



## HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, February 19, 2013

6:50 p.m.

Coon Rapids City Center  
Council Chambers

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### Call to Order

### Roll Call

### Approval of Minutes of Previous Meetings:

November 7, 2012

December 4, 2012

January 7, 2013

### New Business

1. Approve program guidelines and funding for Home for Generations phase II

### Other Business

### Adjourn



**AI-993**

**HRA Regular**

**Meeting Date:** 02/19/2013

**SUBJECT:**

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**Attachments**

11-7-12 HRA

12-4-12 HRA

1-7-13 HRA

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## UNAPPROVED

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF NOVEMBER 7, 2012

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 6:50 p.m. on November 7, 2012, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Denise Klint, Melissa Larson, Jerry Koch, Bruce Sanders, Scott Schulte

Members Absent: Commissioner Paul Johnson

### CALL TO ORDER

Chair Howe called the meeting to order at 6:50 p.m.

### ROLL CALL

Commissioner Johnson absent.

### APPROVAL OF MINUTES OF OCTOBER 2, 2012

MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER KLINT, TO APPROVE THE MINUTES OF THE OCTOBER 2, 2012, HRA MEETING AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

1. CONS. SALE OF SINGLE-FAMILY LOT, NOVAK-FLECK, 12490 THRUSH STREET NW (SCATTERED SITE):
  - a. HOLD PUBLIC HEARING
  - b. APPROVE PURCHASE AND REDEVELOPMENT AGREEMENT
  - c. AUTHORIZE CHAIR AND SECRETARY TO EXECUTE DEED
  - d. AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY

The HRA is asked to consider the sale of a single-family lot at 12490 Thrush Street acquired as part of the Scattered Site Acquisition program.

The property at 2308 Main Street was acquired through the SSA program in 2001 for \$125,000. The house located on the property was demolished and the property was subdivided into two lots, which were assigned addresses of 12470 and 12490 Thrush Street. The lot at 12490 Thrush Street abuts Main Street, while 12470 Thrush Street is larger and abuts 124th Lane. The lot at 12470 Thrush Street was sold in 2002 for \$60,000 for construction of a new house. Novack-Fleck Builders has offered \$30,000 for the lot at 12490 Thrush Street, which reflects current market value. The buyer proposes to construct a house that meets the HRA's established design

criteria. Staff feels that the design is compatible with surrounding houses.

A purchase and redevelopment agreement for the property, which includes the proposed house plan, is attached. The agreement binds the buyer to constructing the proposed house by August 31, 2013 and also provides for the return of title to the HRA if the buyer should fail to perform as agreed.

Being no comments, Chair Howe opened and closed the public hearing at 6:53 p.m.

MOTION BY COMMISSIONER SCHULTE, SECONDED BY COMMISSIONER KOCH, TO APPROVE PURCHASE AND REDEVELOPMENT AGREEMENT WITH NOVACK-FLECK, 12490 THRUSH STREET NW, AUTHORIZE CHAIR AND SECRETARY TO EXECUTE DEED, AND AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY. THE MOTION PASSED UNANIMOUSLY.

CONS. QUIT CLAIM DEED FOR PERMANENT EASEMENT ON A SINGLE-FAMILY LOT AT 12490 THRUSH STREET NW

The HRA is also asked to consider a Quit Claim Deed for a permanent easement on the single-family lot for noise wall barrier, sloping, bikeway, walkway, and utility purposes at 12490 Thrush Street NW.

MOTION BY COMMISSIONER SCHULTE, SECONDED BY COMMISSIONER KLINT TO AUTHORIZE THE CHAIR AND SECRETARY TO EXECUTE A QUIT CLAIM DEED FOR PERMANENT EASEMENT FOR NOISE WALL BARRIER, SLOPING, BIKEWAY, WALKWAY, AND UTILITY PURPOSES AT 12490 THRUSH STREET NW. THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

There was no other business to come before the HRA.

ADJOURN

MOTION BY COMMISSIONER SCHULTE, SECONDED BY COMMISSIONER SANDERS, TO ADJOURN THE NOVEMBER 7, 2012, MEETING AT 6:55 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,  
Cathy Sorensen, City Clerk

## UNAPPROVED

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF DECEMBER 4, 2012

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 6:53 p.m. on December 4, 2012, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Denise Klint, Paul Johnson, Melissa Larson, Jerry Koch, Bruce Sanders, Scott Schulte

Members Absent: None

### CALL TO ORDER

Chair Howe called the meeting to order at 6:53 p.m.

