

City Council/Manager

Mar 12, 2019 – 6:30 pm
Council Conference Room
Golden Valley City Hall
7800 Golden Valley Road

REGULAR MEETING AGENDA

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1. Discuss 2019 CenterPoint Energy Belt Line Gas Project	2
2. HRA Levy and Affordable Housing Policy Update	3-27
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Council/Manager meetings have an informal, discussion-style format and are designed for the Council to obtain background information, consider policy alternatives, and provide general directions to staff. No formal actions are taken at these meetings. The public is invited to attend Council/Manager meetings and listen to the discussion; public participation is allowed by invitation of the City Council.



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MEMORANDUM
Physical Development Department
763-593-8090 / 763-593-3997 (fax)

Executive Summary
Golden Valley Council/Manager Meeting
March 12, 2019

Agenda Item

1. Discuss 2019 CenterPoint Energy Belt Line Gas Project

Prepared By

Jeff Oliver, PE City Engineer

Summary

Representatives from CenterPoint Energy will be on hand to discuss their 2019 Belt Line Gas Project.



MEMORANDUM
Physical Development Department
763-593-8095 / 763-593-8109 (fax)

Executive Summary
Golden Valley Council/Manager Meeting
March 12, 2019

Agenda Item

2. HRA Levy and Affordable Housing Policy Update

Prepared By

Emily Goellner, Senior Planner/Grant Writer

Summary

The role that the City and HRA play in local housing policy and programming has expanded rapidly since 2017. Based on feedback from the past five discussions with Council in 2017 and 2018, staff has further developed the affordable housing work plan for 2019, which is attached to this memorandum. This memo also summarizes new policy options to consider, including:

1. 4D tax incentive
2. Development of publicly owned vacant parcels for affordable housing
3. Adoption of an HRA levy to fund programs and projects identified in the 2040 Comp Plan
4. Strategic planning and policymaking

1. 4D Tax Incentive Analysis

Minnesota Statute 273.128 allows qualifying low-income rental properties to be eligible for a class rate reduction in property taxes from the 1.25% classification rate to the .75% Class 4D rate. There are 418 units in seven buildings that currently have 4D status. The statute specifies the type of properties that are eligible, which includes buildings in which 20% of the units have rent and income restrictions at or below 60% Area Median Income (AMI) placed on units by state, federal, or local unit of government as evidenced by a document recorded against the property. If the City or HRA provides financial assistance, staff's preliminary analysis shows that it is possible for an additional 553 NOAH units in 10 apartment complexes to qualify. The program requires affordable rents with a covenant on the deed of the property. Providing a tax break will have an impact on the City's tax base distribution. An analysis of this tax impact for each building is attached.

Key points:

- Several NOAH properties could feasibly restrict rents at 60% AMI in order to qualify for the tax rate reduction since rents are already equal to about 60% AMI.

- The collective tax impact of this type of program could potentially be absorbed by the rest of the tax base in a way that results in little impact to an individual property owner.
- Edina, St. Paul, and Minneapolis have launched programs in the last year that utilize this incentive. All of the programs include energy efficiency incentives as well.
- If the City/HRA is interested in launching a program, the program would be designed in 2019 and the first deadline to apply would occur in early 2020.

2. Publicly Owned Vacant Parcels

Given the City's desirable location, the cost of land is a major factor for affordability in Golden Valley. Staff has identified eight publically owned vacant parcels that are currently underutilized and may be appropriate for the development of affordable single-family homes or townhomes. An attached summary provides general information about each parcel. All of the parcels on the list besides 300 Turners Crossroad were guided for residential use in the 2040 Comprehensive Plan. They will be zoned for residential use later in 2019 as part of a larger rezoning process for many parcels in the city.

In recent years, MnDOT has turned back several parcels to the City. These parcels could be developed for affordable housing; however, because of their unusual ownership history, it is likely there will be title issues to clear before the parcels can be utilized. A modest financial investment in title review is necessary to better understand the potential title issues. Staff suggests that this investigation occur in 2019 along with the adoption of a policy that clarifies when, why, and how the City/HRA will buy, prepare, transfer, or sell land. In some cities/HRAs, this is called a Public Land Disposition Policy. It often includes a set of procedures. Staff suggests that this policy be written by staff and critiqued by an experienced consultant. This policy could be adopted in 2020.

3. HRA Levy

The most common way to administer housing programs in Minnesota is through local or regional Housing and Redevelopment Authorities (HRAs), which are held accountable to the city or regional government with jurisdiction. HRAs have the authority through State Statute to levy a tax to give, sell, buy, transfer, or convey property as necessary to remove blight and promote affordable, safe, and decent housing. HRAs may also issue bonds, grants, and loans; administer programs, support development projects, study housing and redevelopment needs, and hire financial and legal advisers as necessary. A levy has never been adopted by the Golden Valley HRA. A levy could build a financial foundation to support the creation and preservation of affordable housing within the community.

History

The Golden Valley HRA was established in 1978 to expand its role and influence on redeveloping areas where there was deterioration and a possible loss of tax base, including downtown Golden Valley and other areas of the city. In its history, the HRA has utilized Tax Increment Financing (TIF) to acquire parcels, conducted site clean-up, and build infrastructure to support subsidized affordable housing (Cornerstone Creek, Medley Park, and Valley Square Commons). The HRA has also provided land for 13 Habitat for Humanity homes, added 3 homes to the West Hennepin Affordable Housing Land Trust (WHAHLT), and supported several "scattered site" duplexes and townhomes.

2030 & 2040 Comp Plans

The potential for a future levy was acknowledged in the 2030 Golden Valley Comprehensive Plan:

“Establishing an HRA Levy to Fund Programs and Projects: The most direct method for ensuring that property owners are offered adequate financial tools to maintain the housing stock according to City’s standards is for the City to fund loans and grants for program and projects that create new housing units, maintain existing housing units, or demolish housing units that are no longer viable. A consistent funding source from a tax levy by the HRA would allow for new program and projects as opportunities arise.

While it would not be practical or economically feasible for the City to provide funding with a tax levy to the extent necessary to meet all actions established in the policy plan, the City could identify the most important areas or specific properties, prioritize them as most likely candidates, and work with consenting landowners and developers on funding arrangements.”

- Golden Valley 2030 Comprehensive Plan, adopted 2008

The potential for an HRA levy was included in the 2040 Comprehensive Plan as well, which is currently under review by the Metropolitan Council. The plan calls for further research to occur between 2023 and 2028, but the City Council requested that this investigation occur sooner.

Peer Cities

Staff interviewed management staff at several nearby HRAs to learn about the use of each levy, staff structure, activities, and budget. The attached table provides the results of this investigation.

Key points:

- Most HRAs administer a housing rehab program for single-family homes
- Many HRAs have homeownership programs
- A few suburban HRAs own and operate housing and receive significant federal funding
- Very few housing programs are focused specifically on senior housing
- Edina is the most recent HRA to start a levy. It started with a levy under \$200,000 and it may grow incrementally over time as needed.
- A few HRAs levy the maximum amount, but many levy in the 30% to 75% range. In 2018, the highest HRA levy was \$2.2 million (Bloomington) and the lowest was \$125,000 (Edina).
- Many HRAs are discussing ways to support NOAH and few formal programs exist
- The cities with the lowest levies are using the funds for administrative costs. Most cities use at least a portion of a levy for administrative costs.
- Eight of the cities studied operate an EDA in addition to or in place of an HRA. In 2019, the highest EDA levy was \$1.25 million (Brooklyn Park – in addition to a \$782,000 HRA levy).

Levy Amount

State Statute allows an HRA to levy up to 0.0185% of the estimated market value, which would be equivalent to \$726,990.58 per year in Golden Valley. This is a separate levy from the City tax levy.

Some HRAs levy only a portion of the maximum allowable amount. The following table summarizes five different levy scenarios.

Portion of Maximum HRA Levy	Total HRA Tax Levy	Tax Impact to Median Home
10%	\$ 72,699.06	\$ 5.17
25%	\$181,747.65	\$13.00
50%	\$363,495.29	\$26.03
75%	\$545,242.94	\$39.13
100%	\$726,990.58	\$52.13

In 2020, the City General Fund budget is currently estimated to increase by \$714,120 or \$51.27 for the median home. The debt levy will increase by \$300,000 or \$21.54. Therefore, the total estimated increase for the city portion of the property tax is \$72.81 for the median home. Last year, due to additional needs, the 2019 General Fund Budget increased by an additional \$441,610 over 2019 concept. That added an additional \$31.74 per median household. All of these numbers are estimates due to preliminary estimated market values have not been given along with the budget process has not begun.

Use of Funds

The attached list of HRA program options sorts the ideas by the five Comp Plan goals:

1. Quality
2. Variety
3. Affordability
4. Sustainability
5. Equity

NOAH Preservation Fund

Naturally Occurring Affordable Housing (NOAH) represents 56% of the apartments in Golden Valley. Most units are in 10 different NOAH properties located throughout the City. Most were built in the 1950s-1970s. Given low vacancy rates and projected population growth, along with other market factors, it is likely that most of them will see increased rents that are no longer affordable at 60% AMI. Several reports predict that this is likely to occur within the next 5 years. The preservation of existing affordable housing is much less expensive than new construction, so levy dollars could lock units at affordable rates with a smaller subsidy if focused on rehabilitation. The 2019 Affordable Housing Work Plan (attached) emphasizes the need for a concentrated effort to connect with NOAH owners and managers to explain the City’s long-term goals, understand their needs, and find ways to work together toward shared goals. Levy dollars from a NOAH Preservation Fund could be packaged with the 4D Tax Incentive Program. Incentives for energy efficiency could also be included since that can lower utility bills and meet the City’s sustainability goals. It could also be packaged with rehabilitation loans for health, safety, crime reduction, and livability. Since health and safety are central to the City’s housing interests, any new policies or programs should not unintentionally discourage property improvements, rehabilitation, and code compliance.

Senior Housing Needs

There are several ways to invest levy dollars in senior housing that is safe, efficient, and affordable. The 2016 Housing Needs Assessment showed a high demand for senior housing in a variety of arrangements, level of service, and price points.

Key points:

- There is significant growth in the Golden Valley senior population and demand for alternative maintenance-free housing products affordable for seniors will continue to rise.
- High homeownership rates among seniors and feedback received during the Comp Plan process indicate that many seniors prefer to live in their home and age in place.
- Demand for home health care services and home remodeling programs to assist seniors with retrofitting their existing homes will increase.
- Compared to other municipalities in the Twin Cities Metro Area, Golden Valley has few housing programs that promote or preserve the existing housing stock in the community and promote lifecycle housing programs.
- The City has a history of anticipating this issue - examples include Dover Hills and Calvary Apartments.
- This could be a good time to be proactive and lead in this area. Funds from a levy would leverage other funds from the County, Met Council, and State that require a local match.

Other Related Financial Resources

HRA Housing Fund

The HRA currently has a balance of approximately \$104,252.43 in the HRA Housing Fund, which was created in 1999 to provide financial support to single-family affordable homes made affordable through the West Hennepin Affordable Housing Land Trust (WHAHLT) and Habitat for Humanity. The funds were transferred from an expired TIF district.

Trust Fund

The City or HRA may establish a Housing Trust Fund, which is a dedicated fund for the production and preservation of homes for lower income households. It may be administered by the HRA or a non-profit organization. St. Louis Park established a Trust Fund last year, but no funds are dedicated to it yet. Minneapolis established the Affordable Housing Trust Fund in 2003 that offers funds through an annual RFP process. The fund provides gap financing to projects that assist in the development of affordable housing for virtually all population needs: senior, homeless, AIDS, families, workforce, veterans, artists and other special needs. Since inception, over 6,100 affordable units have been renovated or built. Another benefit of a Trust Fund would be its leverage for matching funds from the State of Minnesota. The Governor's budget proposal provides \$2 million of state matching funds, anticipated to help seven to 13 communities through a one-time appropriation.

EDA Levy

Several cities conduct affordable housing work as an Economic Development Authority (EDA). Since EDAs can do affordable housing work, information about EDA levies is included in this analysis. A document with more details about this option is attached.

