

Falcon Heights City Council Workshop

**City Hall
2077 W Larpenteur Ave.
6:30 p.m.**

AGENDA June 2, 2010

- 1) Paint the Pavement Proposal
- 2) Park and Recreation Program Update
- 3) Energy Efficient Improvement Loan Program

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.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	June 2, 2010
Agenda Item	Workshop 1
Attachment	
Submitted By	Justin Miller, City Administrator

Item	Paint the Pavement Proposal
Description	<p>Staff has received a proposal to allow residents, organizations, and school groups to “paint the pavement” at key intersections in the city. The goal of the program would be to slow down traffic and alert drivers to the pedestrian activity in the area. The intersections being contemplated would be near Falcon Heights Elementary School or those that have significant school-related pedestrian activity associated with it.</p> <p>A nearby example of this is in the Hamline-Midway neighborhood, and pictures of their project can be found at www.paintthepavement.org.</p> <p>It is anticipated that this would be a volunteer driven project, with minimal staff assistance with the exception of traffic control, design approval, and neighbor input gathering. The council could require that a certain percentage of nearby homeowners approve of the plan, much like when a neighborhood petitions for permit parking restrictions.</p>
Budget Impact	N/A
Attachment(s)	N/A
Action(s) Requested	Staff is seeking guidance from the city council on whether to move forward with planning for this project.

	<p>assistance, website input, newsletter development and other general city business.</p> <p>The summer activities and staffing are already in place and are progressing just as if a supervisor were on staff. However, planning for fall activities will need to begin shortly, and before staff advertises an open position, we would like to gather input from the city council on their vision of the recreation programs we offer.</p>
Budget Impact	Approximately \$20,000 is transferred annually to the parks programs fund to adequately manage recreation offerings each year.
Attachment(s)	Revenue and Expenditure Analysis 1998-2009
Action(s) Requested	No action required.

PARKS PROGRAM FUND 201

YEAR:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009			
Revenues:															
Recreation Fees	10699	6480	4100	3444	3460	4151	5709	5833	7866	12285	11884	15288			
Non Resident Fees	408	4837	5062	5037	5472	5762	6009	4624	5053	8397	9009	9688			
Other Revenues:	1669	62	2202	1196	347	847	464	564	624	395	427	554			
Operating Transfer IN	15000	15000	15000	15000	15000	15000	15000	15000	20000	20600	20600	20800			
Total Revenues:	27776	26379	26364	24677	24279	25760	27182	26021	33543	41677	41920	46330			
Expenditures:															
Compensation:	24179	25940	28776	26266	32374	22489	19445	20946	26215	27765	32202	35149			
Instructor Specialty	0	0	0	0	0	0	0	0	0	7146	3829	2596			
Other Expenses:	7352	5089	5178	5614	2459	4028	6276	6019	6395	5207	7478	7020			
Total Expenditures:	31531	31029	33954	31880	34833	26517	25721	26965	32610	40118	43509	44765			
Net Gain (Loss)	-3755	-4650	-7590	-7203	-10554	-757	1461	-944	933	1559	-1589	1565			
										FUND BALANCE:			3217	1628	3193



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	June 2, 2010
Agenda Item	Workshop 3
Attachment	State of Minnesota PACE legislation City of Shoreview press release
Submitted By	Justin Miller, City Administrator