### ROLL CALL

All present.

### APPROVAL OF MINUTES

None.

1. HRA BUDGET AND TAX LEVY:
  - A. CONS. RESOLUTION HRA 12-2 ADOPTING THE 2013 HRA BUDGET
  - B. CONS. RESOLUTION HRA 12-3 ADOPTING THE 2013 HRA TAX LEVY

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Finance Director Sharon Legg stated the Housing and Redevelopment Authority in and for the City of Coon Rapids (HRA) must approve the budget and tax levy for 2013.

The budget for the HRA is included in the 2013 Adopted City budget as Fund 69. Because the HRA is considered to be a separate entity, a budget and tax levy need to be adopted by the HRA.

This item relates to the Community Development and Redevelopment section of the 2030 Strategic Vision by conducting economic development efforts.

Staff recommends adoption of the following:

1. Adopt Resolution HRA 12-2 adopting the 2013 HRA budget.
2. Adopt Resolution HRA 12-3 adopting the 2013 HRA tax levy.

MOTION BY COMMISSIONER SCHULTE, SECONDED BY COMMISSIONER SANDERS, TO ADOPT RESOLUTION HRA 12-2 ADOPTING THE 2013 HRA BUDGET AND RESOLUTION HRA 12-3 ADOPTING THE 2013 HRA TAX LEVY. THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

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There was no other business to come before the HRA.

ADJOURN

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MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER LARSON, TO ADJOURN THE DECEMBER 4, 2012, MEETING AT 6:54 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen  
City Clerk

## UNAPPROVED

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF JANUARY 7, 2013

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 6:50 p.m. on January 7, 2013, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Denise Klint, Paul Johnson, Ron Manning, Jerry Koch, Bruce Sanders, Steve Wells

Members Absent: None

### CALL TO ORDER

Chair Howe called the meeting to order at 6:50 p.m.

### ROLL CALL

All present.

### APPROVAL OF MINUTES

None.

1. SELECTION OF HOUSING AND REDEVELOPMENT AUTHORITY OFFICERS FOR 2013

MOTION BY COMMISSIONER KLINT, SECONDED BY COMMISSIONER KOCH TO APPOINT TIM HOWE AS CHAIR; STEVE WELLS AS VICE CHAIR; BRUCE SANDERS AS SECRETARY; AND RON MANNING AS VICE SECRETARY AS OFFICERS FOR 2013. THE MOTION PASSED UNANIMOUSLY.

2. CONS. SALE OF SINGLE-FAMILY LOT, 10223 HANSON BOULEVARD (SCATTERED SITE ACQUISITION PROGRAM):
  - A. PUBLIC HEARING
  - B. APPROVE PURCHASE AND REDEVELOPMENT WITH RICHARD BEYER AND MELISSA BEYER
  - C. AUTHORIZE THE CHAIR AND SECRETARY TO EXECUTE DEED
  - D. AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY

The HRA is asked to consider the sale of a single-family lot at 10223 Hanson Boulevard acquired as part of the Scattered Site Acquisition program

The property at 10223 Hanson Boulevard was acquired through the SSA program in 1999. The house located on the property was demolished. Richard Beyer, a Coon Rapids resident, has offered \$50,000 for the lot, which reflects current market value. Because Mr. Beyer, who is also a licensed contractor, intends to occupy the house, he prefers to wait until receiving HRA approval of the sale before drafting a house plan. The attached purchase and redevelopment agreement requires that the buyer submit a house plan in compliance with the HRA's design criteria by February 15. Provided City Staff approves the house plan, closing will occur on or before March 15. The agreement requires completion of the house by December 31, 2013 and provides for the return of title to the HRA if the buyer should fail to perform as agreed.

Being no comments, Chair Howe opened and closed the public hearing at 6:53 p.m.

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER SANDERS, TO APPROVE PURCHASE AND REDEVELOPMENT AGREEMENT WITH RICHARD BEYER AND MELISSA BEYER, 10223 HANSON BOULEVARD, AUTHORIZE CHAIR AND SECRETARY TO EXECUTE DEED, AND AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY. THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

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There was no other business to come before the HRA.