Administration

Depending on the nature and scale of the initiatives selected by City Council or HRA, the impact on staff capacity must be analyzed. It may be determined that efficiencies can be made or that additional human resources are necessary. This would ideally be assessed during a strategic planning process for the HRA.

4. Strategic Planning and Policymaking

There are several policies that could be drafted and adopted over the next year to better prepare Council Members and staff for decision-making.

Potential Policy Work	Description
5-year Housing and Economic Development Strategic Plan	Include a list of programs or projects with a budget for expenditures, funding source(s), priority level, timeline, and measurable outcomes. Work plans based on direction from the 2040 Comp Plan, Council's strategic goals, and the Urban Land Institute's Redevelopment Ready Guide (https://minnesota.uli.org/advisory-services/redevelopment-ready-guide/).
Public Assistance Policy	Link HRA and City investments to projects that exceed minimum development standards. Establish investment priorities for HRA funds, such as removing blight, leveraging other funding, and increasing the tax base. Establish required conditions for eligible projects, such as an enhanced community engagement strategy and enhanced energy efficiency standards.
City Owned Surplus Land Policy	Establishes criteria for the purchase, sale, or transfer of vacant land. Prioritizes projects or transactions that meet multiple goals in the 2040 Comprehensive Plan, particularly affordable housing.
Mixed-Income Housing Policy	Update policy to clarify applicability to senior housing, clarify the use of incentives, enhance the fee-in-lieu clause, reconsider the inclusion of for-sale housing in the policy.
TIF Policy and Application	Update policy to include TIF pooling and possibly a priority for affordable senior housing, update the public purpose section of the application, consider other revisions after a more thorough analysis
Fair Housing Policy	Several nearby City governments have adopted a Fair Housing Policy. It can clarify the City's commitment to abide by Fair Housing Acts and Laws, establishes a referral process for complaints by residents, and improve the City's position when competing for Met Council funding.
Business Subsidy Policy	This is not related to affordable housing, but it is related to HRA or EDA activities in general. Prior to awarding a subsidy of over \$150,000 to any business (for non-redevelopment, non-land clean up, or non-housing purposes), the City or HRA must adopt criteria for awarding business subsidies. It must include the wages to be paid for any jobs created.

Recommendation

Staff recommends that the City and HRA's role in programming, policymaking, and financial assistance for affordable housing grow in an incremental and sustainable way. This can be done by moving forward with the 2019 Affordable Housing Work Plan, designing a 4D incentive program that can begin in 2020, continuing the pursuit of developing publicly owned land, utilizing the existing HRA Housing Fund, making plans to eventually establish a modest HRA levy for future initiatives, and establishing a set of policies and strategic plans to guide financial decision-making. This work can be accomplished at existing staffing levels through the remainder of 2019, but as the workload grows incrementally, the need for additional human resources will arise.

Decisions about how to spend potential levy dollars must be thoughtful, fiscally responsible, and effective at accomplishing outcomes that are impactful and realistic. Therefore, if the Council is interested in this option, staff recommends developing a communication plan and strategic plan for the HRA. The HRA Housing Fund has a balance of \$104,252.43. Staff recommends that an additional discussion with the HRA take place about how this funding should be utilized over the next year to meet Council/HRA goals.

Discussion

It is important to acknowledge that the housing market is big and complex. It doesn't function perfectly and governments have been brought into the discussion because there are clearly market forces at work that are making it harder for community members, particularly of low and moderate incomes, to find and stay in safe, healthy, housing that they can afford. At this meeting, staff would like feedback on the following questions:

1. Is this the right time to take action and make strategic investments in the local housing market?
2. If so, do the tools listed here (4D tax incentive, vacant land, and HRA levy) seem like the right types of tools to utilize?
3. If these are not the right tools, are there other regulatory or financial tools that can be utilized to implement the 2040 Comp Plan?
4. If the tools listed here seem like the right ones to move forward with, what are your priorities? Where would you like to make the most impact? What are the needs in the community that this funding should work toward?

Attachments

- 2019 Affordable Housing Work Plan (2 pages)
- 4D Tax Incentive Analysis (2 pages)
- Analysis of Publicly Owned Vacant Parcels for Affordable Housing (1 page)
- Summary of Local HRAs and EDAs (7 pages)
- Housing and Redevelopment Authority (HRA) Program Options (3 pages)
- 2040 Comprehensive Plan, Housing Implementation Actions List (2 pages)
- Economic Development Authority (EDA) Options (1 page)

Golden Valley Affordable Housing Work Plan - 2019

Last updated March 7, 2019

Prepared By

Emily Goellner, Senior Planner/Grant Writer

Summary

Based on direction from the Council and Manager, staff has developed a work plan on affordable housing strategies and policies.

Key Points

- The role that the City plays in local housing policy and programming has expanded rapidly since 2017.
- Staff will continue focusing on building relationships with NOAH property owners, landlords, and property managers in 2019.
- Since health and safety are central to the City's housing interests, any new policies or programs should not unintentionally discourage property improvements, rehabilitation, and code compliance.
- The 2040 Comprehensive Plan identifies many goals and action steps for the City to take. They are categorized into five goals: quality, variety, affordability, sustainability, and equity. Staff will work with existing human and financial resources to implement the plan.
- Staffing and budgeting impacts associated with policy and program options must continue to be examined to ensure that administration, enforcement, and education can be completed properly.
- Some policies and program ideas will be most impactful if enacted on a regional or state level.
- The Housing Preservation Tools Workgroup meetings are attended by staff at Golden Valley and ten other city governments (Minneapolis, St. Paul, St. Louis Park, Edina, Eden Prairie, Bloomington, Richfield, Hopkins, Brooklyn Center, and Brooklyn Park), Hennepin County, Minnesota Housing Finance Agency, Metro HRA, Urban Land Institute, and Family Housing Fund. The meetings are held to inform policy recommendations, share knowledge, and bring important stakeholders to the conversations. This group will continue to meet regularly.

Staff **has accomplished** the following actions:

1. Adopted a Tenant Protection Ordinance (applicable to owners upon sale of NOAH property) and notified property owners
2. Adopted the 2040 Comprehensive Plan, which includes an extensive list of actions to be taken to meet affordable housing goals
3. Hosted a training on Section 8 Housing Choice Vouchers by the Metro HRA at the February STAR Program meeting for property managers
4. Received CDBG funding for a land trust home for West Hennepin Affordable Housing Land Trust (WHAHLT) (dba Homes Within Reach)
5. Applied for CDBG, AHIF, and HOME funding for an additional land trust home with West Hennepin Affordable Housing Land Trust (WHAHLT) (dba Homes Within Reach)

6. Researched opportunities for an HRA levy
 - a. Bonds or loans to rehabilitation or acquisition/resale of affordable properties
 - b. Establish a loan program for maintenance of NOAH and/or single-family homes
 - c. Other programs that further the Housing Policy Plan in the 2040 Comp Plan
7. Expanded the City's legislative priority on affordable housing
8. Adopted changes to the Mixed Income Housing Policy to increase the number of housing projects required to comply
9. Provided input at the regional housing forum hosted by Governor Dayton's Task Force on Affordable Housing
10. Planning, Fire, and Police department staff met to monitor condition of housing stock

Staff is taking **continuing action** on the following strategies:

11. Host additional discussions with NOAH property owners/manager and staff from the Minnesota Multi-Family Housing Association (MHA)
12. Create plan and timeline for selling and developing publicly owned vacant land for affordable housing
13. Update the Housing page on the City website to include more home remodeling information
14. Continue monitoring condition of housing stock and rental rates
 - a. Request rental rate information with rental licensing program applications
 - b. Perform update to housing inventory every 5 years
 - c. Continue monitoring housing stock conditions with inspections
15. Actively follow the work of Prosperity's Front Door, which is the next step after the Governor Dayton's Task Force on Affordable Housing
16. Perform an evaluation of the STAR program for rental properties and recommend enhancements that help the City meet a variety of housing goals
17. Contact property owners to promote NOAH loan program with Greater MN Housing Fund (GMHC), which provides equity for property improvements in exchange for maintained rents

Staff is **continuing research in partnership with other suburban cities** on the following strategies:

18. Research 4D property tax program for NOAH properties (similar to MPLS, St. Paul, and Edina)
19. Research ordinance prohibiting landlords from excluding Section 8 voucher holders from a building's rental application process (pending MPLS lawsuit)
20. Continue monitoring lawsuit involving the City of Minneapolis policy that prohibits landlords from excluding Section 8 voucher holders from a building's rental application process (at least 4 cities are interested in adopting a policy if lawsuit decides in favor of City of Minneapolis)
21. Research the benefits and process for the adoption of a local Fair Housing Policy, which the Metropolitan Council requires for participation in their grant programs for housing projects



4D PROPERTY TAX RATE ANALYSIS FOR AFFORDABLE HOUSING

Report to the Golden Valley City Council and City Manager
March 12, 2019

Properties with 4D Tax Rate, 2018

PID	Property Name	Address	Total Units	Qualifying Percent of Units	ID
3011821220064	Medley Park Homes	2345 Mendelssohn Ln	30	100%	500731
3211821230054	Calvary Center Apartments	7650 Golden Valley Rd	80	100%	500766
3111821140047	Valley Square Commons	749 Winnetka Avenue N	25	100%	500830
0702924230071, 2811821230055	Golden Valley Townhouses	3354 and 3360 Lilac Drive N, 2100, 2102, 2104, 2106, 2120, and 2122 Douglas Drive N	8	100%	500961
2911821220006	Dover Hill Apartments	2418 Rhode Island Avenue (listed as 2400 Rhode Island in City records)	234	98%	501302
3111821320074	Cornerstone Creek Apartments	9280 Golden Valley Road	45	100%	502604

NOAH Properties with Potential to Qualify for 4D Tax Rate

PID	Property Name	Address	Total Units	Rent Levels, 2016	Estimated City Tax Impact if 100% of units classified as 4(D)
0411721210004	Crosswoods Apartments	5601 Glenwood Ave	35	50% AMI	\$6,624
2811821310012	Copacabana Apartments	1725 Lilac Dr N	49	50% AMI	\$11,130
0411721210008, 0411721210006	Colonial Apartments	5743 and 5747 Glenwood Ave	36	50-60% AMI	\$6,792
3311821220010	Golden Valley Road Apartments	6200 Golden Valley Rd	21	Unknown, likely 60% AMI	\$4,511
3111821320006	Trentwood Apartments	9110 Golden Valley Rd	54	50% AMI	\$11,758
3311821340010	West End Apartments	259 Yosemite Circle	79	60% AMI	\$18,297

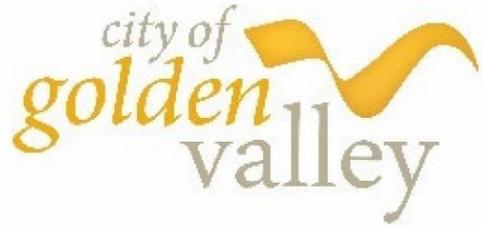
PID	Property Name	Address	Total Units	Rent Levels, 2016	Estimated City Tax Impact if 100% of units classified as 4(D)
2811821330013, 2811821330015, 2811821330012, 2811821330014	West End Trails Apartments	1400, 1500, 1600, 1450 Douglas Dr N	58	Unknown, likely 80% AMI	\$11,469
1902924230024	Valley Village Apartments	600 Lilac Dr N	112	60% AMI	\$21,214
3211821110002	Valley View Apartments	6533 Golden Valley Rd	72	60-80% AMI	\$19,744
2811821330011	Valley Creek West Apartments	1370 Douglas Dr N	37	60-80% AMI	\$12,153



ANALYSIS OF PUBLICLY OWNED VACANT PARCELS FOR AFFORDABLE HOUSING

Report to the Golden Valley City Council and City Manager
March 12, 2019

Ownership Status	Proposed Address	Recommended Zoning	Size & Potential for Subdivision	Notes
City-Owned	5255 33 rd Avenue North	R-1 Single-Family	32,852 SF No potential without adjacent property	While large, it lacks adequate street access to subdivide into more than 1 lot without acquiring adjacent property.
	2415 Douglas Drive	R-2 Moderate Density	22,656 SF Potential for 2 lots	Currently zoned R-1. Utilities were removed during Douglas Drive reconstruction because it was previously planned as a surface parking lot for Sandburg. Potential for 2 lots zoned R-2.
Conveyed by MnDOT to City for Highway Purposes	1211 Lilac Drive North	R-1 Single-Family	29,489 SF Potential for 2 lots	2 single-family homes previously located here before expansion of Hwy 100. Large enough for 2 lots, but formal subdivision required.
	1131 Lilac Drive North	R-1 Single-Family	11,216 SF No potential for split	1 single-family home previously located here before expansion of Hwy 100.
	504 Lilac Drive North	R-1 Single-Family	21,612 SF No potential for split	While large, its unique shape does not allow it to be split into 2 lots. May require setback variance to be buildable due to unique shape.
	300 Turners Crossroad North	R-1 Single-Family, R-2 Moderate Density, or R-3 Medium Density	110,247 SF Potential for variety of scenarios	Former Blazer Park. Potential for future park land. Potential for several residential lots based on zoning designation. Large enough to be configured as a PUD. MCES forcemain located on this property.
	4707 Circle Down	R-1 Single-Family	23,853 SF No potential for split	While large, its unique shape does not allow it to be split into 2 lots.
City-Owned through Tax Forfeiture	208 Meander Road	R-1 Single-Family	13,593 SF No potential for split	Currently zoned I-4. Was Hennepin County Tax-Forfeited Land but has reverted to City. Variance to front and/or rear yard setback requirements required to be buildable.