Item	Energy Improvement Loan Programs
Description	<p>With the recent emphasis on home energy improvements, many cities, and even the State of Minnesota, have begun to develop programs to incentivize property owners to make modifications to their homes in an environmentally friendly manner. Before taking the general concept to the environment commission for their consideration, staff thought it would be a good idea to gather input from the city council on the enthusiasm towards such a program.</p> <p>There are two basic models that are most common. The first is a funding mechanism recently approved by the state legislature called a Property Assessed Clean Energy (PACE) program. In essence, a homeowner would install an improvement from a pre-approved list (such as solar panels, geothermal heating and cooling, etc.) and would get a loan from the city to pay for it. In return, the homeowner would agree to have the principal and interest applied to their property taxes in the form of a special assessment. This way the loan would never go into default (assuming that any unpaid taxes would eventually be repaid since assessments are a lien against the property).</p> <p>The second would be a more traditional loan program, where the same improvements would be funded through a loan agreement, but the city would most likely take a lower position on the mortgage of the house, since the bank holding the mortgage would have more liability. Some cities have taken this approach and even forgiven the loan after a set period if the property remained under the same ownership for a pre-determined number of years.</p> <p>The parameters of such a program could be as small or large as the council wanted them to be, but before staff spent too much time putting together draft documents, a sense of the council would be beneficial.</p>
Budget Impact	Undetermined
Attachment(s)	State of Minnesota PACE legislation City of Shoreview Press Release

Action(s) Requested	No action requested.
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- 12.17 Sec. 3. **[216C.435] DEFINITIONS.**
- 12.18 Subdivision 1. **Scope.** For the purposes of this section and section 216C.436, the
- 12.19 terms defined in this section have the meanings given them.
- 12.20 Subd. 2. **City.** "City" means a home rule charter or statutory city.
- 12.21 Subd. 3. **Local government.** "Local government" means a city, county, or town.
- 12.22 Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy
- 12.23 consumption of a building by a certified energy auditor, whose certification is approved by
- 12.24 the commissioner, for the purpose of identifying appropriate energy improvements that
- 12.25 could be made to the building and including an estimate of the length of time a specific
- 12.26 energy improvement will take to repay its purchase and installation costs, based on the
- 12.27 amount of energy saved and estimated future energy prices.
- 12.28 Subd. 5. **Energy improvement.** "Energy improvement" means:
- 12.29 (1) any renovation or retrofitting of a building to improve energy efficiency that
- 12.30 is permanently affixed to the property and that results in a net reduction in energy
- 12.31 consumption without altering the principal source of energy;
- 12.32 (2) permanent installation of new or upgraded electrical circuits and related
- 12.33 equipment to enable electrical vehicle charging; or
- 12.34 (3) a renewable energy system attached to, installed within, or proximate to a
- 12.35 building that generates electrical or thermal energy from a renewable energy source.
- 13.1 Subd. 6. **Qualifying real property.** "Qualifying real property" means a
- 13.2 single-family or multifamily residential dwelling, or a commercial or industrial building,
- 13.3 that the city has determined, after review of an energy audit or renewable energy system
- 13.4 feasibility study, can be benefited by installation of energy improvements.
- 13.5 Subd. 7. **Renewable energy.** "Renewable energy" means energy produced by
- 13.6 means of solar thermal, solar photovoltaic, wind, or geothermal resources.
- 13.7 Subd. 8. **Renewable energy system feasibility study.** "Renewable energy system
- 13.8 feasibility study" means a written study, conducted by a contractor trained to perform that
- 13.9 analysis, for the purpose of determining the feasibility of installing a renewable energy
- 13.10 system in a building, including an estimate of the length of time a specific renewable
- 13.11 energy system will take to repay its purchase and installation costs, based on the amount of
- 13.12 energy saved and estimated future energy prices. For a geothermal energy improvement,
- 13.13 the feasibility study must calculate net savings in terms of nongeothermal energy and costs.
- 13.14 Subd. 9. **Solar thermal.** "Solar thermal" has the meaning given to "qualifying solar
- 13.15 thermal project" in section 216B.2411, subdivision 2, paragraph (e).
- 13.16 Subd. 10. **Solar photovoltaic.** "Solar photovoltaic" has the meaning given in
- 13.17 section 216C.06, subdivision 16, and must meet the requirements of section 216C.25.
- 13.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 13.19 Sec. 4. **[216C.436] VOLUNTARY ENERGY IMPROVEMENTS FINANCING**
- 13.20 **PROGRAM FOR LOCAL GOVERNMENTS.**
- 13.21 Subdivision 1. **Program authority.** A local government may establish a program
- 13.22 to finance energy improvements to enable owners of qualifying real property to pay for
- 13.23 cost-effective energy improvements to the qualifying real property with the net proceeds
- 13.24 and interest earnings of revenue bonds authorized in this section. A local government may
- 13.25 limit the number of qualifying real properties for which a property owner may receive
- 13.26 program financing.
- 13.27 Subd. 2. **Program requirements.** A financing program must:
- 13.28 (1) impose requirements and conditions on financing arrangements to ensure timely
- 13.29 repayment;
- 13.30 (2) require an energy audit or renewable energy system feasibility study to be

