical environment including climate, drainage, soils, geology, land use, water resources, and wildlife.
- Section 3.0 describes the entities responsible for water resource management.
- Section 4.0 describes the City's goals and policies regarding surface water management.
- Section 5.0 describes resolved and ongoing issues.

- Section 6.0 describes the implementation plan and funding program.
- Section 7.0 describes the plan adoption and amendment process.

1.3 Sustainability and Resiliency

Falcon Heights is committed to the preservation and enhancement of its environment, and to the principle that each generation of residents must meet the needs of the present without compromising the ability of future residents to meet their own needs. This approach to *sustainability* is a thread that is woven throughout the City’s Comprehensive Plan. The City also recognizes the importance of *resiliency* which in a water resources context is the ability to adapt to climate-related variability and reduce the vulnerability of the community to extreme events. Upon adoption of this Comprehensive Surface Water Management Plan (CSWMP) by Council, the CSWMP will become an integral component of the City’s Comprehensive Plan. As in the Comprehensive Plan, this CSWMP will serve as a guide towards improving sustainability and resiliency across all aspects of the City’s surface water management program and activities.

This CSWMP includes sustainability and resiliency in three of the Plan sections including this introduction; Section 4.0 Goals and Policies; and Section 6.0 Implementation Program and Funding. These Sections of the Plan provide additional background on what sustainability and resiliency are and how it is a critical part of this Plan and what actions and approaches the City will take, related to its surface water management program, towards being more sustainable and less vulnerable.

2.0 Physical Environment

2.1 Climate and Precipitation

The climate of Falcon Heights consists of fairly short summers with an average temperature of 70 degrees Fahrenheit, and snowfall covers much of the ground from late fall to early spring, with an average winter temperature of 17 degrees F. Average annual precipitation is 28.32 inches, including approximately 46 inches of snowfall. The City is considered to be continental and subhumid. Because of its location near the center of the North American continent the Twin Cities metropolitan area (and Minnesota) experiences a wide variation in climate conditions (e.g., droughts and floods, heat and cold). However, even with these wide variations, climatologists have found four significant climate trends in the Upper Midwest (Minnesota Weather Almanac, Seeley, 2006):

- Warmer winters
- Higher minimum temperatures
- Higher dew points
- Changes in precipitation trends

Estimates for the precipitation depth of a 24-hour duration event for various return frequencies are presented in Table 1. The table presents both the National Weather Service (NWS) historic (TP-40) and updated (Atlas 14) rainfall frequency estimates. The updated Atlas 14 estimates use a longer period of rainfall observations and state-of-the-art statistical methods.

**Table 1
Precipitation Event Frequency**

Return Frequency	Percent Probability	Historic Precipitation Depth (inches)¹	Updated Precipitation Depth (inches)²
1-year	100%	2.4	2.5
2-year	50%	2.8	2.8
5-year	20%	3.6	3.5
10-year	10%	4.2	4.2
25-year	4%	4.8	5.3
50-year	2%	5.3	6.3
100-year	1%	5.9	7.4

Sources:

(1) U.S. Weather Bureau's *Technical Publication No. 40* (Hershfield, 1961)

(2) NOAA Atlas 14, Volume 8 (2013)

In recent years, there has been more debate and discussion around the topic of rainfall depths and the frequency of larger storm events. As described in an issue paper on this topic prepared during the development of the Minnesota Stormwater Manual, precipitation in Minnesota has been rising since the 1930s. This increase is attributed to an increased frequency of heavy to extreme precipitation events (Karl and Knight 1998). The State Climatologist suggests that the amount of precipitation occurring as large events has been increasing in recent decades, and that about 100 years ago that fraction was similar to or even higher than what it is today.

The trends are changing and will likely continue to change. From a stormwater management and resiliency perspective, these changes in precipitation may require larger pipes and best management practices (BMPs) to capture, convey and treat the runoff from more intense events. The City will continue to monitor the outcomes of the changes in design guidance as well as review its standards for design of extreme event overflow areas for new and redevelopment projects.

2.2 Topography and Drainage

The City of Falcon Heights is a highly urbanized area. A significant portion of the City that the City has jurisdiction over is impervious and an extensive series of pipes is in place to collect and to convey stormwater downstream. The University of Minnesota owns a golf course and agricultural land within the City, but the City does not have jurisdiction over these areas.

The City is divided into three large surface water drainage areas; two within the jurisdictional boundaries of Capitol Region Watershed District (CRWD) and one within the jurisdictional boundaries of Rice Creek Watershed District (RCWD). Those within the boundaries of CRWD include the northeast portion of the City discharging to the Como Lake, and the central and western portions of the City discharging towards St. Anthony Park. Drainage within the boundaries of RCWD include a small portion of the north part of the City discharging towards Rice Creek. All drainage ultimately discharge to the Mississippi River.

In order to better understand how the surface-water system works, the CSWMP divides the city's surface water drainage into major sub-watershed areas based on surface drainage features and the storm sewer system. The City's major sub-watershed areas are shown in Figure 5. There are a total of 10 major sub-watersheds within the City, including one

landlocked drainage area surrounding Curtiss Field Pond. Sub-watersheds are described in detail in Section 2.5 of this Plan.

The City's storm sewer network and overall conveyance and treatment system is in place. Future changes to the system will primarily involve retrofitting to address flooding problems, to incorporate water quality treatment, or incorporate improvements at the time of redevelopment. This storm sewer system consists of:

- 8 miles of pipe,
- 425 catch basins, manholes, and outlets,
- 4 ponds,
- 12 special features (underground infiltration, porous pavement, raingardens, etc.)

The citywide storm sewer map (Figure 4) shows the locations of the majority of these facilities and general direction of flow through the system.

2.3 Soils and Geology

A large portion of the landscape is dominated by Urban land-Zimmerman complex (859B) and Urban land-Hayden-Kingsley complex (860C), as identified in the Ramsey County Soil Survey. The Natural Resource Conservation Service (NRCS) also classifies soils by the Hydrologic Soil Group (HSG) based on estimates of runoff potential (Figure 2). These are:

- Hydrologic Soil Group A – Low runoff potential – high infiltration rate
- Hydrologic Soil Group B – Moderate infiltration rate
- Hydrologic Soil Group C – Slow infiltration rate
- Hydrologic Soil Group D – High runoff potential – very slow infiltration rate

The surficial geology consists of unconsolidated glacial sediments deposited during the Quaternary geologic period of two glacial ice lobes: the Superior lobe and the Grantsburg sublobe of the Des Moines lobe. The glacial deposits found in Ramsey County are primarily in the form of outwash, till, and stream and lake sediments ranging in thickness from 10 to 400 feet. Below the unconsolidated glacial sediment lies consolidated bedrock formed during the early Paleozoic age. Bedrock units from youngest to oldest in Roseville include: Decorah Shale, Platteville-Glenwood Formation, St. Peter Sandstone, Prairie Du Chien Group, and Jordan Sandstone. Maps of the surficial geology and bedrock geology from the Ramsey County Geological Atlas can be found on Figure 5 and Figure 6, respectively.

2.4 Land Use and Land Cover

The City of Falcon Heights encompasses an area of 2.28 square miles which today is made up of mixed-land uses including established neighborhoods, parks and open space, State Fair Grounds, and University of Minnesota Campus and Golf Course. The City is nearly completely developed. Figure 6 is the Current Land Use Map.

2.5 Water Resources

2.5.1 Surface Water

There are no lakes located within the City of Falcon Heights. Most of the surface water runoff is conveyed into the surrounding cities through existing underground storm sewer pipes. There are a few stormwater ponds in the City that also provide water quality and quantity protection. The City has not completed a comprehensive stormwater model for the existing stormwater system.

There is one Minnesota Department of Natural Resources (MNDNR) Protected Waters and Wetland (MNDNR No. 62-223W) within the City as shown in Figure 3.

Although there are no surface waters within the City of Falcon Heights, the City recognizes that surface water does not stop at jurisdictional boundaries. Surface water drainage of the 10 major sub-watersheds within the City are described below:

1. Walsh Lake (Roseville)

Community Park, Gibbs Farm, and the University of Minnesota Golf Course are a part of the Walsh Lake sub-watershed. Walsh Lake is located in Roseville, northwest of Falcon Heights at Lake Street and Roselawn Avenue.

A Walsh Lake Management Plan was included in the RCWD Southwest Urban Lake Study. The study identified several potential improvements that would benefit the water quality of Walsh Lake. The City of Falcon Heights will cooperate with the RCWD to implement these improvements within its jurisdiction.

2. Oasis Pond (Roseville)

The property along Autumn Street and Roselawn Avenue drains to a pond located on the southeast corner of County Road C and Fairview and then on to Oasis Pond in within the City of Roseville. Oasis Pond discharges to Little Lake Johanna. Little Lake Johanna is just north of Roseville.

Oasis Pond was studied in the RCWD Southwest Urban Lake Study in 2009 as a potential source of polluted discharge to Little Lake Johanna. The study identified several potential improvements that would benefit the water quality of Little Lake Johanna. The City of Falcon Heights will cooperate with the RCWD to implement these improvements within the jurisdiction.

3. Zimmerman Lake (Roseville)

A portion of the University of Minnesota fields, Roselawn, Garden and Snelling Avenue drain to Zimmerman Lake, located North of TH 36 between Snelling Avenue and Hamline Avenue in the City of Roseville.

Zimmerman Lake Management Plan was included in the RCWD Southwest Urban Lake Study. The study identified several potential improvements that would benefit water quality of Zimmerman Lake. The City of Falcon Heights will cooperate with the TCWD to implement these improvements within the jurisdiction.

4. Gottfried Pit (Roseville)

The area of Falcon Heights east of Snelling and along Larpenteur Avenue drains to Gottfried Pit in the City of Roseville. This sub-watershed, located immediately north of Larpenteur Avenue and west of Fernwood Street, is drained by a pumping station south into the Como Lake in St. Paul. This sub-watershed periodically floods Larpenteur Avenue during intense storm events.

In 2003, Capitol Region Watershed completed the Como 7 sub-watershed hydrologic evaluation in preparation for the City of St. Paul street reconstruction project. Gottfried Pit and the Fernwood/ Larpenteur low point were studied as a part of this evaluation. The report recommend a number of improvements to help alleviate flooding, including adding storage to the system in the Como Golf Course, and increasing the stormwater storage volume within the Pit countered by a pump upgrade for a faster draw-down time. In 2007, a pond was added to the Como Golf

Course located within the Gottfried Pit sub-watershed to capture stormwater and minimize flooding in surrounding neighborhoods as well as provide a water quality benefit to drainage prior to drainage to Como Lake. Due to an increased frequency of larger rainfall events, lack of vegetation around the pond, and poor soil conditions, the pond had suffered from bank erosion and turf loss on the adjacent fairway. In 2012, the CRWD proposed improvements to address these issues including increased pond size, regrading of the pond's edge, and a continuous native shoreline. These improvements were completed in 2013 and enabled treatment of a larger volume of runoff, shoreline stabilization, deterrence of nuisance wildlife, and the improvement of overall water quality of stormwater before it discharges to Como Lake. In addition, the pumping capabilities of Gottfried's Pit were upgraded in late 2010 allowing for more stormwater to be pumped at a higher rate. The costs for these improvements were shared by Falcon Heights, St. Paul, Ramsey County and Roseville according to the contributing sub-watershed area. The City will coordinate with the CRWD on future projects within this sub-watershed.

5. Como Lake (St. Paul)

A portion of Falcon Heights located west of Hamline, north of Hoyt and east of Arona Street drains to Como Lake. This Lake is located within the City of Saint Paul in Como Park. Como Lake receives runoff from Gottfried Pit as described above.

Como Lake has been on the impaired waters (303d) list since 2002 for aquatic recreation because it exceeds the water quality standard for nutrient from stormwater runoff creating poor water quality conditions leaving to frequent summer algal blooms. A TMDL for Como Lake was completed in April 2010. In 2002, CRWD developed a lake strategic plan that described the water-related issues facing the lake and identified management strategies and implementation activities to address priority areas. The plan serves as a guide for the entities on how to protect and restore the health of Como Lake. Since 2005, the CRWD has monitored flow at the lake outlet. The City will coordinate with the CRWD on future projects within this sub-watershed.

6. Curtiss Field Pond (Falcon Heights)

This pond is located within a Curtiss Field park in the City of Falcon Heights. This is a land locked basin that was designed for infiltration.

Curtiss Field Pond was prone to flooding that created public and safety concerns. In 2011, the City in partnership with the CRWD, installed a 390-foot network of 10-foot diameter perforated pipe underneath Curtiss Field. The pipes are fed by overflow from the pond and stormwater is delivered there to percolate into the ground. This system reduces flooding in the park and reduces the risk of damage to surrounding properties. The City will continue to coordinate with the CRWD on future projects within this area.

7. Gasperre Pond (Lauderdale)

Portions of the University of Minnesota Golf Course and the neighborhood in the southwest corner of Falcon Heights drain to Gasperre Pond, located in the southeast corner of Lauderdale. The City will coordinate with Lauderdale on future projects within this area.

8. Seminary Pond (Lauderdale)

Drainage from the southwest area of Falcon Heights drains to Seminary Pond in the

southeast corner of Lauderdale. Seminary Pond is listed on the National Wetland Inventory (NWI). The City will coordinate with Lauderdale on future projects within this area.

9. St. Paul Campus (University of Minnesota)

Drainage from University property south of Larpenteur Avenue flows to a DNR protected wetland located in the southeast corner of the campus. The agricultural fields have an extensive drainage tile system which is connected to the University storm sewer system. Piped flow from Falcon Heights crosses Larpenteur Avenue at Gortner Avenue and joins the University storm sewer system at Folwell Avenue.

An agreement was executed in the 1980's between the City of Falcon Heights and the University related to these flows. The pipe system from the northern portion of the campus as described above outlets into the open ditch at Commonwealth Avenue. This open ditch also receives the flow from the Fairgrounds. University staff indicates that a parking lot near this junction is flooded following larger storm events. The University wetland drains into the Saint Anthony Tunnel system.

10. State Fairgrounds (State of Minnesota)

Stormwater drainage from most of the Fairgrounds property flows to the University of Minnesota-St. Paul Campus. The storm sewer system for the exhibit area in the south and east portions of the Fairgrounds discharges to a 42-inch pipe connected to an open ditch on University property at a point south of Commonwealth Avenue and north of Como Avenue. The north and west portions of the Fairgrounds is made up of parking lots and a portion of Machinery Hill, flows to pastureland on University property. A stormwater detention basin south of Larpenteur Avenue receives flow from two large, unpaved Fairgrounds parking lots and a portion of Larpenteur Avenue.

As part of reconstruction of a section of Larpenteur Avenue in 1998, roadside ditches were replaced by a piped outlet to the Fairgrounds basin. During the project, additional basin excavation was completed. Pond size and outlet characteristics are available from Ramsey County Public Works. The flow from Larpenteur drains a total of 123 acres, which also includes runoff from the University agricultural fields north of Larpenteur and east of Fairview as well as other city runoff. Outflow from the basin enters a ditch to the University Animal Science pastureland. Water infiltrates in the pastureland over time. Very high water conditions (not reported by Fairgrounds staff) would result in surface runoff down Randall Avenue to the ditch south of Commonwealth referenced above.

At the request of the MPCA, the Fairgrounds initiated a multi-year combined sewer separation program in 1995. All of the animal exhibit buildings were separated early in the program. The sewer separation program was completed in 2002. Two additional areas have been completed since 2007.

2.5.2 Floodplains

Areas of Falcon Heights prone to larger regional flooding near surface water sources have been identified and mapped by the Federal Emergency Management Agency (FEMA) through the National Flood Insurance Program (NFIP). Flood Insurance Rate Maps (FIRMs) for the City of Falcon Heights were published on June 4th, 2010.

2.5.3 Groundwater

Falcon Heights is served by the St. Paul Regional Water Services (SPRWS) which supplies drinking water to the City of St. Paul and neighboring communities. The St. Paul Regional Water Service is supplied primarily by surface water from the Mississippi River, but approximately 7% of all the water they provide is groundwater. In Ramsey County, both porous unconsolidated sand and gravel glacial deposits and fractured, weathered limestone or sandstone bedrock formations act as aquifers. The primary public drinking water aquifer is the Prairie du Chien-Jordan (Ramsey County Groundwater Protection Plan, 2009). In order to protect groundwater aquifers and public drinking water sources, the Minnesota Department of Health (MDH) delineates wellhead protection areas and drinking water supply areas which are shown in Figure 15. Because drinking water in the City is provided by the St. Paul Regional Water Service and the City does not own any public water supply wells, the City has not prepared a Wellhead Protection Plan. The MDH also maintains a database of known existing and abandoned wells available online through the [Minnesota Well Index](#).

2.5.4 Pollution Sources

Information on individual pollutant sources is available from the MPCA's "What's In My Neighborhood?" (WIMN) online tool. This detailed information has not been included here as it is subject to frequent change and may be obtained by calling the MPCA or by visiting the MPCA's website (www.pca.state.mn.us) which has information on various pollutant sources and related regulatory programs. A map identifying site locations (as of 07/16/12) is displayed in Figure 16. The MPCA WIMN tool identified the following types of sites within the City:

- Air Permit
- Feedlots
- Hazardous Waste, Large Quantity Generator
- Hazardous Waste, Small to Minimal Quantity Generators
- Site Assessment Sites
- Voluntary Investigation and & Cleanup (VIC) Sites
- Leak Sites
- Petroleum Brownfield
- Tank Sites
- Construction Stormwater Permits
- Industrial Stormwater Permit

Besides the aforementioned individual pollutant sources, non-point source pollution also plays a significant role in water quality. This cannot be traced to a single source but is a pollutant load that is attributed to the surface runoff from a watershed which contributes to a surface water or groundwater source. Further information on non-point source pollution can be found in Sections 4.2 and 4.5.

2.6 Parks and Recreation

The City aims to provide quality parks and recreation programs to promote healthy and active lifestyles to benefit residents and foster a sense of community. In 2014, the City completed a parks improvement study to provide framework to guide future planning, design, and implementation efforts by the City.

3.0 Water Resource Management

This section of the CSWMP presents a synopsis of the current organizational entities whose programs and regulations are relevant to the management of water resources within Roseville. The City is committed to the preservation and enhancement of its water resources through full compliance with local, state, and federal regulations.

3.1 County, State and Federal Agencies

There are numerous County, State, and Federal agencies which play a role in managing water resources within the City. Among them are:

- [Federal Emergency Management Agency](#) – the Federal Emergency Management Agency (FEMA) operates the National Flood Insurance Program (NFIP). To participate in the NFIP and receive federally backed flood insurance, communities must adopt and enforce floodplain management ordinances to reduce future flood damage.
- [Metropolitan Council](#) – the Metropolitan Council is responsible for monitoring the metro area surface water quality, leading watershed planning through the authority provided by state law to review and comment on metro area watershed management organization (WMO) or watershed district (WD) plans and local water resources plans as part of local comprehensive plans, and collecting and treating wastewater for the Twin Cities metro area.
- [Minnesota Board of Water and Soil Resources](#) – the Minnesota Board of Water and Soil Resources (BWSR) relevant core functions include water resource planning with comprehensive land use planning, implementing the comprehensive local water management acts, and administering the Wetland Conservation Act.
- [Minnesota Department of Health](#) – the Minnesota Department of Health (MDH) is responsible for operating the state’s drinking water protection program and implementing the federal Safe Drinking Water Act (SDWA) in Minnesota. The MDH produces source water assessments and drinking water supply management areas as well as aid in the development of local wellhead protection plans.
- [Minnesota Department of Natural Resources](#) – the Minnesota Department of Natural Resources (DNR) is responsible for protecting public waters and managing water supply. It regulates activities below the ordinary high water level (OHW) of public waters and public waters wetlands through public water works permits. It also oversees and administers the National Flood Insurance Program (NFIP) for the State of Minnesota.
- [Minnesota Department of Transportation](#) – the Minnesota Department of Transportation (MnDOT) Metro district is a designated MS4 and is responsible for stormwater pollution prevention within MnDOT right-of-way which included but is not limited to implementing proper erosion and sediment controls on construction sites, street sweeping practices, and analyzing low environmental impact de-icing measures. MnDOT also publishes standard specifications for construction related to erosion prevention and sediment control which many entities utilize.
- [Minnesota Pollution Control Agency](#) – the Minnesota Pollution Control Agency (MPCA) is charged with administering the federal Clean Water Act (CWA) in Minnesota. Functions relevant to this CSWMP include regulating stormwater through the National Pollutant Discharge Elimination System (NPDES) permits (MS4, Industrial, and Construction), monitoring and assessing water quality, listing impaired waters, and conducting total maximum daily load studies/reports (TMDLs).

- [Ramsey County](#) - The County Public Works Department monitors water quality in several lakes within the City each summer: Bennett, McCarrons, Owasso and Josephine and completes macrophyte surveys on each lake as part of the monitoring program on a 5- year cycle.. The County Public Works Department also monitors beach water quality at the County beaches on McCarrons, Owasso and Josephine. The County also operates and maintains Gottfried Pit through a cooperative agreement with Roseville and Falcon Heights.
- [United States Army Corps of Engineers](#) – the U.S. Army Corps of Engineers permits all work in, over, or under navigable waters of the US under Section 10 of the federal Rivers and Harbors Act. Under Section 404 of the federal CWA, a Corps permit is also required for the discharge of dredged or fill material into waters of the U.S.
- [United States Environmental Protection Agency](#) – the U.S. Environmental Protection Agency (EPA) enforces the federal CWA and SDWA, provides support for municipal wastewater treatment plants, and takes part in pollution prevention efforts aimed at protecting watersheds and sources of drinking water.

3.2 Watershed Districts

The City of Falcon Heights is located within the jurisdictional boundaries of two watershed management organizations: The Rice Creek Watershed District (RCWD), and the Capitol Region Watershed District (CRWD). See Figure 1 for the boundaries of these watershed districts. These agencies each have authority for review and approval of this local surface water management plan.

1. Rice Creek Watershed District (RCWD)

The Rice Creek Watershed District encompasses approximately 201 square miles of Anoka, Hennepin, Ramsey and Washington counties in Minnesota. Portions of the district can be found in the following municipalities: Arden Hills, Birchwood Village, Blaine, Centerville, Circle Pines, Columbia Heights, Columbus Township, Dellwood, Falcon Heights, Forest Lake, Fridley, Grant Township, Hugo, Lauderdale, Lexington, Lino Lakes, Mahtomedi, May Township, Mounds View, New Brighton, New Scandia Township, Roseville, Shoreview, Spring Lake Park, St. Anthony, White Bear Lake, White Bear Township, Willernie.

The current RCWD Watershed Management Plan was adopted in January 2010 and amended in November 2014. The City defers to the current RCWD stormwater management permitting program for all areas that are within the jurisdiction of the RCWD. The City requires applicants to provide documentation that they have obtained the necessary permits from the watershed.

2. Capitol Region Watershed District (CRWD)

Established in 1998, the Capitol Region Watershed District covers 40 square miles and includes portions of Falcon Heights, Lauderdale, Maplewood, Roseville, and St. Paul. The District is located within Ramsey County and has a population of 245,000 people. The Mississippi River is the predominant water resource to which the entire district drains. Como Lake, Crosby Lake, Loeb Lake, and Lake McCarrons are also located within the District.

The current CRWD Watershed Management Plan was adopted in September 2010 and reviewed in December 2015. The City defers to the current CRWD stormwater management permitting program for all areas that are within the jurisdiction of the

CRWD. The City requires applicants to provide documentation that they have obtained the necessary permits from the watershed.

3.3 City of Falcon Heights

Residential streets, sanitary and storm sewers, stormwater facilities, and park lands within Falcon Heights are maintained by the City. Drinking water within the City of Falcon Heights is supplied by St. Paul Regional Water Services. Wastewater is collected in the city sewer system and discharged to Metropolitan Council's collection system. City staff coordinates with watershed management organizations and other outside agencies in water resource management and conservation efforts. One of the primary means for the City to manage surface water is through this plan which is legally enforceable through city ordinances and standards. City code chapters and sections relevant to surface water management have been included in Appendix C. In addition to City ordinances, Falcon Heights enforces stormwater design standards through development review, building permits and erosion control permits. Every applicant for a building permit, subdivision approval, or a permit to allow land disturbing activities must submit a stormwater management plan to the city administrator. No building permit, subdivision approval, or permit to allow land disturbing activities shall be issued until approval of the stormwater management plan or a waiver of the approval requirement has been obtained in strict conformance with the provisions of this ordinance. Further detail regarding design standards can be found in Appendix B.

Enforcement of the City's ordinances and standards goes hand-in-hand with compliance with local, state, and federal regulations. Closely related to surface water management is the NPDES MS4 permit program. As of March 2003, all cities in the Twin Cities metropolitan area are permittees under the NPDES Phase II MS4 Storm Water permit and must therefore meet certain requirements related to stormwater pollution control. The six minimum control measures and associated BMPs of the NPDES MS4 program are included in the City's Storm Water Pollution Prevention Plan (SWPPP) found in Appendix D.

3.4 Water Resources Management Agreements

Storm sewer maintenance agreements are in-place between the City and both Mn/DOT and Ramsey County.

The agreement with Mn/DOT is for the Snelling Avenue reconstruction project through Falcon Heights, and states that the City is responsible for storm sewer facilities located outside the Snelling Avenue rights-of-way. The City is therefore only responsible under this agreement for the Snelling Avenue East and West Frontage Road storm sewer systems and their connections to the Snelling Avenue trunk line.

The agreement with Ramsey County states that the County shall own and maintain the storm sewer catch basins and leads on its County roads and the City shall own and maintain the storm sewer trunk lines within the City. Laterals and drains servicing property within the City outside the County road right-of-way shall also be owned and maintained by the City.

All storm sewers that have been constructed by the City of Falcon Heights are the City's maintenance responsibility. Private systems also exist throughout the City which connect into the City owned and maintained storm sewer systems. These private systems and their corresponding connections are owned and maintained privately and are not the responsibility of the City of Falcon Heights.

4.0 Goals and Policies

To support a high quality of life for the City’s residents, protect the City’s water resources, and promote sustainability and resiliency, the City has developed the following goals and policies.

A **goal** is the specific end point which is desired and **policies** are guiding principles which altogether form a strategy to attain the goals. Plan standards (or stormwater development criteria) are an extension of the goals and policies that provide detailed criteria on storm water management practices. This section of the CSWMP outlines goals and policies related specifically to surface water management in the City of Falcon Heights.

4.1 Flood Protection and Runoff Management

Development and the related changes in land use can increase runoff rates and volumes due to additional impervious surface. As areas develop or redevelop at a higher density, storm water runoff generally increases. In addition, and as discussed briefly in Section 2.1, changes in the characteristics of rainfall events are trending toward more intense rainfall and greater depth storms and the NWS is in the process of updating precipitation frequency estimates. Whatever the cause of more intense and greater depth storms, this increase in runoff rates and volumes can result in localized and/or large scale flooding issues in the downstream system. It is important to manage these increased runoff rates and volumes in order to strive to reduce flooding in the downstream system and to control the potential effects of erosive flows on streams and waterways.

As an established community with a developed built environment, Falcon Heights has dealt with flooding issues as a result of development altering the natural hydrology and infiltration characteristics of the land. These resolved and ongoing issues are further elaborated upon in Section 5.0.

The City of Falcon Heights has policies and standards that require volume reduction and rate control for new and redevelopment. The City has also adopted a floodplain ordinance, and has adopted policies that regulate minimum building elevations that comply with Minnesota DNR recommendations for a 1’ minimum freeboard between a structures lowest floor and the 100-yr flood level. Freeboard is the vertical distance above a certain level (often the 100-yr flood level) which provides a factor of safety to compensate for unknown factors such as ice jams or debris clogging culverts. The City has developed the flood protection and runoff management policies listed in Table 2 to support the flood protection and runoff management goals of this Plan.

**Table 2
Goal 1 – Flood Protection and Runoff Management**

Goal Statement: Provide flood protection to the maximum extent practicable for all residents and structures and to protect the integrity of our drainage and detention systems through runoff management.	
Policy No.	Goal 1: Flood Protection and Runoff Management – Policies ⁽¹⁾
1	The City shall review very applicant for a building permit, subdivision approval, or a permit to allow land disturbing activities must submit a stormwater management plan to the city administrator.
2	The City shall require volume reduction for development and redevelopment projects in accordance with Chapter 107 and watershed district rules.

3	For development and redevelopment projects affecting on-going issue areas (see ongoing issues on Figure 19), the City shall require developers to incorporate practices to resolve a proportionate share of the problem through a reduction based on existing runoff volumes in accordance with watershed district rules.
4	The City shall require structure freeboard elevations in accordance with watershed district rules.
5	The City shall enforce its Floodplain regulations which are designed to minimize flood losses and requires no net loss of storage volume in accordance with watershed district rules
6	For newly constructed stormwater retention ponds, the City shall require an emergency overflow spillway to safely convey flows in excess of the 200-year (0.5% probability) event to the maximum extent practicable in accordance with watershed district rules
7	The City encourages reduction of, or minimizing increases in, the amount of impervious surface created as a result of land development or redevelopment activities through City Code, development review processes, and a stormwater utility fee.
8	The City shall cooperate and collaborate with adjacent municipalities and watershed districts to address intercommunity drainage issues.
9	The City shall seek to enhance or maintain existing drainage facilities in a sustainable manner taking into consideration available personnel, financial resources and system resiliency.
10	The City staff shall provide technical assistance as requested to aid in public understanding and interpretation of local flood protection and runoff management requirements

⁽¹⁾It is requested that Rice Creek Watershed district continues to implement its regulations and issue permits within the City.

4.2 Surface Water Protection

The City of Falcon Heights seeks to maintain and improve the water quality in its receiving water bodies. Water quality is often directly related to the water clarity (suspended solids) and level of available nutrients in a water body. While nutrients comprise only one category of substances that can affect water quality, nutrients (principally phosphorous) must be controlled to achieve the water quality goals of this Plan. Phosphorous is most often the limiting factor for plant growth, and increases in available phosphorous allow plant species to dominate the lakes, ponds and wetlands.

Many people do not realize that when organic materials, like leaves, grass clippings, fertilizer and pet waste, enter a waterbody, they can disrupt the ecosystem. Once in the water these organic materials decay, releasing phosphorus. Excess phosphorus increases algae growth, inhibiting the growth of other aquatic plants. When algae die and decay, they exert a biological oxygen demand on the lake, depleting available oxygen for fish and other aquatic species. Limiting nutrient loading to surface waters is one of the keys to maintaining and improving water quality.

There are several activities that can be followed to minimize the delivery of suspended solids and phosphorus into the City’s receiving water bodies. These activities include better management of construction site erosion control measures, reducing the level of impervious cover, reducing the extent of managed lawn areas and replacing them with native vegetation, reducing bank erosion, and requiring more infiltration and volume control best management practices for storm water treatment. Residents can also do their part by keeping grass clippings, fertilizer and pet waste out of the streets where it has a direct route into the storm sewer systems and ultimately into lakes, ponds, and wetlands.

Any water resource on property to be developed will be subject to these management policies, as well as the rules and requirements of the Wetland Conservation Act, the City and the watershed management organizations.

**Table 3
Goal 2 – Surface Water Protection**

Goal Statement: Maintain or improve the water quality and ecological integrity of the City’s lakes, ponds, and wetlands.	
Policy No.	Goal 2: Surface Water Protection - Policies
1	The City shall review every applicant for a building permit, subdivision approval, or a permit to allow land disturbing activities must submit a stormwater management plan to the city administrator.
2	The City shall require stormwater treatment in accordance with watershed district rules.
3	The City delegates administration of the Wetland Conservation Act (WCA) to the Watershed Districts which will act as the Local Government Units (LGUs) for enforcing the regulations of WCA. The City shall be informed of and provide informal review of all wetland impacts within the City.
4	The City shall cooperate and collaborate with the MPCA and local agencies in conducting and implementing TMDL projects for impaired waters within and downstream of the City.

4.3 Groundwater Protection

Unlike surface water resources, which can be managed within well-defined and limited physical boundaries, groundwater is a natural resource feature of large geographic areas. For this reason, groundwater must be managed by a local government agency that has authority outside of the City’s jurisdiction. In Ramsey County, the Ramsey Conservation District has been delegated the responsibility to write and administer the Ramsey County Groundwater Protection Plan. Because drinking water in the City is provided by the St. Paul Regional Water Service and the City does not own any public water supply wells, the City has not prepared a Wellhead Protection Plan.

Table 4
Goal 3 – Groundwater Protection

Goal Statement: Protect the quality and quantity of groundwater through collaboration with local and state agencies managing groundwater resources.	
Policy No.	Goal 3: Groundwater Protection – Policies
1	The City will follow the Minnesota Department of Health’s (MDOH) guidance on evaluation of stormwater infiltration projects in vulnerable wellhead protection areas (WHPAs) and drinking water source management areas (DWSMAs) to determine if infiltration practices are appropriate.
2	The City acknowledges the potential for stormwater infiltration practices to mobilize soil contaminants and shall support alternate volume reduction practices in areas of known or suspected soil contamination.
3	The City will cooperate with Ramsey Conservation District to develop and revise land-use regulations as necessary in DWSMAs to protect drinking water and public health.
4	The City shall encourage Low Impact Development (LID) to minimize imperviousness and promote naturally occurring groundwater recharge.
5	The City shall promote water conservation practices such as installing low-flow toilets, washing only full loads of laundry and dishes, and watering lawns and gardens only when needed and during the early morning or evening. A more comprehensive list of water conservation practices can be found on the City’s website .

4.4 Public Education and Outreach

Public involvement and outreach is a strategy and an effort that recognizes people want to be involved in decisions that affect any facet of their life. Public involvement creates opportunities for the residents and the general public to participate in the processes that impact them directly which often leads to more informed decision making. Public involvement also allows the City to reach residents that might be looking for educational information on water resources or opportunities to get involved in local improvement projects.