SUMMARY OF LOCAL HOUSING AND REDEVELOPMENT AUTHORITIES (HRAs) AND ECONOMIC DEVELOPMENT AUTHORITIES (EDAs)

Report to the Golden Valley City Council and City Manager
March 12, 2019

City	Current Priorities and Projects	HRA/EDA Levy Amount	HRA/EDA or City Budget for Affordable Housing-related Programs	Staffing	Future Plans and Projects
<p>Golden Valley HRA</p>	<p>The HRA administers 4 active TIF Districts. No housing programs are administered by the City or HRA. Section 8 is administered by Metro HRA.</p>	<p>No levy</p>	<p>HRA Housing Fund is a Special Revenue Fund established in 1999 for single-family homeownership opportunities. Current balance is approximately \$100,000.</p> <p>The City receives CDBG funding in a consolidated pool of cities, which requires a competitive process for project selection.</p>	<p>No FTEs are funded by HRA levy. Approximately 6 staff members contribute to HRA work on a regular basis (City Manager, Finance Director, City Attorney, City Clerk, Physical Development Director, Planning Manager). Senior Planner has conducted Affordable Housing Policy work for City.</p>	<p>Utilize HRA authority to carry out City Council organization priorities:</p> <ul style="list-style-type: none"> • Community Affairs: considering policies that benefit society at large • Strategic Development and Redevelopment: focus on four planning districts identified in the 2040 Comprehensive Plan • Infrastructure Maintenance and Enhancement: prioritizing areas of need and planning for future growth • Implementation of the 2040 Comprehensive Plan.
<p>Brooklyn Center HRA and EDA</p>	<p>The HRA utilizes its taxing authority to fund the operations of the EDA, which is focused on:</p> <ul style="list-style-type: none"> • Strategic acquisition of underutilized/vacant property for redevelopment • neighborhood stabilization program; acquiring, demolishing poor quality single family homes for resale for reconstruction as new for sale homes. • Fix-Up Fund (home rehab up to 110% AMI) (administered by Center for Energy & Environment – CEE) • Remodeling Advisor (home rehab, no income restrictions) (administered by Center for Energy & Environment – CEE) • Down Payment Assistance (New program in 2019 – funded with CDBG) • Housing Rehab Program (Administered by Hennepin County – funded with CDBG) • NOAH multi-family preservation – 4D property tax status • Home Energy Squad (administered by CEE) to install energy-efficiency products and conduct energy audits • Revolving Loan Fund for business attraction and expansion activities 	<p>\$345,978 (2018 HRA levy), which is the maximum allowable levy</p>	<p>HRA levy transferred to EDA. EDA revenue includes HRA levy, interest earnings, and grants. Majority of EDA expenses are staff time and professional services.</p> <p>Housing programs and property acquisition funded by TIF revenues. Planning studies for redevelopment funded by TIF pooling.</p> <p>Brooklyn Center receives CDBG funding directly from HUD via Hennepin County; approximately \$370,000/year.</p> <p>The City generates approximately \$450,000 annually in TIF revenue which must be spent on affordable housing activities.</p>	<p>2.5 FTEs funded by HRA Levy: Community Development Director (.75), Deputy Director (.25), Business and Workforce Development Specialist (.75), Administrative Assistants (1.5 FTE)</p>	<ul style="list-style-type: none"> • Create a Business Expansion and Retention Program including a business database, business packets, and site visits. • Develop economic plan and master development plan for 3 targeted areas • Identify economic assistance programs that promote private investment in development/redevelopment projects which generate employment opportunities • Identification of redevelopment opportunities and planning activities and preparation of a planning and activities map for targeted redevelopment

City	Current Priorities and Projects	HRA/EDA Levy Amount	HRA/EDA or City Budget for Affordable Housing-related Programs	Staffing	Future Plans and Projects
	<p>HRA/EDA Administrative Role:</p> <ul style="list-style-type: none"> TIF district management Buy, own, market, promote, and sell land for housing and economic development purposes Section 8 is administered by Metro HRA. <p>HRA/EDA 2019 Priorities and Initiatives:</p> <ul style="list-style-type: none"> Resident Empowerment Collaborative (training for underserved residents) Entrepreneur Support (support existing and start-up local businesses by identifying service gaps, identify resources, reduce barriers particularly for underserved entrepreneurs) Business Expansion and Retention Program (develop relationships, Revolving Loan Program) Policies, ordinances and partnerships to increase resident wealth creation and financial literacy, provide tenant protections, preserve affordable housing, create new affordable units 				
Brooklyn Park HRA and EDA	<p>EDA: create and keep jobs, grow City's tax base and lead development activities within the City Section 8 is administered by Metro HRA.</p> <p>Budget funds: EDA staff, training, and supplies; development related costs including financial and legal services; neighborhood and housing preservation (home improvement loan, townhome load fund, home rehabilitation program); direct development costs such as infrastructure; reserves to cover unanticipated project costs or to take advantage of development opportunities</p> <p>The HRA administers 10 active TIF Districts.</p>	<p>\$781,593 (2019 HRA levy), which is 61% allowable levy</p> <p>\$1,253,949 (2019 EDA levy), which is maximum allowable levy</p>	<p>Brooklyn Park receives CDBG funding directly from HUD via Hennepin County</p>	<p>Economic Development and Housing Director, Development Project Coordinator, Project Facilitator, Senior Project Manager, interns</p>	<p>New initiatives for 2019:</p> <ul style="list-style-type: none"> Edinburgh USA Clubhouse renovations Overhead utility burial on Brooklyn Blvd to support LRT Hwy 252 and Hwy 169/101st Ave projects Business Retention and Expansion Tool-kit
Bloomington HRA	<p>The HRA provides affordable housing opportunities for those who are not adequately served by the marketplace, coordinates the City's efforts to preserve existing neighborhoods and promotes development and redevelopment. Programs include:</p> <ul style="list-style-type: none"> Housing Rehabilitation Loan Program – up to \$35,000 in a below market-rate loan to maintain condition of housing and neighborhoods Rental Home for Future Homebuyers – helps families save money for a down payment while renting a single-family home in Bloomington Administration of the Section 8 Housing Voucher Program with funding from HUD. 	<p>\$2,234,825 (2018 levy)</p>	<p>Bloomington receives CDBG funding directly from HUD via Hennepin County.</p>		

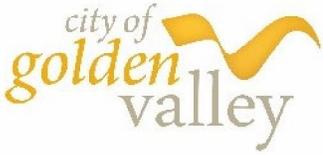
City	Current Priorities and Projects	HRA/EDA Levy Amount	HRA/EDA or City Budget for Affordable Housing-related Programs	Staffing	Future Plans and Projects
	<ul style="list-style-type: none"> Bloomington Home Improvement Fair – free event with vendors and seminars <p>Redevelopment activities include:</p> <ul style="list-style-type: none"> Provide land for the private development of affordable housing (rental and homeownership) – Gideon Pond, Knox Landing, Crossings, Southview Estates, Ridgeview Terrace, and Bloomington Family Townhomes Purchase substandard residential properties, demolish, and resell lots to builders for the construction of new homes – improves neighborhoods by eliminating blight and increasing tax base. Acquire parcels, select developers, facilitate infrastructure improvements in several commercial districts to ensure that commercial areas remain vital as the community ages 				
Crystal HRA and EDA	<p>Demolition and lot resales, home improvement rebates, deferred home improvement loans, CPRR Train Horn Quiet Zone, Community Branding and Image Enhancement, blight removal. Section 8 is administered by Metro HRA.</p> <ul style="list-style-type: none"> Scattered site demolition and lot sales for new home construction (depends on market conditions, right now there aren't any blighted homes to acquire) Home improvement grants for 20% of eligible project costs, max HH income 110% AMI (administered by CEE) Interest rate buy-down for Community Fix-Up Fund home improvement loans, max. HH income 110% AMI (administered by CEE) Housing Rehab Program (administered by Hennepin County and funded with CDBG from the Consolidated Pool) Open to Business - advisory and financing services for small businesses and sole proprietors (city pays half, Henn Co pays half) <p>HRA/EDA Administrative Role:</p> <ul style="list-style-type: none"> TIF district management Promote the city for business and residential development Provide technical assistance for potential development or redevelopment (info gathering, regulatory steps, etc. regarding potential uses/properties/sites) Community branding and beautification <p>Crystal's HRA/EDA does not own or operate any housing. Section 8 is administered by Metro HRA.</p>	\$277,200 (2018 levy), which is about 75% allowable levy	Crystal receives CDBG funding in a consolidated pool of cities that include Golden Valley, which requires a competitive process for project selection.	Community Development Director; City Planner	

City	Current Priorities and Projects	HRA/EDA Levy Amount	HRA/EDA or City Budget for Affordable Housing-related Programs	Staffing	Future Plans and Projects
Eden Prairie HRA	<p>The City has a robust set of projects and initiatives in Housing and Economic Development. They are funded primarily by the City's Economic Development Fund, TIF, Pooled TIF, and grants. The HRA levy funds staff to support this work. Programs include:</p> <ul style="list-style-type: none"> • NOAH Preservation Initiative • Incentives to create new affordable housing • First Time Homebuyer Program • Housing Rehabilitation Loan and Grant Programs • Housing Improvement Areas (HIA) • Eden Gardens Green Neighborhood Project • On-Track Housing Concept for transitional housing • Quality of Life Investments focused on multifamily buildings • Light Rail Station Area Improvements • Business Retention and Expansion • Open to Business • City Entry Monument Signage Program • Various Streetscape Projects • Co-working/Collaborative Business Center and Business Incubator • Business Façade Program • Section 8 is administered by Metro HRA. 	\$200,000 (2018 levy)	<p>Most activities funded by City General Fund, Economic Development Fund, TIF, Pooled TIF, and grants. The Levy funds staff.</p> <p>Eden Prairie receives CDBG funding directly from HUD via Hennepin County</p>	1 FTE funded with levy: Housing and Community Services Manager	
Edina HRA	<p>The HRA administers 7 active TIF Districts; 4 of which are used to support affordable housing efforts.</p> <p>The Housing division of the City, Open Doors Edina, offers a 4D Property Tax Reduction and Rehab Grant Program, which includes a tax break and energy efficiency grants in exchange for a 15-year declaration for rent restriction at 60% AMI.</p> <p>The City supports the Edina Housing Foundation to offer a second mortgage program with below market-rate loans, which are funded by a TIF District.</p> <p>Section 8 is administered by Metro HRA.</p>	\$125,000 (2018 levy), \$160,000 (2019 anticipated levy)	<p>HRA budget includes activities in each of the active TIF Districts</p> <p>Inclusionary Housing Policy includes a fund for payments in-lieu.</p> <p>Edina receives CDBG funding directly from HUD via Hennepin County.</p>	<p>1 FTE: Economic Development Manager</p> <p>The Affordable Housing Development Manager is funded separately, but makes major contributions to the efforts of the HRA. Other City staff members contribute to HRA work on a limited but regular basis: City Manager, Finance Director, City Clerk, Community Development Director, and part-time Project Liaison.</p>	<p>Plan to increase HRA levy incrementally over time as TIF funds decrease and expire.</p> <p>Many projects anticipated in the future including: housing retention, new housing, new mixed-use, new redevelopment, sale and/or redevelopment of City-owned property</p>