- 13.31 conducted on the qualifying real property and reviewed by the local government prior to
 13.32 approval of the financing;
 13.33 (3) require the inspection of all installations and a performance verification of at
 13.34 least ten percent of the energy improvements financed by the program;
 14.1 (4) require that all cost-effective energy improvements be made to a qualifying
 14.2 real property prior to, or in conjunction with, an applicant's repayment of financing for
 14.3 energy improvements for that property;
 14.4 (5) have energy improvements financed by the program performed by licensed
 14.5 contractors as required by chapter 326B or other law or ordinance;
 14.6 (6) require disclosures to borrowers by the local government of the risks involved in
 14.7 borrowing, including the risk of foreclosure if a tax delinquency results from a default;
 14.8 (7) provide financing only to those who demonstrate an ability to repay;
 14.9 (8) not provide financing for a qualifying real property in which the owner is not
 14.10 current on mortgage or real property tax payments;
 14.11 (9) require a petition by all owners of the qualifying real property requesting
 14.12 collections of repayments as a special assessment under section 429.101;
 14.13 (10) provide that payments and assessments are not accelerated due to a default and
 14.14 that a tax delinquency exists only for assessments not paid when due; and
 14.15 (11) require that liability for special assessments related to the financing runs with
 14.16 the qualifying real property.
 14.17 Subd. 3. **Retail and end use prohibited.** Energy generated by an energy
 14.18 improvement may not be sold, transmitted, or distributed at retail and may not provide for
 14.19 end use of the electrical energy from an off-site facility. On-site generation is allowed to
 14.20 the extent provided for in section 216B.1611.
 14.21 This section does not modify the exclusive service territories or exclusive right to
 14.22 serve as provided in sections 216B.37 to 216B.43.
 14.23 Subd. 4. **Financing terms.** Financing provided under this section must have:
 14.24 (1) a term not to exceed the weighted average of the useful life of the energy
 14.25 improvements installed, as determined by the local government, but in no event may
 14.26 a term exceed 20 years;
 14.27 (2) a principal amount not to exceed the lesser of ten percent of the assessed value
 14.28 of the real property on which the improvements are to be installed or the actual cost of
 14.29 installing the energy improvements, including the costs of necessary equipment, materials,
 14.30 and labor, the costs of each related energy audit or renewable energy system feasibility
 14.31 study, and the cost of verification of installation; and
 14.32 (3) an interest rate sufficient to pay the financing costs of the program, including the
 14.33 issuance of bonds and any financing delinquencies.
 14.34 Subd. 5. **Coordination with other programs.** A financing program must include
 14.35 cooperation and coordination with the conservation improvement activities of the utility
 15.1 servicing the qualifying real property and other public and private energy improvement
 15.2 programs.
 15.3 Subd. 6. **Certificate of participation.** Upon completion of a project, a local
 15.4 government shall provide a borrower with a certificate stating participation in the program
 15.5 and what energy improvements have been made with financing program proceeds.
 15.6 Subd. 7. **Repayment.** A local government financing an energy improvement
 15.7 under this section must:
 15.8 (1) secure payment with a lien against the benefited qualifying real property; and
 15.9 (2) collect repayments as a special assessment as provided for in section 429.101
 15.10 or by charter.
 15.11 Subd. 8. **Bond issuance; repayment.** (a) A local government may issue revenue