The City’s web site is an alternative medium to provide municipal information to both City residents and those people who live outside Falcon Heights. An electronic version of this Plan is accessible on the City’s stormwater webpage. Because the Plan has such a wide audience, including engineers, planners, developers, citizens, scientists and educators; electronic access to the text and mapping creates a better understanding of the goals, policies and activities of this Plan, as well as links to previous studies and tools that will help to make better decisions on projects ranging from a development site plan to a backyard landscaping project.

The City will make an ongoing effort on both a City-wide and watershed level toward educating the public by distributing information to its residents on responsible practices they should employ to protect water resources throughout the City. The program can also educate residents on better land use practices such as the benefits of using phosphorus-free fertilizer and keeping grass clipping out of the streets. Educational information will also be provided

regarding the proper use of a wide range of lawn chemicals and installing and maintaining rain water gardens.

Table 5
Goal 4 – Public Education and Outreach

Goal Statement: Promote stewardship and increase awareness of land and water resources through public education and outreach.	
Policy No.	Goal 4: Public Education and Outreach – Policies
1	The City will continue to implement an education and outreach program using a variety of media, including use of notices, mailings, local cable television, newsletters, articles in Falcon Heights City News, web sites, workshops and/or presentations to inform the community about water resource issues.
2	The City will continue to conduct a public annual stormwater meeting as described in the City’s SWPPP for the MS4 NPDES permit.
3	The City shall make this Plan available to the residents of Falcon Heights and general public through the City’s stormwater webpage. A hard copy of the plan will be available at the City Hall upon request.
4	The City will use a public involvement process in water resource management decision-making (i.e., through appointed Commissions and public meetings).
5	The City will make an ongoing effort on both a local and regional level by distributing information to residents on responsible practices to protect water resources such as alternative landscapes, phosphorus free fertilizer, aquatic plant management, proper use of a wide range of lawn chemicals and proper disposal of hazardous household materials etc.
6	The City will work with existing public and private resources to increase public participation in water resources management and disseminate information regarding each of the local watershed management organizations having jurisdiction within the City.
7	The City will cooperate with other organizations and consider establishment of model interpretative sites for public education.
8	The City will continue to educate elected officials and members of the general public on water resources management needs and issues.

4.5 Pollution Prevention and Maintenance

Housekeeping practices, such as removing leaves from streets and storm drains and limiting the use of phosphorus fertilizers, are examples of simple ways individuals (residents) and the City can prevent pollution and make improvements in water quality. Although suspended solids and nutrients are traditionally what come to mind regarding surface water quality pollutants, there are a number of other pollutants that harm surface waters and aquatic ecosystems. The following list summarizes additional water quality pollutants of concern to regional surface waters:

- **Chloride.** Chloride is a main component of most deicing products such as road salt. Once in the water, it is a conservative pollutant making it difficult to remove. It can be toxic to

aquatic plants and organisms and can reduce or delay vertical mixing in lakes. Using properly calibrated equipment to apply deicing products is one of the ways City crews reduce the amount of chlorides applied to City streets.

- **Pathogens.** Pathogens are disease causing organisms such as *Giardia* and *Cryptosporidium*. They are difficult to identify and thus fecal coliform and *E. coli* bacteria are used to indicate the possible presence of pathogens. Sources are human, pet, livestock, and wildlife excrement.
- **Mercury.** Mercury is naturally occurring element which finds its way to surface waters primarily through atmospheric deposition. The primary regional source of atmospheric mercury is from burning coal. Once in the water, it is converted to methylmercury which bioaccumulates up the food chain and is a known neurotoxin which impacts the central nervous system. Several of the City's lakes are impaired for mercury resulting in fish consumption advisories.
- **Other heavy metals** (e.g. lead, zinc, copper and cadmium). Heavy metals are primarily found bound to suspended solids in stormwater and surface waters although they are also present in dissolved forms. They can be toxic in certain concentrations to animals and humans.
- **Polycyclic aromatic hydrocarbons (PAHs).** PAHs are a class of chemicals that harm fish and, with prolonged exposure, pose a risk of cancer in humans. Common sources are coal-tar based sealcoat, petroleum products and oil. A current challenge for many cities, including Roseville, is how to cost-effectively remove sediments from stormwater ponds that have PAH levels that require disposal at a landfill.
- **Polychlorinated biphenyls (PCBs).** PCBs are a class of chemicals manufactured and commonly used from 1930 to 1979 in electrical and hydraulic products. They do not readily break down in the environment and bioaccumulate in organisms, fish, and ultimately humans who ingest the fish. The EPA and other organizations consider PCBs to be probable human carcinogens.
- **Perfluorochemicals (PFCs).** PFCs are a family of chemicals used to make products resist heat, oil, stains, grease, and water. Examples of PFCs are perfluorooctane sulfate (PFOS) and perfluorooctanoic acid (PFOA) which are extremely resistant to breakdown in the environment and bioaccumulate in animals and humans. In animal studies high concentrations of PFCs have been shown to have adverse health effects but the effects in humans are still unclear.
- **Endocrine disrupting compounds (EDCs).** EDCs are not a discrete class of chemicals but rather a chemical which mimics or blocks normal hormonal function in animals and humans (a process called endocrine disruption). In animals, exposure to EDCs has been associated with reduced reproductive success, reduced survival, altered sex typing, and developmental abnormalities. Potential EDCs include chemicals such as PCBs, polybrominated biphenyls (PBBs), bisphenol A (BPA), phthalates, and many others found in a range of products from pharmaceuticals and personal care products to pesticides.
- **Aquatic nuisance and invasive species.** Aquatic plants such as Eurasian Watermilfoil and Purple Loosestrife have become well established throughout certain areas of the Twin Cities Metropolitan area and can create significant impacts to wetland and water resources if not managed. In addition, aquatic animals such as the Zebra Mussel can create nuisance problems in area lakes and have the potential to significantly alter the character and quality of the resource. The following link provides a thorough overview of

some of the more prevalent aquatic invasive species in the region:
www.invasivespeciesinfo.gov.

Many of the pollutants listed above are either already in the environment (e.g. PCBs, PFCs) or are found in many commonly used products (e.g. Chloride, PAHs, EDCs) and are difficult to remove from the aquatic environment once introduced with traditional treatment methods. To avoid potentially expensive remediation/treatment costs associated with many of these pollutants, the City will need to take a proactive approach with prevention/reduction through considerable educational efforts and public policies.

Examples of efforts the City has already made towards pollution prevention include reducing road salt usage and prohibiting the use of coal-tar based sealers. The City also has an illicit discharge ordinance which prohibits illicit discharge of non-stormwater into the storm sewer system and intentionally disposing of grass, leaves, dirt, or landscape material into a water resource, natural conveyance, or street/road/alley.

The City can work with contractors to limit the spread of invasive species is through implementing best practices for pumping equipment. For example, where pump systems are used in City water bodies for a pond clean out project or dewatering, the contractor should be aware of the potential presence of Zebra Mussels in the water bodies where they previously used the equipment and take the necessary steps to decontaminate their equipment.

Complementing pollution prevention is performing routine maintenance of existing stormwater treatment and drainage systems. As sediment builds up over time, it reduces the capacity of drainage systems and the pollutant removal capabilities of ponds by reducing dead storage volume (i.e., the volume below the outlet elevation). Sediment from erosion can also significantly reduce infiltration rates in basins or BMPs designed for volume control and/or groundwater recharge. Extending the life of these facilities involves source control and elimination of material that causes the problem, and maintenance of the systems on a regular basis. Better construction methods and maintenance efforts will control a major portion of the sediment at the source, and an effective street sweeping program will also have a positive impact.

Table 6
Goal 5 – Pollution Prevention and Maintenance

Goal Statement: Protect the quality of the City’s water resources through pollution prevention, good housekeeping practices, and routine maintenance.	
Policy No.	Goal 5: Pollution Prevention and Maintenance – Policies
1	The City encourages residents to take advantage of the free Ramsey County yard waste collection and prevention sites or backyard composting to prevent these potential sources of TSS and nutrients from reaching the storm sewer system and downstream receiving water bodies.
2	The City encourages residents to properly dispose of household hazardous waste (cleaning products, automotive fluids, lawn and garden chemicals, ect.) at a Ramsey County collection site to prevent these potential sources of pollutants from reaching the storm sewer system and downstream receiving water bodies.
3	The City prohibits non-storm water discharges to the storm drainage system to the maximum extent practicable as described in the Ordinance 09-05 Illicit

	Discharge and Disposal. Illicit discharge of non-stormwater into the storm sewer system includes intentionally disposing of grass, leaves, dirt, or landscape material into a street/road/alley. Not cleaning up pet waste and disposing of it properly in the trash can also lead to illicit discharge.
4	The City shall conduct street sweeping at least three times a year. The first sweep shall be as soon as practical in the spring. Storm water sensitive areas are priority and swept first throughout the year.
5	The City prohibits the use of coal tar-based sealer on asphalt driveways and parking lots within the City to prevent Polycyclic Aromatic Hydrocarbons (PAHs) present in coal tar from contaminated stormwater runoff and downstream receiving water bodies (22-55)
6	Appropriate City staff shall have training and equipment available to deal with small spills of hazardous material on City property. All spills which cause pollution of the air, land, or water resources must be reported immediately to the State Duty Officer at 651.649.5451.
7	Appropriate City staff shall have training on best management practices for the application of road salt and de-icing materials and shall reduce the amount of chlorides to the maximum extent practicable. The City also encourages property owners to reduce salt usage and offers tips to cut salt usage on the City website.
8	The City limits phosphate application within the City and prohibits application during certain periods and on impervious surfaces. The fertilizer ordinance (City Code Chapter 107-9) also includes licensing requirements for commercial applicators.
9	The City shall annually inspect and clean all structural pollution control devices. A minimum of 20 percent of the MS4 outfalls, sediment basins and ponds are inspected annually on a rotating basis in accordance with its SWPPP. Cleaning, sediment and debris removal will be performed as necessary.
10	The City requires private storm water systems to be maintained in proper conditions consistent with the performance standards for which they were originally designed (City Code Section 1017.26 Subp. B.4). Clean up and removal of settled materials is required every five years.
11	The City will support state and watershed programs to limit the spread of invasive species and will encourage contractors to take the necessary actions to avoid the spread of invasive species.

4.6 Coordination and Collaboration

A successful surface water management program requires extensive coordination with the many regulatory agencies having jurisdiction in the City as well as close collaboration with the local watershed organizations and the developers proposing projects within the City. The

best solutions are often found through combined efforts and from building on what others have learned from similar projects and/or similar management activities. Coordination and collaboration will be accomplished through a variety of methods including meetings and discussions with project partners and regulators on a project-specific basis; ongoing posting and updates of this plan on the City’s webpage; posting design standards and historical surface water studies and resources on the City’s webpage; and participating in organizational programs like the Public Works Forum and the Minnesota Cities Stormwater Coalition.

The watershed management organizations (Capitol Region and Rice Creek) all have very active programs with a wealth of resources and staff to assist the City towards meeting the goals of this plan. The watersheds have funding programs that can assist the City with its municipal projects as well as residents on their individual projects.

The City will continue to collaborate with residents by providing an opportunity for residents to recycle yard waste and obtain compost and woodchips for landscape projects.

**Table 7
Goal 6 – Coordination and Collaboration**

Goal Statement: To simplify and streamline processes and draw upon the expertise and resources of other local, state, and federal agencies in water resources management efforts.	
Policy No.	Goal 6: Coordination and Collaboration – Policies
1	The City will endeavor to inform developers about Federal, State, and local stormwater management regulations including the NPDES requirements, watershed district rules, floodplain regulations, and WCA rules.
2	The City shall utilize educational materials and activities from watershed districts and other entities to deliver a consistent message regarding water resources and stewardship.
3	City staff will be encouraged to attend watershed district hosted education programs directed at municipal officials and staff.
4	The City shall seek opportunities to leverage limited available funding through project partnerships.
5	The City shall encourage landscaping practices that promote infiltration and promote existing programs that meet this goal such as but is not limited to the leaf recycling center, which includes compost and woodchips for property owners to use.

4.7 Sustainability

Sustainability means many things to many people. For some it is an opportunity, for others it is an obligation, and in many cases, it is an expectation of communities, businesses and citizens. The most basic definition of sustainability is “meeting our current needs without sacrificing the ability of future generations to meet their own needs.” In a very basic sense, this is accomplished by balancing environmental, economic, and social (quality of life) considerations. A sustainable approach inherently achieves efficiencies that balance environmental, economic, and social demands.

As mentioned previously in this Plan, *sustainability* is a thread that is woven throughout the City’s Comprehensive Plan, and this CSWMP is an integral component of the City’s Comprehensive Plan. As in the Comprehensive Plan, this CSWMP will serve as a guide towards improving sustainability across all aspects of the City’s surface water management program and activities. Sustainability represents an approach that strives to achieve the most efficient use of community resources. It is a complicated concept that includes many facets of City government and includes areas such as waste reduction, water conservation, and carbon-emission reduction.

Nature is a good example to follow as it works to reduce runoff volumes by infiltration, reduce soil loss through vegetation, enhance habitat, and reduce pollutants in storm runoff by infiltration and biological uptake. When we develop land, we change the natural system. Often, we increase both the peak runoff rate as well as the volume of runoff. The increase in both developed runoff rate and volume can be harmful to downstream channels, resulting in degradation. This degradation has effects on habitat as well as water quality by increasing sediment loads.

In addition to channel degradation, we also introduce new sediment loads and pollutants into the natural system through the development process. During construction, we can introduce new sediment loads by exposing previously vegetated soil. After development is completed, we often see a whole new set of pollutants in storm runoff.

One example of how during development sustainability could be incorporated into construction site practices would be to use woodchips as a construction site entrance instead of rock. The woodchips not only help to remove the sediment from construction vehicles, but may also be reused elsewhere onsite at a later stage of construction for final restoration. Furthermore, woodchips could be made on-site from clearing and grubbing operations, thus reducing the energy use and costs associated with transporting rock to and from the site. Another sustainable construction practice example is using trenchless technologies to reduce the construction impacts to the ground surface thus reducing the area exposed to rainfall and the potential for sediment to enter surface waters in runoff.

The primary objectives of stormwater sustainability are to mitigate these changes to the natural system. The City goals and policies for sustainable stormwater management area listed in Table 8.

**Table 8
Goal 7 – Sustainability**

Goal Statement: Achieve the water quality and water resources needs of the City based on the foundation of efficient use of community resources. In this approach both capital costs and long-term operational costs will be considered as well as the overall costs of a given project towards protection and/or improvement of the City water resources.	
Policy No.	Goal 7: Sustainability – Policies
1	The City will use the latest version of the Stormwater Reuse Guide as a guide in considering water reuse on City projects.
2	The City will strive to incorporate construction, building, and landscape designs and practices that mimic natural systems, and infiltrate, retain, detain rainfall onsite, or can reduce excess flows into our sewers, streets, and waterways on City infrastructure projects.

3	The City shall consider using trenchless technologies to reduce the impact on the ground surface and expose less disturbed area to erosion and runoff when appropriate.
4	The City shall consider tree trenches for stormwater treatment and encourage the installation of trees in boulevards and parking lots for stormwater management.
5	The City shall seek to collaborate efforts with the Parks Renewal Program and incorporate multi-use green space.
6	The City shall endeavor to incorporate pretreatment, treatment trains, and maintenance access for new and retrofit public stormwater treatment facility projects.
7	The City shall consider installing monitors to monitor its water usage.

5.0 Issues Assessment

5.1 Resolved Issues & Past Project Examples

As discussed previously, this Plan builds on the previous Plans adopted by the City in 2008. Each of those previous Plans contained an assessment of problem areas and called for implementation actions to address those issues. The following sections provide descriptions of past example projects and resolved issues. Figure 18 identifies the locations of the following examples.

5.1.1 Curtiss Field Pond

Curtiss Field pond is located within a park in the City of Falcon Heights. The pond is designed as an infiltration basin and adequately handles normal to slightly higher rainfalls, but excessive rainfalls can result in flooding of the neighboring park. The City previously identified problems with this pond, including flooding upstream of the pond, near the intersection of Idaho Avenue and Snelling Avenue causing limited park use, damaged infrastructure, and public safety concerns. This issue may have been related to the infiltration ability.

In 2011, the CRWD completed a feasibility study to determine how to limit flooding in the park. After three years of study, planning and design, a 390-foot network of 10-foot diameter perforated pipe was installed underneath Curtiss Field. The pipes are fed by overflow from the pond, and stormwater is delivered there to percolate into the ground. The system has reduced flooding in the park and reduced the risk of damage to surrounding properties.

5.1.2 Trout Brook Stormwater System

Como Lake discharges to the Trout Brook Stormwater System, an interceptor which carries the stormwater flow from several communities within the CRWD, including Falcon Heights. The interceptor was very old and in need of maintenance and repairs in order to function properly and effectively. From 2007-2009, the CRWD repaired and replaced several sections of pipe that were in poor condition. From 2012-2013, the MnDOT realigned a 630-foot section of pipe and replaced it with 830-feet of new pipe in a nearby location to avoid conflicts with I-35E bridge pier projects. In 2016-2017, the CRWD is repairing a half mile stretch of the oldest section of the interceptor.

5.1.3 University of Minnesota Trolley Path Drainage

The trail east of Coffman Street occasionally floods. Erosion problems have been identified at the storm sewer outlet north of Fulham Street at Folwell Avenue. This outlet discharges into a ditch that flows to a stormwater pond in the City of Lauderdale. A segment of pipe in this area also needs repair. This area of the City is under the jurisdiction of the University of Minnesota- St. Paul Campus. The City will work with the University and residents on implementation once the University identifies a solution.

5.1.4 Pascal Street Drainage

Storm sewer deficiencies are apparent on Pascal Street from Iowa Avenue to California Avenue. The street is flat causing water to sit instead of being conveyed to the storm sewer system. This problem was addressed in 2013.

5.1.5 City Hall Parking Lot Reconstruction

The Parking Lot at City Hall was constructed in the 1970s and is in need of major maintenance. Some of the pavement distresses that are being exhibited are the result of the lot not having adequate grade as well as a minimal stormwater system. The City is looking at reconstructing the parking lot in 2009. As a part of this project we will be looking at integrating stormwater BMPs. BMPs being considered: Pervious Pavement, infiltration chambers and rain gardens.

5.2 Ongoing Issues

While the previous section provided just a few of the many project examples and accomplishments the City has made in the 20 plus years since completing its first surface water management plan, there is also more work ahead. Many of the flooding issues of the past have been addressed, but some remain. New water quality issues and concerns are emerging each year, requiring varying levels of effort by the city to address. And, the ongoing maintenance and operation of the storm water system has grown much more complex over the years due to new regulations and a better understanding of what is necessary to keep the treatment ponds and filtration systems functioning properly.

The following ongoing issues within Falcon Heights were identified from several sources including the CRWD and RCWD District Water Management Plans, the City Storm Sewer Inventory (2001), the City Capital Improvement Plan, and the City SWPPP.

5.2.1 Como Lake & Gottfried Pit

Part of the stormwater runoff from the City discharges to Gottfried's Pit, which is located upstream of Como Lake and has a pumped outlet to Como Lake. The CRWD has defined an Issue Statement for Como Lake. The key issues the District wishes to resolve include:

- Articulate the importance of Como Lake to the Community and the District.
- Define a vision for Como Lake that includes economic, political, and social considerations. Public and agency input and evaluation is not currently coordinated. There is a need to develop realistic expectations based on currently best available science.
- Evaluate available data for Como Lake to determine how best to address and manage stormwater pollutant loads to Como Lake.

- Develop a clear public education and information program to serve as a link in establishing a realistic public expectation for the Lake and promote implementation of citizen-based activities to protect Como Lake.
- Encourage implementation of housekeeping BMP's by citizens, cities, county, and agencies within the watershed of Como Lake.
- Consider the costs relative to improvements of the quality of Como Lake beyond that accomplished under the EPA Clean Lakes projects implemented by Ramsey County in the 1980's.

The need for interagency cooperation and public education and involvement as a means to manage Como Lake are compatible with the CRWD plan and vision. The City will coordinate with the CRWD on future projects within this subwatershed.

5.2.2 Grove Neighborhood

5.2.3 Flooding Issues

While many of the known flooding areas have been addressed by infrastructure improvements over the past 20 years, some remain and are identified in the implementation section of the plan. Unfortunately, the very nature of storm water management means that at some point new issues will likely present themselves due to the plugging of a storm system from debris, for example, or simply a larger or more intense rainfall event than the City has previously experienced. The flooding in Duluth, Minnesota in June 2012 is a notable example of how a storm larger than anticipated can create problems where none were anticipated in the past and will require extensive repair and restoration work for months to years.

5.2.4 Water Quality Impairments

Earlier sections of this plan presented the current known and confirmed impairments to receiving waters of City drainage. Much like some localized flooding issues that won't be identified until the next big rainfall, new water quality issues may not be known for years to come. Researchers throughout the country are identifying new issues on a regular basis and regulators and policy makers are developing requirements and guidance to manage these new pollutants. The City's plan is to focus resources on the pollutants that they can best address, such as total suspended solids and total phosphorus and at the same time recognize that new issues may arise that requires adjustment to the current approach.

The 2016 MPCA list of impaired waters identifies more than 2,500 TMDL reports needed for approximately 5,000 lakes, rivers and streams in the state. Local governments will be required to incorporate completed TMDL studies into their surface water management plans and review their SWPPPs to determine if additional BMPs are needed to comply with the TMDL waste load allocation. At this time there are no listed waters within the City of Falcon Heights, however a portion of Falcon Heights does drain to Como Lake, Long Lake, and Little Johanna Lake, which are impaired for excess nutrients.

In response to these multiple regulatory activities, the MPCA published the Minnesota Stormwater Manual (Version 1.13.0, 2016), providing stormwater management tools and guidance. The Manual presents a unified statewide approach to stormwater practices.

5.2.5 Operation and Maintenance

The overall stormwater system operation and maintenance needs of the City is significant. In fact, the resources needed to maintain the system will likely grow due to more treatment devices being installed each year and the need to conduct maintenance on those that have been in service for 20 years or more.

5.2.6 Education, Outreach and Collaboration

Managing storm water is no longer just the responsibility of the City. A coordinated approach with residents, local interest groups, developers, City and watershed staff, and elected officials is needed in order to achieve local water quality improvements and meet the goals of this plan. The City is required to complete public education efforts as part of its NPDES MS4 Permit Program. The City has also conducted and supported a number of educational programs such as rain water garden workshops that help residents contribute to community efforts. These efforts will continue to be critical towards improving management of grass clippings, fertilizers, chemicals and yard waste. The efforts will help to reduce the chances of a residential backyard grading project that might change the flow of storm water, and they will help inform the public of fish consumption advisories on area lakes and invasive species issues.

5.2.7 Urban Redevelopment & Utilization of Urban Best Management Practices

Urban redevelopment in the City of Falcon Heights offers an opportunity to develop green spaces, preserve and restore historical natural resources, and provide for environmentally sensitive urban planning approaches. Often redevelopment projects have potential water quantity and quality components that can provide environmental and amenities to the site. Retrofitting and using BMPs in redevelopment is one of the main opportunities to improve water quality at sites. The CRWD and RCWD require the use of BMPs on development and redevelopment sites, and also encourage infiltration practices where feasible. Additional issues of interest to the City and identified as concerns in urban redevelopment include:

- Leaching of pollutants from periodically flooded areas
- Brownfield redevelopment funding outside of specific projects
- Regional natural resource restoration planning prior to implementation of specific redevelopment projects

Proactive involvement with urban redevelopment planning and implementation is consistent with the CRWD's vision regarding protection and enhancing water and natural resources and promoting innovative stormwater practices.

The highly developed nature and minimal use of stormwater best management practices (BMP's) in the City contribute to poor water quality for waterbodies within the watershed districts as well as the water flowing to the Mississippi River. Retrofitting and using BMP's in redevelopment is one of the main opportunities the City has to improve water quality and quantity issues in many of the sites within both RCWD and CRWD.

The District is limited in the number of quality surface water resources, such as lakes and wetlands that exist in the District. Water quality protection of important water resources, including the Mississippi River, is a basic mission of watershed districts. BMP's constructed in developed areas to mitigate impacts of urbanization, can improve water quality and minimize volumes reaching downstream waterbodies. BMP's can be implemented in small-

scale (site specific) and large-scale (regional) applications. Incremental changes and improvements may have small effects viewed individually, but several individual improvements cumulatively can have significant positive impacts. This is a fundamental reason why watershed-based management is essential; to plan and coordinate the best, most efficient combination of improvements to make a positive impact.

Cooperation with CRWD and RCWD is needed to assist in the identification and implementation of effective BMP's on a subwatershed basis to fulfill overall District goals. These BMP's may include "structural BMP's" such as ponding, extended detention basins, "rain gardens", ultra-urban (small scale) BMP's, constructed infiltration beds and outlet control structures, as well as "non-structural BMP's" including street sweeping, leaf collection and composting, "housekeeping BMP's" such as fertilizer application and car washing, catch basin and pond cleaning, outlet maintenance and passive infiltration practices.

Improving water quality and protection of water resources through the use of innovative BMP's and retrofitting is consistent with the City's vision.

5.2.8 Wetland Restoration

Wetlands are a critical resource within any watershed, serving various functions. These functions include water quality improvement, groundwater recharge, flood retention, wildlife habitat and general aesthetics. Wetlands have value to the residents of the watershed because they serve these functions. In Falcon Heights, however, the majority of the wetlands are not functioning to the extent possible. In fact, many are highly degraded and function poorly. According to the CRWD Issue Statement, the following items regarding wetlands could be addressed with strategic planning efforts:

- Identification of the wetland functions and values within the watershed. This information is critical to the planning process.
- Identify priority waterbodies such as lakes or large wetlands and wetlands tributary to District lakes.
- Identify opportunities for wetland restoration or improvement projects.
- Improve wetland habitat of the wetlands within the watershed that are severely degraded due to non-native vegetation.
- Educate watershed community on the functions and values of wetlands in the urban setting.

6.0 Implementation Program and Funding

The Implementation Program intended to provide guidance in carrying out the Plan goals and objectives. The Implementation Program and funding section summarizes capital improvement projects, studies and ongoing maintenance, inspection, monitoring and other management activities. This Plan is intended to serve the City for at least the next ten years and many of the program activities will continue at least out to the year 2030.

Except for the activities that are taken from the City NPDES SWPPP, the Implementation Program is not a hard and fast commitment to complete each and every activity in the time frame suggested. Rather, it is a suggested course of action that will help to accomplish the major goals of this plan.

Table 9 (at the end of this section) summarizes the activities and efforts of the overall implementation program. Information in the table is not the entire body of work the City conducts or will do in the area of storm water management. Rather, the table provides a summary of the some of the key efforts needed to help achieve the goals of this Plan. Estimated planning-level costs of recommended actions are provided with a cautionary note that they are not intended to set unrealistic expectations of the actual costs of projects and/or activities. The costs provided are intended to serve as an order-of-magnitude look at what the activity may require.

Paying for water management projects and administrative activities has become more complex in recent years. In addition, public improvement and private development projects are seeing a higher percentage of their planning and construction budget being needed for water resources and environmental protection efforts. In the past, special assessments against benefited properties financed most of the necessary improvements. However, the financial options have broadened considerably. The question is which method or methods best suit the needs of the City. The major categories of funding sources are: Ad Valorem Taxes; Special Assessments; Storm Water Utility; and Grants, as summarized below.

- *Ad Valorem Tax.* General taxation is the most common revenue source used to finance government services, including minor maintenance measures for drainage and water quality facilities. Using property tax has the effect of spreading the cost over the entire tax base of a community. A special tax district can also be used to raise revenue. The special tax district is similar to the administrative structure under general taxation except that all or part of the community may be placed in the tax district. The principle is to better correlate improvement costs to benefited or contributing properties.
- *Special Assessments.* Municipalities are familiar with the use of special assessments to finance special services from maintenance to construction of capital improvements. The assessments are levied against properties benefiting from the special services. The philosophy of this method is that the benefited properties pay in relation to benefits received. The benefit is the increase in the market value of the properties.
- *Trunk Storm Sewer/Development Fees.* Fees charged to new development that generates runoff can be charged to finance infrastructure needed to serve the development. This is a useful tool in communities that are rapidly developing.
- *Storm Utility Fee.* A utility is a service charge or fee based on usage, similar to the fees charged for sanitary sewer or potable water supply. The fee is typically charged against improved parcels based on the concept of contributors (or users) pay. The rate structure is based on the land use type, density, and parcel size to reflect the typical runoff contributed by a given parcel. In some cases parcels may be eligible for a credit to reduce their fee.
- *Grants.* State grants are available for surface water management and non-point source pollution. However, it is generally not a good financial practice to rely on grants for a service program. This source of revenue is not dependable and requires constant speculation as to its availability. Grants are useful but should only be used to supplement a planned local revenue source. Some of the agencies and programs that may have available grant funds include:
 - Environmental Protection Agency
 - Watershed Districts
 - U. S. Fish and Wildlife Service
 - Minnesota Department of Natural Resources

- Metropolitan Council
- Ramsey Conservation District
- Minnesota Board of Water and Soil Resources
- Minnesota Pollution Control Agency

The City adopted the Storm Sewer Utility (see City Code, Chapter 50, Article III. – Storm Sewer Utility, Section 50-65) in 1993 to pay for the maintenance, operation, and improvement of the City's stormwater management system. Using a combination of all available funding sources will be continued in order to fund surface water management activities within Falcon Heights. The charges and fees will be reviewed and adjusted annually to ensure adequate funding for the activities set forth in this plan and those required by law.

**Table 9
Implementation Plan**

Item	Applicable Goal	Activity/Project	Schedule (Priority)	Location	Estimated Cost
1	Coordination and Collaboration	Coordinate with CRWD and RCWD on stormwater projects for volume reduction and water quality improvements			\$2,500.00
2	Coordination and Collaboration	Coordinate with RCWD in the implementation of the Southwest Urban Lakes TMDL in achieving the categorical MS4 stormwater waste load allocation reduction goals for Little Lake Johanna (179.0 kg TP/year), Long Lake South (140.1 kg TP/year) and Pike Lake (314.4 kg TP/year).			\$2,500.00
3	Coordination and Collaboration	Coordinate with developers to investigate BMP retrofit opportunities during future re-development processes within the City			\$5,000.00
4	Coordination and Collaboration	Coordinate with CRWD in the implementation of the Como Lake TMDL in achieving the categorical MS4 stormwater waste load allocation reduction goals.			\$2,500.00
5	Flood Protection and Runoff Management	Conduct analysis to identify vulnerable areas where 100-yr flood protection is not possible and prepare emergency response plan.			\$20,000.00
6	Groundwater Protection	Explore the potential for a policy regarding monitoring requirements of underground storage and infiltration BMPs treating large commercial/industrial areas.			\$2,500.00
7	Pollution Prevention and Maintenance	Drainage/Curb and Gutter Maintenance	Annually	Citywide	\$20,000.00
8	Pollution Prevention and Maintenance	Street sweeping	Annually	Citywide	\$20,000.00

9	Pollution Prevention and Maintenance	Storm sewer structure repairs	Annually	Citywide	\$3,500.00
10	Pollution Prevention and Maintenance	Monitor sedimentation in city storm water ponds. Implement a pond cleanout and dredging program to restore design capacity.		Citywide	\$5,000.00
11	Public Education and Outreach	Develop education for property owners on how to manage snow removal to minimized water quality and quantity concerns.			\$1,000.00
12	Public Education and Outreach	Investigate the potential for developing an electronic public photo database of unique features/BMPs and before & after examples of City water resource projects.			\$2,500.00
13	Public Education and Outreach	Investigate opportunities to collaborate on developing unique public education opportunities.			\$2,500.00
14	Public Education and Outreach	Expand the City's website to include this plan, identify citizen involvement opportunities, and provide additional storm water management resources.			\$2,500.00
15	Public Education and Outreach	Explore an annual City Council recognition program for environmental projects completed in the City.			\$2,500.00
16	Sustainability	Incorporate water resources elements of the Complete Streets Policy into city projects.			\$2,500.00

7.0 Plan Adoption and Amendments

7.1 Formal Plan Review and Adoption

Minnesota Statute 103B.235, Subd. 3 (italics below) describe the required formal review process for local water management plans.

*Subd. 3. **Review.** After consideration but before adoption by the governing body, each local unit shall submit its water management plan to the watershed management organization for review for consistency with the watershed plan adopted pursuant to section 103B.231. If the county or counties having territory within the local unit have a state-approved and locally adopted groundwater plan, the local unit shall submit its plan to the county or counties for review. The county or counties have 45 days to review and comment on the plan. The organization shall approve or disapprove the local plan or parts of the plan. The organization shall have 60 days to complete its review; provided, however, that the watershed management organization shall, as part of its review, take into account the comments submitted to it by the Metropolitan Council pursuant to subdivision 3a. If the organization fails to complete its review within the prescribed period, the local plan shall be deemed approved unless an extension is agreed to by the local unit.*

*Subd. 3a. **Review by Metropolitan Council.** Concurrently with its submission of its local water management plan to the watershed management organization as provided in subdivision 3, each local unit of government shall submit its water management plan to the Metropolitan Council for review and comment by the council. The council shall have 45 days to review and comment upon the local plan or parts of the plan with respect to consistency with the council's comprehensive development guide for the metropolitan area. The council's 45-day review period shall run concurrently with the 60-day review period by the watershed management organization provided in subdivision 3. The Metropolitan Council shall submit its comments to the watershed management organization and shall send a copy of its comments to the local government unit. If the Metropolitan Council fails to complete its review and make comments to the watershed management organization within the 45-day period, the watershed management organization shall complete its review as provided in subdivision 3.*

The following organizations will receive Agency Review Drafts of this plan for the formal review and comment:

- Rice Creek Watershed District (60-day review period)
- Capitol Region Watershed District (60-day review period)
- Ramsey County (45-day review period)
- Metropolitan Council (45-day review period)

After the City receives formal comments on the Agency Review Draft, the City's consultant will make necessary revisions to the plan to receive agency approval. Upon approval of the plan the City Council must formally consider and adopt the Final Plan through a Council Action.