City	Current Priorities and Projects	HRA/EDA Levy Amount	HRA/EDA or City Budget for Affordable Housing-related Programs	Staffing	Future Plans and Projects
Hopkins HRA	<p>The HRA administers five active TIF Districts.</p> <p>Programs include a housing rehabilitation grant program, commercial façade grant program and Open to Business. Activities include property acquisition, Housing Improvement Areas and misc. redevelopment projects. The HRA owns and manages a 76-unit public housing development.</p> <p>Section 8 is administered by Metro HRA.</p>	\$331,337 (2018 levy), which is the maximum allowable levy.	Hopkins receives CDBG funding directly from HUD via Hennepin County	2.0 FTE funded by levy including Admin Assistant, Community Dev Coordinator, Communications, Director of Planning & Development	Continued redevelopment focused on the downtown and three LRT station areas.
Minnetonka EDA	<p>Levy funds affordable housing and economic development efforts such as:</p> <ul style="list-style-type: none"> • WHAHLT partnership for single-family homes in land trust • Green Line Extension (SWLRT) activities • Minnetonka Home Enhancement Program • Welcome to Minnetonka Program <p>TIF Pooling, Development Fund from a former TIF District, CDBG, and Livable Communities Fund also utilized for:</p> <ul style="list-style-type: none"> • TIF administration, Housing Improvement Areas, Small Projects Program, Fair Housing, and other Economic Development, TIF, and Redevelopment activities/programs • The HRA administers 7 active TIF Districts. <p>Section 8 is administered by Metro HRA.</p>	\$300,000 (2019 levy), which is about 18% of allowable levy	<p>The City's Economic Improvement Program (EIP) is modeled after the CIP. The total budget for 2019 is \$6.79 million. The majority of the budget is used for housing.</p> <p>Minnetonka receives CDBG funding directly from HUD via Hennepin County.</p>	The Economic Development Division (2 FTEs) are focused on activities associated with the EDA. They are not funded by the levy.	<ul style="list-style-type: none"> • Mixed-Income Housing Policy • Tenant Protections • NOAH Strategies
New Hope EDA	Promotes and facilitates business development activities, considers proposals on a case-by-case basis and utilizes a wide range of public financing options, scattered Site Housing Program, purchase and redevelopment agreements. Section 8 is administered by Metro HRA. The HRA administers 7 active TIF Districts.	\$200,000 (2018 levy), which is 62% of allowable levy	New Hope receives CDBG funding directly from HUD via Hennepin County.	2.5 FTs supported by the EDA budget, including the Community Development Director and the Community Development Coordinator/Management Analyst.	2019 initiatives include continual concentrated efforts in the Scattered Site Housing Program, a look at future redevelopment opportunities throughout the city, and assisting with small business opportunities.
Plymouth HRA	<p>The HRA administers 8 active TIF Districts, manages the City's housing and community development programs, and manages federal, state, and local grants for housing programs. Programs include:</p> <ul style="list-style-type: none"> • First Time Homebuyer Program • Emergency Repair Grants for Seniors • Owner-occupied Rehab Loans • Section 8 Rent Assistance • Owns and manages two senior housing apartment buildings (Plymouth Towne Square and Vicksburg Crossing) 	\$580,519 (2018 levy), which is 27.65% of allowable levy	Plymouth receives CDBG funding directly from HUD and is part of the Hennepin Consortium. The HRA receives administrative funds for staff time to carry out the Housing Choice Voucher program	<p>2.5 FTE (Housing staff) paid with HUD funds</p> <p>1 FTE (HRA Manager) funded by levy</p> <p>1 Specialist funded .5 by CDBG and .5 by HRA levy</p>	

City	Current Priorities and Projects	HRA/EDA Levy Amount	HRA/EDA or City Budget for Affordable Housing-related Programs	Staffing	Future Plans and Projects
<p>Richfield HRA and EDA</p>	<p>HRA funds and administers the following programs:</p> <ul style="list-style-type: none"> • Deferred Loan Program for health/safety or maintenance (home rehab, 80% AMI or below) (partially funded by CDBG) • Acquisition/Rehab (80% AMI or below) • Fix-Up Fund (home rehab up to 110% AMI) (administered by Center for Energy & Environment – CEE) • Remodeling Advisor (home rehab, no income restrictions) (administered by Center for Energy & Environment – CEE) • Architectural Consultant (home rehab, no income restrictions) (\$25 visit for 2 hour in-home consult by licensed architect) • New Home Program (New construction, Land Trust, HFH, up to 80% AMI) (partially funded by CDBG) • Down Payment Assistance (up to 80% AMI) • Richfield Rediscovered (new construction, no income restrictions) • Apartment Remodeling (NOAH preservation) • Home Energy Squad (administered by CEE) to install energy-efficiency products and conduct energy audits • Section 8 Housing Choice Voucher Program (for up to 50% AMI, funded by HUD) • Support redevelopment projects such as Plaza 66, The Chamberlain, and Lyndale Gardens <p>The EDA was established in 2017. It funds and administers the following programs:</p> <ul style="list-style-type: none"> • Kids @ Home (rental assistance and support services for families at 50% AMI or below) • Transformation Home Loans (major home rehab, no income restrictions) • Apartment Rehab Loans and Grants • Business development support • Open to Business 	<p>\$571,905 (2018 HRA levy), which is the maximum allowable levy</p> <p>\$554,860 (2018 EDA levy)</p>	<p>The 2018 HRA budget was \$3,969,610.</p> <p>Budget includes HUD funding to administer Section 8 program</p> <p>Richfield receives CDBG funding directly from HUD via Hennepin County</p>	<p>Community Development Director is the HRA and EDA Director. HRA pays more than 1/3 of the salary of 10 employees (Community Development Director, Assistant Community Development Director, Housing Manager, 2 Housing Specialists, Accountant, Administrative Assistant, Multifamily Housing Coordinator; 2 Section 8 Technicians funded by HUD)</p>	<p>New initiatives for 2019:</p> <ul style="list-style-type: none"> • Pedestrian improvements, wayfinding signage, kiosks, and other streetscape improvements at Lakes at Lyndale area • Research and planning for the continuance of the Cedar Corridor and the TH 77 underpass area • Down payment Assistance Program for Richfield renters created for 2019
<p>Robbinsdale EDA</p>	<p>HRA taxing authority to fund operations of REDA Priorities</p> <ul style="list-style-type: none"> • Remove blighted homes in neighborhoods to make way for – “next step” homes to help larger families (address overwhelming number of starter homes and very few 3-4 bedrooms). <ul style="list-style-type: none"> ○ REDA acquires home – high degree of deferred maintenance-often including broken pipes/mold or fire damage, too small to make sense to renovate ○ Clear lot – and advertises availability 	<p>\$194,078 (2019 levy), which is the maximum allowable levy.</p>	<p>HRA/EDA levy supplemented from previous interfund loan reimbursements & occasional grants.</p> <p>A handful of lots were sold at subsidized rates to Habitat for Humanity projects.</p>	<p>REDA Executive Director is the City Manager (.25FTE funded by levy); Community Development Coordinator spends 10-15%of time on REDA activities</p>	<ul style="list-style-type: none"> • Robbinsdale is over 90% affordable. Priority is to bring variety of housing. • Continue to monitor opportunity acquisitions in light rail station area • establish new PAYG TIF districts as needed

City	Current Priorities and Projects	HRA/EDA Levy Amount	HRA/EDA or City Budget for Affordable Housing-related Programs	Staffing	Future Plans and Projects
	<ul style="list-style-type: none"> ○ Lot sale price subsidized in exchange for higher quality construction elements. Home buyer must be or work with experienced in-fill home contractor. ○ Collect into a scattered site TIF district when practical to reimburse investment. ● Utilize TIF as tool to facilitate redevelopment of blighted areas. Current option: Pay as you go TIF, privately financed TIF loan, developer pays all upfront costs. Housing priority is for housing types which do not exist in Robbinsdale – including market rate apartments with amenities. TIF used for acquisition, site clearance including environmental clean up. ● Strategic acquisitions in LRT station area – supplemented by grant funding. ● Downtown (Main Street) Façade enhancement – based on MAJOR renovation of business interior, provides a 15 year 0% forgivable loan with funds available only for use on West Broadway façade updates. ● Recently completed coordination downtown façade incentive (1/3 grant for updates) ● Support Open To Business – consultation for local entrepreneurs ● The HRA administers 12 active TIF Districts. ● Section 8 is administered by Metro HRA. 		<p>Robbinsdale receives CDBG funding in a consolidated pool of cities that include Golden Valley, which requires a competitive process for project selection.</p>		<ul style="list-style-type: none"> ● acquire blighted homes in neighborhood (one or two/year – not as many as their used to be)
<p>St. Louis Park HRA, HA, and EDA</p>	<p>EDA: Infrastructure (most recently the Hwy 7-Louisiana Exchange), business assistance, TIF, redevelopment project assistance, public/private financial packages, real estate transactions, brownfield assistance, commercial rehab/small business loans.</p> <p>The City has a Housing Authority, which has its own board of commissioners. The HA oversees the administration of the Housing Choice Voucher (Section 8) program and manages and administers the public housing program. The HA also administers a variety of other city funded housing programs.</p>	<p>\$1,234,601 (2019 HRA levy), which is 100% allowable levy. These funds are committed to infrastructure projects through 2019. In 2020, a portion of the HRA levy funds will be allocated to the Housing Trust Fund for affordable housing.</p> <p>No EDA levy.</p>	<p>EDA 2019 budget is approximately \$4 million.</p> <p>The city's HA programs are funded with a HUD federal funds. Other housing programs administered by the city are funded primarily with Housing Rehab funds (a fee is charged for issuing private activity bonds) and excess housing TIF.</p> <p>HA 2019 budget:</p> <ul style="list-style-type: none"> ● Federal Programs: Approximately \$4 million ● City Housing Programs: \$1.3 million <p>St. Louis Park receives CDBG funding directly from HUD via Hennepin County</p>	<p>Housing staff are paid with federal funds, housing rehab funds and some city general funds. Economic Development Director, Economic Development Specialist are paid out of the development fund.</p>	<p>Continue to administer the many housing programs offered by the city, and respond to future needs.</p> <p>Purchased tax forfeited home for an energy demonstration and ultimately a land trust affordable homeownership unit.</p> <p>Seeking opportunity to collaborate using a land trust model for a multifamily rental property. City would act as the land trust.</p> <p>Establishing new TIF districts as needed, buy and sell property</p>



HRA PROGRAM OPTIONS

BASED ON 2040 COMP PLAN GOALS

Report to Golden Valley City Council and City Manager
March 12, 2019

Maintain Housing Quality

NOAH Rehabilitation and Maintenance Program

- Loans or grants for remodeling of NOAH in if rents deed-restricted at affordable rate for 10+ years
- Could include improvements to the exterior, energy efficiency, fire suppression sprinklers, or other projects related to health, safety, crime reduction, and livability
- Program design dependent on further research, but would likely require a match from the owner and compliance with a local Fair Housing Policy

Condo/Townhome Rehabilitation and Maintenance Program

- Home Improvement Areas (HIAs) are a public finance tool to assist homeowners associations with financing improvements to common areas when an adequate reserve fund is not present
- It is typically used to address deferred maintenance and maintain the quality of common interest properties
- It operates similar to a special assessment
- The City may finance improvements, which are paid back by property owners through fees placed on future taxes

Single-Family Home Rehabilitation Program

- Most local HRAs operate a program to promote renovation of single-family homes by providing interest rates and terms below market-rate
- Most HRAs pay Center for Energy and Environment (CEE) to operate the program to reduce costs
- Eligible improvements are typically limited to repairs that make a home a safer, more energy efficient place to live – new roofs, siding, windows, electrical, plumbing, heating, and insulation
- The State and County offer programs, but the income limits are low
- A local program could target low to moderate incomes not served
- Peer cities have reported that many seniors utilize these programs