ADJOURN

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MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER KOCH, TO ADJOURN THE JANUARY 7, 2013, MEETING AT 6:54 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen  
City Clerk



AI-982

1.

**HRA Regular**

**Meeting Date:** 02/19/2013

**Subject:** Approve Home for Generations Phase II Guidelines and Funding

**From:** Kristin DeGrande, Neighborhood  
Coordinator

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**INTRODUCTION**

The City completed its fifth house remodel through the Home for Generations program last year. The City Council is now asked to consider moving to phase II of the Home for Generations program which will provide incentives to private homeowners to complete their own large house remodels.

**DISCUSSION**

The Home for Generations program has successfully remodeled five houses and showcased them to nearly 8,000 residents over the past three and a half years. The housing economy in Coon Rapids has since become stronger with a lower supply of houses on the market, less days spent on the MLS before selling, and an increase in the average median sales price.

Home for Generations phase II is structured to provide resources and financial incentives to homeowners to complete large remodels at their own home. It is intended that this program will spur private investment to update the City's aging housing stock at a time when the housing economy is starting to rebuild and stabilize.

The funding for phase II of this program is proposed to come from both the Housing and Redevelopment Authority (HRA) as well as the Mortgage Assistance Foundation. The funding would cover the architectural and/or design assistance, rebates of 50% of the building permit fees, incentive grants to the homeowners, and marketing expenses.

In order to maximize the exposure of the remodeling projects that go through this program and to continue motivating other homeowners to complete remodels in their own homes, a variety of methods will be used. A Coon Rapids Home Remodeling Tour will be organized to showcase some of the remodels and will replicate the excitement of the Open Houses hosted throughout phase I of the Home for Generations program. Other projects will be documented by CTN so that residents can see and learn about these remodels on the City's cable channel and on-line. An on-line photo book will also be created of other Coon Rapids remodeling projects to give residents ideas and inspiration. An award program will be developed to give recognition to those projects that exemplify the program's intent and are simply outstanding projects. Specialized events will also be hosted to help kick off the program.

The availability of this program will be marketed in several ways including talking with general contractors at the North Suburban Home Improvement Show in March, having brochures for homeowners available at this same event, connecting with lenders, mortgage brokers, and realtors to inform them of the program, create direct mail pieces to targeted neighborhoods, do a series of pieces on CTN/City Connections, submit articles for the City's newsletter, ensure that articles are printed in *the Herald*, print inserts for the City's water bill, have information readily available on the City's website, and create other written materials and handouts to have available at city hall and other locations.

Housing values are rising which will affect homeowner confidence to once again invest in their homes. Home for Generations phase II will provide a needed incentive to encourage large investments in the City's housing, which will in turn, inspire other homeowners to consider the same.

**RECOMMENDATION**

Approve the program guidelines and funding up to \$20,000 in 2013 for Home for Generations phase II.

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**Attachments**

Phase II Program Guidelines

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# Home for Generations II

## Homeowner Re-investment

### Program Concept

March 5, 2011  
Updated May 24, 2011  
Updated April 19, 2012  
Updated December 18, 2012  
Updated January 31, 2013  
Updated February 14, 2013

### Goals of Program

- Encourage private, major improvements to single-family homes to make them more functional for contemporary households.
- Promote reinvestment in other homes in the surrounding neighborhood and revitalize the City's existing, aging housing stock.
- Encourage high-quality, highly aesthetic construction that increases the value of homes and neighborhoods.
- Retain City residents and attract new residents, particularly young families, to the City.

### Eligible Properties and Applicants

- Must be a current home owner in Coon Rapids (even if just recently bought).
- Must reside at the home to be remodeled as their primary residence.
- Must maintain homestead status at the proposed remodeled home.
- Eligible home must have been built prior to 1990.
- Eligible home must have a property tax value of \$250,000 or less.
- The property will no longer be enrolled in the program if: the property is sold, is no longer the participant's primary residence, becomes non-homesteaded or rented out.