7.2 Amendment Process

The Comprehensive Surface Water Management Plan is intended to extend approximately through the year 2027. In conjunction with this Plan, the NPDES SWPPP activities will be reviewed and evaluated annually in a public meeting and the permit program itself will be updated as required by the MPCA NPDES permit program. For this plan to remain dynamic,

an avenue must be available to implement new information, ideas, methods, standards, management practices, and any other changes which may affect the intent and/or results of this Plan. Amendment proposals can be requested at any time by any person or persons either residing or having business within the City.

7.2.1 Request for Amendments

Any individual can complete a written request for a Plan amendment and submit the request to City staff. The request shall outline the specific items or sections of the Plan requested to be amended, describe the basis and need for the amendment and explain the desired result of the amendment towards improving the management of surface water within the City. Following the initial request, staff may request that additional materials be submitted in order for staff to make a fully-informed decision on the request.

The City may also initiate an amendment to respond to amendment to a local watershed organization plan or following the completion and approval of a TMDL implementation plan.

7.2.2 Staff Review

Following a request for Plan amendments, staff will make a decision as to the completeness and validity of the request. If additional information is needed by staff to determine the validity of the request, staff will generally respond to the requestor within 30-60 days of receiving the request.

Following receipt of sufficient information such that validity of the request can be evaluated, there are three options which are described below:

- a. Reject the amendment. Staff will reject the amendment if the request reduces, or has the potential to reduce, the Plan's ability to achieve the goals and policies of the Plan, or will result in the Plan no longer being consistent with one or more of the watershed district's plans.
- b. Accept the amendment as a minor issue, with minor issues collectively added to the plan at a later date. These changes will generally be clarifications of plan provisions or to incorporate new information available after the adoption of the 2012 Plan. Minor changes will generally be evaluated on the potential of the request to help staff better implement and achieve the goals and policies the Plan. Minor issues will not result in formal amendments but will be tracked and incorporated formally into the Plan at the time any major changes are approved.
- c. Accept the amendment as a major issue, with major issues requiring an immediate amendment. In acting on an amendment request, staff should recommend to the City council whether or not a public hearing is warranted. In general, any requests for changes to the goals and policies or the development standards established in the Plan will be considered major amendments.

Staff will make every attempt to respond to the request within 30-60 days of receiving sufficient information from the requestor. The timeframe will allow staff to evaluate the request internally and gather input from the WD/WMOs and other technical resources, as needed. The response will describe the staff recommendation and which of the three categories the request falls into. The response will also outline the schedule for actions, if actions are needed to complete the requested amendment.

7.2.3 Watershed District Approval

All proposed major amendments must be reviewed and approved by the appropriate Watershed Districts prior to final adoption of the amendments. Major amendments would include changes to the goals and policies of the Plan. Staff will review the proposed amendments with the WDs to determine if the change is a major amendment and if determined to be major amendment, then will assess the ability of the requested amendment to maintain consistency with WD plans.

7.2.4 Council Consideration

Major amendments and the need for a public hearing will be determined by staff and if identified as a major amendment, the request will be considered at a regular or special Council meeting. Staff recommendations will be considered before decisions on appropriate action(s) are made. The requestor will be given an opportunity to present the basis for, and intended outcomes of, the request at the public hearing and will be notified of the dates of all official actions relating to the request.

7.2.5 Public Hearing and Council Action

The initiation of a public hearing will allow for public input or input based on public interest in the requested amendment. Council, with staff recommendations, will determine when the public hearing should occur in the process. Consistent with other formal Council actions and based on the public hearing, Council would adopt the amendment(s), deny the amendment(s) or take other action.

7.2.6 Council Adoption

Final action on any major amendments, following approval by the Watershed Districts, is Council adoption. Prior to the adoption, an additional public hearing may be held to review the Plan changes and notify the appropriate stakeholders.

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Appendix A

Acronym Dictionary

ACRONYMS

BMP	Best Management Practice
BPA	Bisphenol A
BWSR	Board of Water and Soil Resources
CRWD	Capitol Region Watershed District
CSWMP	Comprehensive Surface Water Management Plan
CWA	Clean Water Act
DNR	Department of Natural Resources
EDC	Endocrine Disrupting Compound
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Map
LGU	Local Government Unit
MDH	Minnesota Department of Health
MPCA	Minnesota Pollution Control Agency
MS4	Municipal Separate Storm Sewer System
MSL	Mean Sea Level
NFIP	National Flood Insurance Program
NPDES	National Pollution Discharge Elimination System
NURP	National Urban Runoff Program
NWI	National Wetland Inventory
NWS	National Weather Service
OHW	Ordinary High Water
PAH	Polycyclic Aromatic Hydrocarbons
PBB	Polybrominated Biphenyls
PCB	Polychlorinated Biphenyls
PFC	Perfluorochemicals
PFOA	Perfluorooctanoic Acid
PFOS	Perfluorooctane Sulfate
PWI	Public Water Inventory
RCD	Ramsey Conservation District
RCWD	Rice Creek Watershed District
RWMWD	Ramsey-Washington-Metro Watershed District
SDWA	Source Drinking Water Area
SPRWS	Saint Paul Regional Water Service
SWPPP	Storm Water Pollution Prevention Plan
TMDL	Total Maximum Daily Load
TP	Total Phosphorus
TSS	Total Suspended Solids
WCA	Wetland Conservation Act
WD	Watershed District
WIMN	What's In My Neighborhood
WMO	Watershed Management Organization

Appendix B

Development Standards

Appendix C

Applicable City Code

Appendix D

SWPPP

Appendix E

Water Resource Related Agreements

**Table 9
Implementation Plan**

Item	Applicable Goal	Activity/Project	Schedule Priority	Location	Estimated Cost
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3	Coordination and Collaboration	Coordinate with developers to investigate BMP retrofit opportunities during future re-development processes within the City			\$5,000.00
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5	Flood Protection and Runoff Management	Conduct analysis to identify vulnerable areas where 100-yr flood protection is not possible and prepare emergency response plan.			\$20,000.00
6	Groundwater Protection	Explore the potential for a policy regarding monitoring requirements of underground storage and infiltration BMPs treating large commercial/industrial areas.			\$2,500.00
7	Pollution Prevention and Maintenance	Drainage/Curb and Gutter Maintenance	Annually	Citywide	\$20,000.00
8	Pollution Prevention and Maintenance	Streetsweeping	Annually	Citywide	\$20,000.00
9	Pollution Prevention and Maintenance	Storm sewer structure repairs	Annually	Citywide	\$3,500.00
10	Pollution Prevention and Maintenance	Monitor sedimentation in city storm water ponds. Implement a pond cleanout and dredging program to restore design capacity.		Citywide	\$5,000.00

11	Public Education and Outreach	Develop education for property owners on how to manage snow removal to minimized water quality and quantity concerns.			\$1,000.00
12	Public Education and Outreach	Investigate the potential for developing an electronic public photo database of unique features/BMPs and before & after examples of City water resource projects.			\$2,500.00
13	Public Education and Outreach	Investigate opportunities to collaborate on developing unique public education opportunities.			\$2,500.00
14	Public Education and Outreach	Expand the City's website to include this plan, identify citizen involvement opportunities, and provide additional storm water management resources.			\$2,500.00
15	Public Education and Outreach	Explore an annual City Council recognition program for environmental projects completed in the City.			\$2,500.00
16	Sustainability	Incorporate water resources elements of the Complete Streets Policy into city projects.			\$2,500.00

CITY OF FALCON HEIGHTS

Special Meeting

City Hall

2077 West Larpenteur Avenue

MINUTES

April 5, 2017 at 6:30 P.M.

- A. CALL TO ORDER: 6:30 pm

- B. ROLL CALL: LINDSTROM HARRIS BROWN THUNDER
FISCHER GUSTAFSON

STAFF PRESENT: THONGVANH

- C. PRESENTATIONS:

- D. APPROVAL OF MINUTES:

- E. PUBLIC HEARINGS:

- F. CONSENT AGENDA:

- G. POLICY ITEMS:

1. MnDOT Larpenteur/Snelling Project

City Administrator Thongvanh presented a resolution outlining the proposed project by MnDOT. The resolution includes concerns from the Council about the ability of the residents to travel across Snelling safely, and the lack of discussion prior to finalizing the project. The city requests additional time to properly evaluate and develop a solution to these concerns. The Council requests that the following be removed from the project: median changes at Garden, Crawford, and Larpenteur.

Council Member Fischer:

He would like to be clear and concise in the resolution. He understands where MnDOT is coming from with wanting to make these changes. They fell short when it came to communication with the city and its residents. He would like to see MnDOT brainstorm creative solutions to these concerns, rather than just not doing the project. In terms of our expectations, we should communicate exactly how we want to be involved and engaged.

Council Member Gustafson Moved, Approved 5-0

2. Police Contract

The intent is to introduce a motion to authorize the City Administrator to send out a request for interest for police services to local police departments. This will be the first step in issuing a request for proposals. It gives the Council an idea of who would have interest in providing police services to Falcon Heights. This is driven by the resolution passed by the St. Anthony Council on March 28 2017. Their resolution stated that the police service agreement with Falcon Heights should be modified to have Falcon Heights accept all financial risks within our borders. We shouldn't be pressed to accept all financial risks when the current agreement doesn't allow for input on hiring, supervision, training, and oversight of the officers.

After conversations with our insurance company, the League of Minnesota Cities, they assured the Mayor that this is a very unusual contract proposal. As an example, our Fire Department provides services to the City of Lauderdale, if a fire fighter was negligent in a fire incident in Lauderdale they would be held liable through the City of Falcon Heights. If a police chase started in St. Anthony but then ended in Falcon Heights and there was negligence on the part of the officer, with this change to the contract, Falcon Heights would be 100% liable.

Council Member Harris:

She supports the resolution to reach out police departments other than St. Anthony to respond to a Request for Interest. She anticipates that this will be notice to St. Anthony that the Council intends to cancel the police contract, effective January 2018. This action is because of the action the St. Anthony City Council took. She has no less confidence in the St. Anthony Police Department and the services that they have provided than she did six years ago. She says this based on personal experience and having worked closely with their department in many capacities: as a Commissioner and a Council Member. St. Anthony acknowledged that the working relationship has been excellent for the last 22 years, and passing this resolution would likely result in a disruption in our relationship. The facts are that the events on July 6 were an act of a St. Anthony Police Officer, someone employed exclusively by St. Anthony. Their hiring, training, evaluation, and discipline remain outside the control of Falcon Heights. The indemnification clause is one that routinely appears in contracts. The legal expenses incurred by their employee is not the responsibility of Falcon Heights. It is noteworthy that these changes are exclusive to Falcon Heights, even though Lauderdale has an identical contract and similar traffic challenges. The resolution disregards the overwhelming disruption to Falcon Heights, some of which a dollar amount could be associated. She is disappointed to have to waiver in her support, but knows that time is of the essence in order to have someone in place before the end of the year.

Council Member Fischer:

St. Anthony handled this poorly. Falcon Heights does accept some liability that is included in their current contract. If St. Anthony wanted to negotiate the overall price of the contract, that may be reasonable. What they're asking is unreasonable. He was optimistic with St. Anthony inviting in the DOJ. He is still hopeful that they can have discussions on better policies,

accountability, transparency, and training. He supports this resolution, and he is concerned about the timeframe that they have in front of them.

Council Member Brown Thunder:

He concurs with the Mayor and his fellow Council Members. The decision last week made by the St. Anthony City Council did not do right by the partnership that they have had for 22 years. We, as a city, need to look at other options for policing. He supports this RFI to start the process for an RFP for police services.

Council Member Gustafson:

St. Anthony has a misguided understanding of how legal contracts work. Does this police department have management that is properly guided? It brings to question the ability of the City of St. Anthony to manage their business. By going forward with the RFI, it is a continuation of what we have already been working on. What are our values and what are we looking for in regards to police services. The Task Force and community members have been working hard to define this. The work is valuable, and this community is working through responding to this tragedy.

Mayor Lindstrom:

The Request for Interest is essentially a letter that the City Administrator will send out to neighboring police departments. Assuming this passes, the letter will be sent out in the next few days. They will roughly have two weeks to reply. The Task Force is still working very diligently.

City Administrator Thongvanh:

He would like to clarify a comment made by a St. Anthony Council Member. Larpenteur has about 17,000 cars that travel it per day, and Snelling has 36,000-38,000 cars per day. In Lauderdale, Larpenteur has about 14,000 cars per day, and Highway 280 going north through Lauderdale has about 59,000 vehicles per day and south has about 41,000 vehicles per day. That area is higher trafficked than the intersection in the City of Falcon Heights.

Mayor Lindstrom:

St. Anthony intends these contract changes to only apply to Falcon Heights. That's a slap in the face.

Tyrone Terrell- 270 Kent St. St. Paul:

He's glad that we're here, but this is the first time emotion has been shown. He has yet to see emotion about the murder of Philando.

Deborah Alexander-1700 Albert St.:

She saw an article in the New York Times on the DOJ about investigating police activities. We are not on the map. There is discussion about whether the Attorney General will seek early termination of agreements in multiple cities. The agreements expiring after five years mandate

changes in training, policies on supervision, reporting contacts with the public, conducting searches, use of force, deescalating conflict, dealing with persons with mental illness, and race relations. The new Attorney General has doubts of whether federal intervention in local governments is useful or appropriate. Is our city not listed because investigations have already been called off? We need to keep the momentum we have going of seeking a new way with whatever police department we go with.

Council Member Harris:

The DOJ involvement with the City of St. Anthony police department is different than the DOJ activities that the article is referring to. SAPD is a part of the COPS program with the DOJ, which is a voluntary program that police departments request. The other police departments mentioned have involuntary involvement with the DOJ.

Chuck Laszewski- 1713 St. Mary's St:

First, thank you because you are doing what we have been asking for since July. He was surprised by the Council's reasoning for taking this action, because he thinks there have been plenty of other reasons to do so as well. The community agrees with his standpoint, and he has a petition signed by 400 people from their door-knocking efforts.

John Thompson- St. Paul resident:

Did the St. Anthony Council think you guys were dumb with the resolution they passed? Falcon Heights deserves a better police department than that. Falcon Heights sets the precedence for other police departments. Now we have to go through the trial that's coming up, and African American men do not trust the judicial system.

Paula Mielke- 1868 Arona St:

She's glad that this is happening, but she wishes the Council had come to this decision on their own. She encourages the Council to make the RFI process transparent.

Akil Foluke:

What has been the holdup leading up to this action? When is a motion going to be made to end the contract with this action that is being taken?

Mayor Lindstrom:

Assuming that there is interest, the earliest an RFP could be on the agenda is the first meeting in May.

Akil Foluke:

His concern is for the current contract and to end that, not about the RFP.

Mayor Lindstrom Moved, Approved 5-0

J. ADJOURNEMENT: 7:21 pm

Peter Lindstrom, Mayor

Dated this 5th day of April, 2017

Sack Thongvanh, City Administrator

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CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue

MINUTES
May 24, 2017 at 7:00 P.M.

A. CALL TO ORDER: 7:00 PM

B. ROLL CALL: LINDSTROM X HARRIS ____ BROWN THUNDER X
FISCHER X GUSTAFSON X

STAFF PRESENT: THONGVANH X FREIHAMMER X

C. PRESENTATIONS:

D. APPROVAL OF MINUTES:

- | | |
|--|----------|
| 1. May 3, 2017 City Council Workshop Meeting Minutes | Approved |
| 2. May 10, 2017 City Council Meeting Minutes | Approved |

E. PUBLIC HEARINGS:

F. CONSENT AGENDA:

1. General Disbursements through: 5/17/17 \$243,051.46
Payroll through: 5/15/17 \$19,850.64
2. City Hall Summer Hours
City Hall hours from Memorial Day to Labor Day are Monday-Thursday 7:30am-5pm
and Friday 7:30am-12pm.
3. MSA Funding Request For 2017 PMP
4. MnDOT Master Partnership Agreement
This has been passed before, but the agreement is now expiring. This would renew it
until 2022.
5. Increase Petty Cash for Recreational Sports

Council Member Fischer Moved, Approved 4-0

G. POLICY ITEMS:

1. Providing for the Sale of \$900,000 General Obligation Improvement Bonds, Series 2017A

A couple of components to this bond are Minnesota State Aid, assessments from University of Minnesota amounting to \$70,000, and \$300,000 to refund a fund the city borrowed from to do the 2017 PMP for Roselawn and the Snelling Service Road.

Todd Hagen from Ehlers presents that we are currently at a very historic interest rate, so it is a great time to be selling bonds. To financing the construction of the 2017 project, that's an amount of almost 1.7 million dollars. There are 1.1 million dollars from other services to lower that borrowing amount. This is going to be an improvement bond because at least 20% of the funds are being special assessed. The rest go on the property taxes. It could be cancelled or lowered on an annual basis with other funds. They're general obligations bonds of the city so the full faith in credit in your taxing powers are pledged to this. That is the best security you can put behind a municipal bond. It's a seven year bond, and these bonds will not be subject to prepayment. This will help sell the bond as well. This bond will also be bank qualified since the

city is issuing under 10 million dollars of tax-exempt bonds. This will be sent out to underwriters, broker dealers, local banks, and institutions. The city is rated AAA. With this issue, the city will be evaluated for a new bond rating. The idea is to bring in more interested parties. They also looked at the existing debt to see if there are any refunding options, and they haven't seen any yet.

They plan to use the same bond attorney, Briggs and Morgan, to prepare all the documents. The paying agent/bond trust services is a subsidiary of Ehlers. The bond sale is going to be on June 28, 2017. They hope to close this sometime in July.

City Administrator Thongvanh stated that there are good balances in the many funds. The city continues to assess its needs and adjust fees based on those needs. The project is at \$1.7 million and \$580,000 of that cost is for St. Paul Water, so that portion will not be bonded for. St. Paul Water will pay this portion back once the city invoices them. In regards to storm sewer, \$170,000 of that total will be paid from the city's storm sewer fund. The final component of this is \$37,000 for sanitary sewer, and that will be paid out of the city's sanitary sewer fund. This can happen because of the city's ability to plan ahead and build those funds.

Council Member Fisher:

What interest rate is really affective once you consider all the fees?

Todd Hagen stated that there is a projected interest rate of 1.8%, but this won't be determined until bids come in. The true interest cost with the underwriter fee could be 2.08%. Everything included in terms of an APR would likely make an interest rate of about 2.85%.

Council Member Gustafson Moved, Approved 4-0

2. Falcon Heights Task Force on Policing and Inclusion –Policing Recommendations
City Administrator Thongvanh presented that the Task Force was created on September 21, 2016, and it included nine members that were residents and business owners in Falcon Heights, two Council Members, and a staff liaison. He presented the charge of the Task Force. Included in the packet are the Task Force recommendations on the policing component. The inclusion component of the recommendations are being finalized and will be presented to the Council on June 7 at a Council Workshop. The last Community Conversation will be on June 19.

Council Member Gustafson stated that the Task Force met over the course of 12 meetings to put together these recommendations. An important aspect of this process was the community engagement piece. In addition to the meetings, they hosted Community Conversations to get community input. They didn't come to complete consensus on all of these recommendations, because of the diverse views of the Task Force on these subject matters. He would like to thank all of those who participated in this process. There isn't an exact roadmap sketched out in these recommendation, but they do have an end journey that they would like to achieve from developing over the years. If we truly want a community that's building a foundation of racial equity, diversity, and inclusion, it's only going to happen if each individual participates.

Mayor Lindstrom echoes the statements his fellow Council Member made, and he wants to thank all of the members and the volunteers that helped throughout the process. He thinks these recommendations are very forward and progressive thinking. There is a lot of work to do going forward. The operational details for implementing these recommendations is coming before the Council shortly, and we are missing a key partner in discussing these recommendations, the police.

Council Member Brown Thunder states that the Task Force had a difficult job ahead of them, and he commends them. He can support this document and specifically the ownership portion.

Council Member Fischer thanks the Task Force, co-chairs, and facilitators. He supports 90% of what's on the recommendations. He doesn't think an adversarial relationship with the police

will help us move forward. He wants to take on these responsibilities and not put all the blame on the police.

- Proposed change under the Anti-discrimination culture section is striking “yet privilege allows some people to even deny that stereotyping and bias exist and are problems”.

Council Member Brown Thunder, Council Member Gustafson, and Mayor Lindstrom do not perceive it as divisive because it is identifying the problem.

- Proposed change under the Anti-profiling section: to say “Policing patters that are, in effect, profiling” instead.
- Proposed change under Mutual Safety through Mutual Trust: strike “The city’s website should include a link to photos and short introductions to officers working in Falcon Heights, to help residents and visitors become familiar with the officers serving our community.” The intent is good but Council Member Fischer doesn’t know enough about the public safety aspect of this to support it.

Council Member Gustafson is in agreement as it is a violation of the officer protection act. If the wording “should” was changed to “could” the officers could make that decision one way or another. West St. Paul has done something different in regards to which officers police which regions.

- Proposed change under the Ownership section : change the first sentence to “The Police Department in our community needs to have accountability to Falcon Heights, beyond annual reporting.”

Mayor Lindstrom still views the city as directing the police department as he hopes to have the ability to make policy recommendations. Kathy Quick, Task Force co-facilitator, said that the intention of the word authority is to set the direction and give direction around policy and intention.

- Finalized change to “appropriate authority” instead of “significant authority”
- Proposed change under the Community engagement section: change “We recommend that the police department frequently host workshops...” to “We recommend that the city and the police department regularly participate in workshops.”
- Proposed change under the Community engagement section: change “Similarly, we recommend that be community-led and community-oriented trainings...” to “staff-led”

Council Member Gustafson and Mayor Lindstrom suggest that there needs to be strong involvement from the community, but it doesn’t necessarily mean reserving the rooms and coordinating the space to meet, etc. No changes made.

- Proposed change to change the title of “Community-Police Commission” to “Community-Police Cooperation Commission”.

Do we have staff capacity for a Commission? City Administrator Thongvanh relays that this is referencing some type of committee versus another level of government as a Commission. Next steps would be finalizing with staff how that can be executed in regards to staff capacity versus getting stuck on the actual title. Mayor Lindstrom recommends that this entire portion be inserted into the Community Engagement Commission charge. Council Member Fischer has concerns about the capacity of the Commission with the amount of work there is to do short-term. Long-term that seems feasible. Council Member Fischer would like to get the feedback of the Commissioners. Some cities have similar bodies of people working with the police: Delano, Otsego, Hastings, Mankato, Dayton, and New Brighton have Public Safety Commissions. Another thing to take into consideration is that Ramsey County, an option for policing services, has their own police structure and they would need to be on board with this. There needs to be more research on this, and there needs to be discussions with subject matter experts. Rather than focusing on the title itself and the structure, replace the title with “Work Group” and figure out the structure later. The intentions are to keep the structure of the “Work Group”, but to gain insight and knowledge from subject matter experts on how to proceed with these next steps and implementing it. Therefore, the last sentence from page one of the recommendations will be repeated at the beginning of the Community-Police Commission section.

- Proposed change to the Mental health for mutual safety and well-being section: “The city should arrange...” to “The city could arrange...”
- Proposed change to the Training section: “Officers should have regular, high-quality training to build their capacity for de-escalation of themselves and others and for recognizing and preventing bias(including implicit bias”. Instead take out the parenthesis and add “preventing bias, including explicit and implicit.”
- Proposed change to the Training section: remove sentence “We strongly suggest that these forms of capacity building should receive attention on a par with the more conventional forms of required training for law enforcement officers (e.g., on use of force or procedures for emergency vehicle operations”).

The industry of police work has statewide requirements for training standards. To make fundamental change to how things are done, you must need to work towards changing those training standards. One thing the legislature was looking at this year was recognizing that those human skills and characteristics that are used all the time should be focused for developing them further. We want to encourage the development of those soft skills.

Suggestions were made to keep this as is.

- Proposed change to the Public Feedback section: change “The City of Falcon Heights should gather public feedback on policing through at least three mechanisms” to “The City of Falcon Heights should gather public feedback on policing and consider at least three mechanisms”

The City of Roseville sends out postcards within a few weeks of someone being pulled over and asks for feedback, including if they felt respected in the process.

- Proposed change to the Traffic policing section: “Policing for other motor vehicle violations is a lower priority, and the policy for these should be to issue a warning” to “Could be to issue a warning”.

This creates more positive interactions. A piece that stands out to Council Member Brown Thunder is the section on Cultural competence and community engagement. This piece is key because there are a lot of misunderstandings, and if we take the time to really see one another it’ll begin to dissolve fear.

- Proposed change to the Traffic policing section: Strike “the City might consider forgiveness options for fees for some offenses” and make it “For example, the city might consider investing in a program -like the Lights on! Program found in several Twin Cities communities...”

Chuck Laszewski- 1713 St. Mary’s St:

He thanks the Task Force members, Council liaisons, and staff liaisons. He feels tonight’s conversation was very meaningful and thoughtful.

Steven Carpenter- Larpenteur Ave:

Who might be out there that we could hire for a police department? Was there follow up with the City of St. Paul since they had a great deal of empathy?

Mayor Lindstrom:

The City of St. Paul was pretty clear in saying, “thanks, but no thanks.”

Steven Carpenter- Larpenteur Ave:

He would hope that we do not take a quick no as the final discussion.

Kate Thompson- Task Force Member:

This was supposed to be a transformational document, and you have turned the recommendations into options. There are a lot of really key components here that she hopes the Council will take to heart. In regards to context to one of the questions that was asked earlier about the community-led workshops, the point is to create an environment in which

community members can have positive interactions with police officers and police officers can be a resource.

Council Member Brown Thunder:

He is sorry that is how this is being interpreted. He believes whole-heartedly that this is a transformative document, and he is going to try his hardest to put these recommendations in to place.

Mayor Lindstrom:

We are moving full steam ahead on all of the recommendations with some minor word adjustments.

Council Member Fischer:

He believes that the minor adjustments that were made are not detrimental to the purpose that is trying to be accomplished.

Kate Thompson- Task Force Member:

The edits are knit-picky and it makes it seem that there is distrust in the community. There needs to be an interface between the police and the community.

Council Member Fischer:

We would like to hire a police department and we have very few options. We need to take steps forward, but it will not be perfect. We are trying to better ourselves in the process.

Kate Thompson- Task Force Member:

A certain fraction of the citizens are having their civil rights infringed upon. This should not be the status quo. This document is not about making the Council's job easier. This is about articulating where the community needs transformation.

Kathy Quick- Task Force Co-Facilitator:

In regards to the Community-Policing Commission, she heard the Council say that they felt they needed particular attention for the first 2-3 years. Then potentially at that time that could be rolled into the Community Engagement Commission. She would encourage the Council to go back to that point. The point of the comments on page one about seeking information from subject matter experts is about how 'to guidance', not 'whether to' guidance. She really hopes that the Council doesn't back off from this groups functions, despite what it is called. She also hopes that the group doesn't get dissolved after 2-3 years.

Mayor Lindstrom:

The intent is that the Council will not back out of the functions that are outlined in this document, including the work group portion.

City Administrator Thongvanh:

This group is not an if, it's more of a matter of how it gets done.

Kathy Quick- Task Force Co-Facilitator:

Is the line of authority between a work group and a commission different to the Council?

Council Member Gustafson:

Not given the way that the Council has tasked it and the reporting structures to the Council. We would hope that as part of negotiations with the new police department, these functions will be part of that agreement and working relationship.

Council Member Fischer:

His suggested changes were important to him to go from 'whether to' to 'how to'.

Kathy Quick- Task Force Co-Facilitator:

Did you decide on page 5 to not use the word 'consider'?

Council Member Gustafson:

That word was left as is.

Melanie Leehy- Task Force Co-Chair:

In regards to the Community-Policing Commission, her desire is that we not wait for there to be experts involved in this Commission in order to launch and initiate this. She does not want it to stall or slow down while there is energy around it right now.

Council Member Gustafson:

We agree.

Mark Hove- 1824 Tatum St:

He is comfortable with what the Council has come up with and the process of that. He is a little alarmed that the people who are even more of experts have left the Council Meeting and conversation. Of all the people that we consider the opinions of, we should listen to those that are knowledgeable on these subjects.

Paula Mielke- 1868 Arona St:

Can the Council clarify the comment made on money allotted?

Council Member Fischer:

If he were to throw out a number, he would recommend to have Sack set aside or find \$40,000 in the budget to set aside this fiscal year to start to develop an idea of a list of experts we want to engage.

Mayor Lindstrom:

He supports that, but the Council would need to have the City Administrator do more digging to see where that money would come from.

City Administrator Thongvanh:

We are getting close to the budget process starting and that could be a discussion to have.

Council Member Gustafson Moved on Accepting the Recommendations as Amended,
Approved 4-0

I. INFORMATION/ ANNOUNCEMENTS:

1. Weekly Police Reports – Can Now Be Found At:

http://www.falconheights.org/index.asp?SEC=75B3E8BB-785B-4048-B543-995BAE0716A5&Type=B_BASIC

Council Member Fischer:

No updates.

Council Member Brown Thunder:

NYFS has their Mayor's Challenge Golf Tournament Fundraiser happening on June 12 at 11am-7pm at Keller Golf Course.

Council Member Gustafson:

Parks and Recreation Commission will meet Monday, June 5. Currently the city is accepting applications for Commissioners. Applications can be found online or by contacting City Hall. The Parks and Recreation Summer Coordinator, Heidi, is now on board. Other Parks and Recreation staff will be hired by next week. The summer program registrations end on Thursday, June 1. There are two Parents Night Out nights on Friday, June 23 and Friday, July 7. Also, mark your calendars for the Annual Ice Cream Social on Thursday, July 20. The next and last Community Conversation will be on June 19.

City Administrator Thongvanh:

He thanks everyone who was involved in the process of the recommendations. The budget process will be beginning very soon, so there will be a lot of work on that. There are some factors right now that are unpredictable, and those will impact the budget. The city will be very transparent with that process.

J. COMMUNITY FORUM:

Paula Mielke- 1868 Arona St:

Next week is a big week with the trial starting. Can we ask that Officer Yanez not be patrolling the streets of Falcon Heights if by chance he gets acquitted and is back with St. Anthony Police Department?

Mayor Lindstrom:

Yes, that would be something he would support.

Paula Mielke- 1868 Arona St:

The Ramsey County Sheriff will be making a presentation at the June 7 Workshop. When she spoke with the Ramsey County Sheriff, he said the earliest they could start a contract with a new city for providing police services would be 8-10 months in order to hire officers, train them, equip them, and to have a new contract in place. If discussions do not start with them until June or July, who will be policing Falcon Heights for that 3-5 month gap?

City Administrator Thongvanh:

He and the Mayor met with the Ramsey County Sheriff and Undersheriff. He said that it would be about 10 months to begin contracted services. Ramsey County could potentially provide basic services during that time, but they cannot guarantee a level of quality services without being equipped for it. The city is working on a contingency plan for January-March or April.

Paula Mielke- 1868 Arona St:

They have 446 signatures of people asking to end the contract.

Melanie Leehy- Task Force Co-Chair:

She thanks the Council, Task Force Members, Co-Facilitators, and the community. She is eager to see these things implemented.

K. ADJOURNMENT: 9:30 pm

Peter Lindstrom, Mayor

Dated this 24th day of May, 2017

Sack Thongvanh, City Administrator

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Meeting Date	June 14, 2017
Agenda Item	Public Hearing E1
Attachment	Resolution & Support Documents
Submitted By	Sack Thongvanh, City Administrator

Item	Saint Paul Academy and Summit School Project Conduit Bond – Approving the Issuance and Sale of Educational Facilities Revenue Refunding Notes
Description	<p>On May 10, 2017, the City Council passed Resolution 17-16 calling for public hearing and authorize the publication of notice of hearing for on the issuance of educational facilities revenue refunding notes for Saint Paul Academy and Summit School Project.</p> <p>The City of Falcon Heights may issue up to \$10,000,000 of its own 501(c) (3) bonds each year as bank-qualified bonds. Under the federal tax law, alternative issuers are permitted, but a “nexus” between the jurisdictional city and the issuers is preferred. In this case, the City of Falcon Heights currently have residents who are students attending the Borrower.</p> <p>The Bonds will not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuers, except the interests of the Issuers in payments to be made by the Borrower under the Loan Agreements. The Bonds are not moral obligations on the part of the State or its political subdivisions, including the Issuers, and the Bonds will not constitute a debt of the Issuers within the meaning of any constitutional or statutory limitation.</p>
Budget Impact	The City will receive ¼ of 1% of the principal amount that such Issuer issues.
Attachment	<ul style="list-style-type: none"> • Resolution 17-22 Approving Issuance and Sale of Educational Facilities Revenue Refunding Notes and Authorizing the Execution of Documents Relating Thereto Saint Paul Academy and Summit School Project • Agreement to Purchase • Loan Agreement • Pledge Agreement • Saint Paul Academy Note • Saint Paul Academy Declaration of Restrictive Covenants • Saint Paul Academy Pledge and Security Agreement
Action(s) Requested	Motion to approve attached resolution and authorize Mayor and City Administrator to sign all necessary documents.

Extract of Minutes of a Meeting of the
City Council of the City of Falcon Heights

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Falcon Heights was duly held in the City of Falcon Heights, Minnesota, on Wednesday, June 14, 2017, at 7:00 o'clock P.M.