Emergency Repair Program

- Loans or grants for income-qualified families to correct immediate risks to health and safety, such as the replacement of failed plumbing, heating, electrical, sewer, or water systems
- Some programs are only eligible to seniors.
- Program design dependent on further research, but it would be designed to offer assistance that is not offered by programs offered by the County or State

Expand the Variety of Housing Options

Age In Place Consultations and Installations for Seniors

- Meet with an Age in Place consultant in the home to make improvements that improve mobility and safety around the home, including ADA showers

- and tubs, stairway lift systems, ramps, and grab bars
- Currently, the City supports CDBG funding for Senior Community Services, who provides free home health and safety assessments
- Maintenance and housekeeping services are provided and the cost of the service based on monthly income and ability to pay
- Habitat for Humanity also offers this service, but does not apply for any CDBG funding

Architectural/Remodeling Consultation Program

- Meet with Architect to discuss remodeling project ideas and feasibility at reduced cost

Increase Housing Affordability

First-time homebuyer assistance

- Expand homeownership opportunities for low and moderate-income families and individuals by providing a grant or loan with low to no interest and deferred repayment
- Many programs recycle funds in order to create a self-sustaining program over time
- Several cities hire a non-profit organization to administer this type of program
- Program design is dependent on further research, but would be designed to apply to those not eligible for the State program

Gap financing or land dedication for single-family homes in a Land Trust

- Land trusts are a way to control the high cost of land values while simultaneously increasing tax values, maintaining quality in a property, and offering a homeownership opportunity to a family not traditionally able to buy a home in Golden Valley
- Currently, the City supports CDBG, HOME, and AHIF applications with letters of support and sub-recipient agreements adopted by City Council
- These funding sources are in a competitive RFP process managed by Hennepin County, so it is not a steady, reliable, dedicated funding for this purpose in Golden Valley
- Local HRA levy dollars could be dedicated to new or rehabbed single-family homes in a land trust, either managed by Habitat for Humanity or WHAHLT
- This would be most effective on city-owned vacant land or in neighborhoods that will likely increase in value and reduce affordability in the future, like the Blue Line Light Rail Station Area

Buy, prepare, improve, hold, sell, or transfer land for affordable housing construction (apartments, condos, or townhomes)

- Create a reserved fund that encourages and incentivizes the construction of affordable units near transit, in locations with blight, or in other strategic locations identified in the 2040 Comp Plan
- Could act as a local match for redevelopment grants from the County, Met Council, or State
- Tax Increment Financing (TIF) has historically supported this activity
- Most cities that raise an HRA levy also utilize TIF, but not typically for the same project
- A project selection process that aligns with the City's equity goals should be implemented
- This would help determine the exact projects funded with a reserved fund
- Selection criteria determined by 5-year strategic plan for the HRA

Encourage Environmentally Sustainable Housing

Energy efficiency audit and installation assistance

- Owners/renters receive Home Energy Squad visit and energy audit at a free or reduced cost
- In the visit, energy consultants will come to the home, evaluate energy savings opportunities, and install energy-efficient materials
- Consultants provide information about rebates and loans available for larger energy saving projects like heating/cooling replacement and insulation

Advance Equity in Housing Practices and Policies

Provide relocation assistance to displaced residents of sold NOAH properties

- In general, a tax levy should be utilized as an investment tool.
- This type of subsidy, a direct payment to individual residents of the city, is not a solution that will catalyze or intervene in the affordable housing market by spurring additional private investments
- While this assistance is needed, the local social service agencies like CAP-HC and PRISM provide this assistance, who receive CDBG funding with letters of support approved by City Council
- However, the emphasis here on displaced residents of sold NOAH properties is not a formal program within these non-profit organizations
- Further research could be conducted on this topic

Supportive Uses

There are additional options that are not directly linked to a specific goal in the Comp Plan, but are considered a typical cost of carrying out in housing and economic development activities.

Housing Needs Assessment every 5 years

- Comp Plan calls for an updated study every 5 years, which costs approximately \$20,000
- The last study was funded from the Comp Plan budget out of the general fund

Financial advising and plan consulting

- This would be utilized when City staff resources reach capacity
- The HRA currently works with Springstead to receive financial advising for the establishment of Tax Increment Financing (TIF) Districts
- Additional services from Springstead may be required when more in-depth analysis is needed for specific projects selected by the HRA
- While City staff can draft strategic plans and policies in-house, it may be appropriate have an experienced planning consultant review work and offer feedback

Staff salaries and benefits

- This would be utilized when City staff resources reach capacity
- The HRA may fund a portion of a City staff position with levy dollars when that proportion of duties is dedicated to affordable housing and the removal of blight

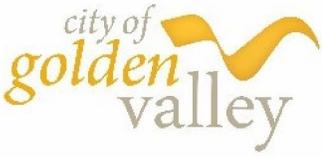
Summary of Implementation Actions

Action	Relative Cost	Time Frame
Maintain Housing Quality		
Establish a housing staff committee to meet regularly on housing condition and safety issues	\$	Ongoing
Monitor success of Rental Licensing and Safer Tenants and Renters (STAR) Program	\$	Ongoing
Monitor success of the City's property maintenance program	\$	Ongoing
Promote and support additional funding for maintenance service programs for seniors	\$	Ongoing
Promote the Housing Rehabilitation Deferred Loan Program	\$	Ongoing
Research and incorporate design standards into Zoning Code	\$	0-5 years
Continue to be an active participant in the West Metro Home Remodeling Fair	\$	Ongoing
Research potential for establishment of a levy by the Housing and Redevelopment Authority (HRA)	\$	0-5 years
Streamline procedures for acquisition and reinvestment in disinvested properties	\$	5-10 years
Expand The Variety Of Housing Options		
Assist developers with grant applications	\$	Ongoing
Connect with senior housing developers	\$	0-5 years
Establish a policy on eligibility for City financial assistance that prioritizes new senior housing projects	\$	0-5 years
Initiate ongoing multi-department staff meetings on housing issues	\$	0-5 years
Research ways to support new townhomes and condominiums for seniors	\$	0-5 years
Update the Future Land Use Plan and Zoning Code to meet housing goals	\$	0-5 years
Increase Housing Affordability		
Adopt land use and zoning policies that enable the City to meet Metropolitan Council affordable housing allocation requirement	\$	0-5 years
Adopt policies that support and create incentives that encourage the preservation of naturally occurring or unsubsidized affordable housing	\$	0-5 years
Continually enhance the City's Mixed-Income Housing Policy	\$	Ongoing
Establish a policy on eligibility for City financial assistance that prioritizes new affordable housing projects	\$	0-5 years
Implement an annual affordable housing work plan	\$	Ongoing
Conduct ongoing multi-department staff meetings on housing issues	\$	Ongoing
Research the potential for reducing fees or parking requirements for projects that meet the City's housing affordability goals	\$	0-5 years
Support home ownership programs	\$	Ongoing
Support the community land trust model with eligible funding sources	\$	Ongoing
Budget for the ability to conduct a comprehensive housing needs analysis every five years	\$\$\$	0-5 years

continued on pg 33

Summary of Implementation Actions (cont'd)

Action	Relative Cost	Time Frame
Encourage Environmentally Sustainable Housing		
Enhance the building permit process	\$	0-5 years
Establish a mixed-use zoning district for areas outside the I-394 corridor	\$	0-5 years
Increase housing density allowances or bonuses in Zoning Code while maintaining open space and setback requirements	\$	0-5 years
Research incentives, partnerships, and programs	\$	0-5 years
Increase land dedication for parks and open spaces	\$	5-10 years
Promote the introduction of separated organics collection for residential properties	\$	5-10 years
Consider adopting a green building policy	\$\$	5-10 years
Develop and promote educational opportunities for residents on sustainable practices	\$\$	5-10 years
Advance Equity In Housing Practices And Policies		
Adopt and enforce a local Fair Housing Policy	\$	0-5 years
Continue participating in racial equity trainings	\$	Ongoing
Research state and local policies that limit exclusionary rental practices	\$	0-5 years
Establish a formal process for accepting and referring Fair Housing Act violation complaints	\$	0-5 years
Conduct a code and ordinance analysis for Fair Housing issues	\$	0-5 years
Continue to educate community members and discuss housing equity issues with the Human Rights Commission	\$	Ongoing
Research design guidelines and staff training opportunities for cultural sensitivity	\$	5-10 years



ECONOMIC DEVELOPMENT AUTHORITY (EDA) OPTIONS

Report to Golden Valley City Council and City Manager
March 12, 2019

EDA

The powers of an EDA encompass a wide range of development and redevelopment objectives, including those traditionally held by an HRA:

- Make land suitable and available for economic development
- Encourage the location or expansion of economic development facilities
- Actively promote, attract, and encourage the development of industry and commerce for the purpose of preventing blight and areas of chronic unemployment
- Clear and develop blighted areas; provide adequate housing (via HRA powers)

Distinction from HRA

The typical EDA levy is different from the HRA levy. It is not a levy raised by the EDA – it is a levy set by a city at the request of the EDA. The City appropriates part of the money the city collects in the general city levy to the EDA. Because the EDA levy is part of the city levy, it is not a “special levy” under state law and thus the EDA levy is subject to the city’s overall levy limit.

State Statute allows an EDA to levy up to 0.0183% of the estimated market value, which would be equivalent to \$712,450.77 per year in Golden Valley.

Portion of Maximum EDA Levy	Potential EDA Tax Levy	Tax Impact to Median Home
10%	\$ 71,245.00	\$ 5.12
25%	\$178,112.69	\$12.79
50%	\$356,225.39	\$25.58
75%	\$534,338.08	\$38.37
100%	\$712,450.77	\$51.15

However, a few EDAs have utilized a state law that allows an EDA to adopt all of the powers of the HRA in order to collect a levy from both the HRA and the EDA. Therefore, state law allows the Golden Valley City Council to establish an EDA and levy up to \$1.4 million each year for affordable housing and economic development (HRA and EDA levies combined equal \$1.4 million). This would increase taxes by a total of \$103.28 for the median home.

Powers of EDA and Use of Funds

- Acquisition of rights, titles, or interest in property through purchase, lease, or gift
- Sign options to purchase, sell, or lease property
- Exercise the right of eminent domain
- Make loans to businesses
- Enter into contracts with both governmental and non-governmental entities for economic development
- Participate in a project as a limited partner
- Acquire rights and easements for development of an economic development district
- Accept land, money, or assistance from the federal or state government or its entities
- Operate and manage Foreign Trade Zones
- Operate and maintain a public parking or other public facility
- Act as an agent for the federal or state government, state public body, or an agency of the government
- Study and analyze economic development needs
- Join an official industrial, commercial, or trade association
- Exercise a joint powers agreement for financing
- Create and administer Tax Increment Financing (TIF) districts and plans



MEMORANDUM
Physical Development Department
763-593-8090 / 763-593-3997 (fax)

Executive Summary
Golden Valley Council/Manager Meeting
March 12, 2019

Agenda Item

3. Discuss Small Wireless Facilities and Small Wireless Aesthetic Standards

Prepared By

Jeff Oliver, PE City Engineer

Maria Cisneros, City Attorney

Summary

Staff will be present to discuss the status of Small Wireless Facilities (small cell) permitting, including draft Small Wireless Aesthetic Standards for Golden Valley.

Attachments

- Overview of New and Proposed FCC Rules regarding Small Cell Wireless Facilities and Franchise Agreements (4 pages)
- Draft Small Wireless Aesthetic Standards (5 pages)



OVERVIEW OF NEW AND PROPOSED FCC RULES REGARDING SMALL CELL WIRELESS FACILITIES AND FRANCHISE AGREEMENTS

In September, the Federal Communications Commission (“FCC”) issued a Declaratory Ruling and Third Report and Order (the “Order”) restricting state and local regulation of small cell wireless deployment. In addition, the FCC has recently requested comments on proposed rulemaking that would limit fees collected when granting cable franchises. The purpose of this memo is to provide a brief background of the rulings and how they will affect Minnesota Cities.