- 15.12 bonds as provided in chapter 475 for the purposes of this section.
- 15.13 (b) The bonds must be payable as to both principal and interest solely from the
- 15.14 revenues from the assessments established in subdivision 7.
- 15.15 (c) No holder of bonds issued under this subdivision may compel any exercise of the
- 15.16 taxing power of the local government that issued the bonds to pay principal or interest on
- 15.17 the bonds. Bonds issued under this subdivision are not a debt or obligation of the local
- 15.18 government that issued them, nor is the payment of the bonds enforceable out of any
- 15.19 money other than the revenue pledged to the payment of the bonds.
- 15.20 **EFFECTIVE DATE.**This section is effective the day following final enactment.

CITY OF SHOREVIEW

FOR IMMEDIATE RELEASE:



CONTACT:

HousingResource Center – NorthMetro Office

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CITY of SHOREVIEW launches new Home Energy Improvement Loan Program to qualifying residents looking to reinvest in their homes

Shoreview, MN (April 26, 2010) - The City of Shoreview is announcing a new Home Energy Improvement Loan to qualifying residents and prospective homebuyers to encourage reinvestment and energy efficient home improvements in the community. Beginning on May 3rd, loans will be offered through the HousingResource Center on behalf of the City of Shoreview for home improvements such as new roofs, and energy efficient upgrades to windows and doors, heating and cooling systems and water heaters.

The maximum loan amount is \$20,000 and the minimum loan amount is \$2,000 with up to 10-year terms. Residents who obtain a loan through this program could have all the interest reimbursed if they reside at the home for the 10-year period of the loan.

Established by the Shoreview City Council and Economic Development Authority, the Shoreview Home Energy Improvement Loan Program is made available without the use of general tax dollars but through utilizing special funding sources available for housing and development. With an initial allocation of \$300,000, the new loan program has been designed as a revolving fund so that the loan fund can be replenished through borrower repayments and additional loans distributed.

“Maintaining the quality of our neighborhoods is a very important goal in Shoreview. The Home Energy Improvement Loan Program helps the City accomplish this goal by providing access to credit for residents that want to make energy home improvements. By leveraging the HousingResource Center, our residents receive the added benefits of a free pre-construction consultation and awareness of other existing programs,” said Councilmember Blake Huffman, President of the Economic Development Authority.

The Shoreview Home Energy Improvement Loan Program provides additional local incentives and fills a gap not currently provided by private lenders for those residents (or potential new residents) interested in upgrading older and more moderately priced homes that may be in need of basic energy efficiency improvements. Residents interested in the new Home Energy Improvement Loan Program can also leverage home improvements with bank loans and/or other available housing programs offered through agencies such as Ramsey County and the Minnesota Housing Finance Agency.

Loans will be available to income-eligible owners of single-family detached homes where the current market value does not exceed \$314,640. Income limits are based on household size listed below:

<u>Household Size</u>	<u>Income Limit</u>
1	\$96,736
2	\$104,416
3	\$112,096
4	\$119,776
5	\$125,896
6	\$132,076
7	\$138,196
8	\$144,376

Mayor Sandy Martin stated, "I am very excited about the new Home Energy Improvement Loan Program and would encourage any Shoreview homeowner thinking about making home improvements to take advantage of this opportunity being offered by the City. The City Council and EDA are committed to providing new resources for our residents to reinvest in their homes, which will not only add to the value of their properties but to the neighborhoods."

The City of Shoreview is contracting with the Greater Metropolitan Housing Corporation for the loan program to be administered through the HousingResource Center, a non-profit agency that currently serves Shoreview residents by providing free home improvement construction and financing counseling.

For additional information on the new Shoreview Home Energy Improvement Loan Program and other available resources, please contact the HousingResource Center – NorthMetro Office at 651.486.7401 or visit www.housingresourcecenter.org

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