The following members were present:

and the following were absent:

During said meeting _____ introduced the following resolution and _____ moved its adoption:

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

June 14, 2017

No. 17-22

**RESOLUTION APPROVING THE ISSUANCE AND SALE OF
EDUCATIONAL FACILITIES REVENUE REFUNDING NOTES AND AUTHORIZING
THE EXECUTION OF DOCUMENTS RELATING THERETO
(SAINT PAUL ACADEMY AND SUMMIT SCHOOL PROJECT)**

WHEREAS,

(a) The purpose of Minnesota Statutes, Sections 469.152 to 469.165, as amended (the "Act"), as found and determined by the legislature, is to promote the welfare of the state by the active attraction and encouragement and development of economically sound industry and commerce to prevent so far as possible the emergence of obligated and marginal lands and areas of chronic unemployment;

(b) The City of Falcon Heights, Minnesota (the "City") desires to facilitate the selective development of the community, retain and improve the tax base and help to provide the range of services and employment opportunities required by the population, including educational services to its youth; and the Project, as defined below, will assist the City in achieving those objectives and will enhance the image and reputation of the community;

(c) Saint Paul Academy and Summit School, a Minnesota nonprofit corporation (the "Borrower"), and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has proposed that the City undertake a program to finance the Project through the issuance of revenue notes or other obligations, in one or more series (the "Notes"), pursuant to the Act and in an aggregate principal amount not to exceed \$8,500,000;

(d) The "Project" consists of: (i) refinancing, in part, the acquisition, construction and improvements of certain of the Borrower's school facilities located at Dunlap and Goodrich Avenues and Randolph and Davern, on the campus of the Borrower in the City of St. Paul, Minnesota ("St. Paul") by refunding the outstanding principal amount, in part, of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota's (the "Authority") Educational Facility Revenue Refunding Bonds (Saint Paul Academy and Summit School Project), Series 2007, (the "Prior Bonds"), and (ii) financing the costs of issuing the Notes. The Project is owned, operated, and managed by the Borrower;

(e) The City has been advised by representatives of the Borrower that conventional, commercial financing to pay the capital cost of the Project is available only on a limited basis and at such high costs of borrowing that the economic feasibility of operating the Project would be significantly reduced;

(f) Based on representations of the Borrower, no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project;

(g) The Notes, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the City or St. Paul and will not be a charge against the general credit or taxing powers of the City or St. Paul;

(h) As required by the Act and Section 147(f) of the Code, a notice of public hearing was published in the City's official newspaper and newspaper of general circulation, for a public hearing on the proposed issuance of the Notes by the City and the proposal of the Borrower to undertake and finance the Project;

(i) As required by the Act and Section 147(f) of the Code, the City Council has on this same date held a public hearing on the issuance of the Notes by the City and the proposal by the Borrower to undertake and refinance the Project, at which hearing all those appearing who desired to speak were heard and written comments were accepted; and

(j) The City has been advised by representatives of the Borrower that, in accordance with Section 147(f) of the Code, St. Paul held a public hearing on June 14, 2017 on the Project and has given its approval to the issuance of the Notes by the City.

BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota (the "City"), as follows:

SECTION 1. LEGAL AUTHORIZATION AND FINDINGS.

1.1 Findings. The City hereby finds, determines and declares as follows:

(a) The City is a municipal corporation and a political subdivision of the State of Minnesota and is authorized under the Act to assist the project referred to herein, and to issue and sell the Notes, as hereinafter defined, for the purpose, in the manner, and upon the terms and conditions set forth in the Act and in this Resolution.

(b) The issuance and sale of the Notes by the City, pursuant to the Act, is in the best interest of the City, and the City hereby determines to issue the Notes and to sell the Notes to Bremer Bank, National Association, Minneapolis, Minnesota, or another bank in Minnesota (the "Lender"). The City will loan the proceeds of the Notes (the "Loan") to the Borrower in order to finance the Project.

(c) Pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the City and the Borrower, the Borrower has agreed to repay the Notes in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Notes. In addition, the Loan Agreement contains provisions relating to the maintenance and operation of the Project, indemnification, insurance, and other agreements and covenants which are required or permitted by the Act and which the City and the Borrower deem necessary or desirable for their financing of the Project. A draft of the Loan Agreement has been submitted to the City Council.

(d) Pursuant to a Pledge Agreement (the "Pledge Agreement") to be entered into between the City and the Lender, the City has pledged and granted a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses). A draft of the Pledge Agreement has been submitted to the City Council.

(e) Payments due under the Loan Agreement and Notes shall also be secured pursuant to a Security Agreement (the "Security Agreement") given by the Borrower to the Lender by granting a security interest in the property described therein. A draft of the Security Agreement has been submitted to the City Council.

(f) As additional security, the Borrower will grant to the Lender a Declaration of Restrictive Covenants (the "Declaration"), agreeing to certain restrictions on the Project. A draft of the Declaration has been submitted to the City Council.

(g) The Notes will be purchased pursuant to an Agreement to Purchase (the "Purchase Agreement") between the City, the Lender, and the Borrower. A draft of the Purchase Agreement has been submitted to the City Council.

(h) The Notes will be a special, limited obligation of the City. The Notes shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the City be subject to any liability thereon. No holder of the Notes shall ever have the right to compel any exercise of the taxing power of the City to pay the Notes or the interest thereon, nor to enforce payment thereof against any

property of the City. The Notes shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

(i) On the basis of information available to the City it appears, and the City hereby finds, that the Project constitutes properties, real and personal, used or useful in connection with a social services facility within the meaning of the Act; that the Project furthers the purposes stated in the Act; that the availability of the financing under the Act and the willingness of the City to furnish such refinancing will be a substantial inducement to the Borrower to undertake the Project, and that the effect of the Project, if undertaken, will be to assist in the prevention of the emergence of blighted and marginal land, to help prevent chronic unemployment, to help the surrounding area retain and eventually improve the tax base, to provide the range of service and employment opportunities required by the population, to help prevent the movement of talented and educated persons out of the state and to areas within the State where their services may not be as effectively used, and to promote more intensive development and use of land within the City and surrounding communities, and to provide available adequate educational services to residents of the State at a reasonable cost.

(j) It is desirable, feasible, and consistent with the objects and purposes of the Act to issue the Notes, for the purpose of refinancing the costs of the Project.

SECTION 2. THE NOTES.

2.1 Authorized Amount and Form of Notes. The Notes are hereby approved and shall be issued pursuant to this Resolution in substantially the form submitted to the City Council with such appropriate variations, omissions and insertions as are necessary and appropriate and are permitted or required by this Resolution, and in accordance with the further provisions hereof; and the total aggregate principal amount of the Notes that may be outstanding hereunder is expressly limited to \$8,500,000, unless a duplicate Note is issued pursuant to Section 2.7. The Notes shall bear interest at a rate or rates as set forth therein.

2.2 The Notes. The Notes shall be dated as of the date of delivery to the Lender, shall be payable at the times and in the manner, shall bear interest at the rate, and shall be subject to such other terms and conditions as are set forth therein.

2.3 Execution. The Notes shall be executed on behalf of the City by the signatures of its Mayor and the City Administrator and shall be sealed with the seal of the City; provided that the seal may be intentionally omitted as provided by law. In case any officer whose signature shall appear on the Notes shall cease to be such officer before the delivery of the Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if had remained in office until delivery. In the event of the absence or disability of the Mayor or the City Administrator such officers of the City as, in the opinion of the City Attorney, may act in their behalf, shall without further act or authorization of the City Council execute and deliver the Notes.

2.4 Delivery of Initial Notes. Before delivery of the Notes there shall be filed with the Lender (except to the extent waived by the Lender) the following items:

- (1) an executed copy of each of the following documents:
 - (a) the Loan Agreement;
 - (b) the Pledge Agreement;
 - (c) the Security Agreement;
 - (d) the Declaration; and
 - (e) the Purchase Agreement.
- (2) an opinion of Counsel for the Borrower as prescribed by the Lender and Bond Counsel;
- (3) the opinion of Bond Counsel as to the validity and tax exempt status of the Notes;
- (4) evidence that the Borrower is an organization described in Section 501(c)(3) of the Code and is exempt from income taxation under Section 501(c)(3) of the Code; and
- (5) such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (3) above or that the Lender may reasonably require for the closing.

2.5 Disposition of Proceeds of the Notes. Upon delivery of the Notes to Lender, the Lender shall, on behalf of the City, disburse the proceeds of the Notes for refinancing the Project in accordance with the terms of the Loan Agreement.

2.6 Registration of Transfer. The City will cause to be kept at the office of the City Administrator a Note Register in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration of transfers of ownership of the Notes. The Notes shall be initially registered in the name of the Lender and shall be transferable upon the Notes Register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Notes together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Lender or its duly authorized agent. The following form of assignment shall be sufficient for said purpose.

For value received _____ hereby sells, assigns and transfers unto _____ the within Note of the City of Falcon Heights, Minnesota, and does hereby irrevocably constitute and appoint _____ attorney to transfer said Note on the books of said City with full power of substitution in the premises. The undersigned certifies that the transfer is made in accordance with the provisions of Section 2.9 of the Resolution authorizing the issuance of the Notes.

Dated: _____

Registered Owner

Upon such transfer the City Administrator shall note the date of registration and the name and address of the new Lender in the applicable Note Register and in the registration blank appearing on the Notes.

2.7 Mutilated, Lost or Destroyed Note. In case the Notes issued hereunder shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and delivered, a new Note of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed or lost, upon the Lender's paying the reasonable expenses and charges of the City in connection therewith, and in the case of a Note destroyed or lost, the filing with the City of evidence satisfactory to the City with indemnity satisfactory to it. If the mutilated, destroyed or lost Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Note prior to payment.

2.8 Ownership of Note. The City may deem and treat the person in whose name the Notes is last registered in the Notes Register and by notation on the Notes whether or not such Note shall be overdue, as the absolute owner of such Note for the purpose of receiving payment of or on account of the principal balance, redemption price or interest and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

2.9 Limitation on Note Transfers. The Notes will be issued to an "accredited investor" and without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Notes may not be assigned or transferred in whole or part, nor may a participation interest in the Notes be given pursuant to any participation agreement, except to another "accredited investor" or "financial institution" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

2.10 Issuance of a New Note. Subject to the provisions of Section 2.9, the City shall, at the request and expense of the Lender, issue a new note, in aggregate outstanding principal amount equal to that of the Notes surrendered, and of like tenor except as to number, principal amount, and the amount of the periodic installments payable thereunder, and registered in the name of the Lender or such transferee as may be designated by the Lender.

SECTION 3. GENERAL COVENANTS.

3.1 Payment of Principal and Interest. The City covenants that it will promptly pay or cause to be paid the principal of and interest on the Notes at the place, on the dates, solely from the source and in the manner provided herein and in the Notes. The principal and interest are payable solely from and secured by revenues and proceeds derived from the Loan Agreement and the Pledge Agreement, which revenues and proceeds are hereby specifically pledged to the payment thereof in the manner and to the extent specified in the Notes, the Loan Agreement, and the Pledge Agreement; and nothing in the Notes or in this Resolution shall be considered as assigning, pledging, or otherwise encumbering any other funds or assets of the City.

3.2 Performance of and Authority for Covenants. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution, in the Notes executed, authenticated and delivered hereunder and in all proceedings of the City Council pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota including particularly and without limitation the Act, to issue the Notes authorized hereby, pledge the revenues and assign the Loan Agreement in the manner and to the extent set forth in this Resolution, the Notes, the Loan Agreement, and the Pledge Agreement that all action on its part for the issuance of the Notes and for the execution and delivery thereof has been duly and effectively taken; and that the Notes in the hands of the Lender is and will be a valid and enforceable special limited obligation of the City according to the terms thereof.

3.3 Enforcement and Performance of Covenants. The City agrees to enforce all covenants and obligations of the Borrower under the Loan Agreement, upon request of the Lender and being indemnified to the satisfaction of the City for all expenses and claims arising therefrom, and to perform all covenants and other provisions pertaining to the City contained in the Notes and the Loan Agreement and subject to Section 3.4.

3.4 Nature of Security. Notwithstanding anything contained in the Notes, the Loan Agreement, the Pledge Agreement, the Security Agreement, or any other document referred to in Section 2.4 to the contrary, under the provisions of the Act the Notes may not be payable from or be a charge upon any funds of the City other than the revenues and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon, nor shall the Notes otherwise contribute or give rise to a pecuniary liability of the City or, to the extent permitted by law, any of the City's officers, employees and agents. No holder of the Notes shall ever have the right to compel any exercise of the taxing power of the City to pay the Notes or the interest thereon, or to enforce payment thereof against any property of the City other than the revenues pledged under the Pledge Agreement; and the Notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City; and the Notes shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; but nothing in the Act impairs the rights of the Lender to enforce the covenants made for the security thereof as provided in this Resolution, the Loan Agreement, the Pledge Agreement, and the Security Agreement, and in the Act, and by authority of the Act the City has made the covenants and agreements herein for the benefit of the Lender; provided that in any event, the agreement of the City to perform or enforce the covenants and other provisions contained in the Notes, the Loan Agreement, the Pledge Agreement, and the Security Agreement, shall be subject at all times to

the availability of revenues under the Loan Agreement sufficient to pay all costs of such performance or the enforcement thereof, and the City shall not be subject to any personal or pecuniary liability thereon.

3.5 Qualified Tax Exempt Obligation. In order to qualify the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the City hereby makes the following factual statements and representations;

(a) the Notes are not treated as a "private activity bond" under Section 265(b)(3) of the Code;

(b) the City hereby designates the Notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which will be issued by the City (and all entities whose obligations will be aggregated with those of the City) during the calendar year 2017 will not exceed \$10,000,000;

(d) not more than \$10,000,000 of obligations issued by the City during the calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code; and

(e) the aggregate face amount of the Notes does not exceed \$10,000,000.

SECTION 4. MISCELLANEOUS.

4.1 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

4.2 Authentication of Transcript. The officers of the City are directed to furnish to Bond Counsel certified copies of this Resolution and all documents referred to herein, and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity of the Notes. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute recitals of the City as to the correctness of all statements contained therein.

4.3 Authorization to Execute Agreements. The forms of the proposed Loan Agreement, the Pledge Agreement, and the Purchase Agreement are hereby approved in substantially the form presented to the City Council, together with such additional details therein

as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents. The Mayor and the City Administrator of the City are authorized to execute the Loan Agreement, the Pledge Agreement, and the Purchase Agreement and such other documents as Bond Counsel consider appropriate in connection with the issuance of the Notes, in the name of and on behalf of the City. In the event of the absence or disability of the Mayor or the City Administrator such officers of the City as, in the opinion of the City Attorney, may act on their behalf, shall without further act or authorization of the City Council do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any instrument by the appropriate officer or officers of the City herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

Adopted by the City Council of the City of Falcon Heights, Minnesota, this 14th day of June, 2017.

After full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Moved by:

Approved by: _____

Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
BROWN THUNDER _____
HARRIS _____ Against
GUSTAFSON _____
FISCHER _____

Attested by: _____

Sack Thongvanh
City Administrator

STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Falcon Heights, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes relate to a resolution authorizing the issuance of capital campaign bridge financing notes.

WITNESS my hand this ____ day of _____, 2017.

City Administrator

AGREEMENT TO PURCHASE

_____, 2017
(Dated Date)

Saint Paul Academy and Summit School
1712 Randolph Avenue
St. Paul, Minnesota 55015

City of Falcon Heights, Minnesota
2077 Larpenteur Ave. W.
Falcon Heights, Minnesota 55113-5551

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from the City of Falcon Heights, Minnesota (the "Issuer") the Issuer's \$_____ Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project) (the "Series 2017 Note") subject to the conditions hereinafter set out. The proceeds of the Series 2017 Note will be loaned and disbursed to, or at the direction of, Saint Paul Academy and Summit School (the "Borrower") for the purpose of refinancing a portion of the costs of the acquisition, construction, and improvement of certain of the Borrower's school facilities, including facilities located on the Borrower's campus at Dunlap and Goodrich and Randolph and Davern in the City of Saint Paul, Minnesota (the "Facility"), by refunding, in part, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota's \$14,750,000 Educational Facilities Revenue Refunding Bonds (Saint Paul Academy and Summit School Project) Series 2007 (the "Prior Bonds").

The Series 2017 Note will be issued with a floating interest rate equal to 67% of the sum of the then current One-Month LIBOR Rate plus 160 basis points (the "Rate"); provided, however, that the Borrower shall have the option to convert to a **[fixed]** rate. The Series 2017 Note shall be subject to other terms and conditions in the terms attached hereto as Exhibit A. On the closing date of the Series 2017 Note, the Issuer and the Borrower will enter into a Loan Agreement (the "Loan Agreement") evidencing the Borrower's obligation to repay the loan pursuant to the terms of the Loan Agreement and containing financial covenants, security provisions, and other terms acceptable to the Purchaser and the Borrower.

The Purchaser's purchase of the Series 2017 Note is not contingent upon the purchase of any notes, bonds or other obligation to be issued in the future by the Issuer or any other issuer to finance a portion of the refunding of the Prior Bonds.

The Purchaser's purchase of the Series 2017 Note is subject to satisfaction of closing conditions and final legal documentation satisfactory to Purchaser, including participation agreements in an amount satisfactory to the Purchaser, if any, and evidence satisfactory to the Purchaser of sufficient financing to pay the total costs of the refunding of the Prior Bonds.

IN WITNESS WHEREOF, the Purchaser has caused this Purchase Agreement to be executed in its name, all as of the Dated Date.

BREMER BANK, NATIONAL
ASSOCIATION

By: _____
Its: Vice President

[Execution Page for Agreement to Purchase]

IN WITNESS WHEREOF, the Borrower has caused this Purchase Agreement to be executed in its name, all as of the Dated Date.

SAINT PAUL ACADEMY AND SUMMIT
SCHOOL

By: _____
Its: _____

[Execution Page for Agreement to Purchase]

IN WITNESS WHEREOF, the Issuer has caused this Purchase Agreement to be executed in its name as of the Dated Date.

CITY OF FALCON HEIGHTS, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

[Execution Page for Agreement to Purchase]

EXHIBIT A

LOAN TERMS

Principal Amount:	\$8,500,000
Maturity Date:	20 years from closing
Amortization:	20 years
Rate:	Floating rate equal to 67% of the sum of the One-Month LIBOR Rate plus 160 basis points.
Interest Rate Reset Date:	Monthly, commencing on the first payment date ("Reset Date").
Payments:	Two years of interest-only monthly payments and then monthly payments of principal plus interest, all on the 1st day of each month (the "Payment Date").
Definitions:	<p>"One-Month LIBOR Rate" means a fluctuating rate of interest per annum equal to the ICE London Interbank Offered Rate ("ICE LIBOR"), as published by Intercontinental Exchange ("ICE") (or other commercially available source providing quotations of ICE LIBOR as selected by Purchaser from time to time) as determined for each London Banking Day at approximately 11:00 a.m., London time, two (2) London Banking Days (as hereinafter defined) prior to the Reset Date (defined above), for U.S. Dollar deposits with a thirty (30) day term, as adjusted from time to time in Purchaser's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by Purchaser.</p> <p>"London Banking Day" is a day on which banks in London, United Kingdom are open for business and dealing in offshore dollars.</p>

Conversion to Fixed Rate: The Borrower shall have the option to convert to a fixed rate upon _____. The fixed rate shall be calculated on the basis of _____. **[Is this a true fixed rate or a rate fixed for a certain period subject to adjustment based on an index?]**

Prepayment: The Series 2017 Note will be subject to optional prepayment by the Borrower on any date. Up to 15% of the outstanding principal balance of the Series 2017 Note as of January 1 of each year may be prepaid without a prepayment penalty or premium. Prepayment in excess of 15% of the outstanding principal balance shall be subject to a prepayment penalty expressed as a percentage of the principal balance to be prepaid as follows:

<u>Prepayment Date</u>	<u>Penalty</u>
From Date of Issuance to Third Anniversary thereof	3%
From Third Anniversary to Sixth Anniversary	2%
From Sixth Anniversary to Eighth Anniversary	1%
From Eighth Anniversary and thereafter	0%

LOAN AGREEMENT
BETWEEN
CITY OF FALCON HEIGHTS, MINNESOTA

AND

SAINT PAUL ACADEMY AND SUMMIT SCHOOL

Dated as of _____, 2017

Except for certain reserved rights, the interest of the City of Falcon Heights, Minnesota in this Loan Agreement has been pledged and assigned to Bremer Bank, National Association pursuant to a Pledge Agreement of even date herewith.

This instrument was drafted by:

BRIGGS AND MORGAN (CJC)
Professional Association
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402

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THIS LOAN AGREEMENT dated as of _____, 2017, between the City of Falcon Heights, Minnesota, a municipal corporation (the "Issuer"), and Saint Paul Academy and Summit School, a Minnesota nonprofit corporation (the "Borrower").

WITNESSES that the Issuer and the Borrower each in consideration of the representations, covenants and agreements of the other as set forth herein, mutually represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS, EXHIBITS AND RULES OF INTERPRETATION

Section 1.1 Definitions. In this Agreement the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Act: collectively, Minnesota Statutes, Sections 469.152 to 469.165, as amended;

Agreement: this Loan Agreement between the Issuer and the Borrower as the same may from time to time be amended or supplemented as herein provided;

Bond Counsel: the firm of Briggs and Morgan, Professional Association, of Minneapolis, Minnesota, or any other nationally recognized bond counsel representing the Issuer, and any opinion of Bond Counsel shall be a written opinion signed by such Bond Counsel;

Borrower: Saint Paul Academy and Summit School, its successors and assigns, and any surviving, resulting, or transferee business entity which may assume its obligations in accordance with the provisions of this Agreement;

City: the City of Saint Paul, Minnesota;

Closing: the date there is physical delivery of the Note to the Lender and payment therefor;

Code: the Internal Revenue Code of 1986, as amended and the temporary, final or proposed regulations promulgated thereunder;

Collateral: all collateral on which a lien has been granted to the Lender by the Borrower pursuant to this Agreement and the Security Agreement;

Counsel: an attorney designated by or acceptable to the Lender, duly admitted to practice law before the highest court of any state; an attorney for the Borrower or the Issuer may be eligible for appointment as Counsel;

Date of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof;

Debt Service Coverage Ratio: Debt Service Coverage Ratio means the Borrower's (A) change in unrestricted net assets, plus depreciation, amortization and interest expense, plus (less) unrealized losses (gains), divided by (B) prior year current maturities of long-term debt plus current year cash interest expense, all determined in accordance with generally accepted accounting principles, consistently applied;

Declaration: the Declaration of Restrictive Covenants of even date herewith by the Borrower;

Default Rate: has the meaning defined in Section 6.7 hereof;

Determination of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof;

Disbursement Request: a Disbursement Request in the form of Exhibit B attached hereto;

Event of Default: any of the events described in Section 6.1 hereof;

Exempt Organization: a governmental unit, an entity described in Section 501(c)(3) of the Code or a limited liability company that is a disregarded entity for federal income tax purposes and whose sole member (or, if different, beneficial owner for federal income tax purposes) is an entity described in Section 501(c)(3) of the Code;

Facility: certain educational facilities of the Borrower on the campus of the Borrower, including facilities located at Dunlap and Goodrich and at Randolph and Davern in the City;

Fiscal Year: with respect to the Borrower, the period commencing on the first day of _____ of any year and ending on the last day of June of the next year or any other twelve (12) month period specified by the Borrower as its fiscal year;

Independent Counsel: an attorney duly admitted to practice law before the highest court of any state and who is not a full-time employee, director or shareholder of the Issuer, the Borrower, or Lessee;

Issuance Expenses: shall mean any and all costs and expenses relating to the issuance, sale and delivery of the Note, including, but not limited to, any fees of the Lender, all fees and expenses of legal counsel, financial consultants, feasibility consultants and accountants, any fee to be paid to the Issuer, the preparation and printing of this Agreement, the Capital Campaign Security Agreement, the Business Assets Security Agreement, the Declaration, the Resolution, the Pledge Agreement, the Note and all other related documents, and all other expenses relating to the issuance, sale and delivery of the Note and any other costs which are treated as "issuance costs" within the meaning of Section 147(g) of the Code;

Issuer: City of Falcon Heights, Minnesota, its successors and assigns;

Land: the real property and any other easements and rights described in Exhibit A to the Declaration, together with all additions thereto and substitutions therefor agreed to by Lender and Borrower;

Lender: Bremer Bank, National Association, a national banking association, its successors and assigns;

Little Canada Note: the City of Little Canada, Minnesota Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project) dated _____, 2017, in the original principal amount of \$7,500,000, as it may be amended from time to time;

Loan: the loan of proceeds of the Note from the Issuer to the Borrower described in Section 3.1 of this Agreement;

Loan Documents: collectively, the documents listed in Section 3.2, items (1) - (6) hereof;

Mendota Note: the City of Mendota, Minnesota Capital Campaign Bridge Financing Note, Series 2017 (Saint Paul Academy and Summit School Project) dated _____, 2017, in the original principal amount of \$10,000,000, as it may be amended from time to time;

Note: the Issuer's \$8,500,000 Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project), as it may be amended from time to time;

Pledge Agreement: the Pledge Agreement of even date herewith between the Issuer and the Lender pledging and assigning the Issuer's interest in this Agreement to the Lender to the extent provided therein;

Principal Balance: so much of the principal sum on the Note as from time to time remains unpaid;

Prior Bonds: the \$14,750,000 Housing and Redevelopment Authority Educational Facilities Revenue Refunding Bonds, Series 2007 (Saint Paul Academy and Summit School Project), currently outstanding in the principal amount of \$_____;

Project: the refunding of the Prior Bonds, the proceeds of which were used to refinance the acquisition, construction, and improvement of the Facility;

Project Costs: all direct costs authorized by the Act and paid or incurred by the Borrower with respect to the Project;

Purchase Agreement: the Agreement to Purchase dated _____, 2017 between the Issuer, the Borrower, and the Lender;

Redemption Date: _____, 2017;

Resolution: the Final Note Resolution of the Issuer, adopted June 14, 2017, authorizing the issuance of the Note together with any supplement or amendment thereto;

Security Agreement: the Security Agreement of even date herewith by the Borrower for the benefit of the Lender pledging and granting a security interest in the collateral described therein;

State: the State of Minnesota; and

Treasury Regulations: all proposed, temporary or permanent federal income tax regulations then in effect and applicable.

Section 1.2 Rules of Interpretation.

(1) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(2) The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision hereof.

(3) References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

(4) Where the Borrower is permitted or required to do or accomplish any act or thing hereunder, the Issuer may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Borrower.

(5) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Agreement.

(6) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(7) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Agreement.

(8) References to the Note as "tax exempt" or to the "tax exempt status of the Note" are to the exclusion of interest on the Note from gross income pursuant to Section 103(a) of the Code.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer makes the following representations as the basis for its covenants herein:

(1) The Issuer is a municipal corporation pursuant to the laws of the State of Minnesota;

(2) There is no pending or, to the undersigned's actual knowledge, without inquiry or investigation, threatened suit, action, or proceeding against the Issuer before any court, arbitrator, administrative agency, or other governmental authority that challenges the Issuer's execution and delivery of this Agreement, the Note, the Pledge Agreement, and the Purchase Agreement;

(3) To the actual knowledge of the undersigned, without inquiry or investigation, the execution and delivery of this Agreement, the Note, the Pledge Agreement, and the Purchase Agreement will not constitute a breach of or default under any existing (a) provision of any special legislative act or charter provision relating to the establishment of the Issuer or (b) agreement, indenture, mortgage, lease or other instrument to which the Issuer is a party or by which it is bound; and

(4) No proceeding of the Issuer for the issuance, execution or delivery of this Agreement, the Note, the Pledge Agreement, or the Purchase Agreement has been repealed, rescinded, amended or revoked and Lender is entitled to rely on the same as if the same were fully incorporated herein, including without limitation, the Resolution.

Section 2.2 Representations by the Borrower. The Borrower makes the following representations as the basis for its covenants herein:

(1) The Borrower is a Minnesota nonprofit corporation in good standing, is duly authorized to conduct its business in all states where its activities require such authorization, has power to enter into this Agreement, the Declaration, the Security Agreement, and the Purchase Agreement and to use the Facility for the purpose set forth in this Agreement and by proper corporate action has authorized the execution and delivery of this Agreement, the Declaration, the Security Agreement, and the Purchase Agreement;

(2) Not more than five percent (5%) of the proceeds of the Note will be used, directly or indirectly, to finance property used in an unrelated trade or business of the Borrower determined by applying Section 513(a) of the Code or in the trade or business of any person other than an organization described in Section 501(c)(3) of the Code. There is no action, proceeding or investigation pending or threatened by the Internal Revenue Service or authorities of the State of Minnesota which, if adversely determined, might result in a modification of the status of the Borrower as an organization described in Section 501(c)(3) of the Code;

(3) The execution and delivery of this Agreement, the Declaration, the Security Agreement, and the Purchase Agreement, the consummation of the transactions

contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or conditions of the Borrower's articles of incorporation, its bylaws, any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or to which any property of the Borrower is subject, and do not and will not constitute a default under any of the foregoing or a violation of any order, decree, statute, rule or regulation of any court or of any state or federal regulatory body having jurisdiction over the Borrower or its properties, including the Facility, and do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Borrower contrary to the terms of any instrument or agreement to which the Borrower is a party or by which it is bound;

(4) As of the date hereof, the use of the Facility as designed and to be operated complies, in all material respects, with all presently applicable development, pollution control, water conservation and other laws, regulations, rules and ordinances of the federal government and the State of Minnesota and the respective agencies thereof and the political subdivisions in which the Facility is located. The Borrower has obtained, or will obtain in a timely manner, all necessary and material approvals of and licenses, permits, consents and franchises from federal, state, county, municipal or other governmental authorities having jurisdiction over the Facility and to enter into, execute and perform its obligations under this Agreement, the Declaration, the Security Agreement, and the Purchase Agreement, and no violation of any local ordinance, laws, regulation or requirement exists with respect to the Land;

(5) The proceeds of the Note, together with any other funds to be contributed to the Project by the Borrower, or otherwise in accordance with this Agreement, will be sufficient to pay the cost of the Project in a manner suitable for use of the Facility as an educational facility, and all costs and expenses incidental thereto, and the proceeds of the Note will be used only for the purposes contemplated hereby and allowable under the Act;

(6) Comparable private financing for the Project was not found by the Borrower to be reasonably available, and the Project is economically more feasible with the availability of the financing herein authorized;

(7) The Borrower is not in the trade or business of selling properties such as the Facility and is undertaking the Project for investment purposes only or otherwise for use by the Borrower in its trade or business, and therefore the Borrower has no intention now or in the foreseeable future to voluntarily sell, surrender, or otherwise transfer, in whole or part, its interest in the Facility;

(8) There are no actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any property of the Borrower in any court or before any federal, state, municipal, or other governmental agency, which, if decided adversely to the Borrower would have a material adverse effect upon the Borrower or upon the business or properties of the Borrower; and the Borrower is not in default with respect to any order of any court or governmental agency;

(9) The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money nor in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued;

(10) The Borrower has filed all federal and state income tax returns which are required to be filed and has paid all taxes shown on said returns and all assessments and governmental charges received by the Borrower to the extent that they have become due;

(11) To the knowledge of the Borrower, no public official of the Issuer has either a direct or indirect financial interest in this Agreement nor will any public official either directly or indirectly benefit financially from this Agreement;

(12) The Borrower has approved the terms and conditions of the Note;

(13) The Borrower intends the Facility to be operated as an educational facility until the date on which the entire Principal Balance of the Note has been fully paid and is no longer outstanding;

(14) Each document executed by the Borrower in connection with the Loan constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency and other similar laws affecting creditors' rights generally);

(15) The financial statements of the Borrower heretofore furnished to the Lender are complete and correct in all material respects and fairly present the financial condition of the Borrower at the date of such statements. Since the most recent set of audited financial statements delivered by the Borrower to the Lender, there have been no material adverse changes in the financial condition of the Borrower;

(16) No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Agreement, or any of the agreements or instruments herein mentioned or related hereto to which the Borrower is a party or the carrying out or performance of any of the transactions required or contemplated hereby or thereby or, if required, such consent, approval, order or authorization has been (or, with respect to the filing of the Form 8038 with the Internal Revenue Service, will be) obtained or such registration, declaration, or filing has been or will be accomplished or such notice has been or will be given;

(17) The Facility is in substantial compliance with the accessibility guidelines set forth in Title III of The Americans with Disabilities Act of 1990, as the same may be amended from time to time, and any rules and regulations promulgated thereunder (the "ADA").

ARTICLE III

THE LOAN

Section 3.1 Amount and Source of Loan. The Issuer has authorized the issuance of the Note in the principal amount of \$8,500,000 to provide funds to the Borrower for its use in financing the Project. The Borrower agrees to acquire and construct the Facility and the Issuer, upon receipt of its administrative fee of \$_____, agrees to lend the Borrower, upon the other terms and conditions set forth herein, the proceeds received from the Note by causing such sums to be advanced to the Borrower and disbursed at Closing or pursuant to this Agreement.

Section 3.2 Documents Required Prior to Closing and Disbursement of the Loan. Prior to the closing and any advance of the proceeds, the Borrower shall deliver to the Lender the following:

- (1) The Note;
- (2) This Agreement;
- (3) The Pledge Agreement;
- (4) The Declaration;
- (5) The Security Agreement;
- (6) The Purchase Agreement;
- (7) Opinion of Counsel for the Borrower as prescribed by the Lender and Bond Counsel;
- (8) An opinion of Briggs and Morgan, Professional Association, to the effect that the Issuer has duly authorized the Note and that the interest thereon is exempt from federal income taxation and subject to other conditions acceptable to the Lender;
- (9) 501(c)(3) determination letter from the Internal Revenue Service evidencing that the Borrower is exempt from income taxation under Section 501(c)(3) of the Code and such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (8) above; and
- (10) Any certification, instrument, assignment or other document referenced in or required by any of the foregoing.

Section 3.3 Disbursement of the Loan. Pursuant to this Agreement and the Act, the Issuer authorizes the Borrower to provide directly for the financing of the Project in such manner as determined by the Borrower and hereby authorizes the Lender to advance the proceeds of the Note directly to or for the benefit of the Borrower or such other parties as may be entitled to payment or reimbursement for Project Costs or Issuance Expenses, upon receipt of a Disbursement Request in the form of Exhibit B hereto and such supporting documentation as the

Lender may deem reasonably necessary or as required by this Agreement. At Closing, \$_____ of the Note proceeds will be disbursed for Issuance Expenses and \$_____ of the Note proceeds will be disbursed to the trustee for the Prior Bonds to be applied to the refunding of the Prior Bonds on the Redemption Date. Upon Lender's receipt of an approved Disbursement Request from Borrower, Lender shall advance Note proceeds for the approved amount to the Borrower and disburse such proceeds pursuant to this Agreement to finance the Project Costs and Issuance Expenses, provided that no more than 2% of the amount actually advanced on the Note may be used to pay Issuance Expenses.