Wireless Ruling

The FCC adopted the Order on September 26, 2018 creating new regulations on the citing of wireless structures. In 2017, the Minnesota Legislature adopted its own regulations regarding small cell wireless within public rights-of-way. *See* Minn. Stat. § 237.162-163. The FCC rules and Minnesota conflict in many aspects. The FCC ruling, however, specifically states that the rules are “independent of, and in addition to, any remedies that may be available under state or local law,” creating a patchwork of regulations. Below is a chart showing the basic differences between the FCC rules and the Minnesota small cell wireless law.

	Minnesota	FCC	FCC
Type of Application	Applies to new or preexisting structure.	Collocation on pre-existing structure.	New Structure
Where Apply	In ROW (237.163, subd. 3c)	Will be argued that it applies to all wireless applications. (Para 140) (Rule 1.6003) ¹	
Small Cell Definition	Each antenna is located inside an enclosure of no more than six cubic feet in volume Other equipment no more than 28 cubic feet in volume.	Mounted on structures 50 feet or less in height including their antennas; or Are mounted on structures no more than 10 percent taller than adjacent structures; or Do not extend existing structures on which they are located to a height of more than 50 feet or by more than 10 percent, whichever is greater; Antenna no more than three cubic feet in volume.	

¹ The Order claims it is not commenting on access beyond the right-of-way. (Para 95). However, the shot-clocks apply to all structures. (Para 140).

	Minnesota	FCC	FCC
		Other equipment no more than 28 cubic feet in volume.	
Collocation Definition	To install, mount, maintain, modify, operate, or replace a small wireless facility on, under, within, or adjacent to an existing wireless support structure that is owned privately or by a local government unit.	Mounting or installing an antenna on pre-existing structure, and/or Modifying a structure for the purpose of mounting or installing an antenna facility on that structure. (Rule 1.6002)	
Shot Clock² (small cell)	90 Days (Minn. Stat. § 237.163, subd. 3c.)	Presumed reasonable at 60 days (Para 105)	Presumed reasonable at 90 days (Para 105)
Shot Clock (macro cell)	Not mentioned	Presumed reasonable at 90 days	Presumed reasonable at 150 days
Completeness	30 days of receipt (Minn. Stat. § 237.163, subd. 3c (b))	10 days to reset shot clock (Para 143)	10 days to reset shot clock (Para 143)
Tolling	Tolled for completeness	Reset if within 10 days, otherwise tolled for completeness.	Reset if within 10 days, otherwise tolled for completeness.
Application Fees	No limit but must be reasonable.	Presumed reasonable at \$500 for up to five facilities, \$100 for each facility after. (Para 79). ³	Presumed reasonable fee of \$1,000 for each new pole. (Para 79).
Rent	Up to \$150 per year for rent Up to \$25 per year for maintenance \$73 or \$182 for electricity or actual costs	Presumed reasonable at \$270.	Presumed reasonable at \$270.

² In order to ensure cities meet shot clock requirements, they should make clear what is needed for a complete application.

³ FCC notes possibility of actual consultant costs may be “unreasonable.” “The *costs themselves* must be reasonable. Accordingly, any unreasonably high costs such as excessive charges by third party contractors or consultants, may not be passed on through fees even though they are an actual “costs” to the government.” (Para 70). Cities need to carefully track their costs if they are beyond this time.

	Minnesota	FCC	FCC
Denial	Notice within 3 days. No new application fee if deficiencies fixed and resubmitted within 30 days.	Denials must be based on substantial evidence in a written record. (Para 130, Fn 376). ⁴	
Batched Applications	May extend shot clock by 30 days if receive applications for 30 facilities in a seven-day period.	No extension allowed but may be used to justify going beyond presumed reasonable shot clock.	
Remedy	Deemed granted.	Expedited judicial review. (Para 121)	
Aesthetics	Cities can put reasonable requirements on a case by case basis.	Requirements must be published and: <ul style="list-style-type: none"> • Reasonable. • No more burdensome than other infrastructure. • Objective. (Para 86)⁵ 	

The FCC rules go into effect on January 14, 2019. The aesthetic requirements must be published by April 15, 2019.

Currently there is a motion to stay the order submitted by National League of Cities, along with many other groups and individual cities. The claim will be heard in the United States Court of Appeals for the Tenth Circuit, as part of a batch of appeals.

Franchise Fees

The FCC has issued a Second Further Notice of Proposed Rulemaking, which proposes new rules that could harshly limit local cable franchising. The proposal would limit most cable-related in-kind obligations that local governments can negotiate as part of franchise agreements and would also eliminate local authority over the non-cable services provided over cable systems. The FCC also seeks comment about whether these limitations should apply to state franchises in addition to local franchises.

Value of in-kind obligations counted toward revenue cap

The FCC proposes that any in-kind cable obligations—other than capital costs for public, educational, and governmental access (PEG) channels and cable build-out requirements included in franchises—should be considered a “franchise fee” for the purposes of the Cable Act and, therefore, the value of those obligations should count toward the 5 percent gross revenue cap on franchise fees. This could include the value of obligations such as the channel capacity for PEG stations, complementary connections to school or government buildings, electronic program guides, and relocation requirements. These benefits would be estimated at fair market value and, depending on the value given those obligations, could eliminate

⁴ It is unclear under what circumstances cities could deny request for health, safety and welfare reasons.

⁵ Moreover, the aesthetic requirements to be published in advance need not prescribe in detail every specification to be mandated for each type of structure in each individual neighborhood. Localities need only set forth the objective standards and criteria that will be applied in a principled manner at a sufficiently clear level of detail as to enable providers to design and propose their deployment in a manner that complies with those standards. (Fn 247).

monetary franchise fees entirely for some communities. Some estimate a potential impact of 20-30%. The FCC also requests feedback on whether those values should instead be calculated based on cable companies' costs to provide them.

Comment period

The league of Minnesota Cities submitted comments on this issue which can be found at: <https://www.fcc.gov/ecfs/filing/111458446269>. In the comments, LMC argued that the proposed rules are contrary to a plain reading of the Telecommunication Act. In addition, LMC noted that determining a "fair market value" for the services would be impractical and would create a strain on city budgets. Reply comments are due no later than Dec. 14, 2018.

Small Wireless Aesthetic Standards

Findings

The City of Golden Valley desires the most advanced and highest quality wireless services available. The City also wishes to minimize the negative impacts associated with wireless facility deployments including small wireless facilities. Such negative impacts may include interference with right-of-way sight lines, aesthetic impacts that are inconsistent with the surrounding area, fall zone and clear zone risks, navigation obstacles, interference with future transportation improvement plans, interference with the installation or maintenance of public utilities, and increased visual or noise pollution.

To address such impacts, any person desiring to locate or collocate small wireless facilities or place new wireless support structures in the City's right-of-way must first obtain a small wireless facility permit pursuant to the City's right-of-way ordinance, *Chapter 24, Article II, Right of Way Management*. Moreover, any person seeking to collocate small wireless facilities on an existing wireless support structure owned or controlled by the City must first enter a standard collocation agreement.

The following aesthetic standards and requirements are intended to maintain the City's aesthetic environment while also allowing for the availability wireless services, including broadband and "5G" services, using small wireless facilities. These standards are intended to establish clear and consistent aesthetic standards for small wireless facility placements in the City and establish a streamlined review and approval process. The City will make these standards publicly available on its website.

These standards apply to all small wireless facility permit applications for placement of small wireless facilities on City-owned and non-City-owned support structures (poles), and the placement or replacement of small wireless support structures in the public right-of-way. Compliance with these standards is a requirement for, and condition of, issuance of a small wireless facility permit. Any installation that does not conform to these standards will be in violation of the associated permit and the City's right-of-way ordinance.

In addition to the following standards, the placement of new support structures for small wireless facilities shall be subject to any conditions specified in the small wireless facility permit. Applications to install small wireless facilities or place new support structures in districts zoned for residential uses, within areas or corridors designated as special street lighting areas, within a historic district established by federal or state law or city ordinance, shall further be subject to any conditions contained in the required conditional use permit authorizing such installation.

All City or privately owned support structures placed within the City shall be of a fully enclosed design such that the maximum amount of facilities, including any wiring, are concealed inside the structure or below ground. In addition, these standards seek to minimize un-necessary placement of new support structures by encouraging co-location of small wireless facilities.

Section 1. Site Plans

Applicants must submit site plans, elevation drawings and structural calculations prepared and signed by a Professional Engineer licensed by the State of Minnesota as detailed below. Site plans must be in accordance with the standards outlined in the Right of Way Management Ordinance, and must depict any adjoining or nearby existing wireless facilities, with all existing transmission equipment identified; neighboring public improvements; the proposed small wireless facility, with all proposed transmission equipment and other improvements, and; the boundaries of the area surrounding the proposed facility and any associated access or utility easements and setbacks. Site plans must further include:

1. Photo Simulations: For all applications, photo simulations must be included. Such photo simulations must be from at least three line-of-site locations near the proposed project site depicting the viewpoints of the greatest pedestrian and vehicular traffic.
2. Equipment Specifications: For all equipment depicted on the plans, the applicant must include:
 - a. the manufacturer's name and model number;
 - b. physical dimensions including, without limitation, height, width, depth, volume and weight with mounts and other necessary hardware;
 - c. technical rendering of all external components, including enclosures and all attachment hardware; and
 - d. a selection from the City's approved aesthetic standards.

Section 2. Design Standards

The City desires to promote aesthetically acceptable and area conforming wireless facilities using the smallest and least intrusive means available to provide small wireless services to the community. All facilities in the public right-of-way must comply with all applicable provisions in this section.

Antennas: Antennas must be top-mounted and concealed within a radome (a structural, weatherproof enclosure that protects an antenna and is constructed of material that minimally attenuates the signal transmitted/received by such antenna) or otherwise concealed to the extent feasible. Cable connections, antenna mounts and other hardware must also be concealed. The radome or other concealment must be non-reflective and painted or otherwise colored to match the existing support structure.

Collocation: Collocations between wireless service providers on the same support structure is required wherever feasible. If an applicant chooses to not collocate in areas where options are or appear to be available, the applicant must document that collocation is infeasible.

Concealment: Concealment elements must be incorporated into the proposed design of the small wireless facility installation, and must include approved camouflaging or shrouding techniques.

New and Replacement Poles: New and replacement support structures must be the same color as neighboring, similar support structures and of the same design characteristics. The City standard self-contained support structure shall be the Valmont XXX(Serial#), or an approved equal. The City Manager, or his or her designee, shall determine if a support structure is approved for installation.

Ground-Mounted Equipment: Ground-mounted equipment must be installed below grade or, if technically necessary, concealed in a ground-mounted cabinet. In addition to any applicable requirements in the City's right-of-way ordinance, Chapter 24, Article II, ground mounted cabinets must:

1. be installed flush to the ground;
2. be the same color as neighboring, similar support cabinets or other ground-mounted structures;
3. not interfere in any way with the flow of pedestrian, bicycle or vehicular traffic when adjoining sidewalks, trails, or other similar passageways,
4. conform to the American's with Disabilities Act (ADA) including with respect to appropriate sidewalk spacing; and
5. not create a safety hazard;

Lights: Unless otherwise required for compliance with FAA or FCC regulations, small wireless facilities shall not include any lights or lighting. This subsection does not prohibit installations on streetlights or the installation of luminaires or additional street lighting on new support structures if and where required by the City. All support structures must be capable of accommodating street lighting at XXXXXXX feet above the ground to facilitate future street lighting as may be determined by the City.

Section 3. Location Criteria for New or Replacement Support Structures

New Support Structures: Any new support structures shall be placed:

1. a minimum of two lot lines, or approximately 200 feet, whichever is greater, from any existing support structure or pole on the same side of the street or right-of-way,

and one lot line or approximately 100 feet, whichever is greater when on the opposite sides of the street or right-of-way.

2. at a distance which is the same as the prevailing separation distance among existing structures and poles in the surrounding vicinity as agreed upon by the applicant and City, or determined by the City where agreement cannot be reached.
3. as functional streetlights as the City may require, in its reasonable discretion.
4. in alignment with existing trees, utility poles, and streetlights.
5. an equal distance between trees when possible, with a minimum of 15 feet separation such that no proposed disturbance shall occur within the critical root zone of any tree.
6. with appropriate clearance from existing utilities.
7. outside of a 20-foot equipment clear zone (for base cabinets less than 18-inches in diameter) or 30-foot clear sight triangle (for base cabinets equal to or greater than 18-inches in diameter) at intersection corners.
8. so as not to be located along the frontage of a Historic building, deemed historic on a federal, state, or local level.
9. so as not to significantly create a new obstruction to property sight lines.
10. at shared property lines if feasible.
11. not within 50 feet of the apron of a fire station or other emergency service responder facility.