### Eligible Improvements

In order to qualify, total project cost must exceed \$35,000 and the scope must include at least one of the following project types:

- **Addition of Living Space.**
  - Building an addition to the house
  - Building a 3 season porch as defined by building code
  - Finishing previously unfinished space in the basement or attic
  - Building a covered front porch and/or enclosed entry (decks are not eligible)
  - Conversion of garage space into living space, and in this scenario, replacement of a new garage is eligible
- **Major Remodeling.** Major kitchen, bathrooms or basement remodels, addition of a new bathroom, or reconfiguration (moving around of walls) of existing rooms.

Other types of improvements such as but not limited to: siding, windows, mechanical updates, and roofs will qualify, but only in conjunction with one or more of the eligible improvements listed above.

## Components of Program

### 1. *Architectural/Landscaping Assistance*

- Encourage participants to schedule a free Remodeling Advisor Visit with CEE to gain some insight for remodeling ideas and/or prioritization. This visit should occur prior to the architectural / design consultation and will give homeowners a concept of project cost and allow them to maximize their time with the architect / designer.
- Require HFG2 participants to participate in architectural / design consultation – to assist in developing a scope of work and encouraging good design. It is anticipated that this would be a 2 hour consultation and is not meant for drawing of blueprints.
- City will cover majority of the cost of architectural / design consultation to homeowners for planning major improvements. It is anticipated that participants would contribute a \$25 co-pay and the city will cover the balance (approximately \$250).
- For participants including landscaping in their scope, city will partially cover cost of consultation with a landscape architect / designer to provide front yard landscape design. Would anticipate a similar co-pay arrangement for this service as well to encourage good design and increased curb appeal.
- \$5,000 (proposed) annual budget maximum.

### 2. *Building Permit Process*

- Minimum project value of \$35,000 must be verified by the Building Official.
- Streamlined plan review given to program applicants.
- A dedicated inspector will be assigned to each project – this building inspector will be the applicant's point of contact for any construction or building code related questions.
- 50% of building permit fees will be rebated at the completion of the project. It is anticipated that most program participants will in turn use this for project upgrades, appliances, or carpeting.
- \$5,000 (proposed) annual budget maximum.

### 3. *Incentive Grant*

- Incentive Grant – up to 10% of the project cost not to exceed \$5,000 if the project includes two or more eligible exterior upgrades, or 5% of the project cost not to exceed \$2,500 if the project does not meet those criteria. This incentive stresses investment in the City's housing stock and the likely domino effect exterior improvements have on the City's neighborhoods.
- Eligible exterior upgrades includes:
  - altering the roofline on the front elevation,
  - building columns on the front of the home or making existing columns more substantial and architectural,
  - constructing a covered front porch,
  - adding shakes, brick or stone on the front of the house,
  - replacing and upgrading the front door (include color) and/or garage door (if it faces the street),
  - landscaping (landscape design assistance required),
  - other curb appeal elements as approved.
- Property owner must enter into an agreement with the City regarding program participation, eligibility and expectations.
- \$20,000 (proposed) annual budget maximum.

#### 4. *Other*

- Applications will be accepted on a first come, first served basis until funds are depleted.
- Organize a program kick-off event, inviting homeowners to come in and talk with architects, designers, building inspectors, other city staff, and contractors.
- Encourage that all participants either allow CTN to video document their completed project, or that they participate in a future Coon Rapids Home Remodeling Tour to showcase the improvements made and motivate other homeowners to make similar investments in their properties. This would in sense replicate the Open Houses hosted throughout Phase I of the Home for Generations program where 8,000 residents toured the remodeled homes.
- The city will create an online photo book of other house remodels in Coon Rapids (including past HFG homes) to further incent homeowners.
- The city will showcase and award the best remodel of each year.
- Link participants to other financial or remodeling resources such as:
  - Mortgage Assistance Program loan programs – and maybe some new attractive rates for program participants
  - Planbook remodeling ideas
  - Other home improvement financing offered by the Housing Resource Center and the Center for Energy and Environment
  - Any available tax incentives or tax and/or utility rebates
  - Use of local liquidators and building material outlet centers, etc.

#### **Funding Sources for H4G2**

- \$20,000 annually from HRA to fund the incentive rebates
- \$5,000 annually from HRA to fund the building permit rebates
- \$5,000 annually from Mortgage Assistance Foundation (proposed) for architectural consultations