Section 3.4 Repayment. Subject to the prepayment provisions set forth in the Note, the Borrower agrees to repay the Loan by making all payments of principal, interest, and any premium or charge that are required to be made by the Issuer under the Note at the times and in the amounts provided therein. All payments shall be made directly to the Lender as provided in the Note for the account of the Issuer. The Borrower represents and covenants that the source of payment of the Note is from revenues derived from its ownership of the Project and other funds of the Borrower obtained pursuant to its tax-exempt purposes.

Section 3.5 Fee Payments. In addition to the repayments required by Section 3.4 hereof, the Borrower shall pay to the Issuer, as fee payments, the following amounts, in each case promptly after receipt of an appropriate invoice stating the basis and amount of the charge: all costs and expenses of the Issuer incurred in the issuance and payment of the Note and the making, administration and collection of the Loan, including (i) all costs incurred in connection with the purchase, transfer, registration, exchange or redemption of the Note, (ii) the reasonable fees and other costs incurred for services of such engineers, attorneys, management consultants, accountants and other consultants as are employed by the Issuer to make examinations and reports, provide services and render opinions required under this Agreement, and (iii) amounts advanced by the Issuer under the provisions of this Agreement and which the Borrower is obligated to repay.

Section 3.6 Borrower's Obligations Unconditional. All payments required of the Borrower hereunder shall be paid without notice or demand and without setoff, counterclaim, abatement, deduction or defense. The Borrower will not suspend or discontinue any payments, and will perform and observe all of its other agreements in this Agreement, and, except as expressly permitted herein, will not terminate this Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Facility, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Issuer or the Lender, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State of Minnesota or any political subdivision thereof, or failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

ARTICLE IV

BORROWER'S COVENANTS

Section 4.1 Indemnity. The Borrower will, to the extent permitted by law, pay, and will protect, indemnify and save the Issuer, the Lender, and their respective officers, agents, and employees harmless from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands and judgments of any nature arising from the following:

(1) any injury to or death of any person or damage to property in or upon the Facility or growing out of or connected with the use, non-use, condition or occupancy of the Facility or a part thereof;

(2) violation of any agreement or condition of this Agreement, except by the Issuer or its assignee;

(3) violation of any contract, agreement or restriction by the Borrower relating to the Project;

(4) violation of any law, ordinance or regulation affecting the Facility or a part thereof or the ownership, occupancy or use thereof, or arising out of this Agreement, the Note or the transactions contemplated thereby, including any requirements imposed on the Lender as a financial institution or any disclosure or registration requirements imposed by any federal or state securities law; and

(5) any statement or information relating to the expenditure of the proceeds of the Note contained in a non-arbitrage certificate or similar document furnished by the Borrower to the Issuer which, at the time made, is misleading, untrue or incorrect in any material respect.

Section 4.2 Continuing Existence and Qualification; Transfer. Throughout the term of this Agreement the Borrower will remain duly qualified to do business as a nonprofit corporation in Minnesota and will continue to operate as an organization described in Section 501(c)(3) of the Code whose income is exempt from taxation under Section 501(a) of the Code, and the Borrower will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of their assets, and will not consolidate with or merge into another corporation or other business entity or permit any other corporation or other business entity to consolidate with or merge into it unless (1) the surviving, resulting or transferee corporation, or other business entity, as the case may be, shall be a nonprofit corporation operating under the laws of the United States, any state or the District of Columbia, and an organization described in Section 501(c)(3) of the Code (provided the Project will not constitute an unrelated trade or business within the meaning of Section 513(a) of the Code) or a governmental unit under Section 145 of the Code; (2) the surviving, resulting or transferee corporation, or other business entity, as the case may be, if other than the Borrower, assumes in writing all of the obligations of the Borrower under this Agreement, the Declaration, and the Security Agreement, and shall deliver that instrument to the Lender, (3) the surviving, resulting or transferee corporation or other business entity, as the case may be, is duly qualified to do business in Minnesota, and (4) the Borrower first obtains the

written consent of the Lender to such merger, transfer, or consolidation, which approval may be granted or withheld by the Lender in its sole and absolute discretion. At least 60 days before any proposed merger, transfer or consolidation would become effective, the Borrower shall deliver to the Lender a written request seeking the Lender's approval of such merger, transfer, or consolidation, and shall thereafter promptly furnish to the Lender such information pertaining to the proposed merger, transfer, or consolidation as the Lender shall request. If the Lender approves the proposed merger, transfer, or consolidation, the surviving, resulting or transferee corporation and other entity referred to in this Section 4.2 shall be bound by all of the covenants and agreements of the Borrower herein with respect to any further consolidation, merger, sale or transfer.

Section 4.3 Reports to Governmental Agencies. The Borrower will furnish to agencies of the State of Minnesota, such periodic reports or statements as are required under the Act, or as they may otherwise reasonably require of the Issuer or the Borrower throughout the term of this Agreement in connection with the transaction contemplated herein. Copies of such reports will be provided to the Issuer and the Lender.

Section 4.4 Security for the Loan. As additional security for the Lender, and to induce the Issuer to issue and deliver the Note, the Borrower agrees to execute and deliver (or cause to be executed and delivered) the documents described in Section 3.2 hereof and agrees to meet all its obligations under such documents, which documents shall remain in effect until all payments required hereunder have been made; and the Borrower will direct Bond Counsel or the Lender to cause to be recorded and filed the Declaration, financing statements, and such other documents requested by Bond Counsel or the Lender, in such places and in such manner as Bond Counsel or the Lender deems necessary or desirable to perfect or protect the security interest of the Lender in and to the Facility and other collateral referred to in said documents. Except as otherwise may be provided in the Declaration, the Borrower will not further encumber the property pledged therein without the Lender's prior written consent.

Section 4.5 Preservation of Tax Exemption.

(1) The Borrower covenants and agrees that, in order to assure that the interest on the Note shall at all times be free from federal income taxation, the Borrower represents and covenants to the Issuer and the Lender that it will comply with the applicable provisions of Section 103 and Section 141 through 150 of the Code and as follows:

(a) The Facility is and will continue to be owned and operated by the Borrower, and no portion of the Facility is managed by anyone other than the Borrower or a governmental entity or an organization described in Section 501(c)(3) of the Code or pursuant to a "qualified management agreement" within the meaning of all pertinent provisions of law, including all relevant provisions of the Code and regulations, rulings and revenue procedures thereunder, including Revenue Procedure 2017-13.

(b) The Facility will not be used by the Borrower in an unrelated trade or business, determined by the application of Section 513(a) of the Code.

(c) No more than five percent (5%) of the net proceeds of the Note is to be used for any private business use as defined in Section 141(b)(6) of the Code.

(d) The payment of the principal of, or interest on, no more than five percent (5%) of the net proceeds of the Note is (under the terms of the Note or any underlying arrangement) directly or indirectly (a) secured by any interest in (i) property used or to be used for a private business use, or (ii) payments in respect of such property, or (b) to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.

(e) The aggregate authorized face amount of the Note (when increased by any outstanding tax-exempt "qualified 501(c)(3) bonds" issued prior to 1997, other than "qualified hospital bonds," of the Borrower, or any organization with which the Borrower is under common management or control and is a test period beneficiary determined in accordance with Section 145(b) of the Code) does not exceed \$150,000,000 or, alternatively, at least 95% of the net proceeds of the Note will be used for capital expenditures.

(f) The weighted average maturity of the Note will not exceed the estimated economic life of the Facility by more than twenty percent (20%), all within the meaning of Section 147(b) of the Code.

(g) While the Note remains outstanding, no portion of the proceeds of the Note will be used to provide any airplane, skybox or other private luxury box, any facility primarily used for gambling, or a store, the principal business of which is the sale of alcoholic beverages for consumption off premises.

(h) Not more than 2% of the proceeds of the Note will be used to finance Issuance Expenses.

(i) The Borrower agrees it will not use the proceeds of the Note in such a manner as to cause the Note to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations. The Borrower shall:

(i) maintain records identifying all "gross proceeds" and "replacement proceeds" (as defined in Section 148(f)(6)(B) of the Code attributable to the Note, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Note) and any earnings derived from the investment of such arbitrage profit;

(ii) make, or cause to be made as of the end of each fifth bond year, the annual determinations of the amount, if any, of excess arbitrage required to be paid to the United States, unless the Borrower obtains an Opinion of Bond Counsel to the effect that such calculations need not be made (the "Rebate Amount");

(iii) pay, or cause to be paid, to the United States at least once every fifth bond year the amount, if any, which is required to be paid to the United

States, including the last installment which shall be made no later than 60 days after the day on which the Note is paid in full;

(iv) not invest, or permit to be invested, "gross proceeds" of the Note in any acquired non-purpose obligations so as to deflect arbitrage otherwise payable to the United States as a "prohibited payment" to a third party; and

(v) if applicable, retain all records of the determination of the foregoing amounts until six (6) years after the Note has been fully paid.

Unless the Opinion of Bond Counsel described in (ii) above is provided, the Borrower agrees that, in order to comply with this paragraph (i), it shall determine the Rebate Amount within 30 days after each fifth year of the anniversary of the Closing and upon payment in full of the Note; upon request, the Borrower shall furnish the Lender a certificate showing how such calculation was made.

(j) The Borrower has not leased, sold, assigned, granted or conveyed and will not lease, sell, assign, grant or convey all or any portion of the Facility or any interest therein to the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Code.

(k) In addition to the Note, no other obligations have been or will be issued under Section 103 of the Code which are sold at substantially the same time as the Note pursuant to a common plan of marketing and at substantially the same rate of interest as the Note and which are payable in whole or part by the Borrower or otherwise have with the Note any common or pooled security for the payment of debt service thereon, or which are otherwise treated as the same "issue of obligations" as the Note as described in Treasury Regulations Section 1.150-(1)(c)(1).

(l) No proceeds of the Note shall be invested in investments which cause the Note to be federally guaranteed within the meaning of Section 149(b) of the Code. If at any time the moneys in such funds exceed, within the meaning of Section 149(b)(3)(B) of the Code, (i) amounts invested for an initial temporary period until the moneys are needed for the purpose for which the Note was issued, (ii) investments of a bona fide debt service fund, and (iii) investments of a reserve which meet the requirement of Section 148(d) of the Code, such excess moneys shall be invested in only those investments, which are (A) obligations issued by the United States Treasury, (B) other investments permitted under regulations, or (C) obligations which are (a) not issued by, or guaranteed by, or insured by, the United States or any agency or instrumentality thereof or (b) not federally insured deposits or accounts, all within the meaning of Section 149(b) of the Code.

(m) Not otherwise use proceeds of the Note, or take or fail to take any action within its control, the effect of which would be to impair the exemption of interest on the Note from federal income taxation.

(n) Maintain such written procedures as appropriate and applicable to ensure Borrower's principal responsibility for compliance with the post-issuance requirements

necessary to maintain the tax-exempt status of the interest on the Note, including requirements that must be continually monitored, including (i) monitoring the investment (pending expenditure) of Note proceeds (and keep detailed records thereof) in order to assure compliance with the arbitrage requirements applicable to the Note, (ii) monitoring the expenditures of Note proceeds (and keep detailed records thereof), (iii) monitoring the use of the Facility in order to ensure that the Note continue to qualify as a qualified 501(c)(3) bond within the meaning of Section 145 of the Code, (iv) periodically consulting with Bond Counsel with respect to arbitrage issues and compliance, and (v) consulting with Bond Counsel as necessary to determine whether, and to what extent, any change in the use or purpose of the financed facility will require any remedial action under the relevant Treasury Regulations.

(2) For the purpose of this Section, a "Determination of Taxability" shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision of a court of competent jurisdiction, or a change in any applicable federal statute, which holds or provides in effect that all of the interest payable on the Note is includible, for federal income tax purposes under Section 103 of the Code, in the gross income of the Lender or any other holder or prior holder of the Note for any reason, if the period, if any, for contest or appeal of such action, ruling or decision by the Borrower or the Lender or any other interested party has expired without any such contest or appeal having been properly instituted by the Lender, the Borrower or any other interested party. The expenses of any such contest shall be paid by the party initiating the contest, and neither the Lender nor the Borrower shall be required to contest or appeal any Determination of Taxability. The "Date of Taxability" shall mean that point in time, as specified in the determination, ruling, order, or decision, that the interest payable on the Note becomes includible in the gross income of the Lender or any other holder or prior holder of the Note, as the case may be, for federal income tax purposes.

(3) If the Borrower receives a Determination of Taxability it will promptly give notice of such Determination of Taxability to the Issuer and the Lender and the Note shall convert to a taxable obligation effective as of the Date of Taxability. The interest rate for interest accruing from the Date of Taxability shall be adjusted to the "Taxable Rate" (as defined in the Note) on the date of the Determination of Taxability and the Borrower shall pay any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment on the next payment date along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate, as provided in the Note.

Section 4.6 Lease or Sale of Facility. The Borrower shall not lease, sell, convey or otherwise transfer the Facility in whole or part, without first securing the written consent of the Lender provided that in no event shall such lease, transfer, assignment or sale be permitted if the effect thereof would otherwise be to impair the validity or the tax exempt status of the Note, nor shall any such transaction release the Borrower of any of its obligations under this Agreement, unless the Facility is conveyed in whole and such conveyance has been approved in writing by the Lender. The Borrower shall promptly notify the Issuer of any such sale, transfer, assignment, or lease.

Section 4.7 Facility Operation and Maintenance Expenses. The Borrower shall pay or cause to be paid all expenses of the operation and maintenance of the Facility including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the Facility and payable during the term of this Agreement. The Borrower shall keep the Facility in good working order and condition, subject to ordinary wear and tear. The Facility shall not be used for purposes which violate any Federal, State or other laws prohibiting discrimination in access or employment based on race, creed, sex, sexual orientation, handicap, ethnic origin, age or marital status.

Section 4.8 Notification of Changes. The Borrower covenants and agrees that it will promptly notify the Lender of:

(1) any litigation which might affect the Borrower or any of its properties, where the amount in dispute, singly or in the aggregate, exceeds \$50,000 and is not covered by insurance, and any proceedings materially affecting the Borrower or its properties by or before any governmental or regulatory authority;

(2) the occurrence of any Event of Default under this Agreement or under any other loan agreement, debenture, notes, purchase agreement or any other agreement providing for the borrowing of money by the Borrower or any event of which the Borrower has knowledge and which, with the passage of time or giving of notice, or both, would constitute an Event of Default under this Agreement or under such other agreements or obligations whether owing to the Lender or other lenders; and

(3) any material adverse change in the operations, business, properties, assets or conditions, financial or otherwise, of the Borrower.

Section 4.9 Financial Covenants. The Borrower will:

(a) Maintain a Debt Service Coverage Ratio of at least 1.25 to 1.00, measured annually at the end of each Fiscal Year based on audited financial statements for such Fiscal Year;

(b) Deliver to the Lender audited financial statements within **[120]** days of each Fiscal Year end;

(c) Deliver to the Lender internally prepared financial statements within 30 days of the end of each fiscal quarter;

(d) Deliver to the Lender an annual compliance certificate substantially in the form of Exhibit A within 120 days of the end of each Fiscal Year;

(e) Deliver to the Lender an annual budget for the upcoming Fiscal Year by June 30 of each year; and

(f) Maintain its main depository and checking relationship with the Lender for the term of the Note.

Section 4.10 Access. The Borrower grants to the Lender and to the Lender's agents access to the Facility at any reasonable time during normal business hours in order to inspect the Facility subject to prior notice and consent of Lessee pursuant to the Lease.

Section 4.11 Access to Books and Inspection. The Borrower shall keep proper books of record and accounts with respect to the use and operation of the Facility, and, subject to any privacy laws applicable to Borrower or the Lessee, upon request of the Lender or the Issuer, provide any duly authorized representative of the Lender or the Issuer access during normal business hours to, and permit such representative to examine, copy or make extracts from, or audit any and all books, records and documents of the Borrower relating to the Project, or the Borrower's affairs and to inspect any of its facilities and properties. (The Lender or the Issuer shall be permitted to disclose the information contained therein to its legal counsel, its independent public accountants, any participating lenders, or in connection with any action to collect any indebtedness of the Borrower or to enforce this Agreement and the documents related hereto, or as otherwise permitted or required by law).

Section 4.12 IRS Audit Expenses. The Borrower agrees to pay any reasonable costs incurred by the Issuer or the Lender as a result of the Issuer's, or the Lender's compliance with an audit, random or otherwise, by the Internal Revenue Service, the Minnesota Department of Revenue, the Office of the State Auditor, or any other governmental entity with respect to the Note or the Project.

Section 4.13 Matters Related to Management Contracts. The manager under any management contract for the management of the Facility shall be an organization recognized as exempt under Section 501(c)(3) of the Code or such management contract shall comply with Department of Treasury Revenue Procedure 2017-13 (and any amended or successor rule) and in particular with one of the "safe harbor" limitations hereof.

ARTICLE V

PREPAYMENT OF LOAN

Section 5.1 Prepayment at Option of Borrower. The Borrower may, at its option, prepay the Loan, in whole or in part, on any date, by paying the principal amount to be prepaid and accrued interest thereon, with such penalty or premium then due as set forth in the Note. Any partial prepayment shall be applied in the order described in Paragraph 7 of the Note. At the date fixed for prepayment, funds shall be paid to the Lender at its registered address appearing on the Note. In the event the Borrower elects to prepay the Loan, the Borrower shall cause to be given in the name of the Issuer notice of prepayment of the Note to the Lender by first-class mail, addressed to the Lender at its registered address, not less than thirty (30) days prior to the date fixed for prepayment, provided that the Lender may waive or provide alternative reasonable requirements, and shall pay the prepayment price when due to the Lender. The Issuer hereby authorizes the Borrower to give mailed notice of prepayment and, if required by law, published notice of prepayment of the Note in the name of the Issuer, from time to time.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. Any one or more of the following events is an Event of Default under this Agreement:

(1) If the Borrower shall fail to make (a) any payments required under Section 3.4 of this Agreement on the date due as set forth in the Note, or (b) any other payment due under this Agreement on or before the date that the payment is due and such default continues for ten (10) days thereafter, following notice to Borrower.

(2) If the Borrower shall fail to observe and perform any other covenant, condition or agreement on its part under this Agreement for a period of thirty (30) days after written notice, specifying such default and requesting that it be remedied, given to the Borrower by the Issuer or the Lender, unless the default does not consist of the non-payment of money and cannot reasonably be cured within thirty (30) days and the Lender shall agree in writing to an extension of such time prior to its expiration, or for such longer period as may be reasonably necessary to remedy such default provided that the Borrower is proceeding with reasonable diligence to remedy the same, and provided that such longer period does not place the Project at material risk.

(3) If the Borrower shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or state law, shall consent to the entry of an order for relief pursuant to any present or future federal bankruptcy act or under any similar federal or state law, or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the entry of an order for relief of the Borrower under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof, or a receiver, trustee or liquidator of the Borrower of all or substantially all of the assets of the Borrower, or of the Project shall be appointed in any proceeding brought against the Borrower and shall not be discharged within ninety (90) days after such appointment or if the Borrower shall consent to or acquiesce in such appointment, or if the estate or interest of the Borrower in the Facility or a part thereof shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within ninety (90) days after such levy or attachment; or if the Borrower shall be dissolved or liquidated or shall be merged with or is acquired by another business entity in violation of Section 4.2.

(4) If the articles of incorporation of the Borrower shall expire or be annulled; or if the Borrower shall be dissolved (other than administratively dissolved by the Minnesota Secretary of State, so long as the Borrower is reinstated within one year) or liquidated (other than when a new entity assumes the obligations of the Borrower under the conditions permitting such action contained in Section 4.2).

(5) If any representation or warranty made by the Borrower herein, or by an officer or representative of the Borrower in any document or certificate furnished the Lender or

the Issuer in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made.

(6) If the Borrower shall default or fail to perform any covenant, condition or agreement on its part under any of the Security Agreement, the Declaration, or any other security document securing the Note, and such failure continues beyond the period set forth in such documents during which the Borrower may cure the default.

(7) Any state or federal tax lien shall be filed against the Borrower and shall remain undischarged for a period of sixty (60) days.

(8) All or any portion of the Land or the Facility, or the legal, equitable or any other interest therein, shall be sold, transferred, assigned, leased, further encumbered (except as permitted herein or in the Declaration) or otherwise disposed of, unless the prior written consent of the Lender is first obtained; provided that nothing in this Agreement prohibits the Borrower from entering into an agreement for sale of the Land where the Loan and all other amounts due under this Agreement and the other documents evidencing the Loan will be paid in full at the closing of the sale.

(9) An event of default occurs under the loan agreements with respect to the Mendota Note or the Little Canada Note.

Section 6.2 Remedies. Whenever any Event of Default referred to in Section 6.1 hereof shall have happened and be subsisting, any one or more of the following remedial steps to the extent permitted by law may be taken by the Issuer with the prior written consent of the Lender or by the Lender itself:

(1) The Lender's obligation to advance any further amounts under the Note shall terminate. Notwithstanding anything to the contrary contained herein or in any other instrument evidencing or securing the Loan, the Lender may exercise the foregoing remedy upon the occurrence of an event that would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse.

(2) The Issuer, upon written direction of the Lender, or the Lender may declare all installments of the Loan (being an amount equal to that necessary to pay in full the Principal Balance plus accrued interest thereon and any premium of the Note assuming acceleration of the Note under the terms thereof and to pay all other indebtedness thereunder) to be immediately due and payable, whereupon the same shall become immediately due and payable by the Borrower.

(3) [Reserved.]

(4) The Issuer, upon written direction of the Lender (except as otherwise provided in Section 7.9 herein), or the Lender (in either case at no expense to the Issuer) may take whatever action at law or in equity may appear necessary or appropriate to collect the amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

(5) The Issuer, upon written direction of the Lender, or the Lender may exercise any other remedy permitted under any other instrument evidencing or securing the Loan including, without limitation, the Declaration and the Security Agreement.

(6) In addition to the remedies set forth in this Agreement, upon the occurrence of any Event of Default and thereafter while the same be continuing, the Borrower hereby irrevocably authorizes the Lender to set off all sums owing by the Borrower to the Lender against all deposits and credits of the Borrower with, and any and all claims of the Borrower against, the Lender.

Section 6.3 Disposition of Funds. Notwithstanding anything to the contrary contained in this Agreement, any amounts collected pursuant to action taken under Section 6.2 hereof, except for any amounts collected solely for the benefit of the Issuer under any of the provisions set forth in Section 7.9, shall, after deducting (a) all reasonable expenses incurred in collecting the same and (b) then accrued interest on the Note, the remainder of such amounts, if any, be applied as a prepayment of the Note in accordance with Section 5.1.

Section 6.4 Manner of Exercise. No remedy herein conferred upon or reserved to the Issuer or the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Lender to exercise any remedy reserved to either of them in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 6.5 Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Agreement and the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance of any obligation or agreement on the part of the Borrower, the Borrower will on demand pay to the Issuer or the Lender the reasonable fees and costs of such attorneys and such other expenses so incurred.

Section 6.6 Effect of Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

Section 6.7 Default Rate. Following an Event of Default hereunder, and for so long as such Event of Default shall continue, the obligations of the Borrower hereunder shall bear interest at an annual rate equal to 5% per annum over the interest rate on the Note that would otherwise be applicable (the "Default Rate"), for so long as such Event of Default continues.

ARTICLE VII

GENERAL

Section 7.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or received by certified or registered United States mail, return receipt requested, postage prepaid, with proper address as indicated below. The Issuer, the Borrower, and the Lender may, by written notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Issuer: City of Falcon Heights, Minnesota
2077 Larpenteur Ave. W.
Falcon Heights, MN 55113-5551
Attn: City Administrator

To the Borrower: Saint Paul Academy and Summit School
1712 Randolph Ave.
St. Paul, MN 55105
Attn: Director of Finance

To the Lender: Bremer Bank, National Association
225 S. Sixth Street, Suite 200
Minneapolis, MN 55402
Attn: David Borden

Section 7.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower and their respective successors and assigns.

Section 7.3 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.4 Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or in the Resolution, subsequent to the Closing date and before the Note are satisfied and discharged in accordance with their terms, this Agreement may not be effectively amended, changed, modified, altered, or terminated without the prior written consent of the Lender.

Section 7.5 Execution Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.6 Limitation of Issuer's Liability. It is understood and agreed by the Borrower and the Lender that no covenant of the Issuer herein shall give rise to a pecuniary liability of the Issuer or a charge against its general credit, or taxing powers. It is further

understood and agreed by the Borrower and the Lender that the Issuer shall incur no pecuniary liability hereunder, and shall not be liable for any expenses related hereto, including administrative expenses and fees and disbursements of the Issuer's attorney, Bond Counsel and fiscal consultant retained in connection therewith, all of which expenses the Borrower agrees to pay.

Section 7.7 Issuer's Attorneys' Fees and Costs. If, notwithstanding the provisions of Section 7.6 hereof, the Issuer incurs any expense, or suffers any losses, claims or damages, or incurs any liabilities in connection with the transaction contemplated by this Agreement, the Borrower will indemnify and hold harmless the Issuer from the same and will reimburse the Issuer for any reasonable legal or other expenses incurred by the Issuer in relation thereto. The Borrower shall also reimburse the Issuer for all other costs and expenses, including without limitation reasonable attorneys' fees, paid or incurred by the Issuer in connection with (i) the discussion, negotiation, preparation, approval, execution and delivery of this Agreement, the Note, the Pledge Agreement and the documents and instruments related hereto or thereto; (ii) any amendments or modifications hereto or to the Note, the Pledge Agreement and any document, instrument or agreement related hereto or thereto, and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; and (iii) the enforcement by the Issuer during the term hereof or thereafter of any of the rights or remedies of the Issuer hereunder or under the Note, the Pledge Agreement or any document, instrument or agreement related hereto or thereto, including, without limitation, costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto.

Section 7.8 Release. The Borrower hereby acknowledges and agrees that the Issuer shall not be liable to the Borrower, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and causes of action, paid, incurred or sustained by the Borrower as a result of or relating to any action, or failure or refusal to act, on the part of the Lender with respect to this Agreement or the documents and transactions related hereto or contemplated hereby, including, without limitation, the exercise by the Lender of any of its rights or remedies pursuant to Article VI, the Note, the Pledge Agreement, the Declaration, or any collateral security documents. The Borrower's release of the Issuer pursuant to the preceding sentence does not extend to the Lender following the assignment of the Issuer's rights to the Lender pursuant to the Pledge Agreement.

Section 7.9 Pledge and Assignment by Issuer and Survival of Obligations. The Issuer may pledge and assign its rights under this Agreement and any related documents to the Lender to secure payment of the principal of and interest and premium, if any, on the Note, conditioned upon the Lender's assumption of the Issuer's and Lender's obligations to the Borrower hereunder, except for the Issuer's obligations in connection with its representations in Section 2.1 hereof, which are not being assumed, but any such assignment shall not operate to limit or otherwise affect the following provisions hereof to the extent that they run to the Issuer from the Borrower to which extent they shall survive any such assignment:

Section 3.5

Section 4.1

Section 4.3

Section 6.5

Section 7.6

Section 7.7

Section 4.11
Section 4.12

Section 7.8

Upon any such pledge and assignment, the provisions immediately above running to the Issuer from the Borrower for the Issuer's benefit shall run jointly and severally to the Issuer and the Lender (if appropriate), provided that the Issuer shall have the right to enforce any retained rights without the approval of the Lender but only upon prior written notice to the Lender and if the Lender is not enforcing such rights in a manner to protect the Issuer or is otherwise taking action with respect thereto that brings adverse consequences to the Issuer. The obligations of the Borrower running to the Issuer and the Lender for the purpose of preserving the tax exempt status of the Note or otherwise for the Issuer's benefit under the foregoing Sections shall survive repayment of the Note and interest thereon. All other agreements, representations and warranties made in this Agreement shall survive the execution of this Agreement and the making of the Loan, and shall continue until the Lender receives payment in full of all indebtedness of the Borrower incurred under this Agreement.

Section 7.10 Required Approvals. Consents and approvals required by this Agreement to be obtained from the Borrower or the Issuer shall be in writing and shall not be unreasonably withheld or delayed.

Section 7.11 Termination Upon Retirement of Note. At any time when no Principal Balance on the Note remains outstanding, and arrangements satisfactory to the Lender and the Issuer have been made for the discharge of all other accrued and contingent liabilities, if any, under this Agreement, this Agreement shall terminate, except as otherwise expressly provided in Section 7.9 or otherwise herein or in a separate writing signed by the Borrower, the Issuer, and the Lender.

Section 7.12 Expenses of Lender. The Borrower shall pay or reimburse the Lender for any and all costs and expenses, including, without limitation, Lender's fee due at Closing of \$_____ and reasonable attorneys' fees, paid or incurred by the Lender in connection with (i) review, negotiation, preparation, and approval of this Agreement and any other document or agreement related hereto or thereto or the transactions contemplated hereby; (ii) the review, negotiation, preparation, and approval of any amendments, modifications or extensions to any of the foregoing documents, instruments or agreements, and the preparation and consummation of any and all documents necessary or desirable to effect such amendments, modifications or extensions; (iii) any appraisals, environmental assessments, surveys, or other reports relating to the Land which the Lender is authorized to seek, order or prepare pursuant to this Agreement or any other instrument evidencing or securing the Loan or is required to seek, order or prepare pursuant either to applicable laws or regulations or the Lender's policies or procedures generally applicable to commercial mortgage loans by the Lender; (iv) any reasonable fees or costs charged to the Lender by an architect or other design or inspection professional engaged by the Lender to, among other things, inspect the construction of any approved improvements to the Land, or verify compliance thereof with applicable building and zoning laws; (v) all title insurance premiums, filing and recording fees and mortgage registration tax paid or payable in connection with the consummation of the transaction contemplated hereby; and (vi) the enforcement by the Lender during the term hereof or thereafter of any of the rights or remedies of the Lender under any of the foregoing documents, instruments or agreements or under

applicable law, whether or not suit is filed with respect thereto (attorneys' fees and costs are limited to reasonable fees and costs).

Section 7.13 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and supersedes any and all prior letters, proposals, contracts and understandings between the parties with respect to the same, including, but not limited to, any proposal or commitment letter, and such letters, proposals, contracts and understandings are hereby terminated.

Section 7.14 Further Assurances. At any time and from time to time, upon request by the Lender, the Borrower will make, execute and deliver or cause to be made, executed and delivered, to the Lender, any and all other further instruments, certificates and other documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to effectuate, complete, secure, or perfect, or to continue and preserve, the obligations of the Borrower hereunder and under any of the other documents related to the Loan. Upon any failure by the Borrower so to do after ten (10) days written notice from the Lender, the Lender may make, execute and record any and all such instruments, certificates and documents for and in the name of the Borrower at the Borrower's expense and the Borrower hereby irrevocably appoints the Lender its agent and attorney-in-fact of the Borrower so to do. The Borrower hereby understands, acknowledges and agrees that the Lender may prepare and file such UCC financing statements or similar instruments as may be necessary to perfect the Lender's security interest in any real or personal property pledged by the Borrower as security for the Loan.

Section 7.15 Non-Responsibility. Neither the Issuer nor the Lender assumes liability for the sufficiency of Loan proceeds to complete the Project.

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be executed in their respective names all as of the date first above written.

CITY OF FALCON HEIGHTS, MINNESOTA

By _____
Mayor

By _____
City Administrator

Loan Agreement between the City of Falcon Heights, Minnesota and
Saint Paul Academy and Summit School

Saint Paul Academy and Summit School

By _____
Its _____

Loan Agreement between the City of Falcon Heights, Minnesota and
Saint Paul Academy and Summit School

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

The undersigned, certifies as follows to Bremer Bank, National Association (the "Lender"), with reference to that certain Loan Agreement dated as of _____, 2017 (the "Loan Agreement") between Saint Paul Academy and Summit School (the "Borrower") and the City of Falcon Heights, Minnesota (the "Issuer") (any capitalized terms used herein and not defined shall have its respective meaning as set forth in the Loan Agreement):

1. The undersigned has made a review of all activities of the Borrower during the preceding fiscal year ended June 30, 20__, for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of the Loan Agreement.

2. To the best of the undersigned's knowledge, the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition in the Loan Agreement (including, without limitation, those financial covenants set forth in Article IV of the Loan Agreement as calculated below) on their part to be performed and no Event of Default or Default has occurred.

3. Calculation of Financial Covenants:

(a) Debt Service Coverage Ratio

Calculation:

Sum of:

(a) Change in Unrestricted Net Assets	_____
(b) Plus depreciation expense	_____
(c) Plus amortization expense	_____
(d) Plus interest expense	_____
(e) Plus unrealized losses	_____
(f) Less unrealized gains	_____
Total	_____

Divided by the sum of:

(x) Prior year current maturities of long-term debt	_____
(y) Plus current year interest expense	_____
Total	_____

Debt Service Coverage Ratio: _____ to 1.00

Covenant Requirement: 1.25 to 1.00

Compliance? (circle one): **YES** **NO**

All amounts and calculations set forth in this Certificate are accurate and complete in all material respects and are made in accordance with the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Certificate as of
the _____ day of _____, 20____.

**SAINT PAUL ACADEMY AND SUMMIT
SCHOOL**

By _____
Name _____
Title _____

EXHIBIT B

FORM OF DISBURSEMENT REQUEST

\$ _____

Requisition No. _____

_____, 201_

Bremer Bank, National Association
225 South Sixth Street, Suite 200
Minneapolis, MN 55402

Ladies and Gentlemen:

On behalf of Saint Paul Academy and Summit School, a Minnesota nonprofit corporation (the "Borrower"), I hereby requisition from the funds representing the proceeds of the \$8,500,000 City of Falcon Heights, Minnesota Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project) (the "Note"), issued by the City of Falcon Heights, Minnesota (the "Issuer"), and dated _____, 2017, which funds are to be advanced by the Bremer Bank, National Association (the "Lender"), under the Loan Agreement, date as of _____, 2017 (the "Loan Agreement") between the Issuer and the Borrower, the sum of \$ _____.