Replacement of City-Owned Support Structures: Any replaced support structures shall remain in their existing location unless otherwise permitted by the City. Replacement pole height shall not exceed 50 feet, or the height of the existing pole, whichever is greater.

New and Replacement Structures. All support structures must:

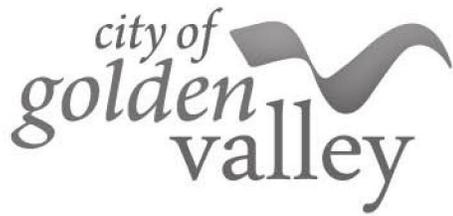
- be constructed of aluminum or steel.
- where constructed as a light pole, luminaire(s) and luminaire arm(s) must match adjacent city lighting standard and must contain an LED fixture in accordance with City specifications.

Obstructions: Any new support structure or other facilities associated with a new or existing support structure must not obstruct access to:

1. any existing above-ground or underground right-of-way user facilities, or public facilities;
2. any public infrastructure for traffic control, streetlight or public transportation purposes, including without limitation any curb control sign, parking meter, vehicular traffic sign or signal, pedestrian traffic sign or signal, barricade reflectors;
3. any public transportation vehicles, shelters, street furniture or other improvements at any public transportation stop (including, without limitation, bus stops, streetcar stops, and bike share stations);
4. fire hydrants;
5. any doors, gates, sidewalk doors, passage doors, stoops or other ingress and egress points to any building appurtenant to the right-of-way; and/or
6. any fire escapes.

Section 4. City Standard Support Structure

The photographs and illustrations below depict the City Standard Valmont XXX(Serial#) support structure for small wireless facility installations in the City's Right of Way. Alternative support structures consistent with the aesthetics of the City standard may be approved for installation on a case by case basis.



MEMORANDUM
Physical Development Department
763-593-8030 / 763-593-3988 (fax)

Executive Summary
Golden Valley Council/Manager Meeting
March 12, 2019

Agenda Item

4. Flood Mitigation Cost Share Reimbursement Policy

Prepared By

Jeff Oliver, PE City Engineer

Eric Eckman, Development and Assets Supervisor

Summary

Staff will discuss with City Council the proposed policy for assisting residents with the cost of flood proofing their homes to reduce flood risk and flood damage. Reducing flood risk and damage citywide will improve public health and safety, reduce public liability and cost, and preserve economic values, benefitting the entire community.

Attachments

- Draft Flood Mitigation Cost Share Reimbursement Policy (10 pages)

CITY OF GOLDEN VALLEY
FLOOD PROOFING COST SHARE REIMBURSEMENT POLICY
March 12, 2019

I. Purpose:

The purpose of this Flood Proofing Cost Share Reimbursement Policy (this “Policy”) is to set forth the policies and procedures of the City’s Flood Proofing Cost Share Reimbursement Program (the “Program”). Implementing the Program will further the City’s goal to increase community resilience by reducing flood risk and flood damages to properties located in the City. Reducing flood risk and flood damage citywide will improve public health and safety, reduce public liability and cost, and preserve economic values, benefitting the entire community.

II. Background:

The City has historically experienced community-wide flooding and flood damage. Flooding is a natural disaster that can cause damage to property and infrastructure, disruption to public services, and negative health and socio-economic impacts. The National Weather Service estimates flood losses in the U.S. at about \$8 billion per year.

In recent decades, the Minnesota Department of Natural Resources Climatology Office has observed more annual precipitation and more extreme rain events in this region than in previous decades. Precipitation models used by government agencies have been updated to reflect these observations.

The City of Golden Valley is part of the Bassett Creek Watershed Management Commission (the “BCWMC”). In 2017, the BCWMC developed a watershed-wide flood model based on updated topography and precipitation data (the “Model”).¹ According to the Model, the projected flood depths in many areas of the City are now higher than previously mapped by the Federal Emergency Management Agency (FEMA). As a result, there is more flood risk and vulnerability now than in years past, and more properties in the City are identified as being at risk of flooding.

Flood risk across the City varies and the Model projects that flood depths may reach up to 5 feet in some areas. Figure 1 shows a map of the modeled flood risk throughout the City.²

The City has a Comprehensive Floodplain Management Program and has completed numerous public flood mitigation projects over the years to help protect life and property. In addition to the City’s efforts, property owners are encouraged to protect their homes from flood damage through additional measures known as flood proofing or flood protection barriers. These

¹ See Bassett Creek Hydrologic and Hydraulic Analyses, Phase 2 XPSWMM Model Report, August 7, 2017.

² Figure 1 is taken from Figure 3-20 of the City of Golden Valley Surface Water Management Plan.

measures may involve sealing up a door or window opening in the lowest level of the home or constructing a levee or floodwall around the outside of the home.

The City desires to implement this Policy in order to provide incentives to property owners to invest in the protection of their homes, and reduce the liability and cost to the public of major flooding events. The intent of this Policy is to clearly define and outline the requirements of the Program. The requirements set forth in this Policy will further the City's resilience and sustainability, water resources, and housing goals listed in its 2040 Comprehensive Plan.

III. Eligibility:

This Policy applies to the primary structure located on residential single-family and duplex properties located in Golden Valley that meet at least one of the following two criteria:

1. Is identified as being at risk of flooding in a report or study completed or approved by the City, the BCWMC, the state of Minnesota, or a federal agency (examples include the 2016 Medicine Lake Road & Winnetka Avenue Area Long Term Flood Mitigation Study, the 2002 Flood Damage Reduction Study, and drainage area studies completed for developments); or
2. Is located in or adjacent to the floodplain and has a low opening elevation or lowest adjacent grade elevation that is below the base flood elevation as evidenced by an elevation certificate completed by a professional surveyor licensed in the state of Minnesota.

Properties meeting the eligibility criteria above that have completed flood proofing projects prior to adoption of this Policy are not eligible for the Program.

This Policy does not apply to properties located outside the floodplain that have experienced water intrusion from groundwater or sub-surface sources.

IV. Application Process:

Applications must be received by October 1 of each year. Applications will not be accepted until they are complete and must contain all requested information, plans and exhibits, including but not limited to the following:

1. An Elevation certificate completed by a professional surveyor or engineer licensed in the state of Minnesota.
2. A description of the type of flood proofing measure proposed and a brief project description. The proposed flood proofing measure must meet the requirements in section VI of this Policy.
3. A conceptual plan completed by a registered design professional or contractor.

4. A planning level cost estimate based prepared by a professional engineer, architect, or contractor.
5. If applicable, supporting documentation showing evidence of previous flood damage (insurance claims, invoices, photos, etc.).

V. Selection Process:

1. Step One: Preliminary Approval

City staff will review and evaluate applications in October and November to determine which projects will be selected to move forward. City staff will notify applicants by November 30 as to (1) whether their project was selected to move forward; (2) next steps in the process; and (3) the maximum dollar amount for which their project is eligible.

Successful applicants shall accept or reject the selection by December 31 of the same calendar year. If the City does not receive written confirmation of acceptance from an applicant by December 31, the approval may be withdrawn and the funds awarded to the next eligible applicant.

2. Step Two: Approval of Final Plans

Successful applicants will have until October 1 of the following calendar year to submit a final plan and all required final documents, including but not limited to the documents listed below (the "Final Plan Documents"). The complete list of Final Plan Documents required will depend on the type of flood proofing project to be undertaken. The City Engineer will make the final determination regarding what documents are required.

The Final Plan Documents shall include, at a minimum:

- a. A signed Flood Proofing Cost Share Reimbursement Agreement (the "Agreement").
- b. A final plan signed by a licensed professional engineer or architect, or a contractor.
- c. Approval by the City Engineer, Building Official and Bassett Creek Watershed Management Commission as needed.
- d. A Minimum of two quotes from qualified contractors.
- e. Documentation of homeowner's ability to finance the Project.
- f. Any other information that may be necessary as determined by the City Engineer.

If the City does not receive the required information from the applicant by October 1, the approval may be withdrawn and the funds awarded to the next eligible applicant.

VI. Selection Criteria (applied at confirmation of eligibility phase):

The City will select projects for participation in the Program based on the following criteria, listed in order of priority and will use a scoring system substantially similar to the rubric attached as Exhibit A to determine which projects will be selected. The scoring system may be updated by the City Manager or his/her designee from time to time.

1. Difference between base flood elevation and lowest opening elevation.
2. Difference between base flood elevation and lowest adjacent grade.
3. Difference between base flood elevation and lowest floor elevation.
4. Type of flood proofing measure proposed.
5. Number of past flood events as evidenced by insurance claims, or similar written and photographic documentation acceptable to the City.
6. Cost of damage from past flood events as evidenced by insurance claims, or similar written and photographic documentation acceptable to the City.

If two or more projects receive the same ranking, the City will select the earliest submitted project.

VII. Standards for Flood Proofing:

All projects selected for participation in the Program must meet the following minimum requirements:

1. Plans must be completed and signed by a registered design professional (engineer or architect licensed in the state of Minnesota) or contractor, as appropriate for the flood proofing measure proposed.
2. Plans must conform to the guidelines listed in the FEMA Homeowner's Guide to Retrofitting (June 2014 or current version) (*available at* <https://www.fema.gov/media-library/assets/documents/480>).
3. Plans must show and label the following elements:
 - a. All applicable information from the elevation certificate
 - b. Base flood elevation
 - c. Existing and proposed topography, contours, spot elevations along foundation of home at all building corners and mid points of walls, spot elevations at property corners
 - d. Profile view and applicable details for the proposed flood proofing solution
 - e. Cut/fill diagram showing proposed changes to flood storage volume
 - f. Architectural plans as necessary

- g. Other information the City deems necessary to review plan
- 4. Flood protection barriers do not need to be certified as meeting FEMA and US Army Corps of Engineers (USACE) standards; however, they must meet all applicable federal, state, and local requirements as outlined in the floodplain and stormwater management section of City code.
- 5. Flood protection barriers must be located as close to the structure as possible to preserve and maintain flood storage volumes to the extent feasible.
- 6. The property owner, registered design professional, or contractor must obtain all required permits and approvals from the City and any other applicable governmental entities prior to commencing work and must follow all applicable laws, statutes, codes and ordinances.
- 7. Flood proofing measures must meet the City's freeboard requirements as measured from the base flood elevation in effect at the time of application. (For example, if the base flood elevation around a pond is 902 at the time of application, and the freeboard requirement is 2 feet, then the flood proofing measures to protect a structure must be constructed to an elevation of at least 904.)
- 8. Property owners must enter into a Flood Proofing Agreement with the City.

VIII. Incentive Amount:

The City will award each successful applicant a one-time reimbursement incentive of 40% of the eligible flood proofing costs up to a maximum of \$50,000 per property. The final not-to-exceed amount awarded to the applicant will be outlined in the Flood Proofing Agreement. The final reimbursement amount will be based upon actual cost once the project is complete.

Funding for the Program each year shall come from the City's then current Capital Improvement Program, Storm Sewer Section, SS-34 Flood Mitigation as approved annually by the City Council. Any funds that have not been allocated to a specific project at the end of each Program year shall accrue for use in subsequent years.

Property owners may work together to propose flood proofing projects that extend across multiple properties. Costs for such projects must be divided by the owners based on the value of work performed on each property or other method as agreed upon in writing by the owners.

The City recognizes that the process of planning and completing a Project may take more than one calendar year. Accordingly, staff will work with applicants and the City's Finance Department to ensure financing for approved projects remains available; however, all Projects must be complete and all documentation required to process the reimbursement must have been submitted to the City no later than February 1 of the second year following the award of funds.