I hereby certify that (a) the amount set forth above was incurred by the Borrower in connection with the Project (defined to in the Loan Agreement), is a proper charge against the Project Costs (as defined in the Loan Agreement), and has not been the basis for any prior requisition which has been paid; (b) the Borrower has not received written notice of any lien, right to lien or attachment upon, or claim affecting the right of any payee to receive payment of, any of the money payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition; (c) this requisition contains no items representing payment on account of any retained percentages which the Borrower is entitled to retain at this date; (d) subject to the last sentence of this paragraph, the payment of this requisition will not result in (i) less than substantially all (95% or more) of the proceeds of the Note to be expended under this requisition and under all prior requisitions having been used for the acquisition and installation of real property or property of a character subject to the allowance for depreciation under the Internal Revenue Code of 1986, as amended (the "Code") or (ii) more than 2% of the proceeds of the Note having been used to pay for issuance costs within the meaning of Section 147(g)(1) of the Code; and (e) no "Event of Default" (as defined in the Loan Agreement), or event which after notice or lapse of time or both would constitute such an "Event of Default" has occurred and not been waived. Notwithstanding the foregoing, the undersigned may requisition to pay issuance costs with respect to the Note at any time and from time to time, so long as such requisition,

together with all prior requisitions, do not include amounts to pay issuance costs that exceed in total 2% of the Bond Proceeds expected to be available to pay Project Costs.

Capitalized terms used in this requisition and certificate and not defined herein shall have the meanings assigned thereto in the Loan Agreement.

Borrower Representative

APPROVED this ____ day of _____, _____.

BREMER BANK, NATIONAL
ASSOCIATION, as Lender

By: _____

Name: _____

Title: _____

PLEDGE AGREEMENT

This Pledge Agreement is made as of _____, 2017 between the City of Falcon Heights, Minnesota, a municipal corporation (the "Issuer"), and Bremer Bank, National Association, a national banking association (the "Lender").

Recitals

WHEREAS, Saint Paul Academy and Summit School, a Minnesota nonprofit corporation (the "Borrower") and the Issuer have entered into a Loan Agreement (the "Loan Agreement") of even date herewith, pursuant to which the Issuer will lend to the Borrower the proceeds of the \$8,500,000 Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project) (the "Note"); and

WHEREAS, the Note is to be payable from and secured by the loan repayments to be made by the Borrower under the Loan Agreement; and the Lender, as a condition to the purchase of the Note, has required the execution of this Pledge Agreement.

NOW THEREFORE, as an inducement to the Lender to purchase the Note, and in consideration of the promises and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the parties hereby agree as follows:

1. In order to secure the due and punctual payment of the Note and all other sums due the Lender under the Loan Agreement, the Issuer does hereby pledge and assign to the Lender all of the Issuer's right, title and interest in and to the Loan Agreement, subject to the Issuer's rights under the provisions of Section 7.9 thereof.

2. [Reserved.]

3. The Issuer hereby authorizes the Lender to exercise, whether or not a default exists under the Note or an Event of Default has occurred under the Loan Agreement, either in the Issuer's name or the Lender's name, any and all rights or remedies available to the Issuer under the Loan Agreement. The Issuer agrees, on request of the Lender, to execute and deliver to the Lender such other documents or instruments as shall be deemed necessary or appropriate by the Lender at any time to confirm or perfect the security interest hereby granted. The Issuer hereby appoints the Lender its attorney-in-fact to execute on behalf of the Issuer, and in its name, any and all such assignments, financing statements or other documents or instruments which the Lender may deem necessary or appropriate to perfect, protect or enforce the security interest hereby granted.

4. The Issuer will not:

(a) exercise or attempt to exercise any remedies under the Loan Agreement, except as permitted by Sections 6.2 and 7.9 of the Loan Agreement, or terminate, modify or accept a surrender of the same, or by affirmative act, consent to the creation or existence of any security interest or other lien in the Loan Agreement to secure payment of any other indebtedness; or

(b) receive or collect or permit the receipt or collection of any payments, receipts, rentals, profits or other moneys under the Loan Agreement (except as allowed under Section 7.9 thereof) or assign, transfer or hypothecate (other than to the Lender hereunder) any of the same then due or to accrue in the future.

5. The Issuer expressly covenants and agrees that the Lender shall be entitled to receive all payments under the Loan Agreement (except any payments due the Issuer under Section 7.9 thereof), and hereby authorizes and directs the Borrower to make such payments directly to the Lender. The Lender covenants and agrees that all payments received by the Lender pursuant to the Loan Agreement shall be applied as provided in the Loan Agreement.

6. The Lender agrees to advance the purchase price of the Note directly to the Borrower as provided in the Note and the Loan Agreement. In accordance with Section 7.9 of the Loan Agreement the Lender hereby assumes the Issuer's and Lender's obligations to the Borrower thereunder except for the Issuer's obligations in connection with its representations in Section 2.1 of the Loan Agreement which are not being assumed.

7. If an Event of Default (as defined in the Loan Agreement) shall occur, and not cured within an applicable cure period, and be continuing, the Lender may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, in addition to any other remedy at law or in equity or specified in the Loan Agreement, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Lender may, without prior notice of any kind declare the principal of and interest accrued and any premium (as described in the Loan Agreement) on the Note immediately due and payable.

(b) The Lender may exercise any rights and remedies and options of a secured party under the Uniform Commercial Code as adopted in the State of Minnesota and any and all rights available to it under the Loan Agreement securing payment of the Note.

8. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Pledge Agreement contained by or on behalf of the Issuer or the Lender shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

9. The unenforceability or invalidity of any provision or provisions of this Pledge Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

10. This Pledge Agreement shall in all respects be construed in accordance with and governed by the laws of the State of Minnesota. This Pledge Agreement may not be amended or modified except in writing signed by the Issuer and the Lender.

11. This Pledge Agreement may be executed, acknowledged and delivered in any number of counterparts and each of such counterparts shall constitute an original but all of which together shall constitute one agreement.

12. The terms used in this Pledge Agreement which are defined in the Loan Agreement shall have the meanings specified therein, unless the context of this Pledge Agreement otherwise requires, or unless such terms are otherwise defined herein.

13. No obligation of the Issuer hereunder shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, but shall be payable solely out of the proceeds and the revenues derived under the Loan Agreement.

IN WITNESS WHEREOF, the Issuer and the Lender have caused this Pledge Agreement to be duly executed as of the day and year first above written.

CITY OF FALCON HEIGHTS, MINNESOTA

By _____
Mayor

By _____
City Administrator

Signature page to Pledge Agreement

Bremer Bank, National Association

By _____
Vice President

Signature page to Pledge Agreement

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS, MINNESOTA

Educational Facilities Revenue Refunding Note, Series 2017
(Saint Paul Academy and Summit School Project)

\$8,500,000

FOR VALUE RECEIVED the City of Falcon Heights, Minnesota, (the "City") hereby promises to pay to the order of Bremer Bank, National Association, a national banking association, in Minneapolis, Minnesota, its successors or registered assigns (the "Lender"), from the source and in the manner hereinafter provided, the principal sum of EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000), or so much thereof as has been advanced and remains unpaid from time to time (the "Principal Balance"), with interest thereon from the date hereof until paid or otherwise discharged as set forth in Paragraph 1 below, in any coin or currency which at the time or times of payment is legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth.

1. Commencing on _____, 2017 and on the 1st day of each month thereafter (each such date, a "Payment Date") to and including _____, 2037 (the "Maturity Date"), monthly installments of interest at the annual rate set forth below on the Principal Balance shall be payable. Interest payments shall be computed on the basis of a 360-day year, actual days elapsed. Commencing on _____, 2019, and on the 1st day of each month thereafter (each such date a "Principal Payment Date"), monthly installments of principal in the amount shown on Exhibit A hereto shall be payable. The entire outstanding Principal Balance and interest, if not sooner paid, shall be due and payable in full on the Maturity Date. Payments shall be applied first to interest due on the unpaid principal and thereafter to reduction of principal.

The per annum rate of interest payable hereunder shall initially be equal to _____ percent per annum. On the first Payment Date, and each Reset Date (hereinafter defined) thereafter, the interest rate on this Note will be adjusted to a rate per annum equal to (a) the sum of (i) 1.60% and (ii) the One-Month LIBOR Rate in effect as of the Reset Date, (b) multiplied by 0.67. Notwithstanding anything herein to the contrary, during any period of time while the One-Month LIBOR Rate would be less than zero percent (0.0%), the One-Month LIBOR Rate shall be deemed to be zero (0).

As used herein, "Reset Date" means _____, 2017, and the 1st day of each calendar month thereafter.

As used herein, the "One-Month LIBOR Rate" means a fluctuating rate of interest per annum equal to the ICE London Interbank Offered Rate ("ICE LIBOR"), as published by InterContinental Exchange ("ICE") (or other commercially available source providing quotations of ICE LIBOR as selected by Lender from time to time) as determined for each London Banking Day at approximately 11:00 a.m., London time, two (2) London Banking Days (as hereinafter defined) prior to the Reset Date, for U.S. Dollar deposits with a one (1) month term, as adjusted

from time to time in Lender's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by Lender.

As used herein, a "London Banking Day" is a day on which banks in London, United Kingdom are open for business and dealing in offshore dollars.

On _____, 20__ or any date thereafter (the "Conversion Date"), the Borrower (as defined below) may elect, by giving the Lender __ days' written notice, to convert the interest rate to a **[fixed]** rate. Such rate shall be equal to **[insert basis for setting rate.] [Will this be a true fixed rate or a fixed rate subject to periodic adjustment based on an index?]** Upon the Conversion Date, the Lender shall reamortize the outstanding Principal Balance as of the Conversion Date to provide for level monthly payments of principal and interest over the remaining term of this Note to the Maturity Date.

[TO COME – INTEREST RATE ADJUSTMENT IF CORPORATE TAX RATES GO DOWN]

Upon an "Event of Default" as defined in the Loan Agreement and the exercise by the Lender of certain rights thereunder, this Note shall bear a default rate of interest that is 5% per annum over the interest rate otherwise applicable hereto, as provided in Section 6.7 of the Loan Agreement. This Note is subject to acceleration of maturity upon an "Event of Default" as defined in the Loan Agreement.

2. In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest becomes due, and to pay any premium or service charge, at maturity, upon prepayment, or otherwise.

3. Principal and interest and premium, if any, due hereunder shall be payable at the principal office of the Lender, or at such other place as the Lender may designate in writing.

4. This Note is issued by the City to provide funds pursuant to a Loan Agreement dated as of the date hereof (the "Loan Agreement") by and between the City and Saint Paul Academy and Summit School, a Minnesota nonprofit corporation and 501(c)(3) organization (the "Borrower"), for refinancing in part, the acquisition, construction, and improvement of certain school facilities of the Borrower, including facilities located on the campus of the Borrower at Dunlap and Goodrich and at Randolph and Davern in the City of St. Paul, Minnesota, by refunding, in part the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota \$14,750,000 Educational Facilities Revenue Refunding Bonds, Series 2007 (Saint Paul Academy and Summit School Project) (the "Prior Bonds"). This Note is further issued pursuant to and in full compliance with the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Section 469.152 to 469.165, and pursuant to a resolution of the City Council of the City duly adopted on June 14, 2017 (the "Resolution").

5. This Note is secured by a Pledge Agreement dated as of the date hereof between the City and the Lender (the "Pledge Agreement") and is further secured by certain other

assignments, security agreements, guaranties, financing statements, and other instruments evidencing or securing the Loan as may be required by the Lender.

6. The City, for itself, its successors and assigns, hereby waives demand, presentment, protest and notice of dishonor; and to the extent permitted by law, the Lender may extend interest and/or principal of or any service charge or premium due on this Note, including the Final Maturity Date, or release any part or parts of the property and interest subject to the Mortgage or to any other security document from the same, all without notice to or consent of any party liable hereon or thereon and without releasing any such party from such liability and whether or not as a result thereof the interest on the Note is no longer exempt from the federal or state income tax. In no event, however, may the Final Maturity Date of the Note be extended beyond 30 years from the date hereof.

7. This Note is subject to prepayment in immediately available funds on any date at the option of the Borrower, in whole or in part as provided in Section 5.1 of the Loan Agreement. The prepayment price is equal to the outstanding principal amount of this Note to be prepaid plus accrued interest, without penalty or premium for prepayments in an amount up to 15% of the outstanding Principal Balance as of January 1 of each year. Any prepayment by the Borrower in excess of 15% of the outstanding Principal Balance as of January 1 each year will be subject to a prepayment premium equal to the percentages set forth below applied to the prepaid amounts of the Principal Balance of this Note, or the entire outstanding Principal Balance in the event such amount is prepaid in full:

- (a) three percent (3%) as of any date prior to the 3rd anniversary of this Note;
- (b) two percent (2%) as of any date on or after the 3rd anniversary and prior to the 6th anniversary of this Note;
- (c) one percent (1%) as of any date on or after the 6th anniversary and prior to the 8th anniversary of this Note; and
- (d) on or after the 8th anniversary, this Note may be prepaid in whole or in part on any date without premium.

In the event of any partial prepayment of this Note, the Lender shall apply any such prepayment first against amounts which are neither principal nor interest, including any collection costs, late fees or prepayment or termination fees, then against the accrued interest on the Principal Balance and then against the outstanding principal amount of this Note in the inverse order of maturities. The monthly payments due under Paragraph 3 hereof, shall continue to be due and payable in full until the entire Principal Balance and accrued interest due on this Note have been paid. However, the Note shall be reamortized by the Lender upon the request of the Borrower if the Borrower is in compliance with all terms of the Loan Agreement.

8. Upon a Determination of Taxability, as defined in the Loan Agreement, this Note shall convert to a taxable obligation and the interest rate for interest accruing from the Date of Taxability, as defined in the Loan Agreement, shall be adjusted to an interest rate per annum equal to the then current interest rate payable hereunder, divided by 0.67 (the "Taxable Rate").

Any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment shall be payable on the 1st day of the following month along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate.

9. As provided in the Resolution and subject to certain limitations set forth therein, this Note is only transferable upon the books of the City at the office of the City Administrator, by the Lender in person or by its agent duly authorized in writing, at the Lender's expense, upon surrender hereof together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Lender or its duly authorized agent. Upon such transfer the City Administrator will note the date of registration and the name and address of the new registered owner in the registration blank appearing below. The City may deem and treat the person in whose name the Note is last registered upon the books of the City with such registration noted on the Note, as the absolute owner hereof, whether or not overdue, for the purpose of receiving payment of or on the account of the Principal Balance, redemption price or interest and for all other purposes, and all such payments so made to the Lender or upon his order shall be valid and effective to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

10. All of the agreements, conditions, covenants, provisions and stipulations contained in the Resolution, the Loan Agreement, and the Pledge Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein.

11. This Note and interest thereon and any service charge or premium, if any, due hereunder are payable solely from the revenues and proceeds derived from the Loan Agreement and any security agreements related hereto and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation, are not payable from or a charge upon any funds other than the revenues and proceeds pledged to the payment thereof, and do not give rise to a pecuniary liability of the City or any of its officers, agents or employees, and no Holder of this Note shall ever have the right to compel any exercise of the taxing power of the City to pay this Note or the interest thereon, or to enforce payment thereof against any property of the City, and this Note does not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, and the agreement of the City to perform or cause the performance of the covenants and other provisions herein referred to shall be subject at all times to the availability of revenues or other funds furnished for such purpose in accordance with the Loan Agreement, sufficient to pay all costs of such performance or the enforcement thereof.

12. If an Event of Default (as that term is defined in the Loan Agreement) shall occur, then the Lender shall have the right and option, among other things, to declare the Principal Balance and accrued interest thereon immediately due and payable, whereupon the same, plus any premiums or service charges, shall be due and payable, but solely from sums made available under the Loan Agreement and any security agreements related hereto. Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

13. The remedies of the Lender, as provided herein and in any security agreements related hereto, the Loan Agreement, and the Pledge Agreement, are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

14. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

15. This Note has been issued without registration under state or federal or other securities laws, pursuant to an exemption for such issuance; and accordingly this Note may not be assigned or transferred in whole or part, nor may a participation interest in this Note be given pursuant to any participation agreement, except to another "accredited investor" or "financial institution" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

16. This Note is a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist to happen and to be performed precedent to or in the issuance of this Note do exist, have happened and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the City has caused this Note to be duly executed in its name by the manual signatures of the Mayor and City Administrator, the seal of the City having been intentionally omitted as permitted by law, and has caused this Note to be dated as of _____, 2017.

**CITY OF FALCON HEIGHTS,
MINNESOTA**

By _____
Its Mayor

And By _____
Its City Administrator

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid Principal Balance of this Note and the interest accruing thereon is registered on the books of the City of Falcon Heights, Minnesota in the name of the holder last noted below.

<u>Date of Registration</u>	<u>Name and Address Registered Owner</u>	<u>Signature of City Administrator</u>
_____, 2017	Bremer Bank, National Association 225 South Sixth Street Suite 200 Minneapolis, MN 55402	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Exhibit A
Principal Payment Schedule

DECLARATION OF RESTRICTIVE COVENANTS

By and Between

SAINT PAUL ACADEMY AND SUMMIT SCHOOL,
a Minnesota nonprofit corporation, as Borrower

and

BREMER BANK, NATIONAL ASSOCIATION

Relating to:

City of Mendota, Minnesota
Capital Campaign Bridge Financing Note, Series 2017
(Saint Paul Academy and Summit School Project)

City of Little Canada, Minnesota
Educational Facilities Revenue Refunding Note, Series 2017
(Saint Paul Academy and Summit School Project)

City of Falcon Heights, Minnesota
Educational Facilities Revenue Refunding Note, Series 2017
(Saint Paul Academy and Summit School Project)

Dated as of _____, 2017

TO BE RECORDED AND UPON RECORDATION RETURN TO:

Jill B. Laorr
Kutak Rock LLP
60 South Sixth Street, Suite 3400
Minneapolis, Minnesota 55402

THIS DECLARATION OF RESTRICTIVE COVENANTS (including the exhibits attached hereto) (as the same may be amended, modified or supplemented, this “Agreement”), made as of _____, 2017, is by and between SAINT PAUL ACADEMY AND SUMMIT SCHOOL, a Minnesota nonprofit corporation (together with its permitted successors and assigns, the “Borrower”), and BREMER BANK, NATIONAL ASSOCIATION, a national banking association (together with its permitted successors and assigns, the “Lender”). This Agreement is intended to be filed and recorded in the official public records of the Clerk and Recorder of the County of Ramsey, Minnesota, and shall constitute a restriction upon the use of the property described below, subject to and in accordance with the terms contained herein.

WITNESSETH:

WHEREAS, the Borrower is or will be the owner of educational facilities located on the real property described in Exhibit A hereto, located at Dunlap and Goodrich Avenues and Randolph and Davern in Saint Paul, Minnesota (the “Project”); and

WHEREAS, the financing and refinancing of the acquisition, construction and equipping of the Project will be funded in part from proceeds of the (i) \$10,000,000 City of Mendota, Minnesota (“Mendota”) Capital Campaign Bridge Financing Note, Series 2017 (Saint Paul Academy and Summit School Project) (the “Mendota Note”) issued pursuant to the Loan Agreement dated as of _____, 2017 (the “Mendota Loan Agreement”) between Mendota and the Borrower; (ii) \$_____ City of Falcon Heights, Minnesota (“Falcon Heights”) Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project) (the “Falcon Heights Note”) issued pursuant to the Loan Agreement dated as of _____, 2017 (the “Falcon Heights Loan Agreement”) between Falcon Heights and the Borrower; and (iii) \$_____ City of Little Canada, Minnesota (“Little Canada” and, together with Mendota and Falcon Heights, the “Issuers”) Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project) (the “Little Canada Note” and, together with the Mendota Note and the Falcon Heights Note, the “Notes”) issued pursuant to the Loan Agreement dated as of _____, 2017 (the “Little Canada Loan Agreement” and, together with the Mendota Loan Agreement and the Falcon Heights Loan Agreement, the “Loan Agreements”) between Little Canada and the Borrower and

WHEREAS, the proceeds of the Notes will be loaned to the Borrower as provided in the Loan Agreements; and

WHEREAS, the Issuers have pledged and granted a security interest in all of its rights, title and interest in its respective Loan Agreement to the Lender; and

WHEREAS, the Lender is unwilling to provide proceeds of the Notes to finance and refinance the Project unless the Borrower, by executing this Agreement, consents to certain restrictions on the Project.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, and of other valuable consideration, the Borrower and the Lender agree as follows:

Section 1. Representations of the Borrower. The Borrower hereby represents, as of the date hereof, and warrants, covenants and agrees as follows:

(a) The Borrower is a Minnesota nonprofit corporation and has duly authorized, by proper action, the execution and delivery of this Agreement. The Borrower is duly authorized by the laws of the State of Minnesota to transact business in Minnesota and to perform all of its duties hereunder.

(b) The Borrower has title to the Project sufficient to carry out the purposes of this Agreement, and such title shall be in and remain in the name of the Borrower except as otherwise permitted by this Agreement and the Loan Agreements.

(c) The Project consists and will consist of those facilities described herein, which generally are described as the educational and related facilities situated on the real property described in Exhibit A hereto.

(d) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act (as defined in the Loan Agreements), or impair the exemption from federal income taxation of the interest on the Notes. The Borrower intends to use the Project as educational facilities during the term of the Notes.

(e) The Borrower has obtained, or will obtain on or before the date required therefor, all necessary certificates, approvals, permits and authorizations with respect to the operation of the Project.

(f) The Borrower acknowledges and agrees that the Lender makes no warranty, either express or implied, and specifically disclaims any warranty, as to the condition of the Project, or that the Project is suitable for the purposes or needs of the Borrower.

Section 2. Restrictions.

The Borrower represents, warrants and covenants that:

(a) So long as any of the Notes is outstanding, the Borrower will not mortgage, grant a lien upon, pledge a security interest in, or make any assignment of its interest in, or permit the creation of any encumbrance on the Project unless it has granted a senior mortgage lien and security interest to the Lender as security for the Notes.

(b) So long as any of the Notes is outstanding, the Borrower will not enter into any agreement with any lender (other than Lender) that contains negative pledge language that would prevent the Borrower from granting a future mortgage, pledging a security interest, making an assignment of its interest, or permitting the creation of any encumbrance on the Project in favor of Lender.

Section 3. Amendment. This Agreement may be amended by an instrument in writing duly executed by the Lender and the Borrower, and duly recorded.

Section 4. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 5. Governing Law. This Agreement shall be governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

Section 6. Capitalized Terms. Any capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreements.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective, duly authorized representatives, as of the day and year first written above.

SAINT PAUL ACADEMY AND SUMMIT SCHOOL, a Minnesota nonprofit corporation

By: _____
Name: _____
Title: _____

STATE OF MINNESOTA)
) SS:
COUNTY OF _____)
)

This ____ day of _____, 2017, personally came before me, _____, who by me duly sworn, is _____ of Saint Paul Academy and Summit School; and that the Declaration of Restrictive Covenants was signed in such capacity, by authority duly given.

Notary Public

My Commission expires: _____

[NOTARIAL SEAL]

BREMER BANK, NATIONAL
ASSOCIATION, a national banking
association

By: _____
David B. Borden
Vice President

STATE OF MINNESOTA)
) SS:
COUNTY OF HENNEPIN)
)

This ____ day of _____, 2017, personally came before me, David B. Borden, who by me duly sworn, is the Vice President of Bremer Bank, National Association; and that the Declaration of Restrictive Covenants was signed in such capacity, by authority duly given.

Notary Public

My Commission expires: _____

[NOTARIAL SEAL]

EXHIBIT A

LEGAL DESCRIPTION

[To Come]

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (as hereafter amended, modified or supplemented, this “Agreement”), dated as of _____ 1, 2017, by **SAINT PAUL ACADEMY AND SUMMIT SCHOOL**, a Minnesota nonprofit corporation (together with its permitted successors and assigns, the “Borrower”) to **BREMER BANK, NATIONAL ASSOCIATION**, a national banking association (together with its permitted successors and assigns, the “Lender”).

WITNESSETH:

WHEREAS, the City of Mendota, Minnesota (the “City”) has issued its \$10,000,000 Capital Campaign Bridge Financing Note, Series 2017 (Saint Paul Academy and Summit School Project) (the “Note”) pursuant to a Loan Agreement, dated as of _____ 1, 2017 (as amended, modified or supplemented from time to time, the “Loan Agreement”), between the Borrower and the City, to finance part of the acquisition, construction and equipping of a math and science center on the campus of the Borrower located at Randolph and Daven in the City of St. Paul, Minnesota (the “Project”); and

WHEREAS, the City has pledged and granted a security interest in all of its rights, title and interest in the Loan Agreement to the Lender; and

WHEREAS, the Borrower has embarked on a fundraising capital campaign with respect to the Project and has been and will be receiving capital campaign pledges and donations (the “Capital Campaign Pledges”) with respect to the Project and the Borrower has agreed to deposit all such Capital Campaign Pledges into an account held by Lender (the “Capital Campaign Account”) as security for the Note; and

NOW, THEREFORE, in consideration of the foregoing and the undertakings set forth herein and in the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby agrees as follows:

1. Pledge and Assignments.

(a) As continuing security for the strict performance and observance by the Borrower of all its agreements, warranties, covenants, conditions and other obligations under the Loan Agreement and the Note, the Borrower hereby transfers, pledges and assigns to Lender all of the Borrower's rights, now existing or hereafter arising, to receive the Capital Campaign Pledges and the Capital Campaign Account.

(b) The Lender and the Borrower both acknowledge that the Borrower’s payment obligations under this Agreement are limited to funds and donations received pursuant to the Capital Campaign Pledges. No other revenues of the Borrower are pledged or assigned under this Agreement.

(c) Neither this Agreement nor any action or actions on the part of the Lender shall constitute an assumption by the Lender of any of the Borrower’s obligations with respect to

any Capital Campaign Pledges.

(d) The Lender, at any time after the occurrence of a Default (as hereinafter defined), may in the place and stead of the Borrower in its own name, exercise all rights and powers of the Borrower regarding receipt of the Capital Campaign Pledges to the same extent as the Borrower may exercise such rights and powers with respect thereto.

2. Capital Campaign Account. Pursuant to the Loan Agreement, the Borrower has agreed to deposit the Capital Campaign Pledges made while this Agreement remains in effect directly to the Lender on behalf of the Borrower, to be retained in an account of the Lender (the “Capital Campaign Account”) pursuant to the terms of the Loan Agreement. The Borrower hereby grants to the Lender a security interest in the Capital Campaign Account as security for all obligations of the Borrower under the Note and the Loan Agreement.

3. Representations and Warranties. The Borrower hereby represents and warrants that it has all requisite power and authority and the legal right to enter into this Agreement, and that its execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary Borrower action, and do not contravene any agreement applicable to it or restrictions binding on or affecting it or its assets.

4. Covenants. The Borrower covenants and agrees:

(a) At any time and from time to time, upon the request of the Lender, promptly and duly to execute and deliver such further instruments and documents as the Lender may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and the rights and powers granted herein (including without limitation, financing or continuation statements); and

(b) Not to assign or grant any other interests in the Borrower's rights with respect to the Capital Campaign Pledges; provided, however, the Borrower may assign or grant any interests or rights with respect to the Capital Campaign Pledges in excess of the outstanding principal amount of the Note.

5. Default.

(a) For purposes of this Agreement, the failure of the Borrower to deposit the Capital Campaign Pledges with the Lender as and when required under the Loan Agreement, subject to any applicable cure periods, in accordance with the terms thereof shall constitute a “Default.”

(b) Upon the occurrence and during the continuation of a Default, the Lender may exercise any and all rights that the Borrower has to collect the Capital Campaign Pledges. So long as no Default has occurred and is continuing, the Borrower shall have the right to enforce all rights and benefits granted to them under said instruments; provided, however, that the Capital Campaign Pledges shall nevertheless be deposited with the Lender as provided herein and in the Loan Agreement. Under no circumstances will the Lender assert a claim against the Project.

6. Appointment of Lender as Attorney in Fact. The Borrower hereby irrevocably constitutes and appoints the Lender with full power of substitution, as its true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of the Borrower, and in the name of the Borrower, to exercise after a Default all rights and powers of the Borrower with respect to the Capital Campaign Pledges, including, without limitation, the right and power to do any of the following:

(a) to commence and prosecute any suits, actions, or proceedings at law or in equity in any court of competent jurisdiction, to collect monies on behalf of the Borrower due at any time with respect to the Capital Campaign Pledges;

(b) to commence and prosecute any suits, actions, or proceedings, at law or in equity, in any court of competent jurisdiction, at the times and in the circumstances in which such execution is permitted; and

(c) to settle, compromise or adjust any such suit, action or proceeding.

The Borrower hereby ratifies all that said attorneys shall properly do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

7. Release and Indemnity. Borrower hereby releases the Lender from and agrees to indemnify the Lender from and against any and all claims, losses and liabilities growing out of or resulting from the exercise of any rights granted under this Agreement or any actions taken in accordance with the terms of this Agreement.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without giving effect to its conflict of laws principles.

9. Duties of Lender. The rights and powers conferred on the Lender hereunder are solely to protect its interest in the rights to the Capital Campaign Pledges assigned herein and shall not impose any duty upon the Lender to exercise any such rights or powers.

10. Submission to Jurisdiction; Waivers.

(a) The Borrower hereby irrevocably and unconditionally:

(i) Submits itself and its property in any legal action or proceeding relating to this Agreement or any other document executed in connection with the transactions contemplated hereby or for recognition and enforcement of any judgment in respect hereof, to the nonexclusive jurisdiction of the courts of the State of Minnesota, the courts of the United States of America for the State of Minnesota, and the appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court, and agree to not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid to the part at the address given beneath its signature on this Agreement; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law nor limit the right of the Lender to sue in any other jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives trial by jury in any legal action or proceeding relating to or arising out of this Agreement.

11. Termination. Upon the payment in full by the Borrower of all amounts due and owing under the Loan Agreement and with respect to the Note, the Lender shall terminate this Agreement and release the security interests granted hereunder. Notwithstanding the foregoing, the indemnities contained herein, including the indemnity set forth in Section 7 hereof, shall survive such termination.

12. No Amendments. This Agreement shall not be amended except by a writing executed by the Borrower and the Lender.

IN WITNESS WHEREFORE, the Borrower has executed and delivered this Pledge and Security Agreement as of the day and year first above written.

SAINT PAUL ACADEMY AND SUMMIT SCHOOL

a Minnesota nonprofit corporation, as Borrower

By: _____

Its: _____

BREMER BANK, NATIONAL ASSOCIATION

By: _____

Its: Vice President

Meeting Date	June 14, 2017
Agenda Item	Consent F1
Attachment	General Disbursements and Payroll
Submitted By	Roland Olson, Finance Director

Item	General Disbursements and Payroll
Description	General Disbursements through: 5/31/17 \$69,151.63 Payroll through: 5/31/17 \$21,795.68
Budget Impact	The general disbursements and payroll are consistent with the budget.
Attachment(s)	<ul style="list-style-type: none"> • General Disbursements and Payroll
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

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PACKET: 01562 MAY 18 PAYABLES
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----				GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----		DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
01-0089	CASH							
I-201705186259		TEMP FOOD LICENSE		80.00				
5/18/2017	APBNK	DUE: 5/18/2017 DISC: 5/18/2017			1099: N			
		TEMP FOOD LICENSE			101 4116-89010-000	SPECIAL EVENTS		80.00
		=== VENDOR TOTALS ===		80.00				
01-03300	DISCOUNT STEEL, INC							
I-201705186260		SAFETY FLAG, RATCHET TIE DOWN		32.69				
5/18/2017	APBNK	DUE: 5/18/2017 DISC: 5/18/2017			1099: N			
		SAFETY FLAG, RATCHET TIE DOWN			101 4131-70110-000	SUPPLIES		32.69
I-201705186261		TRAINING SUPPLIES		518.51				
5/18/2017	APBNK	DUE: 5/18/2017 DISC: 5/18/2017			1099: N			
		TRAINING SUPPLIES			101 4124-86020-000	TRAINING		518.51
I-4218734		TRAINING SUPPLIES		86.20				
5/18/2017	APBNK	DUE: 5/18/2017 DISC: 5/18/2017			1099: N			
		TRAINING SUPPLIES			101 4124-86020-000	TRAINING		86.20
		=== VENDOR TOTALS ===		637.40				
01-03582	DUNK N JUMP							
I-201705186262		BOUNCE HOUSE SPRING TOGETHER		230.00				
5/18/2017	APBNK	DUE: 5/18/2017 DISC: 5/18/2017			1099: N			
		BOUNCE HOUSE SPRING TOGETHER			101 4116-89010-000	SPECIAL EVENTS		230.00
		=== VENDOR TOTALS ===		230.00				
01-0525	SUBURBAN ACE HARDWARE							
I-201705186263		PARACORD, MILKWEED, TRILLER		75.34				
5/18/2017	APBNK	DUE: 5/18/2017 DISC: 5/18/2017			1099: N			
		PARACORD AND FASTENERS			101 4132-70120-000	SUPPLIES		11.35
		MILKWEED PLANTINGS			101 4141-70100-000	SUPPLIES		29.99
		MIDTINE TRILLER			203 4203-70100-000	SUPPLIES		34.00
		=== VENDOR TOTALS ===		75.34				
		=== PACKET TOTALS ===		1,022.74				

PACKET: 01564 MAY 22 PAYABLES

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----				GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----		DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-05757		MINNESOTA POLLUTION CONTROL AG					
I-201705226265		CLASS SC CERT. FOR CALLAHAN		45.00			
5/22/2017	APBNK	DUE: 5/22/2017 DISC: 5/22/2017			1099: N		
		CLASS SC CERT. FOR CALLAHAN			601 4601-86030-000	CONFERENCES & SCHOOLS	45.00
		=== VENDOR TOTALS ===		45.00			
01-05757		SMANSKI, AUDRA					
I-201705226264		REC SPORTS REFUND		30.00			
5/22/2017	APBNK	DUE: 5/22/2017 DISC: 5/22/2017			1099: N		
		REC SPORTS REFUND			201 34310-000	RECREATION FEES	30.00
		=== VENDOR TOTALS ===		30.00			
		=== PACKET TOTALS ===		75.00			

PACKET: 01566 MAY 25 PAYABLES
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----				GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION		
01-0900	BEISSWENGER'S							
I-881978		GEAR LUBRICANT		13.98				
5/25/2017	APBNK	DUE: 5/25/2017 DISC: 5/25/2017			1099: N			
		GEAR LUBRICANT			209 4209-70100-000	SUPPLIES		13.98
		=== VENDOR TOTALS ===		13.98				
01-03123	CINTAS CORPORATION #470							
I-470179837		CLEANING SUPPLIES, TOILET PAP		263.54				
5/25/2017	APBNK	DUE: 5/25/2017 DISC: 5/25/2017			1099: N			
		CLEANING SUPPLIES, TOILET PAPE			101 4131-70110-000	SUPPLIES		263.54
		=== VENDOR TOTALS ===		263.54				
01-05555	MEDICS TRAINING							
I-10103		MEDICS TRAINING		550.00				
5/25/2017	APBNK	DUE: 5/25/2017 DISC: 5/25/2017			1099: N			
		MEDICS TRAINING			101 4124-86020-000	TRAINING		550.00
		=== VENDOR TOTALS ===		550.00				
01-05832	MORETTO, PAUL							
I-201705256267		MILEAGE REIMBURSEMENT		31.26				
5/25/2017	APBNK	DUE: 5/25/2017 DISC: 5/25/2017			1099: N			
		MILEAGE REIMBURSEMENT			101 4117-86010-000	MILEAGE		31.26
		=== VENDOR TOTALS ===		31.26				
01-06024	ON SITE SANITATION							
416114		COMM PARK TOILETS		75.00				
5/25/2017	APBNK	DUE: 5/25/2017 DISC: 5/25/2017			1099: N			
		COMM PARK TOILETS			601 4601-85080-000	PORTABLE TOILET PARKS		75.00
		=== VENDOR TOTALS ===		75.00				
01-00935	ST PAUL REGIONAL WATER SERVICE							
I-201705256266		COMM PARK AND CITY HALL WATER		621.56				
5/25/2017	APBNK	DUE: 5/25/2017 DISC: 5/25/2017			1099: N			
		COMM PARK WATER			101 4141-85040-000	WATER		333.46
		COMM PARK SS			101 4141-85070-000	SEWER		193.92
		CITY HALL WATER			101 4131-85040-000	WATER		70.04
		CITY HALL SS			101 4131-85070-000	SEWER		24.14
		=== VENDOR TOTALS ===		621.56				
		=== PACKET TOTALS ===		1,555.34				

-----ID-----				GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----		DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
01-250		AMERIPRIDE SERVICES						
I-1003811571		LINEN CLEANING		43.76				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		LINEN CLEANING			101 4124-82011-000	LINEN CLEANING		43.76
		=== VENDOR TOTALS ===		43.76				
01-05422	BP							
I-201705306276		FUEL		578.39				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		FIREFIGHTING FUEL			101 4124-74000-000	MOTOR FUEL & LUBRICANTS		134.40
		STREETS FUEL			101 4132-74000-000	MOTOR FUEL & LUBRICANTS		443.99
		=== VENDOR TOTALS ===		578.39				
01-07228		CITY OF ST ANTHONY						
I-3537		JUNE POLICE SERVICES		56,049.19				
5/31/2017	APBNK	DUE: 5/31/2017 DISC: 5/31/2017			1099: N			
		JUNE POLICE SERVICES			101 4122-81000-000	POLICE SERVICES		56,049.19
		=== VENDOR TOTALS ===		56,049.19				
01-03143		F & M TRUCKING INC						
I-4477		CLEVELAND AVE RED MULCH		751.94				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		CLEVELAND AVE RED MULCH			101 4132-87010-000	BOULEVARD MAINTENANCE		751.94
I-4493		CLEVELAND AVE RED MULCH		191.88				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		CLEVELAND AVE RED MULCH			101 4132-87010-000	BOULEVARD MAINTENANCE		191.88
		=== VENDOR TOTALS ===		943.82				
01-05153		HOME DEPOT CRC/GECF						
I-201705306270		SUPPLIES: WEED AND FEED		52.79				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		SUPPLIES: WEED AND FEED			101 4131-70110-000	SUPPLIES		52.79
		=== VENDOR TOTALS ===		52.79				

-----ID-----				GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----		DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
01-0843		MN NCPERS LIFE INSURANCE						
I-201705306273		JUNE LIFE INSURANCE		80.00				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		JUNE LIFE INSURANCE			101 21709-000	OTHER PAYABLE		43.04
		JUNE LIFE INSURANCE			201 21709-000	OTHER PAYABLE		4.00
		JUNE LIFE INSURANCE			204 21709-000	OTHER PAYABLE		1.60
		JUNE LIFE INSURANCE			601 21709-000	OTHER PAYABLE		21.12
		JUNE LIFE INSURANCE			602 21709-000	OTHER PAYABLE		10.24
		=== VENDOR TOTALS ===		80.00				
01-07263		NEXTEL COMMUNICATIONS, INC						
I-201705306271		PITTMAN CELLPHONE		195.47				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		PITTMAN CELLPHONE			101 4121-85015-000	CELL PHONE		37.49
		PITTMAN CELLPHONE			101 4131-85015-000	CELL PHONE		19.10
		PITTMAN CELLPHONE			101 4141-85015-000	CELL PHONE		19.10
		PITTMAN CELLPHONE			101 4132-85015-000	CELL PHONE		19.10
		PITTMAN CELLPHONE			601 4601-85015-000	CELL PHONE		74.11
		PITTMAN CELLPHONE			602 4602-85015-000	CELL PHONES		26.57
		=== VENDOR TOTALS ===		195.47				
01-06030		OLSON,ROLAND						
I-201705306269		MILEAGE REIMBURSEMENT		21.94				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		MILEAGE REIMBURSEMENT			101 4113-86010-000	MILEAGE		21.94
I-201705306272		GFOA CONFERENCE REIMBURSEMENT		1,254.31				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		GFOA CONFERENCE REIMBURSEMENT			101 4113-86100-000	CONFERENCES/EDUCATION/AS		1,254.31
I-201705306274		FLEX PAYMENT		84.52				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		FLEX PAYMENT			101 21712-000	MEDICAL FLEX SAVINGS PAY		70.15
		FLEX PAYMENT			601 21712-000	MEDICAL FLEX SAVINGS PAY		12.68
		FLEX PAYMENT			602 21712-000	MEDICAL FLEX SAVINGS PAY		1.69
		=== VENDOR TOTALS ===		1,360.77				

PACKET: 01569 MAY 31 PAYABLES
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----				GROSS	P.O. #			
ST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION	
=====								
01-0185	RAMSEY COUNTY							
I-EMCOM06100		MAY RADIO FLEET SUPPORT		81.12				
5/31/2017	APBNK	DUE: 5/31/2017 DISC: 5/31/2017			1099: N			
		MAY RADIO FLEET SUPPORT			101 4124-86800-000	RADIO MESB/FLEET SUPPORT		81.12
		=== VENDOR TOTALS ===		81.12				
=====								
01-06184	RAMSEY COUNTY - 911 DISPATCH							
I-EMCOM06140		MAY 911 DISPATCH		2,609.24				
5/31/2017	APBNK	DUE: 5/31/2017 DISC: 5/31/2017			1099: N			
		MAY 911 DISPATCH			101 4122-81200-000	911 DISPATCH FEES		2,609.24
I-EMCOM06155		MAY CAD SERVICES		519.00				
5/31/2017	APBNK	DUE: 5/31/2017 DISC: 5/31/2017			1099: N			
		MAY CAD SERVICES			101 4122-81200-000	911 DISPATCH FEES		519.00
		=== VENDOR TOTALS ===		3,128.24				
=====								
01-06151	RCLLG							
I-101		2017 MEMBERSHIP DUES		315.00				
5/31/2017	APBNK	DUE: 5/31/2017 DISC: 5/31/2017			1099: N			
		2017 MEMBERSHIP DUES			101 4111-86100-000	CONFERENCES/EDUCATION/TR		315.00
		=== VENDOR TOTALS ===		315.00				
=====								
01-05170	TOM LYNCH ELECTRIC LLC							
I-201705306275		ST LITE REPAIR LARP/HTR MAINT		3,670.00				
5/30/2017	APBNK	DUE: 5/30/2017 DISC: 5/30/2017			1099: N			
		HEATER MAINT & EXHAUST REWIRE			101 4131-87010-000	CITY HALL MAINTENANCE		430.00
		TIME CLOCK REPLACEMENT			101 4131-87010-000	CITY HALL MAINTENANCE		225.00
		STREET LIGHTING REPAIR @ LARP			419 4419-92066-000	2017 LARP/SNEL ST LIGHT		3,015.00
		=== VENDOR TOTALS ===		3,670.00				
		=== PACKET TOTALS ===		66,498.55				

EMP #	NAME	AMOUNT
0013	PETER C LINDSTROM	316.82
01-0016	PAMELA M HARRIS	277.05
01-0021	JOSE A FISCHER	277.05
01-0022	RANDALL C GUSTAFSON	277.05
01-1005	SACK THONGVANH	2,946.71
01-1017	TIMOTHY J SANDVIK	1,591.39
01-1019	KATHLEEN N THRASHER	1,334.76
01-1136	ROLAND O OLSON	1,998.55
01-2246	BRANDON C NELSON	346.20
01-2154	MAUREEN A ANDERSON	144.95
01-1018	PAUL A MORETTO	2,357.34
01-0086	RICHARD H HINRICHS	872.30
01-0095	MICHAEL J POESCHL	428.33
01-0105	ANTON M FEHRENBACH	341.96
01-0123	BRYAN R SULLIVAN	116.83
01-0124	MICHAEL D KRUSE	116.83
01-2240	TIMOTHY P TWOHY	820.13
01-2247	THOMAS J DEMARS	986.50
01-1030	TIMOTHY J PITTMAN	2,206.16
01-1033	DAVE TRETSEVEN	1,509.60
01-1143	COLIN B CALLAHAN	1,450.15
01-2248	HEIDI G WEILER	574.44

TOTAL PRINTED: 22 21,291.10

5-25-2017 11:06 AM PAYROLL CHECK REGISTER
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 1
 PAYROLL DATE: 5/25/2017

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
0020	BROWN THUNDER, JOSEPH C	R	5/25/2017	277.05	086042
	KURHAJETZ, CLEMENT	R	5/25/2017	105.05	086043
	GAFFNEY, PATRICK	R	5/25/2017	122.48	086044

5-25-2017 11:06 AM PAYROLL CHECK REGISTER
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 2
 PAYROLL DATE: 5/25/2017

*** REGISTER TOTALS ***

REGULAR CHECKS:	3	504.58
DIRECT DEPOSIT REGULAR CHECKS:	22	21,291.10
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	25	21,795.68

*** NO ERRORS FOUND ***

** END OF REPORT **

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Meeting Date	June 14, 2017
Agenda Item	Consent F2
Attachment	Payment #2
Submitted By	Jesse Freihatmer, City Engineer

Item	Approve Payment #2 to Valley Paving, Inc. for the 2017 Pavement Management Project
Description	<p>On March 22, 2017, the City Council awarded the 2017 Pavement Management Project (PMP) to Valley Paving, Inc.</p> <p>Payment #2 is in the amount of \$191,608.14 and includes the following work:</p> <ul style="list-style-type: none"> • Removals • Grading • Storm sewer work (removals, new structures, pipe installation) • Watermain replacement <p>With this pay estimate, the total amount paid to date on this project is \$285,136.59 or 21.2% of the original contract price.</p>
Budget Impact	<p>Of the \$191,608.14 being paid to the contractor, \$127,083.28 will be reimbursed to the City by Saint Paul Regional Water Services for watermain related work.</p> <p>This project is being funded from the following sources:</p> <ul style="list-style-type: none"> • Special Assessments • Municipal State Aid (MSA) dollars • City funds (infrastructure, utility) • Saint Paul Regional Water Services
Attachment	Payment #2
Action(s) Requested	Approve Payment #2 to Valley Paving, Inc. for the 2017 Pavement Management Project.

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CITY OF ROSEVILLE

2660 Civic Center Dr
Roseville, MN 55113

Project SAP 124-050-011 [17-07] - 2017 Falcon Heights PMP.

Contract Pay Request No. 2

Contractor: Valley Paving Inc
8800 13th Ave E
Shakopee, MN 55379

Contract No. 17-07
Vendor No. N/A
For Period: 5/1/2017 - 5/31/2017
Warrant # _____ Date _____

Contract Amounts

Original Contract	\$1,415,231.53
Contract Changes	\$0.00
Revised Contract	\$1,415,231.53

Funds Encumbered

Original	\$1,415,231.53
Additional	N/A
Total	\$1,415,231.53

	Work Certified This Request	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
SAP 124-050-011 [17-07]	\$201,692.78	\$300,143.78	\$15,007.19	\$93,528.45	\$191,608.14	\$285,136.59
Percent Retained: 5.0000%				Percent Complete: 21.2081%		
Contract 17-07	\$201,692.78	\$300,143.78	\$15,007.19	\$93,528.45	\$191,608.14	\$285,136.59
Percent Retained: 5.0000%				Percent Complete: 21.2081%		
Amount Paid This Contract Pay Request					\$191,608.14	

This is to certify that the items of work shown in this certificate of Pay Request have been actually furnished for the work comprising the above mentioned projects in accordance with the plans and specifications heretofore approved.

Approved By

Approved By Valley Paving Inc

Approved By



City Engineer



Contractor

City Administrator

6/2/17.

Date

6/2/17

Date

Date

CITY OF ROSEVILLE
 2660 Civic Center Dr
 Roseville, MN 55113
 Project No. SAP 124-050-011 [17-07]
 Contract Pay Request No. 2

Contract Payment Summary

From Date	To Date	Work Certified Per Period	Amount Retained Per Period	Amount Paid Per Period	Amount Paid To Date
04/24/2017	04/30/2017	\$98,451.00	\$4,922.55	\$93,528.45	\$93,528.45
05/01/2017	05/31/2017	\$201,692.78	\$10,084.64	\$191,608.14	\$285,136.59
Totals:		\$300,143.78	\$15,007.19	\$285,136.59	

SAP 124-050-011 [17-07] Payment Summary

No.	From Date	To Date	Work Certified Per Request	Amount Retained Per Request	Amount Paid Per Request
1	04/24/2017	04/30/2017	\$98,451.00	\$4,922.55	\$93,528.45
2	05/01/2017	05/31/2017	\$201,692.78	\$10,084.64	\$191,608.14
Totals:			\$300,143.78	\$15,007.19	\$285,136.59



CITY OF ROSEVILLE

2660 Civic Center Dr
Roseville, MN 55113

Project SAP 124-050-011 [17-07] - 2017 Falcon Heights
PMP

Pay Request No. 2

Contractor:	Valley Paving Inc 8800 13th Ave E Shakopee, MN 55379
-------------	--

Contract No.	17-07
Vendor No.	N/A
For Period:	5/1/2017 - 5/31/2017
Warrant # _____	Date _____

Contract Amounts

Original Contract	\$1,415,231.53
Contract Changes	\$0.00
Revised Contract	\$1,415,231.53

Funds Encumbered

Original	\$1,415,231.53
Additional	N/A
Total	\$1,415,231.53

Work Certified To Date

Base Bid Items	\$300,143.78
Backsheet	\$0.00
Change Order	\$0.00
Supplemental Agreement	\$0.00
Work Order	\$0.00
Material On Hand	\$0.00
Total	\$300,143.78

	Work Certified This Request	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
SAP 124-050-011 [17-07]	\$201,692.78	\$300,143.78	\$15,007.19	\$93,528.45	\$191,608.14	\$285,136.59
Percent Retained: 5.0000%				Percent Complete: 21.2081%		
Amount Paid This Pay Request					\$191,608.14	

CITY OF ROSEVILLE
 2660 Civic Center Dr
 Roseville, MN 55113
 Project No. SAP 124-050-011 [17-07]
 Pay Request No. 2

SAP 124-050-011 [17-07] Payment Summary

No.	From Date	To Date	Work Certified Per Request	Amount Retained Per Request	Amount Paid Per Request
1	04/24/2017	04/30/2017	\$98,451.00	\$4,922.55	\$93,528.45
2	05/01/2017	05/31/2017	\$201,692.78	\$10,084.64	\$191,608.14
Totals: \$300,143.78				\$15,007.19	\$285,136.59

SAP 124-050-011 [17-07] Funding Category Report

Funding Category No.	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date	
001	1,462.12	73.11	801.80	587.21	1,389.01	
002	44,324.11	2,216.21	20,845.80	21,262.11	42,107.90	
003	887.52	44.38	333.45	509.69	843.14	
004	957.90	47.90	478.80	431.20	910.00	
005	1,097.28	54.86	495.90	546.52	1,042.42	
006	5,189.40	259.47	0.00	4,929.93	4,929.93	
007	42,451.28	2,122.56	4,070.52	36,258.20	40,328.72	
008	203,774.17	10,188.71	66,502.18	127,083.28	193,585.46	
009	0.00	0.00	0.00	0.00	0.00	
Totals: \$300,143.78			\$15,007.20	\$93,528.45	\$191,608.14	\$285,136.58

SAP 124-050-011 [17-07] Funding Source Report

Accounting No.	Funding Source	Amount Paid This Request	Revised Contract Amount	Funds Encumbered To Date	Paid To Contractor To Date
1	Municipal (MSAS > 5000) - Falcon Heights	23,336.74	611,321.96	611,321.96	46,292.48
2	Local	4,929.93	109,235.23	109,235.23	4,929.93
3	Local - Storm Sewer - Falcon Heights	36,258.20	148,406.96	148,406.96	40,328.72
4	Water Utility Fund	127,083.28	513,927.59	513,927.59	193,585.46
5	Sanitary Sewer - Falcon Heights	0.00	32,339.80	32,339.80	0.00
Totals: \$191,608.15		\$1,415,231.53	\$1,415,231.53	\$285,136.59	

CITY OF ROSEVILLE
 2660 Civic Center Dr
 Roseville, MN 55113
 Project No. SAP 124-050-011 [17-07]
 Pay Request No. 2

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
ALTERNATE 1									
84	2104.501	REMOVE SEWER PIPE (STORM)	L F	\$20.76	179	179	\$3,716.04	179	\$3,716.04
85	2501.515	"24" RC PIPE APRON"	EACH	\$3,337.81	1	1	\$3,337.81	1	\$3,337.81
86	2503.511	24" RC PIPE SEWER CLASS V (SPECIAL)	L F	\$139.08	179	173	\$24,060.84	173	\$24,060.84
87	2506.502	CONSTRUCT MANHOLE TYPE C	L F	\$562.53	7	7	\$3,937.71	7	\$3,937.71
88	2506.516	MANHOLE CASTING R-3067-V	EACH	\$882.15	1	0	\$0.00	0	\$0.00
89	2511.501	RANDOM RIPRAP CLASS III - GRANITE	C Y	\$93.41	60	32	\$2,989.12	32	\$2,989.12
90	2571.502	"DECIDUOUS TREE 2.5" CAL B&B"	TREE	\$1,000.00	1	0	\$0.00	0	\$0.00
Totals For Section ALTERNATE 1:							\$38,041.52		\$38,041.52
ALTERNATE 2									
96	2501.515	"18" RC PIPE APRON"	EACH	\$415.15	1	0	\$0.00	0	\$0.00
Totals For Section ALTERNATE 2:							\$0.00		\$0.00
Base Bid									
1	2021.501	MOBILIZATION	LS	\$50,742.00	1	0.2	\$10,148.40	0.4	\$20,296.80
2	2101.502	CLEARING	TREE	\$1,027.50	1	0	\$0.00	15	\$15,412.50
3	2101.507	GRUBBING	TREE	\$1,027.50	1	0	\$0.00	15	\$15,412.50
4	2104.501	REMOVE SEWER PIPE (STORM)	L F	\$8.30	251	0	\$0.00	0	\$0.00
5	2104.501	REMOVE CURB AND GUTTER	L F	\$7.87	7430	151	\$1,188.37	2714	\$21,359.18
6	2104.505	REMOVE CONCRETE WALK	S Y	\$9.45	966	39	\$368.55	39	\$368.55
7	2104.505	REMOVE CONCRETE DRIVEWAY PAVEMENT	S Y	\$9.00	615	16	\$144.00	369	\$3,321.00
8	2104.505	REMOVE BITUMINOUS PAVEMENT	S Y	\$6.28	1980	0	\$0.00	0	\$0.00
9	2104.509	REMOVE PIPE APRON	EACH	\$259.47	1	0	\$0.00	0	\$0.00

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
10	2104.509	REMOVE MANHOLE OR CATCH BASIN	EACH	\$415.15	8	0	\$0.00	0	\$0.00
11	2104.511	SAWING CONCRETE PAVEMENT (FULL DEPTH)	L F	\$3.50	1690	0	\$0.00	1108	\$3,878.00
12	2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	L F	\$3.00	735	0	\$0.00	0	\$0.00
13	2104.523	SALVAGE CASTING	EACH	\$204.98	3	0	\$0.00	0	\$0.00
14	2105.501	COMMON EXCAVATION	C Y	\$27.65	100	0	\$0.00	0	\$0.00
15	2105.507	SUBGRADE EXCAVATION	C Y	\$21.28	100	0	\$0.00	0	\$0.00
16	2105.522	SELECT GRANULAR BORROW (LV)	C Y	\$25.26	100	0	\$0.00	0	\$0.00
17	2112.501	AGGREGATE GRADING AND COMPACTION	STA	\$161.12	74	0	\$0.00	0	\$0.00
18	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOUR	\$114.61	50	0	\$0.00	0	\$0.00
19	2130.501	WATER	MGAL	\$25.00	20	0	\$0.00	0	\$0.00
20	2211.503	AGGREGATE BASE (CV) CLASS 5	C Y	\$19.30	100	0	\$0.00	0	\$0.00
21	2215.501	FULL DEPTH RECLAMATION	S Y	\$1.02	15750	5297	\$5,402.94	5297	\$5,402.94
22	2231.501	BITUMINOUS PATCHING MIXTURE	TON	\$175.00	50	0	\$0.00	0	\$0.00
23	2331.603	SAW AND SEAL CONTROL JOINT IN BITUMINOUS PAVEMENT	L F	\$3.93	3690	0	\$0.00	0	\$0.00
24	2331.607	HAUL BITUMINOUS PAVEMENT RECLAMATION (LV)	C Y	\$12.69	1910	0	\$0.00	0	\$0.00
25	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GAL	\$1.98	1260	0	\$0.00	0	\$0.00
26	2360.501	TYPE SPWEA240B WEARING COURSE MIX PATHWAY	TON	\$68.01	430	0	\$0.00	0	\$0.00

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
27	2360.501	TYPE SPWEA330C WEARING COURSE MIX	TON	\$25.90	2500	0	\$0.00	0	\$0.00
28	2360.501	TYPE SPWEA330C WEARING COURSE MIX (2018)	TON	\$89.00	1500	0	\$0.00	0	\$0.00
29	2451.609	GRANULAR BACKFILL	TON	\$10.14	7130	471	\$4,775.94	575	\$5,830.50
30	2503.511	"12" RC PIPE SEWER CLASS V"	L F	\$38.40	33	0	\$0.00	0	\$0.00
31	2503.511	"18" RC PIPE SEWER CLASS V"	L F	\$47.74	54	0	\$0.00	0	\$0.00
32	2503.511	"24" RC PIPE SEWER CLASS V"	L F	\$76.80	191	0	\$0.00	0	\$0.00
33	2503.602	SANITARY SEWER SERVICE REPAIR	EACH	\$90.30	49	10	\$903.00	10	\$903.00
34	2503.602	CONNECT TO EXISTING STRUCTURE	EACH	\$596.78	5	0	\$0.00	0	\$0.00
35	2503.602	INSPECTION HOLE	EACH	\$882.20	12	0	\$0.00	0	\$0.00
36	2504.602	REPAIR SERVICE CURB STOP BOX	EACH	\$103.79	20	0	\$0.00	0	\$0.00
37	2504.602	ADJUST SERVICE CURB STOP BOX	EACH	\$51.89	6	0	\$0.00	0	\$0.00
38	2504.602	REPAIR VALVE BOX	EACH	\$238.71	7	0	\$0.00	0	\$0.00
39	2504.602	ADJUST VALVE BOX	EACH	\$387.78	24	0	\$0.00	0	\$0.00
40	2504.602	REPLACE VALVE BOX	EACH	\$624.80	2	0	\$0.00	0	\$0.00
41	2504.602	WATER UTILITY HOLE	EACH	\$2,387.12	5	1	\$2,387.12	3	\$7,161.36
42	2504.602	EXCAVATION FOR WATER MAIN OFFSET OR REPLACEMENT	EACH	\$2,594.70	2	2	\$5,189.40	2	\$5,189.40
43	2504.602	HYDRANT INSTALLATION	EACH	\$5,789.29	8	5	\$28,946.45	5	\$28,946.45
44	2504.602	"6" GATE VALVE AND BOX"	EACH	\$1,359.53	4	4	\$5,438.12	4	\$5,438.12
45	2504.602	"8" GATE VALVE AND BOX"	EACH	\$1,932.53	15	3	\$5,797.59	5	\$9,662.65

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
46	2504.603	6" DI WATER MAIN REPLACEMENT	L F	\$51.89	60	66	\$3,424.74	66	\$3,424.74
47	2504.603	8" DI WATER MAIN REPLACEMENT	L F	\$60.20	2840	1312	\$78,982.40	1462	\$88,012.40
48	2504.603	WATER SYSTEM REMOVALS	L F	\$10.38	568	0	\$0.00	0	\$0.00
49	2504.603	1" CP WATER SERVICE REPLACEMENT	L F	\$46.70	89	0	\$0.00	0	\$0.00
50	2504.603	2" CP WATER SERVICE REPLACEMENT	L F	\$58.12	24	0	\$0.00	0	\$0.00
51	2504.603	2" CP WATER SERVICE REPLACEMENT - PIPE WORK ONLY	L F	\$64.35	195	0	\$0.00	0	\$0.00
52	2504.604	"2" INSULATION"	S Y	\$19.72	56	4	\$78.88	4	\$78.88
53	2504.604	"4" POLYSTYRENE INSULATION"	S Y	\$34.25	70	4	\$137.00	4	\$137.00
54	2504.608	DUCTILE AND GREY IRON FITTINGS	LB	\$2.08	1465	704	\$1,464.32	968	\$2,013.44
55	2506.502	CONSTRUCT CATCH BASIN TYPE B	L F	\$451.48	17	0	\$0.00	0	\$0.00
56	2506.502	CONSTRUCT CATCH BASIN TYPE A	L F	\$365.33	3	0	\$0.00	0	\$0.00
57	2506.502	CONSTRUCT MANHOLE TYPE B OVER EXISTING PIPE	L F	\$532.43	5	0	\$0.00	0	\$0.00
58	2506.502	CONSTRUCT MANHOLE TYPE C	L F	\$518.94	10	0	\$0.00	0	\$0.00
59	2506.502	CONSTRUCT MANHOLE TYPE B	L F	\$236.64	10	0	\$0.00	0	\$0.00
60	2506.516	MANHOLE CASTING R-1733	EACH	\$331.47	21	0	\$0.00	0	\$0.00
61	2506.516	MANHOLE CASTING R-3067-V	EACH	\$488.48	6	0	\$0.00	0	\$0.00
62	2506.521	FURNISH AND INSTALL CASTING ASSEMBLY FOR DRIVEWAY	EACH	\$127.94	6	0	\$0.00	0	\$0.00

SAP 124-050-011 [17-07] Project Item Status

Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
63	2506.522	ADJUST CATCH BASIN FRAME AND RING	EACH	\$590.41	11	0	\$0.00	0	\$0.00
64	2506.522	ADJUST MANHOLE FRAME & RING	EACH	\$961.04	39	0	\$0.00	0	\$0.00
65	2506.603	REHABILITATE MANHOLE OR CATCH BASIN (INTERIOR)	EACH	\$181.63	9	0	\$0.00	0	\$0.00
66	2511.501	RANDOM RIPRAP CLASS III - GRANITE	C Y	\$98.60	60	0	\$0.00	0	\$0.00
67	2521.501	"4" CONCRETE WALK"	S F	\$4.62	9430	0	\$0.00	0	\$0.00
68	2521.501	"6" CONCRETE WALK"	S F	\$7.96	2985	0	\$0.00	0	\$0.00
69	2531.501	CONCRETE CURB AND GUTTER DESIGN B618	L F	\$22.07	4680	0	\$0.00	0	\$0.00
70	2531.501	CONCRETE CURB AND GUTTER DESIGN B618 (MACHINE LAID)	L F	\$17.39	2750	0	\$0.00	0	\$0.00
71	2531.507	"6" CONCRETE DRIVEWAY PAVEMENT"	S Y	\$50.25	615	0	\$0.00	0	\$0.00
72	2531.604	"8" CONCRETE VALLEY GUTTER"	S Y	\$74.83	90	0	\$0.00	0	\$0.00
73	2531.618	TRUNCATED RADIUS DOMES	S F	\$51.89	184	0	\$0.00	0	\$0.00
74	2531.618	TRUNCATED DOMES	S F	\$51.89	120	0	\$0.00	0	\$0.00
75	2563.601	TRAFFIC CONTROL	LS	\$43,745.23	1	0.2	\$8,749.05	0.4	\$17,498.09
76	2573.502	SILT FENCE, TYPE HI	L F	\$3.09	200	0	\$0.00	0	\$0.00
77	2573.530	STORM DRAIN INLET PROTECTION	EACH	\$85.76	32	0	\$0.00	26	\$2,229.76
78	2573.533	SEDIMENT CONTROL LOG TYPE COMPOST	L F	\$2.61	1200	0	\$0.00	0	\$0.00
79	2573.550	EROSION CONTROL SUPERVISOR	LS	\$500.00	1	0.25	\$125.00	0.25	\$125.00
80	2574.525	BOULEVARD TOPSOIL BORROW	C Y	\$38.88	610	0	\$0.00	0	\$0.00
81	2575.505	SODDING TYPE SALT TOLERANT	S Y	\$6.03	7060	0	\$0.00	0	\$0.00

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
82	2575.604	HYDROSEED	SY	\$2.31	500	0	\$0.00	0	\$0.00
83	2582.502	"4" SOLID LINE EPOXY"	L F	\$1.54	330	0	\$0.00	0	\$0.00
Totals For Base Bid:							\$163,651.27		\$262,102.26
Project Totals:							\$201,692.79		\$300,143.78

Meeting Date	June 14, 2017
Agenda Item	Consent F3
Attachment	N/A
Submitted By	Tim Sandvik, Recreation Supervisor

Item	Donations for 2017 Parks Program Fund
Description	At the beginning of each year, Falcon Heights' and surrounding businesses provide donations to support the upcoming year's Park and Recreation Fund and Special Events. There are three levels at which the business can donate- Gold (\$200 - \$500) Silver (\$100-\$199) and Bronze (\$50-\$99). The Parks and Recreation department uses the money from the local businesses to assist in purchasing the events entertainment, supplies and any other event and programming related costs. Each donation is recognized by the city as appropriate.
Budget Impact	To date, a total of \$520-plus has been donated to the Parks and Recreation Programming Fund and Special Events Fund. These donations help offset the cost of Parks Programming and Special Events.
Attachment(s)	NA
Action(s) Requested	Motion to accept the following donations for 2017 special events from the following businesses: Bronze Level (\$50-\$99): Spire Credit Union - Minnesota Twins Tickets (estimated value of \$60)

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Meeting Date	June 14, 2017
Agenda Item	Policy G1
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Falcon Heights Task Force Inclusion Recommendations
Description	Falcon Heights Task Force Co-Chair Melanie Leehy and Co-Facilitator Kathy Quick presented the Task Force Inclusion Recommendations to the City Council during the June 7, 2017 Council Work Session.
Budget Impact	Impact on the current and future budgets have not been determined.
Attachment(s)	N/A
Action(s) Requested	Motion to approve and accept the Falcon Heights Task Force Inclusion Recommendations

Meeting Date	June 14, 2017
Agenda Item	Policy G2
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Ramsey County Sheriff's Office - Policing Services
Description	<p>Sheriff Jack Serier and Undersheriff Terry Soukkala of Ramsey County Sheriff's Office attended and presented two options for policing services to the City Council during the June 7, 2017 City Council Work Session. The two options are petition to join the Seven Cities Group or have an independent contract directly with the Sheriff's Office.</p> <p>Sheriff Jack Serier requested that if the City would like to move forward and discuss next steps, the City Council would need to issue an official letter to the Sheriff's Office.</p>
Budget Impact	Impact on the current and future budgets have not been determined.
Attachment(s)	N/A
Action(s) Requested	Motion to authorize the City Administrator to issue a letter on behalf of the City Council to continue discussion with the Ramsey County Sheriff's Office for policing services.