IX. Definitions:

Base flood: *The flood having a one percent chance of being equaled or exceeded in any given year. This is the regulatory standard also referred to as the "100-year flood." The base flood is the national standard used by the National Flood Insurance Program (NFIP) and all Federal agencies for the purposes of requiring the purchase of flood insurance and regulating new development. Base flood elevations are typically shown on FEMA's flood insurance rate maps.*

The Bassett Creek Watershed Management Commission (BCWMC) developed a watershed-wide flood model detailed in its report "Bassett Creek Hydrologic and Hydraulic Analyses, Phase 2 XPSWMM Model Report, August 7, 2017." The base flood elevations and associated maps provided in this report have been adopted by the BCWMC and the City as part of its floodplain management code.

Base flood elevation: *The elevation of the base flood.*

Elevation Certificate: *An administrative tool developed by FEMA used to provide elevation information necessary to ensure compliance with community floodplain management ordinances. The Elevation Certificate must be completed by a land surveyor, engineer, or architect who is authorized by law to certify elevation information. This certificate is used only to certify building elevations.*

Eligible flood proofing costs: *Flood proofing project costs that are directly related to permitting, engineering and design, and construction of the flood proofing measures. Costs for services, materials, or improvements that are deemed aesthetic or decorative and beyond what would be considered normal or typical will not be eligible for reimbursement. The City Engineer shall have the final decision on whether or not project costs are eligible.*

Floodplain: *Area of land inundated by a precipitation event having a 1% chance of being equaled or exceeded in any given year. The floodplain includes areas identified in the FEMA Flood Insurance Study and Flood Insurance Rate Map and the BCWMC watershed-wide flood model and report.*

Freeboard: *Also known as the regulatory flood protection elevation. The elevation to which uses regulated by the City's floodplain management code are required to be elevated or floodproofed (but not less than two feet above the base flood elevation).*

Flood proofing: *A combination of structural provisions, changes, or adjustments to properties and structures subject to flooding, primarily for the reduction or elimination of flood damages. Preferred approach is sealing the home and adjusting the grade to prevent floodwaters from entering.*

Flood protection barriers: *A floodwall or levee around a home to restrain floodwaters.*

Lowest adjacent grade: *Elevation of the lowest ground surface that touches any of the exterior walls of the home.*

Lowest floor elevation: *Elevation of the lowest floor on the lowest enclosed area (including basement). An unfinished or flood-resistant enclosure used solely for parking of vehicles, building access or storage in an area other than a basement area, is not considered a building's lowest floor, provided that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of 44 CFR 60.3.*

Lowest opening elevation: *Elevation of the lowest opening of the home, typically a door or window.*

Attachments/Exhibits:

Figure 1 – Map of Modeled Flood Risk

Exhibit A – Application Form

Exhibit B – FEMA NFIP Elevation Certificate and Instructions (March 1, 2018 or current version)

Figure 1
MAP OF MODELED FLOOD RISK

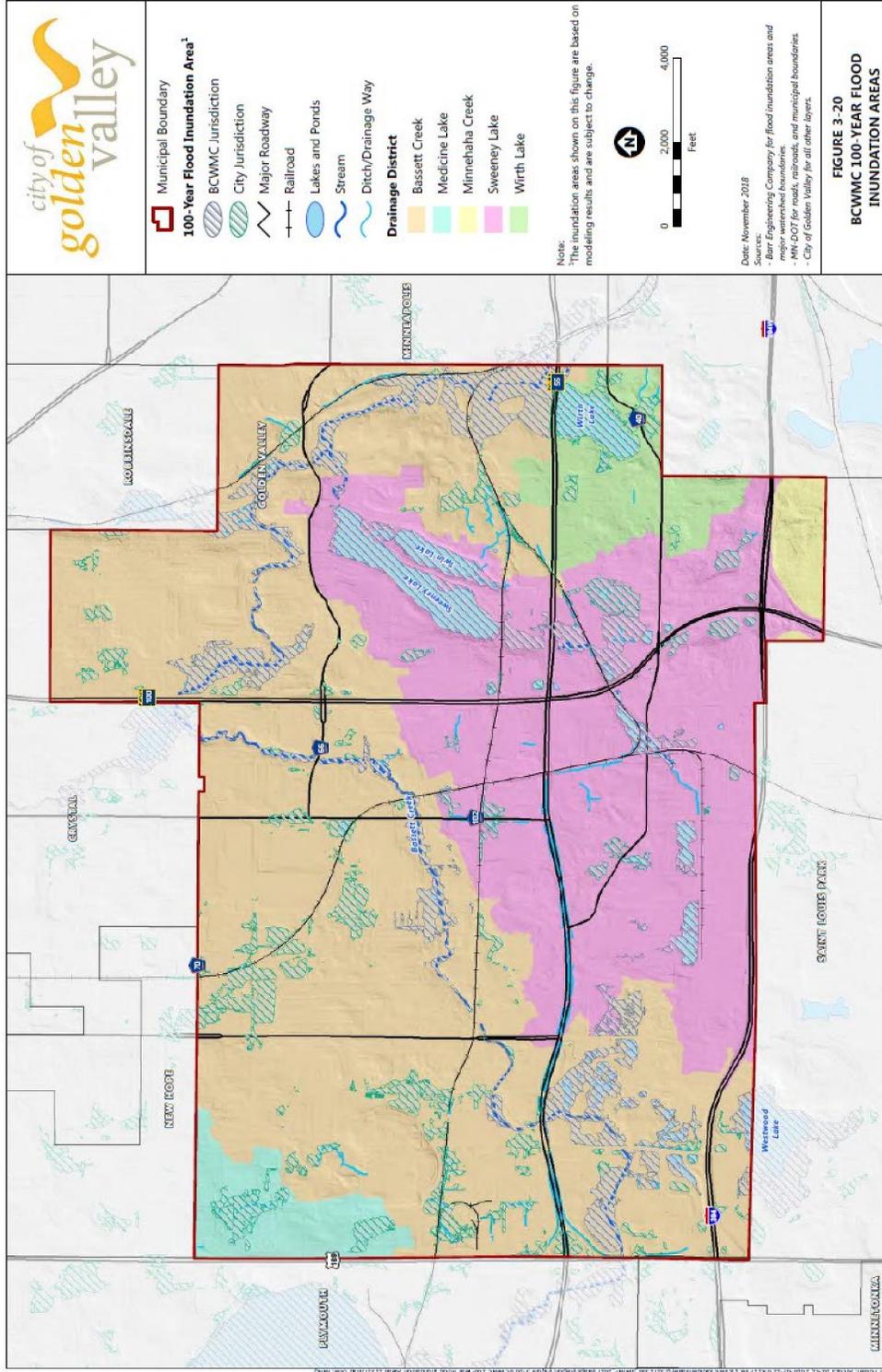


Exhibit A
FLOOD PROOFING COST SHARE REIMBURSEMENT PROGRAM
Application Form

Applicant name	Date:		
Address/Location of work			
Property owner and address (if different from applicant)			
Brief description of project:			
Name of licensed surveyor or engineer that completed attached elevation certificate:			
Date elevation certificate completed:			
Name of registered design professional (engineer, architect) or contractor assisting applicant with attached plan and cost estimate:			
Planning level cost estimate:			
Selection criteria	Enter number	Multiplier	Total
Difference between base flood elevation and lowest opening elevation on the home (to the hundredth of foot)		x 5	
Difference between base flood elevation and lowest adjacent grade (to the hundredth of foot)		x 3	
Difference between base flood elevation and lowest floor elevation (to the hundredth of foot)		x 1	
Type of flood proofing measure proposed: Flood proofing (sealing up low opening) 10 points Flood protection barrier (levee, wall) 5 points		x 1	
Number of past flood events as evidenced by insurance claims, or similar written and photographic documentation acceptable to the City		x 1	
Total			
Cost of damage from past flood events as evidenced by insurance claims, or similar written and photographic documentation acceptable to the City	\$		
Staff notes			

Exhibit C

Exhibit B

**FEMA NFIP ELEVATION CERTIFICATE AND INSTRUCTIONS
(MARCH 1, 2018 OR CURRENT VERSION)**

City Council

REGULAR MEETING AGENDA

Mar 19, 2019 – 6:30 pm
Council Chambers
Golden Valley City Hall
7800 Golden Valley Road

1. Call to Order

- A. Pledge of Allegiance
- B. Roll Call

Pages

2. Additions and Corrections to Agenda

3. Consent Agenda

Approval of Consent Agenda - All items listed under this heading are considered to be routine by the City Council and will be enacted by one motion. There will be no discussion of these items unless a Council Member so requests in which event the item will be removed from the general order of business and considered in its normal sequence on the agenda.

- A. Approval of Minutes:
 - 1. City Council Meeting – March 5, 2019
- B. Approval of City Check Register
- C. Licenses:
 - 1. General Business Licenses – Amusement Devices
 - 2. General Business Licenses – Refuse and Recycling Vehicles
 - 3. General Business Licenses – Gas Stations and Gas Dispensers
- D. Minutes of Boards and Commissions:
 - 1.
- E. Bids and Quotes:
 - 1.
- F. Award 2019 PMP/Meadowbrook Project
- G. Authorize Agreement with WasteZero for Textiles Recycling
- H. Resolution Supporting DNR Trail Connection Grant Application 19-
- I. Authorize Contract Extension for the 2019 Spring Brush Pick-Up
- J. Approve Scheid Park Play Structure
- K. Budget Amendments for Salaries

4. Public Hearing

5. Old Business

6. New Business

All Ordinances listed under this heading are eligible for public input.

- A. Adoption of Flood Migration Policy
- B. Golden Hill Business Park PUD 78 – Minor PUD Amendment
- C. First Consideration – Small Cell/ROW Ordinance

6. New Business - continued

- D. First Consideration – Dockless Bike/Micro Mobility Ordinance
- E. Second Consideration – Ordinance #656 – Therapeutic Massage Licensing, Permitting and Regulation and Approve Summary of Ordinance for Publication
- G. Second Consideration – Ordinance #657 – Amending Salaries of Mayor and Council Members Council Salary
- H. Approve Elected Official Out-of-State Travel
- I. Review of Council Calendar
- J. Mayor and Council Communications

7. Adjournment



This document is available in alternate formats upon a 72-hour request. Please call 763-593-8006 (TTY: 763-593-3968) to make a request. Examples of alternate formats may include large print, electronic, Braille, audiocassette, etc.



DRAFT

City Council

REGULAR MEETING AGENDA

Apr 2, 2019 – 6:30 pm
Council Chambers
Golden Valley City Hall
7800 Golden Valley Road

1. Call to Order

- A. Pledge of Allegiance
- B. Roll Call
- C. Proclamation for the 50th Anniversary of the Golden Valley Federated Women's Club

Pages

2. Additions and Corrections to Agenda

3. Consent Agenda

Approval of Consent Agenda - All items listed under this heading are considered to be routine by the City Council and will be enacted by one motion. There will be no discussion of these items unless a Council Member so requests in which event the item will be removed from the general order of business and considered in its normal sequence on the agenda.

- A. Approval of Minutes:
 - 1. City Council Meeting – March 19, 2019
- B. Approval of City Check Register
- C. Licenses:
 - 1.
- D. Minutes of Boards and Commissions:
 - 1.
- E. Bids and Quotes:
 - 1.
- F.

4. Public Hearing

- A. Public Hearing – CUP – American Rug Laundry – 8043 Lewis Rd

5. Old Business

6. New Business

All Ordinances listed under this heading are eligible for public input.

- A. Second Consideration – Small Cell/ROW Ordinance
- B. Second Consideration – Dockless Bike/Micro Mobility Ordinance
- C. Review of Council Calendar
- D. Mayor and Council Communications

7. Adjournment



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City Council/Manager

Apr 9, 2019 – 6:30 pm
Council Conference Room
Golden Valley City Hall
7800 Golden Valley Road

REGULAR MEETING AGENDA

Pages

1. Commission Annual Report and Work Plan:
 - a. Planning Commission
 - b. Board of Zoning Appeals
2. Downtown Study Scope/Update
3. Discussion of Garbage Hauling
4. 2018 Positive Performance Appropriation
5. Council Review of Future Draft Agendas: City Council April 16, City Council May 7 and Council/Manager May 14, 2019

Council/Manager meetings have an informal, discussion-style format and are designed for the Council to obtain background information, consider policy alternatives, and provide general directions to staff. No formal actions are taken at these meetings. The public is invited to attend Council/Manager meetings and listen to the discussion; public participation is allowed by invitation of the City Council.



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