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Meeting Date	June 14, 2017
Agenda Item	Policy G3
Attachment	Ordinance 17-01 & Supporting Documents
Submitted By	Paul Moretto, Community Development Coordinator

Item	PUD Amendment - Proposed Senior Housing Development "The Hendrickson"
Description	<p>In the spring of 2013, the subject property and the adjacent property to the east were acquired by the Carl and Eloise Pohlad Family Foundation in partnership with CommonBond Communities for the purpose of developing an urban farm and a 47-unit multi-family residence. The proposal required several zoning approvals including a rezoning to PUD, comprehensive plan amendment, and preliminary subdivision, which were all granted by the City Council. On the subject property, the Foundation proposed to re-use existing structures on the site for the purpose of growing and distributing healthy food for local use and build a 47-unit multi-family residence located on the east portion at 1750 Larpenteur Ave W and was to be developed as affordable housing.</p> <p>A change since the time of the previous approval is that CommonBond has withdrawn its plans to build the 47-unit multi-family housing residence at 1750 Larpenteur Ave W. The Foundation is in agreement with Kelly Brothers, Ltd a buyer to develop the parcel for a similar and complimentary use to the original plan.</p> <p>This PUD amendment address the first of two phases for changing the PUD. This portion would change the density from 47-units to 68-units with a parking requirement of 68 stalls. Additionally, the land-use of the site would change from affordable housing to senior housing.</p> <p>The Planning Commission held a public hearing for the proposed amendment. There was a presentation from the Kelly Brothers Ltd, and no comment from the public. A vote was held to recommend approval of the proposed changes. The vote was in favor of approval four (4) yes and zero (0) no with one abstaining.</p> <p>The second phase would include a review of updated plans.</p>

Budget Impact	No Changes
Attachment(s)	<ul style="list-style-type: none"> • Ordinance 17-01 Amending Section 113-209 of the Falcon Heights City Code • Planning Commission Packet from May 23, 2017
Action(s) Requested	Staff request approval of attached ordinance to amend the Urban Farm Planned Use Development (PUD) to allow for 68 Units, 68 Parking Stalls, and the removal of affordable housing language.

ORDINANCE NO. 17-01

**CITY OF FALCON HEIGHTS
RAMSEY COUNTY, MINNESOTA**

**AN ORDINANCE AMENDING SECTION 113-209 OF THE
FALCON HEIGHTS CITY CODE**

THE CITY COUNCIL OF FALCON HEIGHTS ORDAINS:

SECTION 1. Section 113-209 of the Falcon Heights City Code is amended as follows. Additions are shown with an underline and deletions are shown with a ~~striketrough~~.

113-209 URBAN FARM PLANNED UNIT DEVELOPMENT DISTRICT

(b) **PURPOSE.** The purpose of the urban farm PUD district is to provide for the mixed uses of an urban farm and an affordable apartment building.

(d) **PERMITTED USES.** The following uses are permitted subject to the Development Plan for the PUD, Section 113-209(f), and the standards and requirements of the R-5M zoning district, except as modified herein:

(1) On lot 1, block 1 an urban farm. At least 21 paved parking spaces must be maintained next to the main building adjacent to Larpenteur Avenue, as well as at least 24 overflow parking stalls. The urban farm may have up to:

976 square feet of retail space;

2,201 square feet of office/training/kitchen space;

8,580 square feet of distribution/warehouse space;

849 square feet of greenhouse space; and

576 square feet of yard storage building space.

(2) On lot 2, block 1, a 68 47-unit affordable apartment building with at least 68 77 parking spaces. At least 54 40 of the required parking spaces must be below grade and integrated into the apartment building. The site may have up to:

60,537 square feet of residential living space;

Four (4) stories with underground parking; and

Private access easement between lot 1 and lot 2 to be recorded into the property record of both parcels.

(f) **DEVELOPMENT PLAN.** The PUD must be maintained in accordance with the following development plan which is on file with the City and which is incorporated herein by reference.

- (1) Urban Farm Project Addition Plat;
- (2) Topographic Survey and Grading, Drainage and Utility Plan prepared by Jacobson Engineers & Surveyors dated July 28, 2014;
- (3) The following prepared by LHB for Lot 1, Block 1:

Architectural Site Plan w/ Landscape Layout dated August 18, 2014,
First Floor Plan dated August 18, 2014;
Yard Storage Building – Color Option 1 dated July 28, 2014 or Yard Storage Building –
Color Option 2 dated August 18, 2014;
Exterior Elevations – Color Option 1 dated August 18, 2014 or Exterior Elevations – Color
Option 2 dated July ***.

- (4) The following plans prepared by Kelly Brothers, Ltd for lot 2, block 1:

Architectural Site Plan w/Landscape Layout dated - TBD
Exterior Elevations – TBD
Complete Floor Plan date - TBD

SECTION 2. This Ordinance shall be effective upon adoption and publication according to law.

ADOPTED this 14th day of June, 2017, by the City Council of the City of Falcon Heights, Minnesota.

CITY OF FALCON HEIGHTS

BY: _____
Peter Lindstrom, Mayor

ATTEST:

Sack Thongvanh, City Administrator/City Clerk

City of Falcon Heights Planning Commission

City Hall
2077 W. Larpenteur Avenue

Tuesday, May 23, 2017
7:00 p.m.

A G E N D A

- A. CALL TO ORDER: 7:00 p.m.
- B. ROLL CALL: Chair Larkin ____ Samatar ____
Murphy ____ Stemper ____
Williams ____ Kotelnicki ____
Sunderland ____
Council Liaison Harris ____ Staff Liaison Moretto ____
- C. APPROVAL OF MINUTES for April 25, 2017
- D. AGENDA
 - 1. Hearing Good Acre Phase II
- E. INFORMATION AND ANNOUNCEMENTS
- F. ADJOURN

If you have a disability and need accommodation in order to attend this meeting, please notify City Hall 48 hours in advance between the hours of 8:00 a.m. and 4:30 p.m. at 651-792-7600. We will be happy to help.

**City of Falcon Heights
Planning Commission Minutes
April 25, 2017**

PRESENT: Commissioners Williams, Larkin, Murphy, Stemper, Kotelnicki, Liaison Harris
ABSENT: Commissioners Samatar, Murphy

The meeting was called to order at 7:05 p.m. by Chair Larkin.

The minutes of the March 28th, 2017 meeting of the Planning Commission were approved.

AGENDA

1. Welcome New Commissioners – New Commissioner Sunderland was introduced to the commission. A brief introduction was made to them by other members of the commission.

2. Thank Previous Commissioners – Commissioners Schafer, Alexander, and Bellemare were publicly recognized for their contribution to the Planning Commission.

INFORMATION AND ANNOUNCEMENTS:

Community Forum: None

ADJOURNMENT: The meeting was adjourned to workshop at 7:30 p.m.

WORKSHOP

The workshop included a presentation from Kelly Brothers, a potential developer for the Good Acre Phase II. The presentation included design concepts and a desire for 68 dwelling units, 68 parking spaces and to change the use from affordable housing to senior housing.

Commissioners had concerns about too few parking spaces, the increase in density, and site layout.

Staff was asked to look into other examples of senior or similar housing for parking and density.

Respectfully submitted,

Paul Moretto
Community Development Coordinator

John Larkin
Chair – Planning Commission

Meeting Date	May 23, 2017
Agenda Item	1
Title	Urban Farm PUD Amendment at 1750 Larpenteur Ave W
Submitted By	Paul Moretto, Community Development Coordinator

Description	Amendment to the Planned Unit Development (PUD) at 1750 Larpenteur Ave W to allow for a revised land-use, density, and parking.
Background	<p>In the spring of 2013, the subject property and the adjacent property to the east were acquired by the Carl and Eloise Pohlada Family Foundation in partnership with CommonBond Communities for the purpose of developing an urban farm and a 47-unit multi-family residence. The proposal required several zoning approvals including a rezoning to PUD, comprehensive plan amendment, and preliminary subdivision, which were all granted by the City Council. On the subject property, the Foundation proposed to re-use existing structures on the site for the purpose of growing and distributing healthy food for local use. The 47-unit multi-family residence was to be located on the property to the east at 1750 Larpenteur Ave W and was to be developed as affordable housing.</p> <p>Another change since the time of the previous approval is that CommonBond has withdrawn its plans to build the 47-unit multi-family housing residence at 1750 Larpenteur Ave W. The Foundation is in agreement with Kelly Brothers, Ltd a buyer to develop the parcel for a similar and complimentary use to the original plan.</p> <p>This PUD amendment addresses the first of two phases for changing the PUD. This portion would change the density from 47-units to 68-units with a parking requirement of 68 stalls. Additionally, the land-use of the site would change from affordable housing to senior housing. The second phase would include a review of updated plans.</p>
Analysis	<p>Section 113-35 (e.) states that no amendment to this chapter shall be adopted which is in conflict with the City's Comprehensive Plan.</p> <p>As part of the previous approval, the Comprehensive Plan was amended by modifying the definition of Mixed Use Residential to allow for mixed uses within the same site and not require that they be within the same building. The Comprehensive Plan was also amended to specifically include urban farming as a</p>

	<p>type of use that can be mixed with the residential uses on land guided as Mixed Use Residential.</p> <p>As such, the use of the property will remain as an urban farm and staff finds that the request is consistent with the Comprehensive Plan. The request is simply to allow for the new building to increase in density with updating parking and senior housing. Because the previous approval of the PUD was associated with the previous plans submitted, an amendment is required to incorporate the new plans at a later date.</p> <p>Preliminary designs call for a four story building containing 68-units of residential space and 68 parking lots. A majority, 54 or more, will be located underground. In addition, there will be a shared uses agreement for ingress and egress for the two sites.</p> <p>Site plan, grading, drainage, utility plan, and landscaping plan will be reviewed at a later date.</p>
Budget Impact	None
Attachment(s)	<ul style="list-style-type: none"> • Application for an amendment to the PUD at 1750 Larpenteur Ave W, including narrative letter, conditional on new, future, design review. • Location Maps • PUD rezoning ordinance draft • Hearing notice published in the Roseville Review and mailed to owners of properties within 500 feet. • Parking Analysis
Actions Requested	<ul style="list-style-type: none"> • Hold a public hearing on the requested amendment to the PUD at 1750 Larpenteur Ave W • Make a recommendation for APPROVAL of the CODE TEXT AMENDMENT (PUD) to the City Council

ORDINANCE NO. 17-XX

**CITY OF FALCON HEIGHTS
RAMSEY COUNTY, MINNESOTA**

**AN ORDINANCE AMENDING SECTION 113-209 OF THE
FALCON HEIGHTS CITY CODE**

THE CITY COUNCIL OF FALCON HEIGHTS ORDAINS:

SECTION 1. Section 113-209 of the Falcon Heights City Code is amended as follows. Additions are shown with an underline and deletions are shown with a ~~strike through~~.

113-209 URBAN FARM PLANNED UNIT DEVELOPMENT DISTRICT

(b) **PURPOSE.** The purpose of the urban farm PUD district is to provide for the mixed uses of an urban farm and an ~~affordable~~ apartment building.

(d) **PERMITTED USES.** The following uses are permitted subject to the Development Plan for the PUD, Section 113-209(f), and the standards and requirements of the R-5M zoning district, except as modified herein:

(1) On lot 1, block 1 an urban farm. At least 21 paved parking spaces must be maintained next to the main building adjacent to Larpenteur Avenue, as well as at least 24 overflow parking stalls. The urban farm may have up to:

976 square feet of retail space;

2,201 square feet of office/training/kitchen space;

8,580 square feet of distribution/warehouse space;

849 square feet of greenhouse space; and

576 square feet of yard storage building space.

(2) On lot 2, block 1, a ~~68~~ 47-unit ~~affordable~~ apartment building with at least ~~68~~ 77 parking spaces. At least ~~54~~ 40 of the required parking spaces must be below grade and integrated into the apartment building. The site may have up to:

60,537 square feet of residential living space;

Four (4) stories with underground parking; and

Private access easement between lot 1 and lot 2 to be recorded into the property record of both parcels.

(f) **DEVELOPMENT PLAN.** The PUD must be maintained in accordance with the following development plan which is on file with the City and which is incorporated herein by reference.

- (1) Urban Farm Project Addition Plat;
- (2) Topographic Survey and Grading, Drainage and Utility Plan prepared by Jacobson Engineers & Surveyors dated July 28, 2014;
- (3) The following prepared by LHB for Lot 1, Block 1:

Architectural Site Plan w/ Landscape Layout dated August 18, 2014,
First Floor Plan dated August 18, 2014;
Yard Storage Building – Color Option 1 dated July 28, 2014 or Yard Storage Building –
Color Option 2 dated August 18, 2014;
Exterior Elevations – Color Option 1 dated August 18, 2014 or Exterior Elevations – Color
Option 2 dated July ***.

- (4) The following plans prepared by Kelly Brothers, Ltd for lot 2, block 1:

Architectural Site Plan w/Landscape Layout dated - TBD
Exterior Elevations – TBD
Complete Floor Plan date - TBD

SECTION 2. This Ordinance shall be effective upon adoption and publication according to law.

ADOPTED this XXth day of June, 2017, by the City Council of the City of Falcon Heights, Minnesota.

CITY OF FALCON HEIGHTS

BY: _____
Peter Lindstrom, Mayor

ATTEST:

Sack Thongvanh, City Administrator/City Clerk

CITY OF FALCON HEIGHTS
PUBLIC HEARING NOTICE

Notice is hereby given that the Falcon Heights Planning Commission, at its regular meeting at 7:00 p.m. on May 23, 2017, in the City Hall Council Chambers, 2077 W. Larpenteur Ave, will hold a public hearing to consider a text amendment to the Planned Unit Development at 1750 Larpenteur Ave W. PIN# 212923120017. The proposed text amendment will include, but not limited to, a density change, parking requirement change, and a change from affordable housing to senior housing. The proposed amendment will be available at City Hall, and online at the City of Falcon Heights' website. All are welcomed to attend.

Paul Moretto
Community Development Coordinator

To be published in the Roseville Review on May 9 and 16, 2017

May 9, 2017

PID:

You are cordially invited to a public hearing before the Falcon Heights Planning Commission for the purpose of taking public comment on a requested amendment to a Planned Unit Development (PUD) for property located at 1750 Larpenteur Avenue, Falcon Heights.

Tuesday, May 23, 2017

7:00 p.m.

Falcon Heights City Hall

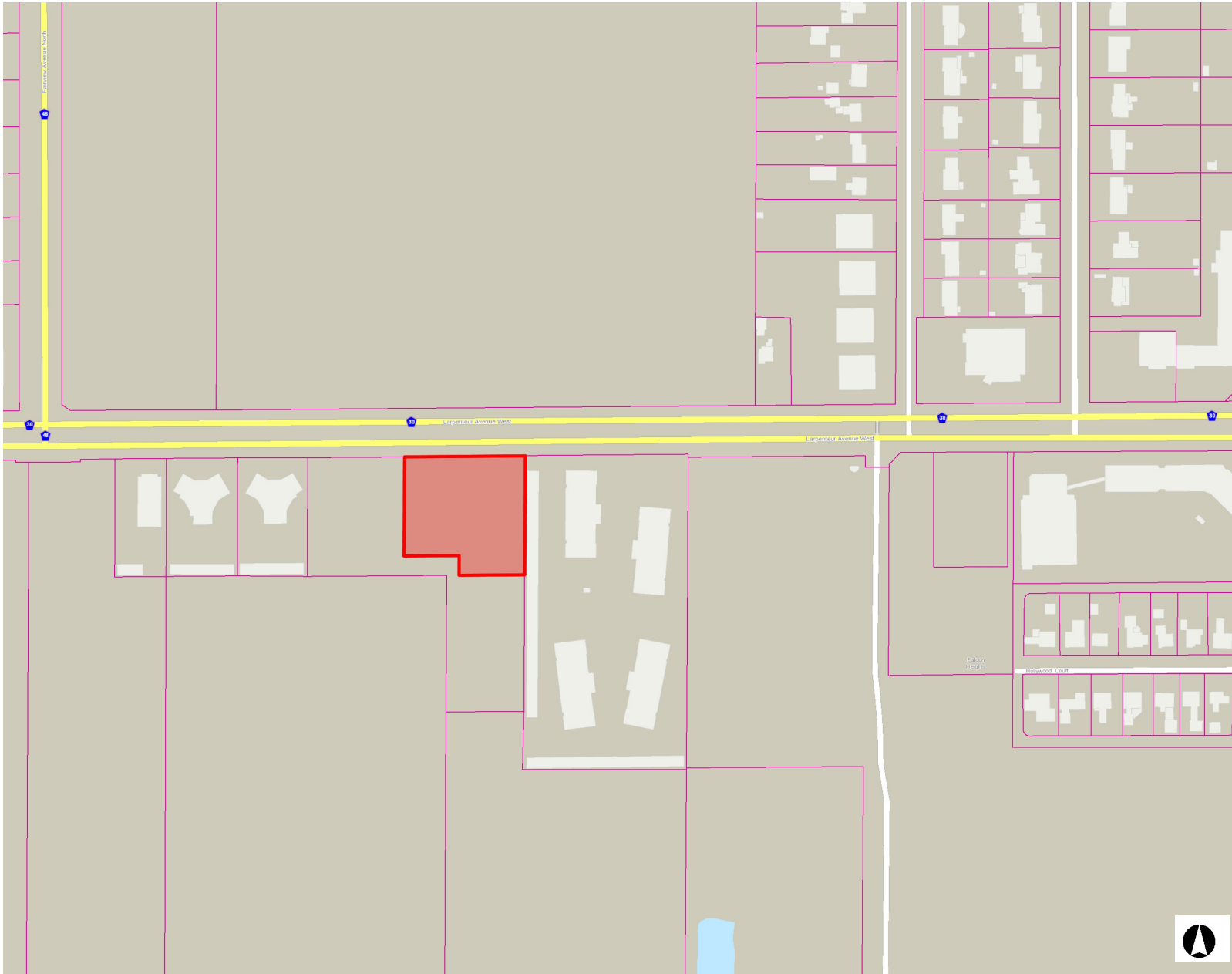
In 2013 the subject property was part of a larger preliminary subdivision and rezoning to PUD for the purpose of creating an organic food growing operation (“urban farming”) in existing buildings on site. The PUD was approved by the City Council based an affordable housing development. That project will no longer take place. In its place a new plan has been proposed for higher density and a senior hosing component. This PUD change will only focus on the text amendment to allow higher density, a change in parking requirement, and the inclusion of senior housing.

New site design plans including: development plans and other planning documents will be reviewed by the Planning Commission and Council at a future date.

A copy the text amendment will be online and at City Hall. If you have questions or comments before the hearing, you may contact me at 651-792-7913 or by email at paul.moretto@falconheights.org










Sincerely,

Paul Moretto mcrp, mpa
Community Development Coordinator
City of Falcon Heights



Legend



-  City Halls
-  Schools
-  Hospitals
-  Fire Stations
-  Police Stations
-  Recreational Centers
-  Parcel Points
-  Parcel Boundaries
-  Airports

600.0 0 300.00 600.0 Feet

Notes

Area map of subject property.

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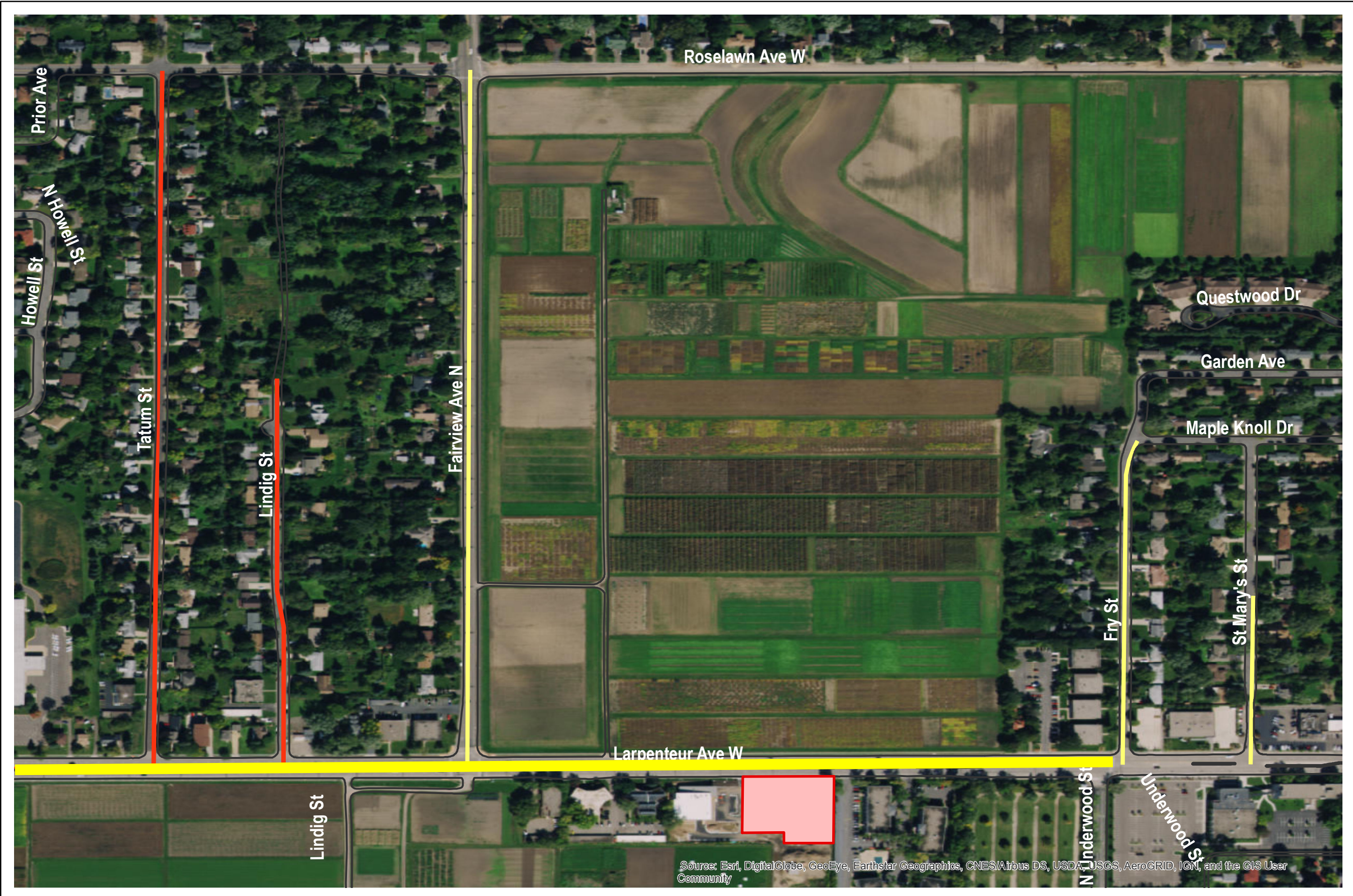
Date	5/3/2017
Agenda Item	1
Title	Parking Analysis- 1750 Larpenteur
Submitted By	Paul Moretto, Community Development Coordinator

Description	The Kelly Brothers, Ltd is requesting a parking requirement of one parking stall to one dwelling unit. This is in line with the parking requirement set for the only other senior housing apartment at 1530 Larpenteur.
Background	<p>The City of Falcon Heights is a first-ring suburb bordered by Saint Paul, Roseville, and Lauderdale, and is in close proximity to Minneapolis. It is also the location of the University of Minnesota and the Minnesota State Fair. The subject property at 1750 Larpenteur is located on a major county corridor (Larpenteur Ave. W) and is mid-block between two major roads, Fairview Ave. and Snelling Ave.</p> <p>In 2016 the Bus Rapid Transit Line (A-Line) was completed connecting Falcon Heights to Roseville, Saint Paul, and Minneapolis. The subject property is located 1/3 of a mile from the closest A-Line stops. A bus stop is also located one block from the subject property, Routes 61 and 87. Route 61 connects Minneapolis and Saint Paul via Larpenteur Ave. and Hennepin Ave. and Route 87 connects Falcon Heights to Roseville via Fairview Ave. The proposed development is also located near multiple major bike routes.</p> <p>Falcon Heights has two other senior housing facilities, 1666 Coffman and 1530 Larpenteur. 1666 Coffman is a 93-unit condo built on University of Minnesota land in the Grove neighborhood and is designed for former employees of the University. The total number of beds is 105 with 100 covered parking stalls and 40 uncovered on 6.5 acres. This is a ratio of 1.5 parking stalls per unit. The spatial distribution (stall/acre) is 21.5 stalls per acre.</p> <p>1530 Larpenteur is a part of a larger PUD for senior housing apartments located on the southeast corner of Larpenteur and Snelling near Arona St. The building has 56-units, 87-beds, and 55 total parking spaces, a majority underground. The ratio of units to parking spaces is less than 1 on 1.32 acres. The spatial distribution (stall/acre) is 41.7.</p> <p>The proposed subject property located at 1750 Larpenteur is located near the intersection of Fairview Ave. and Larpenteur Ave. The proposal is for a building with 68-units and 68 parking stalls, a majority of them underground. The ratio of units to parking spaces is 1 on 1.25 acres. The spatial distribution of (stall/acre) is 54.4.</p> <p>A ratio of one to one for parking stalls to units at the proposed development is in line with a similar PUD for senior housing in Falcon Heights. The proposal is the greatest parking to surface area in the City for this use.</p>

Other	

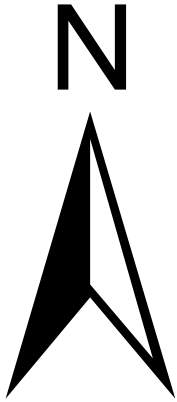
Analysis	<ul style="list-style-type: none"> • Recommend one to one parking requirement for the proposed development at 1750 Larpenteur Ave.
Budget Impact	N/A
Attachment(s)	
Actions Requested	<ul style="list-style-type: none"> • Recommend APPROVAL of PUD Text Amendment

Parking Conditions Near 1750 Larpenteur



Key

- 1750 Larpenteur
- No or Limited Parking
- Permit Parking Only
- Citations



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Paul Moretto

From: Wojchik, Eric <Eric.Wojchik@metc.state.mn.us>
Sent: Friday, April 28, 2017 12:34 PM
To: Paul Moretto
Subject: Hermes/Pohlad Site - Falcon Heights

Hi Paul,

It was great speaking with you yesterday. Given the fact that the PUD governs both the Good Acre and the 1.25 acre parcel at 1750 Larpenteur Ave West, this whole area would be considered one site in terms of your zoning regulations. The City passed an amendment to the Mixed Use Residential land use category in 2013, to allow flexibility in separating the residential and nonresidential uses in different buildings within a coordinated plan for a whole site. The other purpose of the text amendment is to explicitly include urban farming as a type of use that can be mixed with residential uses on land used as Mixed Use Residential.

Both the Good Acre parcel and 1750 Larpenteur Ave West fall under the Mixed Use Residential land use category, regulated by a single PUD for the whole site. Given this fact, and the definition & density range (28-50 du/a) of the Mixed Use Residential land use category, the proposed multi-family project at 1750 Larpenteur Ave West (net residential density of 48 units per acre) does not require a comprehensive plan amendment.

As I stated previously, there are discrepancies in the current 2030 Plan that need to be addressed for this current planning cycle. For instance, the Mixed Use Residential land use category doesn't include the % of residential use, which is more typical of Mixed Use categories. Moreover, the Multi-family Residential category has inconsistencies in the density ranges detailed. These discrepancies can be addressed in the 2040 Update.

All the best,

Eric



Eric Wojchik, MRTPI

Senior Planner | Sector Representative | Local Planning Assistance

eric.wojchik@metc.state.mn.us

651.602.1330

390 Robert Street North | St. Paul, Minn. 55101-1805 | metro council.org

CONNECT WITH US



From: Wojchik, Eric
Sent: Tuesday, April 11, 2017 12:44 PM
To: Paul Moretto <paul.moretto@falconheights.org>
Subject: Hermes/Pohlad Site - Falcon Heights

EXHIBIT A

DECLARATION OF EASEMENTS

THIS DECLARATION, is made as of this _____ day of _____, 2017, between Carl and Eloise Pohlad Family Foundation, a Minnesota nonprofit corporation ("Foundation").

RECITALS

WHEREAS, Foundation is the owner of the real property parcels in Ramsey County, Minnesota legally described on **Exhibit A** attached hereto and made a part hereof by reference and designated as Lot 1 ("Lot 1") and ("Lot 2") thereon;

WHEREAS, the Foundation desires to reserve and declare perpetual, non-exclusive easements for the purpose of vehicular and pedestrian access, ingress and egress over designated areas of Lot 1 and Lot 2, which easements shall be appurtenant to Lot 1 and Lot 2 as provided for herein.

AGREEMENT

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration and in consideration of the covenants contained herein, the Foundation declares as follows:

1. Cross Access Easement. The Foundation hereby declares for the benefit of all present and future owners of Lot 1 and Lot 2, and their respective successors and assigns, forever, a nonexclusive easement for the purpose of vehicular and pedestrian access over and across the following tract or parcels of land lying and being in the County of Ramsey and State of Minnesota, such easement described as follows, to wit ("Cross Easement Area"):

See attached **Exhibit B** and as depicted on attached **Exhibit D**

Said easement is for the use and benefit of the owners of Lot 1 and Lot 2 and their respective guests, servants, agents, representatives, licensees, and invitees for the purpose specified and shall be appurtenant to Lot 1 and Lot 2.

2. Access Easement. The Foundation hereby declares for the benefit of all present and future owners of Lot 2, and their respective successors and assigns, forever, a nonexclusive easement for the purpose of vehicular and pedestrian access over and across the following tract or parcels of Lot 1 lying and being in the County of Ramsey and State of Minnesota, such easement described as follows, to wit ("Access Easement Area"):

See attached **Exhibit C** and as depicted on attached **Exhibit D**

Said easement is for the use and benefit of the owners of Lot 2 and their respective guests, servants, agents, representatives, licensees, and invitees for the purpose specified and shall be appurtenant to Lot 1.

3. Maintenance. With respect to the Cross Easement Area and the Access Easement Area described above, the owners of Lot 2 shall be responsible for keeping such easement area properly maintained, in good repair, suitable for its intended use and in accordance with all applicable laws and ordinances, provided however, that the owners of Lot 1, its successors and assigns, shall reimburse the owners of Lot 2 for one-half (1/2) of any future cost of maintenance and major improvements to the Cross Easement Area or the Access Easement Area. Payment shall be made by the owners of Lot 1 within thirty (30) days of receipt of an invoice from the owner of Lot 2 evidencing such costs.

4. Binding Effect. The terms and provisions of this Declaration shall inure to the benefit of and be binding upon the heirs, legal representatives, successors and assigns of the owners of Lot 1 and Lot 2. The covenants and easements herein created and contained in this Declaration shall be considered covenants running with the land.

5. No Publication Dedication. The Foundation does not intend to dedicate the Cross Easement Area and the Access Easement Area to the public in general, nor is the Foundation evidencing an undertaking to make a public dedication of the Cross Easement Area or the Access Easement Area in the future.

6. Termination. The easement created hereby is intended to be permanent and may only be terminated by written agreement of the Foundation or its successors or assigns.

EXHIBIT A

Legal Description

The real property lying in the County of Ramsey, State of Minnesota and legally described as follows:

Lot 1:

Lot 1, Block 1, Urban Farm Project Addition, Ramsey County, Minnesota

Lot 2:

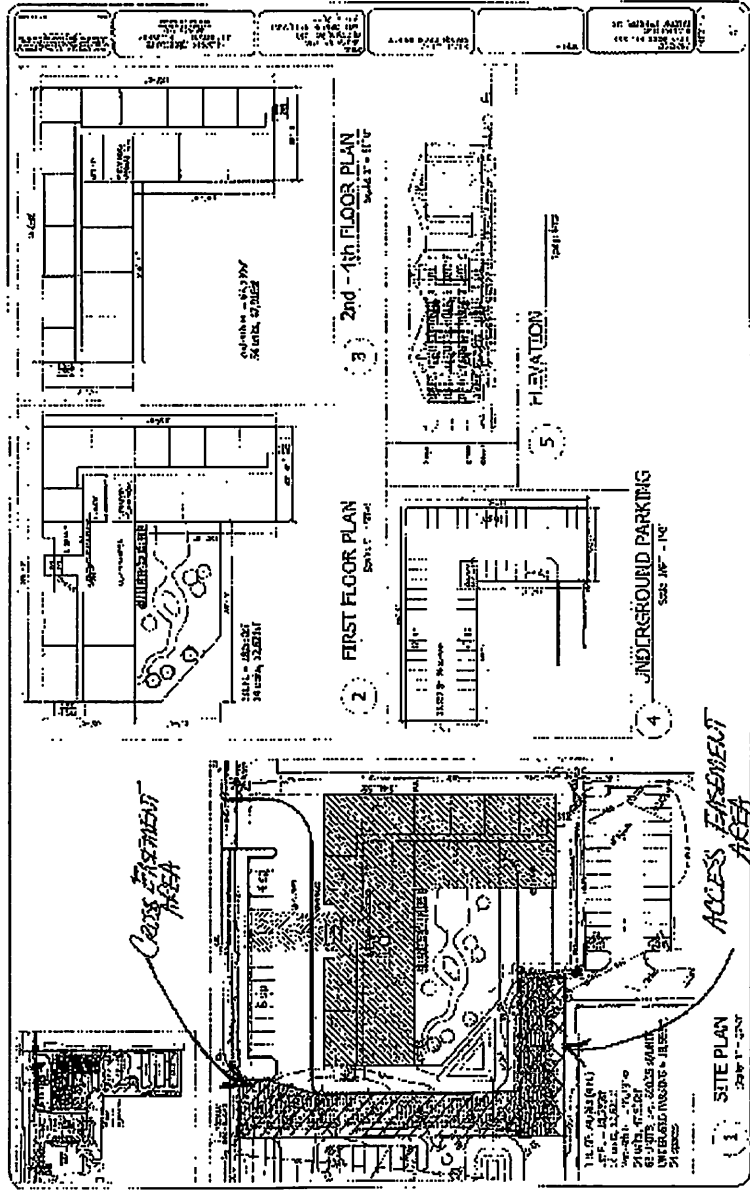
Lot 2, Block 1, Urban Farm Project Addition, Ramsey County, Minnesota

EXHIBIT B

Legal Description – Cross Easement Area

EXHIBIT C

Legal Description – Access Easement Area



Depiction of Easement Areas

EXHIBIT D